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If you have sold or transferred all your shares in Shanghai Fudan Microelectronics Group 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.



**FUDAN
MICRO**

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)

- (1) WORK REPORT OF THE BOARD OF 2022
- (2) WORK REPORT OF THE SUPERVISORY COMMITTEE OF 2022
- (3) FINAL ACCOUNT REPORT OF 2022
- (4) ANNUAL REPORT OF 2022
- (5) PROFIT DISTRIBUTION PLAN OF 2022
- (6) RE-APPOINTMENT OF OVERSEAS AND DOMESTIC AUDITOR AND
INTERNAL CONTROL AUDITOR OF 2023
- (7) REMUNERATION OF DIRECTORS AND SUPERVISORS OF 2023
- (8) PURCHASE OF LIABILITY INSURANCE FOR DIRECTORS,
SUPERVISORS AND SENIOR MANAGEMENT
- (9) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION
- (10) PROPOSED AMENDMENTS TO CORPORATE GOVERNANCE RULES
- (11) GENERAL MANDATE TO ISSUE ADDITIONAL A SHARES AND/
OR H SHARES
- (12) PROPOSAL OF UTILISATION OF THE SURPLUS FUNDS RAISED FROM
THE A SHARE OFFERING FOR PERMANENT REPLENISHMENT OF
WORKING CAPITAL
AND
- (13) NOTICE OF ANNUAL GENERAL MEETING

Notice convening the AGM to be held at Conference Room, Building 4, Fudan National University Science and Technology Park, 127 Guotai Road, Shanghai, the People's Republic of China on Friday, 2 June 2023 are set out on pages AGM-1 to AGM-2 of this circular.

Form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.fmsh.com.cn). Whether or not you are able to attend and/or vote at the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible but in any event not less than 24 hours before the time appointed for convening the AGM.

25 April 2023

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DEFINITIONS

“AGM”	the annual general meeting of the Company to be held at Conference Room, Building 4, Fudan National University Science and Technology Park, 127 Guotai Road, Shanghai, the PRC on Friday, 2 June 2023 at 10:00 a.m.
“A Share(s)”	the ordinary share(s) of nominal value of RMB0.10 each of the Company which are subscribed for and traded in RMB which are listed on the Sci-Tech Innovation Board of Shanghai Stock Exchange
“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 A shares are listed on the Sci-Tech Innovation Board and H shares are listed on the main board of the Stock Exchange
“Company Law”	the Company Law of the People’s Republic of China
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Directors”	the director(s) of the Company
“Domestic Share(s)”	domestic share(s) of nominal value of RMB0.10 each in the capital of the Company which are subscribed for in RMB
“General Mandate”	the proposed general mandate to be granted to the Directors at the AGM to permit the allotment and issue of new Shares in the Company of up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution granting such mandate
“H Share(s)”	foreign invested share(s) of nominal value of RMB0.10 each in the capital of the Company which are listed on main board of the Stock Exchange and subscribed for in HK\$
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	21 April 2023 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“SFO”	The Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong
“Sci-Tech Innovation Board”	The Sci-Tech Innovation Board of the Shanghai Stock Exchange
“Share(s)”	A Shares and H Shares
“Shareholder(s)”	registered holder(s) of the Shares
“Shanghai Stock Exchange”	the Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisor committee of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“%”	Percent

** For identification purpose only*

LETTER FROM THE BOARD



FUDAN
MICRO

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)

Executive Directors:

Mr. Jiang Guoxing (*Chairman*)

Mr. Shi Lei (*Managing Director*)

Mr. Yu Jun (*Deputy Managing Director*)

Ms. Cheng Junxia

Non-executive Directors:

Ms. Zhang Qianling

Mr. Wu Ping

Ms. Liu Huayan

Mr. Sun Zheng

Independent Non-executive Directors:

Mr. Cao Zhongyong

Mr. Cai Mingyong

Mr. Wang Pin

Ms. Zou Fuwen

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 6, 5/F., East Ocean Centre

98 Granville Road

Tsimshatsui East

Kowloon

Hong Kong

Dear Sir or Madam:

* For identification purpose only

LETTER FROM THE BOARD

- (1) WORK REPORT OF THE BOARD OF 2022**
- (2) WORK REPORT OF THE SUPERVISORY COMMITTEE OF 2022**
- (3) FINAL ACCOUNT REPORT OF 2022**
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SUPERVISORS AND SENIOR MANAGEMENT**
- (9) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION**
- (10) PROPOSED AMENDMENTS TO CORPORATE GOVERNANCE RULES**
- (11) GENERAL MANDATE TO ISSUE ADDITIONAL A SHARES AND/
OR H SHARES**
- (12) PROPOSAL OF UTILISATION OF THE SURPLUS FUNDS RAISED FROM
THE A SHARE OFFERING FOR PERMANENT REPLENISHMENT OF
WORKING CAPITAL
AND**
- (13) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with further information regarding the resolutions to be proposed at the forthcoming AGM.

At the AGM, resolutions will be proposed to consider approve, among others:

- (1) work report of the Board of 2022;
- (2) work report of the Supervisory Committee of 2022;
- (3) final account report of 2022;
- (4) annual report of 2022;
- (5) profit distribution plan of 2022;
- (6) re-appointment of overseas and domestic auditor and internal control Auditor of 2023;
- (7) remuneration of Directors and Supervisors of 2023;
- (8) purchase of liability insurance for Directors, Supervisors and senior management;

LETTER FROM THE BOARD

- (9) amendments to articles of association;
- (10) amendments to corporate governance rules;
- (11) general mandate to issue additional A Shares and/or H Shares;
- (12) utilization of the surplus funds raised from the A Share Offering for permanent replenishment of working capital; and
- (13) to give you notice of AGM.

Details of the Resolutions:

(1) Work Report of the Board of 2022

An ordinary resolution will be proposed at the AGM to pass the Work Report of the Board of 2022. Full text of the Work Report of the Board of 2022 to be passed is set out in Appendix I to this circular.

(2) Work Report of the Supervisory Committee of 2022

An ordinary resolution will be proposed at the AGM to pass the Work Report of the Supervisory Committee of 2022. Please refer to the section headed “Report of the Supervisory Committee” of the 2022 Annual Report of the Company for full text of the Work Report of the Supervisory Committee of 2022 to be passed.

(3) Final Account Report of 2022

An ordinary resolution will be proposed at the AGM to pass the Final Account Report of 2022. Full text of the Final Account Report of 2022 to be passed is set out in Appendix 2 to this circular.

(4) Annual report of 2022

Pursuant to the requirements according to the appropriate laws and provisions of the Company Law, the “Guidelines for the Standards for the Content and Form of Information Disclosure by Companies Publicly Offering Securities No. 2 – Content and Form of Annual Reports (Revised in 2021)” released by the CSRC (collectively referred to as the “Standards of Annual Reports”), the Rules for the Listing of Stocks on the Sci-Tech Innovation Board of the Shanghai Stock Exchange (Revised in December 2020) and the Listing Rules, the preparation of the Annual Report of 2022 and its summary was completed and consists of audited financial statements of 2022 and the auditor’s report. An ordinary resolution will be proposed at the AGM to pass the Annual Report of 2022.

LETTER FROM THE BOARD

(5) Profit Distribution Plan of 2022

The net profit attributable to shareholders of the parent company of 2022 amounted to RMB1,076,843,340.68 and the Company's reserves available for distribution at 31 December 2022 amounted to RMB2,585,585,605.81. The Company will base on the total share capital of the Company on the record date for 2022 dividend distribution. The profit distribution proposal is as follows:

The Company proposed a cash final dividend of RMB1.35 (tax inclusive) for every 10 shares, based on total share capital of 816,656,500 shares in issue as at 31 December 2022, or a total proposed cash final dividend of RMB110,248,627.50 (tax inclusive) will be distributed and the cash final dividend represents 10.24% of the net profit attributable to shareholders of the parent company of 2022. This profit distribution will not carry out any distribution by way of bonus shares or conversion of capital surplus into share capital.

Final dividend will be declared and calculated in RMB, dividend for holders of A Shares will be paid in RMB whereas dividend for holders of H Shares will be paid in Hong Kong dollars. The exchange rate of cash dividend for converting RMB into Hong Kong Dollars shall be determined by the rate of average benchmark exchange rate of RMB against HKD published by the People's Bank of China five business days before the date declaring the distribution of dividend.

The aforementioned 2022 distribution plan was considered and approved at the Board meeting held on 21 March 2023 and will be put forward for approval at the AGM. Upon approval at the AGM, the Company expects to implement the distribution plan within 60 days after the AGM. The Company will publish further announcement on the arrangements for the distribution of the final dividend, including the record date for distribution of the dividend, the closure of the register of members and other relevant matters.

(6) Re-Appointment of Overseas and Domestic Auditor and internal control Auditor of 2023

Ernst & Young Hua Ming LLP ("Ernst & Young HM") is the Company's PRC auditor for 2022 and audited the Company's financial statements of 2022 in accordance with the PRC Accounting Standards for Enterprises; and also undertook the role of overseas auditor in accordance with the Listing Rules. During the term of office as auditor of the Company, Ernst & Young HM discharged their duties in accordance with the requirements under laws and regulations as well as professional standards of independence, and impartiality presented their independent audit opinion, and also implemented works according to the provisions of the business contract.

In order to maintain the continuity and stability of the external audit of the Company, the Board proposed to re-appoint Ernst & Young HM as the overseas and domestic auditor of the Company and to provide audit services on internal control for 2023 for a term of one year, and also propose at the AGM to authorize the Board to determine with Ernst & Young HM for the fees on the relevant audit and execute the relevant business contract.

LETTER FROM THE BOARD

(7) Remuneration of Directors and Supervisors of 2023

I. Remuneration of Directors and Supervisors of 2023

1. Executive Directors: directors' remuneration are determined in connection with their management positions and duties in the Company, remuneration comprise of fixed salaries and floating target;
2. Non-executive Directors: not entitled to any directors' remuneration;
3. In compliance with the regulatory provisions, the current Independent Non-executive Directors are entitled to an annual allowance of RMB200,000 (before tax);
4. Supervisors: the employee representative Supervisor is remunerated in according to her management position in the Company and performance appraisal, and no further Supervisor's allowance will be entitled. The Supervisors, Mr. Ren Junyan is entitled to an annual allowance of RMB200,000 (before tax) and Ms. Tang Xiaojie is not entitled to any Supervisor's allowance.

II. Others

1. Directors' remuneration and Supervisor's allowance are paid monthly;
2. The Company shall withhold and pay individual income tax in respect of the aforesaid remuneration and allowance on their behalf;
3. In the case of resignation due to expiry of board session, re-election and resignation during term of office, the Directors and Supervisors will be entitled to remuneration or allowance in accordance with actual term in office;
4. Pursuant to the "Rules for Independent Directors of Listed Companies" issued by the CSRC, the Company is responsible for the fees of professionals engaged by the Independent Non-executive Directors and imbursement of any expenses incurred for fulfilling their duties.

The above resolution was abstained from voting by all Directors at the meetings of the Board on 21 March 2023 and is now presented to the AGM for approval.

(8) Purchase of Liability Insurance for Directors, Supervisors and Senior Management

Pursuant to the requirements under the provisions of the "Code of Corporate Governance" released by the CSRS, directors, supervisors and senior management should be covered with liability insurance. The Company will renew the insurance cover for a term of one year with extension to cover liabilities in respect of both the listings of H Shares and A Shares with a renewal premium not exceeding HK\$200,000.

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(9) Proposed Amendments to Articles of Association

In order to reflect the changes of Company Law, Law of the People's Republic of China on Securities, Guidelines on the Articles of Association of Listed Companies, Listing Rules and other relevant regulations; in order to further improve the corporate governance structure and better promote the standardized operation of the Company; in conjunction with the actual situation such as the change in share capital after the implementation of the A Share Restricted Share Incentive Scheme of the Company, the Board has proposed to make certain amendments to Articles of Association (the “Proposed Amendments”). The details of relevant Proposed Amendments are set out in the Appendix 3 to this circular.

The Proposed Amendments are subject to the approval of the Shareholders by way of a special resolution at the AGM and the obtaining of any required approval or endorsement from, or registration with, the relevant regulatory authorities.

(10) Proposed Amendments to Corporate Governance Rules

As a result of the Proposed Amendments to the Articles of Association, the Board proposes to make corresponding amendments to the corporate governance rules in order to ensure the standardized operation rules. Details of the following four corporate governance rules proposed to be amended are set out in Appendix 4 to 7 of this circular:

- (i) Rules for management of external guarantee (Appendix 4);
- (ii) Rules for procedures of the general meetings (Appendix 5);
- (iii) Rules for procedures of the board of directors (Appendix 6); and
- (iv) Rules for procedures of independent directors (Appendix 7).

(11) General Mandate to Issue Additional A Shares and/or H Shares

Pursuant to the requirements of the Listing Rules and the Article of Association, and in order to grasp market opportunities, ensure flexibility in issuing new shares and in line with the A+H listed company practices, the Board proposes to approve the grant of a general mandate to the Board by a special resolution at the AGM to authorize the Board to decide to, subject to market condition and the needs of the Company, separately or concurrently issue, allot and deal with new shares not exceeding 20% of the respective amount of A shares and/or H shares in issue at the date of the passing of such resolution at the AGM.

The proposed grant is according to usual practice of A+H shares companies, as of the date of this circular, the Board has no existing plan for issuing new shares pursuant to the general mandate.

LETTER FROM THE BOARD

Details of the General Mandate

The general mandate includes but not limited to:

1. Granting of an unconditional and general mandate to the Board (or the director(s) authorized by the Board) to, subject to market condition and the needs of the Company, separately or concurrently issue, allot and deal with additional shares in the share capital of the issued A shares and H shares and make or grant offers, agreements, or options in relation to such Shares during the relevant period (as defined below).
2. The aggregate nominal value of the A shares and/or H shares to be conditionally or unconditionally allotted by the Board (whether pursuant to the exercise of options or otherwise) shall not exceed:
 - i) 20% of the aggregate nominal value of the existing A shares issued as at the date of the passing of this resolution at the AGM; and/or
 - ii) 20% of the aggregate nominal value of the existing H shares issued as at the date of the passing of this resolution at the AGM.
3. The Board be authorized to, when exercising its power under the general mandate, formulate and implement a detailed issuance plan, including but not limited to the class of the new shares to be issued, pricing mechanism and/or issuance price (including price range), number of shares to be issued, allottees and use of proceeds, time of issuance, period of issuance and whether to place shares to existing Shareholders.
4. The Board be authorized to engage intermediate agencies for share issuance related matters, and to approve and execute all acts, deeds, documents or other matters necessary, appropriate, desirable or associated with the share issuances; approve and execute, on behalf of the Company, agreements related to share issuance, including but not limited to placing and underwriting agreement and engagement agreements of intermediate agencies.
5. The Board be authorized to approve and execute, on behalf of the Company, statutory documents in relation to share issuance to be submitted to regulatory authorities, to carry out relevant approval procedures as required by regulatory authorities and venues in which the Company is listed, and to complete all necessary filings, registrations and records with the relevant governmental authorities of Hong Kong and/or any other regions and jurisdictions (if applicable).
6. The Board be authorized to amend, as required by regulatory authorities within or outside the PRC, agreements and statutory documents referred to in (4) and (5) above.
7. The Board be authorized to increase the registered capital of the Company after share issuance, and to make corresponding amendments to the Articles of Association relating to the aggregate share capital and shareholdings, etc. and the Board be authorized to carry out the relevant procedures.

LETTER FROM THE BOARD

Validity Period of the General Mandate

The exercising of the mandate referred to above shall only be valid in the Relevant Period, except if the Board has made or granted offers, agreements or options during the Relevant Period in relation to the issuance of A shares and/or H shares, which may require further promotion or implementation after the Relevant Period. The “**Relevant Period**” refers to the period from the passing of this resolution as a special resolution at the AGM until whichever is the earliest of:

1. the conclusion of the 2023 annual general meeting of the Company;
2. the expiration of the 12-month period following the passing of this resolution as a special resolution at the AGM; and
3. the revocation or variation of the authority under this resolution by passing of a special resolution at a general meeting of the Company.

The exercising of the power granted under the abovementioned general mandate by the Board is subject to all the necessary approvals of the CSRC and/or the relevant authorities of the PRC and in accordance with the Company Law and the relevant requirements under the Listing Rules.

At the same time, if the above resolution is passed at the AGM and unless otherwise required by applicable laws, the Board is authorized to sign, execute, modify, complete, and submit all agreements, contracts and documents relating to the allotment, issuance and disposal of shares under the General Mandate.

The above resolution was considered and approved by the Board on 21 March 2023, and is hereby submitted to the AGM for its consideration and approval.

(12) Proposal of utilization of the surplus funds raised from the A Share Offering for permanent replenishment of working capital

As approved by the document “Approval in Relation to Registration of the Initial Public Offering of Shanghai Fudan Microelectronics Group Company Limited.” (CSRC Approval 2021 No. 1874) granted by the CSRC, the Company was permitted to issue 120,000,000 A Shares at an issue price of RMB6.23 per share. The total amount of proceeds from the A Share Offering amounted to RMB747,600,000. The net proceeds have been fully received and verified by Pan-China Certified Public Accountants LLP, which has issued the Capital Verification report (Pan-China Verification (2021) No. 6-70). For the protection of investors, the proceeds are all held in a specialized bank account of the Company.

The net amount of funds raised from the A Share Offering is approximately RMB680,283,000. Since the amount of funds to be raised from the A Share Offering was originally estimated to be RMB600,000,000, the actual funds raised by the Company exceed the original estimate by approximately RMB80,283,000 (the “Surplus Funds”). The Company has approved the proposed

LETTER FROM THE BOARD

utilization of RMB24,000,000 of the Surplus Funds for permanent replenishment of working capital by way of poll at the extraordinary general meeting held on 5 November 2021. As at the Latest Practicable Date, the balance of unutilised Surplus Funds amounted to RMB56,283,000.

In order to meet the Company's liquidity requirements, use the funds raised more effectively and reduce the financial costs, under the pre-condition that the capital requirements of the fund-raising projects and the normal implementation of the fund-raising projects are guaranteed, which pursuant to the “Regulatory Guidance for Listed Companies No. 2 – Regulatory Requirements for the Administration and Use of Proceeds of the Listed Companies”, the “Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange”, the “Guideline No. 1 on the Application of the Rules Governing the Self-Regulation of Listed Companies on the Shanghai Stock Exchange - Regulation of Operations”, relevant regulations, regulatory documents and the relevant rules of the Company's Fund Raising Management System, the Company intends to utilize RMB24,000,000 of the Surplus Funds for the permanent replenishment of working capital.

The Company undertakes that the aggregate amount of A Shares Surplus Funds intends for the replenishment of working capital within every twelve months will not exceed 30% of the A Shares Surplus Funds; the fund to be utilized will not affect the capital requirements of the projects in which the proceeds are intended to be used and will be used for the Company's operating activities in relation to its principal activities; and it will not carry out any high-risk investment or provide financial assistance for third-party entities, within twelve months following the approval of the utilization of Surplus Funds.

(13) Annual General Meeting

A notice convening the AGM is set out in pages AGM-1 to AGM-2 to this circular.

All of the resolutions set out in the notice of AGM will be voted by poll.

Under Rule 14A.36 of the Listing Rules, any shareholder who has a material interest in the transaction must abstain from voting on the resolution. As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, no Shareholder is required to abstain from voting on any resolution to be proposed at the AGM.

(14) Closure Of Register Of Members

For the purpose of AGM, the Register of Members of H Shares of the Company will be closed from 29 May 2023 to 2 June 2023 (both days inclusive) and during which no transfer of H Shares will be effected.

For holders of H shares whose names appear on the Register of Members of the Company as at 2 June 2023 shall be entitled to attend the AGM. To be qualified to attend the AGM, all transfers of H Shares accompanied by the relevant share certificates must be lodged at the Company's Share Registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 25 May 2023.

LETTER FROM THE BOARD

(15) Recommendation

The Directors consider that the above proposals are in the best interests of the Company and its shareholders and, accordingly, recommend that all Shareholders to vote in favour of the above proposed resolutions in the AGM.

(16) Responsibility Statement

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable inquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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

Shanghai, the PRC, 25 April 2023

** For identification purpose only*

WORK REPORT OF THE BOARD OF 2022

In 2022, the Board of Directors of Shanghai Fudan Microelectronics Group Company Limited (the “Company” or “Fudan Microelectronics”) earnestly performed the duties of the Board of Directors granted by shareholders, and carried out various tasks diligently and responsibly in strict accordance with provisions of the Company Law, the Securities Law, the Rules Governing the Listing of Stock on STAR Market of Shanghai Stock Exchange (the “STAR Market Listing Rules”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Articles of Association, the Rules of Procedures of the Board of Directors and other relevant laws and regulations, regulatory documents and corporate rules, which promoted sustainable, healthy and stable development of the Company. The major work of the Board in 2022 is hereby reported below:

I. MAJOR OPERATIONS OF THE COMPANY IN 2022

In 2022, the Company’s revenue was approximately RMB3,539 million, an increase of 37.31% over the same period of last year; the net profit attributable to shareholders of the listed company was approximately RMB1,077 million, an increase of 109.31% over the same period of last year; the net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses for the current period was approximately RMB1,019 million, an increase of 129.49% over the same period of last year.

II. DAILY WORK OF THE BOARD IN 2022

(I) Convening of general meetings and implementation of resolutions of general meetings by the Board

In 2022, the Board of the Company held and convened one general meetings in total. The meeting was held as follows::

Session of meeting	Date of meeting	Query index of the designated website publishing the resolutions	Date of publishing the resolutions	Meeting resolution
2021 annual general meeting	2 June 2022	www.sse.com.cn www.hkex.com.hk	2 June 2022	Note 1 for details

Note 1:

All ordinary resolutions at the 2021 annual general meeting were passed:

1. Resolution related to the work report of the Board of 2021
2. Resolution related to the work report of the Supervisory Committee of 2021
3. Resolution related to the final account report of 2021

4. Resolution related to the annual report of 2021
5. Resolution related to the profit distribution plan of 2021
6. Resolution related to the re-appointment of overseas and domestic auditor of 2022
7. Resolution related to the remuneration of Directors and Supervisors of 2022
8. Resolution related to the purchase of liability insurance for Directors, Supervisors and Senior Management
- 9.1 Resolution related to the election of Mr. Jiang Guoxing as Executive Director for the Ninth Session of the Board
- 9.2 Resolution related to the election of Mr. Shi Lei as Executive Director for the Ninth Session of the Board
- 9.3 Resolution related to the election of Mr. Yu Jun as Executive Director for the Ninth Session of the Board
- 9.4 Resolution related to the election of Ms. Cheng Junxia as Executive Director for the Ninth Session of the Board
- 10.1 Resolution related to the election of Ms. Zhang Qianling as Non-executive Director for the Ninth Session of the Board
- 10.2 Resolution related to the election of Mr. Wu Ping as Non-executive Director for the Ninth Session of the Board
- 10.3 Resolution related to the election of Ms. Liu Huayan as Non-executive Director for the Ninth Session of the Board
- 10.4 Resolution related to the election of Mr. Sun Zheng as Non-executive Director for the Ninth Session of the Board
- 11.1 Resolution related to the election of Mr. Cao Zhongyong as Independent Non-executive Director for the Ninth Session of the Board
- 11.2 Resolution related to the election of Mr. Cai Minyong as Independent Non-executive Director for the Ninth Session of the Board
- 11.3 Resolution related to the election of Mr. Wang Pin as Independent Non-executive Director for the Ninth Session of the Board
- 11.4 Resolution related to the election of Ms. Zou Fuwen as Independent Non-executive Director for the Ninth Session of the Board
- 12.1 Resolution related to the election of Mr. Ren Junyan as Non-staff Supervisor for the Ninth Session of the Supervisory Committee
- 12.2 Resolution related to the election of Ms. Tang Xiaojie as Non-staff Supervisor for the Ninth Session of the Supervisory Committee

All special resolutions at the 2021 annual general meeting were passed:

13. General Mandate to Issue additional Shares

(II) Convening of Board Meetings

During the reporting period, the Company promoted the work of the Board in a standardized, efficient and pragmatic manner in accordance with the relevant provisions of laws and regulations, regulatory documents and the Articles of Association and the Rules of Procedure of the Board, and continuously improved standardized operation and scientific decision-making of the Board of the Company. The Board of the Company comprises twelve Directors, including four independent non-executive Directors. The number and composition of the Board meet the requirements of laws and regulations.

During the reporting period, the Company convened ten Board meetings in total, and the methods of convening, procedures, voting methods and resolutions of each Board meeting were in compliance with the relevant laws, regulations, the Articles of Association and the Rules of Procedure of the Board. All Directors performed their duties and obligations diligently and dutifully in accordance with laws and regulations and the Articles of Association. The meetings of the Board were held as follows:

Session of meeting	Date of meeting	Meeting resolution
31st meeting of the 8th session of the Board	2022.01.26	See notes
32nd meeting of the 8th session of the Board	2022.03.18	
33rd meeting of the 8th session of the Board	2022.04.26	
34th meeting of the 8th session of the Board	2022.04.29	
1st meeting of the 9th session of the Board	2022.06.02	
2nd meeting of the 9th session of the Board	2022.07.04	
3rd meeting of the 9th session of the Board	2022.07.24	
4th meeting of the 9th session of the Board	2022.08.15	
5th meeting of the 9th session of the Board	2022.10.28	
6th meeting of the 9th session of the Board	2022.12.07	

Note:

The following resolution was considered and passed at the 31st meeting of the 8th session of the Board:

1. Resolution related to the acquisition of office premises

The following resolutions were considered and passed at the 32nd meeting of the 8th session of the Board:

1. Resolution related to the work report of the Board of 2021
2. Resolution related to the work report of the Supervisory Committee of 2021
3. Resolution related to the final account report of 2021
4. Resolution related to the annual report of 2021
5. Resolution related to the internal control evaluation report of 2021

6. Resolution related to the environmental, social and governance Report of 2021
7. Resolution related to the profit distribution plan of 2021
8. Resolution related to the special report on the deposit and use of funds raised in 2021
9. Resolution related to the re-appointment of overseas and domestic auditor of 2022
10. Resolution related to the remuneration of Directors and Supervisors of 2022
11. Resolution related to the remuneration of senior management of 2022
12. Resolution related to the purchase of liability insurance for Directors, Supervisors and Senior Management
13. Resolution related to the application for the consolidated credit facility for 2022
14. Resolution related to the election of the Board of Directors of the Company and nomination of Executive Directors for the Ninth Session of the Board
15. Resolution related to the election of the Board of Directors of the Company and nomination of Non-executive Directors for the Ninth Session of the Board
16. Resolution related to the election of the Board of Directors of the Company and nomination of Independent Non-executive Directors for the Ninth Session of the Board
17. Resolution related to the proposal to convene the 2021 Annual General Meeting

Matters to be considered under the Hong Kong Listing Rules

1. consider the confirmation of the shareholding registration date for Shares listed in Hong Kong and confirm 2 June 2022 as the shareholding registration date
2. consider the confirmation of the closure of register of members and confirm the register of members of H Shares of the Company will be closed from 27 May 2022 to 2 June 2022 (both days inclusive)
3. Circular to shareholders (H Shares only)
4. Proposed change in board lot size, which adjusted from 2,000 to 1,000 shares per board lot for Shares listed in Hong Kong
5. Confirmation of continuing connected transactions for the 2021 reporting period in accordance with the Hong Kong Listing Rules
6. Resolution related to the general mandate to issue additional A Shares and/or H Shares

The following resolution was considered and passed at the 33rd meeting of the 8th session of the Board:

1. Resolution related to the first quarterly report of 2022

Matters to be considered under the Hong Kong Listing Rules:

Adjustments to the closure of the register of members

The following resolutions were considered and passed at the 34th meeting of the 8th session of the Board:

1. Change of Company Secretary for Shares listed in Hong Kong
2. HKEX Electronic Submission System
3. Waiver of time limit for notification of this board meeting

The following resolutions were considered and passed at the 1st meeting of the 9th session of the Board:

1. Resolution related to the election of the chairman of the 9th session of the Board of the Company
2. Resolution related to the composition of the specialized committees of the 9th session of the Board of the Company
3. Resolution related to the appointment of the Company's manager
4. Resolution related to the appointment of the Company's senior management
5. Resolution related to the appointment of the Company's secretary of the Board
6. Resolution related to the appointment of the securities representative of the Company

The following resolution was considered and passed at the 2nd meeting of the 9th session of the Board:

1. Resolution related to the external investment and connected transaction

The following resolution was considered and passed at the 3rd meeting of the 9th session of the Board:

1. Resolution related to the specific plan for the application for public offering and listing on the Beijing Stock Exchange by a subsidiary, Sino IC.

The following resolutions were considered and passed at the 4th meeting of the 9th session of the Board:

1. Resolution related to the 2022 interim report and summary
2. Resolution related to the use of own funds for cash management
3. Resolution related to the use of temporarily idle proceeds for fund management
4. Resolution related to the interim report on the deposit and actual use of funds raised for the Half Year 2022

Resolutions related to H Shares:

1. Change of authorized person under the agency agreement with Bank of China (Hong Kong) Trustee Limited: Mr. Li Wing Sum, Steven, is cancelled as authorized person under the agency agreement and Mr. Chong Hing Cheong, the current Company Secretary, is added as authorized person
2. Interim dividend: for the 6 months ended 30 June 2022, no interim dividend will be declared

The following resolutions were considered and passed at the 5th meeting of the 9th session of the Board:

1. Resolution related to the third quarterly report of 2022

2. Resolution related to the adjustment of the grant price of the 2021 restricted share incentive scheme
3. Resolution related to the granting of restricted shares to incentive persons
4. Resolution related to the provision for impairment of assets
5. Resolution related to the technical services contract and connected transaction with Fudan University

The following resolutions were considered and passed at the 6th meeting of the 9th session of the Board:

1. Resolution related to the cancellation of some of the restricted shares granted that have not yet vested
2. Resolution related to the satisfaction with the vesting conditions for the first vesting period of the first grant portion of the Company's 2021 restricted share incentive scheme

(III) Performance of Duties of Directors

Name of director	Independent directors or not	No. of board meetings required to attend	Attendance of board meeting				Failure to attend the meeting in person on two consecutive occasions	General meetings attendance
			Attendance in person	Attendance by telecommunication	Times of attendance by proxy	Absences		
Jiang Guoxing	No	10	10	6	0	0	No	1
Shi Lei	No	10	10	6	0	0	No	1
Yu Jun	No	10	10	7	0	0	No	1
Cheng Junxia	No	10	10	7	0	0	No	1
Zhang Qianling	No	10	10	10	0	0	No	1
Wu Ping	No	10	10	9	0	0	No	1
Liu Huayan	No	10	10	10	0	0	No	1
Sun Zheng	No	10	10	9	0	0	No	1
Cao Zhongyong	Yes	10	10	6	0	0	No	1
Cai Minyong	Yes	10	10	7	0	0	No	1
Wang Pin	Yes	10	10	6	0	0	No	1
Zou Fuwen (note 1)	Yes	6	6	3	0	0	No	0
Guo Li (note 2)	Yes	4	4	4	0	0	No	1

Note 1: Ms. Zou Fuwen has been appointed as independent non-executive director of the Company since 2 June 2022, during the period from 2 June to 31 December 2022, there were 6 Board meetings and 0 general meetings to be attended.

Note 2: Mr. Guo Li ceased to be an independent non-executive director of the Company with effect from 2 June 2022, during the period from 1 January to 2 June 2022, there were 4 Board meetings and 1 general meeting to be attended.

During the reporting period, no directors failed to attend board meetings for two consecutive times;

During the reporting period, the independent non-executive directors of the Company have no objection to the board resolutions or other resolutions of the Company for the year.

(iv) Performance of Duties of Special Committees under the Board

In accordance with the Company Law, the Guidelines for Corporate Governance of Listed Companies issued by China Securities Regulatory Commission, STAR Market Listing Rules and Hong Kong Listing Rules and other regulations, the Company has formulated the working rules of each special committee under the Board of Directors, and the establishment and composition, responsibilities and permissions, decision-making procedures and rules of procedures of each special committee are clearly stipulated. Details are as follows:

(1). Members of special committees under the Board

Special committee	Name of member
Audit Committee	Wang Pin (<i>Chairman</i>), Cai Minyong, Cao Zhongyong
Nomination Committee	Cai Minyong (<i>Chairman</i>), Cheng Junxia, Zou Fuwen
Remuneration and Evaluation Committee	Cai Minyong (<i>Chairman</i>), Cheng Junxia, Zou Fuwen
Strategic and Investment Committee	Cheng Junxia (<i>Chairman</i>), Jiang Guoxing, Shi Lei, Yu Jun, Cai Minyong
ESG Committee	Jiang Guoxing (<i>Chairman</i>), Cheng Junxia, Cao Zhongyong

(2). The Audit Committee held 5 meetings during the Reporting Period

Date of convention	Meeting content	Major opinions and suggestions
2022.03.18	2022 first meeting of the Audit Committee of the 8th session of the Board	<ol style="list-style-type: none"> audited consolidated results and report for the year ended 31 December 2021 preliminary results announcement for the year ending 31 December 2021 risk management and internal control systems all independent non-executive directors reviewed the execution of connected transactions for 2021 <p>The following matters have been examined in accordance with the relevant rules for A Shares and Shares listed in Hong Kong:</p> <ol style="list-style-type: none"> related to the Annual Report 2021 and its summary related to the final account report of 2021 related to the re-appointment of overseas and domestic auditor of 2022 related to the deposit and actual use of funds raised of 2021 related to the internal control self-evaluation report and internal control audit report 2021
2022.04.26	2022 second meeting of the Audit Committee of the 8th session of the Board	<ol style="list-style-type: none"> related to the expected daily minor connected transactions in 2022 related to the first quarterly report of 2022

Date of convention	Meeting content	Major opinions and suggestions
2022.08.15	2022 first meeting of the Audit Committee of the 9th session of the Board	1. unaudited consolidated results for the 6 months ended 30 June 2022 2. reporting of financial and internal control audit plan
2022.10.28	2022 second meeting of the Audit Committee of the 9th session of the Board	1. unaudited consolidated results for the 9 months ended 30 September 2022 2. Resolution related to the provision for impairment of assets
2022.11.17	2022 third meeting of the Audit Committee of the 9th session of the Board	1. audit plan and arrangements for 2022

(3). The Nomination Committee held 2 meetings during the Reporting Period

Date of convention	Meeting content	Major opinions and suggestions
2022.03.18	2022 first meeting of the Nomination Committee of the 8th session of the Board	1. review the structure, size and composition of the Board 2. assessing the independence of independent non-executive directors 3. replacement of the board of directors of the company and election of candidates for election as directors
2022.06.02	2022 first meeting of the Nomination Committee of the 9th session of the Board	1. related to the senior management candidates proposed for appointment to the 9th Session of the Board

(4). The Remuneration and Evaluation Committee held 3 meetings during the Reporting Period

Date of convention	Meeting content	Major opinions and suggestions
2022.03.18	2022 first meeting of the Remuneration and Evaluation Committee of the 8th session of the Board	1. implementation of remuneration/allowances for directors, supervisors and senior management of the Company for the year 2021 2. related to remuneration/allowance package for directors and supervisors for the year 2022 3. senior management remuneration package for 2022 4. related to the determination of the allowance for Ms. Zou Fuwen, an independent non-executive director candidate 5. review the terms of the contracts of appointment of executive and non-executive directors and the letters of appointment of independent non-executive directors
2022.10.28	2022 first meeting of the Remuneration and Evaluation Committee of the 9th session of the Board	1. related to the grant of restricted shares to incentive recipients and adjustment of the incentive price
2022.11.14	2022 second meeting of the Remuneration and Evaluation Committee of the 9th session of the Board	1. related to the vesting in 2022 of the first grant of the 2021 Restricted Share Incentive Scheme

(5). The Strategic and Investment Committee held 2 meetings during the Reporting Period

Date of convention	Meeting content	Major opinions and suggestions
2022.03.18	2022 first meeting of the Strategic and Investment Committee of the 8th session of the Board	1. review the results and operations of its current investments in associates and other investments for the year 2021
2022.07.04	2022 first meeting of the Strategic and Investment Committee of the 9th session of the Board	1. review the promotion of the corporatization of the Internet Innovation Division of the Company

(6). The ESG Committee held 1 meeting during the Reporting Period

Date of convention	Meeting content	Major opinions and suggestions
2022.03.18	2022 first meeting of the ESG Committee of the 8th session of the Board	1. review the 2021 ESG report

(v) Performance of Duties by Independent Non-executive Director

In 2022, the independent non-executive Directors of the Company performed their duties faithfully and diligently, actively attended relevant meetings, carefully reviewed various resolutions of the Board of Directors, and made objective and fair judgments and expressed independent opinions on the Company's financial reports, connected transactions, corporate governance, equity incentives, and replacement of directors and supervisors, which gave full play to the role of independent directors and safeguarded the overall interests of the Company and the interests of all shareholders.

(vi) Information Disclosure and Transparency

The Company disclosed relevant information in a true, accurate, complete, and timely manner in strict accordance with laws, regulations, Articles of Association and the listing rules of Shanghai and Hong Kong to offer equal access to information on the Company for all shareholders and other stakeholders.

(vii) Insiders Management

In accordance with the Registration and Management Rules for Insiders and other relevant Rules, the Company strives to keep insiders to a minimum, strengthens the confidentiality of insider information, and improves the registration and management of insiders. The directors, supervisors and senior management and other relevant personnel of the Company can strictly abide by the confidentiality obligations during the preparation of regular reports and temporary announcements and during the planning of major events.

III. WORK PLAN FOR THE YEAR 2023

In 2023, the Board of Directors and all Directors will continue to perform their duties and responsibilities diligently and give full play to their professional advantages for the development of the Company, with a focus on the following tasks:

1、Further improving corporate governance standards

The Board will continue to improve the standard of corporate governance, protect the legitimate rights and interests of investors, and adhere to the ensure the governance of the Company is in accordance with the law and taking into account the actual operating conditions of the Company.

2、Continue to support the management in strengthening and improving Fudan Microelectronics

To continue to pay attention to the development of the integrated circuit industry and support the management to continue to make good investments in research and development, market development and supply chain management, so as to consolidate and enhance the technological advantages of Fudan Microelectronics in the industry continuously and create better operating results.

3、Performing information disclosure duties

The board of directors of the Company will continue to conscientiously fulfill the obligation of information disclosure, strictly control the information disclosure, and effectively improve the Company's standardized operation and transparency strictly accordance with the relevant rules of Shanghai and Hong Kong and the requirements of the Articles of Association.

FINAL ACCOUNT REPORT OF 2022

The Company's financial statements for the year 2022 have been audited by Ernst & Young Hua Ming LLP, and an unqualified auditor's report (Ernst & Young HM (2023) Shen Zi No. 60469429_B01) was issued on 21 March 2023. During the year of 2022, the Company achieved revenue of RMB3,538.9089 million, representing a 37.31% increase compared with the same period of the previous year, and realized a net profit attributable to shareholders of the parent company of RMB1,076.8433 million, an increase of 109.31% over the same period of the previous year. The Company's final account report is as follows:

1. KEY FINANCIAL DATA AND INDICATORS

RMB'0,000			
Item	2022	2021	change (%)
Revenue	353,890.89	257,726.23	37.31
Operating profit	112,139.96	57,336.10	95.58
Comprehensive gross profit margin	64.67%	58.91%	Increased by 5.76 percentage points
Total profit	112,151.07	57,344.95	95.57
Net profit attributable to shareholders of the parent company	107,684.33	51,446.68	109.31
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	101,940.55	44,420.31	129.49
Basic earnings per share(RMB/Share)	1.32	0.69	91.30
Weighted average rate of return on net assets	28.48%	20.77%	Increased by 7.71 percentage points
Item	31 December 2022	31 December 2021	change (%)
Total assets	611,088.81	416,501.42	46.72
Net assets attributable to owners of the parent company	453,123.04	314,024.57	44.30
Net assets per share attributable to shareholders of the parent company (RMB/Share)	5.55	3.86	43.78

Notes: The above financial data and indicators were extracted from data of the consolidated financial statements.

2. ANALYSIS OF FINANCIAL STATUS

(1) Analysis of major assets

RMB'0,000

Item	31 December 2022	31 December 2021	change (%)
Cash at bank and on hand	119,082.83	80,164.72	48.55
Financial assets held for trading	8,016.80	39,094.81	-79.49
Notes receivable	25,214.41	37,236.36	-32.29
Accounts receivable	73,020.43	45,170.31	61.66
Receivable financing	8,170.84	—	N/A
Prepayments	47,470.22	8,436.29	462.69
Inventories	148,326.45	91,608.31	61.91
Long-term equity investments	4,250.89	7,550.88	-43.70
Construction in progress	19,377.64	5,468.94	254.32
Development costs	31,652.17	17,272.81	83.25
Other non-current assets	18,281.72	3,192.28	472.68
Total assets	611,088.81	416,501.42	46.72

Notes: The above financial data and indicators were extracted from data of the consolidated financial statements.

Analysis of major changes:

- 1) **Cash at bank and on hand:** The increase of 48.55% over the last year was mainly due to the funds raised from the public offering of shares of a subsidiary, Sino IC, on the Beijing Stock Exchange during the reporting period.
- 2) **Financial assets held for trading:** The decrease of 79.49% over the last year was mainly due to non-renewal of some structured deposits upon maturity for the consideration of operating cashflow.
- 3) **Notes receivable:** The decrease of 32.29% over the last year was mainly due to discounting of certain bank acceptance bills and transfer of endorsements for the consideration of operating cashflow.
- 4) **Accounts receivable:** The increase of 61.66% over the last year was mainly due to the increase in the scale of revenue and the corresponding increase in accounts receivable.

- 5) **Receivable financing:** The significant increase over the last year was mainly due to the discounting of bank acceptance bills and the reclassification of some notes receivable accounts to receivable financing.
- 6) **Prepayments:** The significant increase over the last year was mainly due to the expansion of the Company's operations, the structural tightness of the upstream supply chain, the demand for certain products remained strong which resulting in increased prepayments to suppliers to guarantee production capacity.
- 7) **Inventories:** The increase of 61.91% over the last year was mainly due to the differentiated demand in the downstream application markets of the products, with demand for some products remaining strong. Due to structural tightness in the upstream supply chain, there was increase of inventories to meet customer demand; and the increase in inventories due to sluggish demand in the downstream markets of products such as storage devices.
- 8) **Long-term equity investments:** The decrease of 43.7% over the last year was mainly due to the operating loss of the associate, Fukong Hualong, for the year and the provision for impairment of long term equity investment.
- 9) **Construction in progress:** The increase of 254.32% over the last year was mainly due to the expansion of the scale of operation of the testing business and the purchase of testing equipment but not yet completion of installation of a subsidiary.
- 10) **Development costs:** The increase of 83.25% over the last year was mainly due to the increase in expenditure as the Company continued to increase its investment in research and development, as well as the upgrading of the process of productised research and development projects.
- 11) **Other non-current assets:** The increase of 472.68% over the last year was mainly due to the expansion of the scale of operation of a subsidiary, Sino IC, and also the prepayment for new plants, testing equipment and staff quarters.

(2) Analysis of major liabilities

RMB'0,000

Item	31 December 2022	31 December 2021	change (%)
Short-term borrowings	5,400.00	10.00	53,900.00
Contract liabilities	21,040.23	12,627.48	66.62
Other payables	7,233.56	3,116.36	132.12
Current portion of non-current liabilities	1,518.14	4,483.29	-66.14
Long-term borrowings	–	1,820.00	-100.00
Deferred income	1,654.81	2,421.56	-31.66
Total liabilities	95,771.87	79,811.16	20.00

Notes: The above financial data and indicators were extracted from data of the consolidated financial statements.

Analysis of major changes:

- 1) **Short-term borrowings:** The significant increase over the last year was mainly due to there was addition of short-term bank loans for operation.
- 2) **Contract liabilities:** The increase of 66.62% over the last year was mainly due to the expansion of the Company's business scale which resulted in some customers making prepayments for the Company's production capacity.
- 3) **Other payables:** The increase of 132.12% over the last year was mainly due to the increase in payables for the purchase of testing equipment and outsourced software as a result of the expanded scale of operations.
- 4) **Current portion of non-current liabilities:** The decrease of 66.14% over the last year was mainly due to the repayment of long term loans due within one year.
- 5) **Long-term borrowings:** The significant change over the last year is mainly due to the repayment of long term loans by the Company.
- 6) **Deferred income:** The decrease of 31.66% over the last year was mainly due to the recognition of government grants related to research and development projects as other income during the reporting period.

(3) Analysis of owners' equity

RMB'0,000

Item	31 December 2022	31 December 2021	change (%)
Capital surplus	162,290.60	125,921.29	28.88
Undistributed profits	277,214.14	174,834.84	58.56
Total equity attributable to shareholders of the parent company	453,123.04	314,024.57	44.30

Notes: The above financial data and indicators were extracted from data of the consolidated financial statements.

Analysis of major changes:

- 1) **Capital surplus:** The increase of 28.88% over the last year was mainly due to the implementation of the share incentive scheme and the recognition of share-based payments and the premium on the public offering of a subsidiary, Sino IC.
- 2) **Undistributed profits:** The increase of 58.56% over the last year was mainly due to the increase in net profit of the Company for the reporting period.

3. ANALYSIS OF OPERATING RESULTS

RMB'0,000

Item	2022	2021	Change (%)
Revenue	353,890.89	257,726.23	37.31
Cost of sales	125,027.12	105,892.35	18.07
Taxes and surcharges	2,456.03	1,226.31	100.28
Administrative expenses	13,893.55	11,205.55	23.99
Selling expenses	22,281.89	17,163.94	29.82
Finance expenses	-775.38	-117.17	561.74
Assets impairment losses (Losses are shown in negative figures)	-16,280.43	-6,488.05	150.93
Net profit attributable to shareholders of the parent company	107,684.33	51,446.68	109.31

Notes: The above financial data and indicators were extracted from data of the consolidated financial statements.

Analysis of major changes:

- 1) **Revenue:** The increase of 37.31% over the last year was mainly due to the Group achieved various level of revenue growth in major product lines of IC design business with the facts that there were wide variation in demand and slowdown in demand for some product lines for downstream applications during the year, however, the Group adjusted its product mix in a timely manner and explored new products and customers actively.
- 2) **Cost of sales:** The increase of 18.07% over the last year was mainly due to the increase in revenue and the cost of sales increased accordingly.
- 3) **Taxes and surcharges:** The increase of 100.28% over the last year was mainly due to the increase in revenue and the taxes and subcharges increase accordingly.
- 4) **Administrative expenses:** The increase of 23.99% over the last year was mainly due to the increase in staff remuneration as a result of the expansion of the Group's operations, increased investment in human resources and reasonable salary increase, as well as increased depreciation and amortisation due to the acquisition of office buildings.
- 5) **Selling expenses:** The increase of 29.82% over the last year was mainly due to the increase in staff remuneration as a result of the expansion of the Group's operations, number of staff and salary increase during the reporting period, as well as significant increase in share-based payments as a result of the implementation of the restricted share incentive scheme.
- 6) **Finance expenses:** The significant change over the last year mainly due to the increase of cash at bank and on hand attributable to the proceeds raised from issuance of shares by the Company and a subsidiary and increase in interest income accordingly.
- 7) **Assets impairment losses:** The increase of 150.93% over the last year mainly due to the weak market demand for consumption electronic products, which resulted in a significant increase in the provision of impairment of inventory due to the decrease in demand and price of some of the Group's chips products.

4. ANALYSIS OF CASH FLOES*RMB'0,000*

Item	2022	2021	Change (%)
Net cash flows from operating activities	32,128.55	60,220.49	-46.65
Net cash flows from investing activities	-13,251.45	-118,279.73	-88.80
Net cash flows from financing activities	50,458.69	71,880.57	-29.80

Notes: The above financial data and indicators were extracted from data of the consolidated financial statements.

Analysis of major changes:

1. **Net cash flows from operating activities:** The decrease of 46.65% over the last year mainly due to the expansion of the Company's business scale and the significant increase in cash paid for the purchase of goods as a result of the increase in prepayments to suppliers and the increase in inventories to secure the supply chain.
2. **Net cash flows from investing activities:** The decrease of 88.8% over the last year mainly due to the non-renewal of some deposits upon maturity for the consideration of operating cashflows.
3. **Net cash flows from financing activities:** The decrease of 29.8% over the last year mainly due to the decrease in the amount of funds raised from the public offering of a subsidiary, Sino IC, during the reporting period was less than the funds raised by the parent company in the last year; the repayment of bank borrowings; and the distribution of cash dividends.

This appendix 3 sets out the existing Articles of Association and proposed amendments thereto for the purpose of information. The terms used herein this Appendix 3 shall have the same meanings as defined in the Articles of Association.

The English version in this Appendix 3 is not an official translation of the Chinese version. In the case of any discrepancies, the Chinese version shall prevail.

No.	Article	Before Amendments	After Amendments
1.	Article 1	<p>...</p> <p>Following approval by the Government of Shanghai City with Approval of Hufutigaizi [1998] 050, the Company was established on 4 June 1998 by means of promotership, was registered with the Shanghai Administration for Industry and Commerce on 10 July 1998, and obtained a company's business license. The number of the Company's business license is 310000400198084.</p> <p>...</p> <p>The Articles of Association of Shanghai Fudan Microelectronics Group Co. Ltd. ("the Articles of Association" or the "the Articles of Association of the Company") is formulated in accordance with laws and regulations such as Company Law, Special Provisions, the Securities Law of the People's Republic of China ("Securities Law"), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas ("Mandatory Provisions"), the "Opinion Letter on the Supplementation and Amendment of Articles of Association of Companies Listing in Hong Kong", "Guidelines to Articles of Association of Listed Companies (amended in 2019)", the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Hong Kong Listing Rules"), <u>the relevant listing rules of Shanghai Stock Exchange ("Domestic Listing Rules", together with Hong Kong Listing Rules known as "the listing rules of the place where the Company's shares are listed"), rules of the relevant securities regulatory authority, binding documents of the stock exchange and other related laws and regulations, with an aim to safeguard the legitimate rights and interests of the Company and shareholders and creditors, and to regulate the organization and behavior of the Company.</u></p>	<p>...</p> <p>Following approval by the Government of Shanghai City with Approval of Hufutigaizi [1998] 050, the Company was established on 4 June 1998 by means of promotership, was registered with the Shanghai Administration for Industry and Commerce on 10 July 1998, and obtained a company's business license. The number of the Company's business license is 310000400198084. <u>The unified social credit identifier is 91310000631137409B.</u></p> <p>...</p> <p>The Articles of Association of Shanghai Fudan Microelectronics Group Co. Ltd. ("the Articles of Association" or the "the Articles of Association of the Company") is formulated in accordance with laws and regulations such as Company Law, Special Provisions, the Securities Law of the People's Republic of China ("Securities Law"), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas ("Mandatory Provisions"), the "Opinion Letter on the Supplementation and Amendment of Articles of Association of Companies Listing in Hong Kong", "Guidelines to Articles of Association of Listed Companies", the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Hong Kong Listing Rules"), <u>the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange ("Science and Technology Innovation Board Listing Rules", together with Hong Kong Listing Rules known as "the listing rules of the place where the Company's shares are listed"), rules of the relevant securities regulatory authority, binding documents of the stock exchange and other related laws and regulations, with an aim to safeguard the legitimate rights and interests of the Company and shareholders and creditors, and to regulate the organization and behavior of the Company.</u></p>
2.	Article 6	<p>After adoption by special resolution on the general meeting of the Company, the Articles of Association shall <u>take effect on the date on which the onshore-listed domestic shares issued by the Company are listed, and shall</u> replace the articles of association formerly registered by the Company with the competent industrial and commercial administration authority.</p> <p>...</p>	<p>After adoption by special resolution on the general meeting of the Company, the Articles of Association shall replace the articles of association formerly registered by the Company with the competent industrial and commercial administration authority.</p> <p>...</p>

No.	Article	Before Amendments	After Amendments
3.	Article 15	<u>Before the initial public offering of onshore-listed domestic shares of the Company, the Company, upon approval by the authorities that are authorized by the State Council to examine and approve companies, has issued 694,502,000 ordinary shares and each share has a par value of Renminbi 0.1.</u>	<u>The total share capital of the Company is 816,656,500 shares, with a capital structure of 532,326,500 Onshore-Listed Domestic-Invested Shares and 284,330,000 Overseas-Listed Foreign-Invested Shares.</u>
4.	Article 18	Where the Company issues Overseas-Listed Foreign-Invested Shares and Domestic-Invested Shares separately and within the total number of shares specified in the issue plan, every such issue must be fully subscribed for in one time. Where special circumstances make it impossible for every such issue to be fully subscribed for at one time, the shares may be issued in several stages, subject to the approval of the China Securities Regulatory Commission.	Where the Company issues Overseas-Listed Foreign-Invested Shares and <u>Onshore-Listed Domestic-Invested Shares</u> separately and within the total number of shares specified in the issue plan, every such issue must be fully subscribed for in one time. Where special circumstances make it impossible for every such issue to be fully subscribed for at one time, the shares may be issued in several stages, subject to the approval of the China Securities Regulatory Commission.
5.	Article 19	<u>Before the initial public offering of onshore-listed domestic shares of the Company, the registered capital of the Company is Renminbi 69,450,200.</u> The registered capital has been registered with the relating Administration for Industry and Commerce, and put on records by the China Securities Regulatory Commission.	<u>The registered capital of the Company is Renminbi 81,665,650.</u> The registered capital has been registered with the relating Administration for Industry and Commerce, and put on records by the China Securities Regulatory Commission.
6.	Article 20	Unless otherwise specified in the laws, administrative regulations and the listing rules of the place where the shares of the Company are listed, all <u>fully-paid</u> shares of the Company can be transferred without any limitation and are not subject to any lien. Transfer of the Company's shares shall be registered with the share registrar(s) designated by the Company. <u>Shareholders who hold shares that already issued but not listed of the Company, after approval from the securities regulatory authority under the State Council, can list and trade the shares overseas. Shareholders who hold shares that issued but not listed of the Company can transfer their shares to foreign investors and list and trade the shares in foreign market; Shareholders who hold shares that issued but not listed can convert their shares as foreign-invested shares, and the converted shares can be listed and traded overseas. The transferred or converted shares that listed and traded on the foreign stock exchange market are not subject to any annual general meeting or class meeting. The above shares that listed and traded on foreign stock exchange market are required to be in accordance to the monitoring procedure, regulations and requirement of foreign stock exchange market. The foreign invested shares, that the aforesaid shares listed and traded on foreign stock exchange market, is under the same category with the original foreign invested shares.</u>	Unless otherwise specified in the laws, administrative regulations and the listing rules of the place where the shares of the Company are listed, all shares of the Company can be transferred without any limitation and are not subject to any lien. <u>The Company does not accept the Company's shares as the subject of a pledge.</u> Transfer of the Company's shares shall be registered with the share registrar(s) designated by the Company.
7.	Article 21	... (1) <u>issuance of new shares</u> to non-designated investors; (2) <u>issuance of new shares</u> to designated investors; (3) offer of <u>new</u> shares to existing shareholders;	... (1) <u>Public offering of shares</u> to non-designated investors; (2) <u>Non-public offering of shares</u> to designated investors; (3) offer of <u>bonus</u> shares to existing shareholders;

No.	Article	Before Amendments	After Amendments
		<p>(4) ...</p> <p>(5) ...</p> <p>...</p>	<p>(4) ...</p> <p>(5) ...</p> <p>...</p> <p><u>If the Company is approved by the regulatory authority in the place where the shares are listed to issue convertible bonds, it shall strictly follow the relevant regulations on the issuance and management of convertible bonds and the relevant provisions in the issuance terms of the prospectus of the Company's convertible bonds.</u></p>
8.	Article 24	<p>...</p> <p>(1) ...</p> <p>(2) ...</p> <p>(3) <u>award the employees of this company with shares;</u></p> <p>(4) ...</p> <p>(5) ...</p> <p>(6) ...</p> <p>(7) ...</p>	<p>...</p> <p>(1) ...</p> <p>(2) ...</p> <p>(3) <u>used for employees share ownership scheme or share incentive scheme;</u></p> <p>(4) ...</p> <p>(5) ...</p> <p>(6) ...</p> <p>(7) ...</p>
9.	Article 27	<p>...</p> <p><u>If the Company repurchases the shares of the Company, it shall perform the information disclosure obligation in accordance with the Securities Law of People's Republic of China. Where the Company repurchases its own Shares in the circumstances set out in clauses (3), (5) and (6) of Article 24 of the Articles of Association, such repurchase shall be conducted through public and centralized trading method.</u></p> <p>After the Company has repurchased its own shares according to law, it shall cancel or transfer the portion of shares concerned within the period prescribed by laws and administrative regulations, <u>Hong Kong Listing Rules</u> and shall, in the case of cancellation, apply to the original company registry for registration of the change in registered capital.</p> <p>...</p>	<p>...</p> <p>After the Company has repurchased its own shares according to law, it shall cancel or transfer the portion of shares concerned within the period prescribed by laws and administrative regulations and the listing rules of the place where the Company's shares are listed and shall, in the case of cancellation, apply to the original company registry for registration of the change in registered capital.</p> <p>...</p>

No.	Article	Before Amendments	After Amendments
		<u>If there are other provisions in the laws and regulations, normative rules and relevant regulations as prescribed by the securities regulatory authorities located at the places where the Company's shares are listed on the aforesaid relevant matters in respect of share repurchase, such provisions shall prevail.</u>	
10.		(Blank)	<p><u>Article 44</u></p> <p><u>The shares of the Company held by the Promoter shall not be transferable within one year from the date of incorporation of the Company. Shares issued by the Company prior to the public offering of shares shall not be transferable within one year from the date of listing and trading of the Company's shares on the stock exchange.</u></p> <p><u>Director, supervisor and senior management of the Company shall report to the Company the shares held by them in the Company and the changes therein, and shall not transfer more than 25% of the total number of shares of the same class held by them in the Company in each year of their employment; their shares in the Company shall not be transferred within one year from the date of listing and trading. No transfer of shares of the Company held by the above-mentioned person shall be allowed within six months after his/her departure from office.</u></p>
11.		(Blank)	<p><u>Article 45</u></p> <p><u>If a shareholder, director, supervisor or senior management holding more than five percent of the Company's Onshore-Listed Domestic-Invested Shares sells the Onshore-Listed Domestic-Invested Shares or other domestic securities of an equity nature within six months of purchase, or purchases again within six months of sale, the resulting proceeds shall belong to the Company. The board of directors of the Company shall recover the proceeds thereof, however, except where the securities company holds more than five per cent. of the shares as a result of the purchase of the remaining shares after the underwriting, and where there are other circumstances as prescribed by the CSRC.</u></p> <p><u>The shares or other securities of an equity nature held by director, supervisor, senior management or natural shareholder referred to in the preceding paragraph include shares or other securities of an equity nature held by their spouses, parents, children and those held on account of others.</u></p> <p><u>If the board of directors of the Company does not enforce the provisions of the first paragraph of this article, the shareholders shall have the right to request the board of directors to do so within thirty days. If the board of directors of the Company fails to enforce the same within the said period, the shareholder shall have the right to bring a lawsuit directly to the People's Court in his own name for the benefit of the Company. If the board of directors of a company does not act in</u></p>

APPENDIX 3

PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

No.	Article	Before Amendments	After Amendments
			<u>accordance with the provisions of the first paragraph of this article, the directors responsible shall be jointly and severally liable in accordance with law.</u>
12.	Article 44		<u>Changed as Article 46</u>
13.	Article 45	<p>...</p> <p>(1) ...</p> <p>(2) ...</p> <p>(3) ...</p> <p>(4) ...</p> <p>(5) ...</p> <p>(i) ...</p> <p>(ii) ...</p> <p>(1) ...</p> <p>(2) ...</p> <p>(a) ...</p> <p>(b) ...</p> <p>(c) ...</p> <p>(d) ...</p> <p>(e) ...</p> <p>(iii) ...</p> <p>(iv) Reports of the total par value, number of shares, and the highest and lowest prices of each class of shares bought back by the Company since the last fiscal year, and the total expense paid by the Company for this purpose <u>(by domestic shares and external shares (and H shares, if applicable))</u>;</p>	<p><u>Changed as Article 47</u></p> <p>...</p> <p>(1) ...</p> <p>(2) ...</p> <p>(3) ...</p> <p>(4) ...</p> <p>(5) ...</p> <p>(i) ...</p> <p>(ii) ...</p> <p>(1) ...</p> <p>(2) ...</p> <p>(a) ...</p> <p>(b) ...</p> <p>(c) ...</p> <p>(d) ...</p> <p>(e) ...</p> <p>(iii) ...</p> <p>(iv) Reports of the total par value, number of shares, and the highest and lowest prices of each class of shares bought back by the Company since the last fiscal year, and the total expense paid by the Company for this purpose;</p>

No.	Article	Before Amendments	After Amendments
		<p>(v) Minutes of the general meetings (for reference of shareholders only) <u>and copies of the Company's special resolutions, copies of resolutions of the Board meetings and meetings of the Supervisory Committee;</u></p> <p>(vi) ...</p> <p>(vii) Copy of the latest annual inspection report and annual report filed and put on records with the industry and commerce authority of China or other competent authorities;</p> <p>(viii) ...</p> <p>The Company shall keep at its Hong Kong address the documents as referred to in (i) to (vii) above and any other applicable document as per the requirements of the Hong Kong Listing Rules <u>for free reference of the public and shareholders (except minutes of the general meetings for reference of shareholders only).</u> <u>Shareholders of the Company can also inspect the resolutions of the meetings of the Board and the Supervisory Committee of the Company, as well as the counterfoils of any corporate bonds.</u> If any shareholder requests access to the aforesaid relevant or provision of data, the said shareholder shall provide the Company with written documents bearing evidence of the type and number of shares held by the said shareholder, and the Company will provide the said information as required by the said shareholder upon authentication of the said shareholder;</p> <p>(6) ...</p> <p>(7) ...</p> <p>(8) ...</p> <p>(9) ...</p>	<p>(v) Minutes of the general meetings (for reference of shareholders only);</p> <p>(vi) ...</p> <p>(vii) Copy of the latest annual inspection report filed and put on records with the industry and commerce authority of China or other competent authorities;</p> <p>(viii) ...</p> <p>The Company shall keep at its Hong Kong address the documents as referred to in (i) to (viii) above and any other applicable document as per the requirements of the Hong Kong Listing Rules. If any shareholder requests access to the aforesaid relevant or provision of data, the said shareholder shall provide the Company with written documents bearing evidence of the type and number of shares held by the said shareholder, and the Company will provide the said information as required by the said shareholder upon authentication of the said shareholder;</p> <p>(6) ...</p> <p>(7) ...</p> <p>(8) ...</p> <p>(9) ...</p>
14.	Article 46	<p>If the contents of a shareholders' resolution or a Board resolution is in violation of the laws and administrative regulations, <u>the shareholders shall have the right to request a competent court to invalidate such resolution.</u></p> <p>...</p>	<p><u>Changed as Article 48</u></p> <p>If the contents of a shareholders' resolution or a Board resolution is in violation of the laws and administrative regulations, they become invalid.</p> <p>...</p>

No.	Article	Before Amendments	After Amendments
15.	Article 47		<u>Changed as Article 49</u>
16.	Article 48		<u>Changed as Article 50</u>
17.	Article 49	<p>...</p> <p>(1) ...</p> <p>(2) ...</p> <p>(3) ...</p> <p>(4) ...</p> <p>(5) <u>If any shareholder holding more than 5% voting shares of the Company pledges the said voting shares, the said shareholder shall submit a written report to the Company on the date of occurrence of the said pledge:</u></p> <p>(6) <u>To fulfil other obligations stipulated by laws, administrative regulations and the Articles of Association.</u></p> <p>Shareholders do not have the obligation to increase any share capital unless under the conditions accepted by the subscribers at the time of subscription.</p>	<p><u>Changed as Article 51</u></p> <p>...</p> <p>(1) ...</p> <p>(2) ...</p> <p>(3) ...</p> <p>(4) ...</p> <p>(5) <u>To fulfil other obligations stipulated by laws, administrative regulations and the Articles of Association.</u></p> <p>Shareholders do not have the obligation to increase any share capital unless under the conditions accepted by the subscribers at the time of subscription.</p> <p><u>If any shareholder holding more than 5% voting shares of the Company pledges the said voting shares, the said shareholder shall submit a written report to the Company on the date of occurrence of the said pledge.</u></p>
18.	Article 50	<p>Save for the obligations under the laws, administrative regulations or the listing rules of the place where the Company's shares are listed, the controlling shareholders (<u>as defined in the following terms</u>), in exercising their rights as shareholders, shall not make any decision detrimental to the interests of all or some shareholders as a result of the exercise of their voting rights on the following issues:</p> <p>...</p>	<p><u>Changed as Article 52</u></p> <p>Save for the obligations under the laws, administrative regulations or the listing rules of the place where the Company's shares are listed, the controlling shareholders in exercising their rights as shareholders, shall not make any decision detrimental to the interests of all or some shareholders as a result of the exercise of their voting rights on the following issues:</p> <p>...</p>
19.	Article 51		<u>Changed as Article 53</u>
20.	Article 52		<u>Changed as Article 54</u>

No.	Article	Before Amendments	After Amendments
21.	Article 53	<p>...</p> <p>(1) ...</p> <p>(2) ...</p> <p>(3) ...</p> <p>(4) ...</p> <p>(5) ...</p> <p>(6) ...</p> <p>(7) to pass resolutions concerning the increase or reduction of the Company's registered capital <u>or repurchase its shares;</u></p> <p>(8) ...</p> <p>(9) ...</p> <p>(10) ...</p> <p>(11) ...</p> <p>(12) to examine and approve the external guarantees under <u>Article 54;</u></p> <p>(13) ...</p> <p>(14) ...</p> <p>(15) <u>to examine and approve the guarantee provided to the associated parties;</u></p> <p>(16) <u>to examine and approve any changes to the use of proceeds;</u></p> <p>(17) <u>to examine and approve share incentive plans;</u></p>	<p><u>Changed as Article 55</u></p> <p>...</p> <p>(1) ...</p> <p>(2) ...</p> <p>(3) ...</p> <p>(4) ...</p> <p>(5) ...</p> <p>(6) ...</p> <p>(7) to pass resolutions concerning the increase or reduction of the Company's registered capital;</p> <p>(8) ...</p> <p>(9) ...</p> <p>(10) ...</p> <p>(11) ...</p> <p>(12) to examine and approve the external guarantees under <u>Article 56;</u></p> <p>(13) ...</p> <p>(14) ...</p> <p>(15) <u>to examine and approve any changes to the use of proceeds;</u></p> <p>(16) <u>to examine and approve share incentive plans and employee share ownership scheme;</u></p> <p>(17) <u>to consider other matters which require resolution of the shareholders in general meeting according to laws and administrative regulations, the listing rules of the place where the Company's shares are listed or these Articles.</u></p>

No.	Article	Before Amendments	After Amendments
		<p>(18) <u>to consider other matters which require resolution of the shareholders in general meeting according to laws and administrative regulations or these Articles.</u></p> <p>...</p>	...
22.	Article 54	<p>...</p> <p>(1) ...</p> <p>(2) ...</p> <p>(3) ...</p> <p>(4) <u>the amount of guarantee based on the calculation principle of accumulating amount of 12 consecutive months exceeds 30% of the total assets of the Company in the most recent audit;</u></p> <p>(5) <u>any guarantee the amount of which exceeds 50% of the company's latest audited net assets and the absolute amount of which exceeds RMB30 million for 12 consecutive months;</u></p> <p>(6) ...</p> <p>(7) Other guarantees which are required to be approved by the Company's general meetings under <u>the rules of the stock exchanges where the Company's shares are listed (including but not limited to Chapter XIV and Chapter 14A of the Hong Kong Listing Rules)</u> or the Articles of Association.</p>	<p><u>Changed as Article 56</u></p> <p>...</p> <p>(1) ...</p> <p>(2) ...</p> <p>(3) ...</p> <p>(4) <u>the amount of external guarantee provided by the Company exceeds 30% of the total assets of the Company in the most recent audit;</u></p> <p>(5) <u>the amount of guarantee provided by the Company within one year exceeds 30% of the company's latest audited total assets;</u></p> <p>(6) ...</p> <p>(7) Other guarantees which are required to be approved by the Company's general meetings under <u>the listing rules of the place where the Company's shares are listed</u> or the Articles of Association.</p>
23.	Article 55		<u>Changed as Article 57</u>
24.	Article 56	<p>...</p> <p>(1) ...</p> <p>(2) ...</p> <p>(3) ...</p> <p>(4) ...</p>	<p><u>Changed as Article 58</u></p> <p>...</p> <p>(1) ...</p> <p>(2) ...</p> <p>(3) ...</p> <p>(4) ...</p>

No.	Article	Before Amendments	After Amendments
		<p>(5) ...</p> <p>(6) such other circumstances as required by laws, administrative regulations, departmental rules, <u>the rules of Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited</u> or the Articles.</p>	<p>(5) ...</p> <p>(6) such other circumstances as required by laws, administrative regulations, departmental rules, <u>the listing rules of the place where the Company's shares are listed</u> or the Articles.</p>
25.	Article 57		<u>Changed as Article 59</u>
26.	Article 58		<u>Changed as Article 60</u>
27.	Article 59		<u>Changed as Article 61</u>
28.	Article 60		<u>Changed as Article 62</u>
29.	Article 61		<u>Changed as Article 63</u>
30.	Article 62		<u>Changed as Article 64</u>
31.	Article 63	<p>The notice of a shareholders' general meeting shall be served with sufficient time and related information of the proposed resolution shall be fully disclosed. If the resolution to be considered requires opinion of the independent directors, such opinion and reasons of the independent directors shall be announced when the notice of meeting is published.</p> <p>...</p>	<p><u>Changed as Article 65</u></p> <p>The notice of a shareholders' general meeting shall be served with sufficient time and related information of the proposed resolution shall be fully disclosed. If the resolution to be considered requires opinion of the independent directors, such opinion and reasons of the independent directors shall be announced when the notice <u>or supplementary notice</u> of meeting is published.</p> <p>...</p>
32.	Article 64	<p><u>The notice of a shareholders' general meeting shall be served on each shareholder (whether or not such shareholder is entitled to vote at the meeting) by personal delivery or pre-paid mail to the recipient's address shown in the register of shareholder. For the holders of Domestic-Invested shares, notice of a shareholders' general meeting may also be given by public announcement.</u></p> <p><u>The public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the State Council authorities in charge of securities. Once the announcement is made, all holders of Domestic-Invested shares shall be deemed to have received the notice of the relevant shareholders' general meeting.</u></p>	<u>Deleted</u>
33.	Article 65		<u>Changed as Article 66</u>
34.	Article 66	<p>A meeting and the resolutions adopted thereat shall not be invalidated as a result of the accidental omission to give notice of the meeting to, or the failure of receiving such notice by, a person entitled to receive such notice.</p>	<p><u>Changed as Article 67</u></p> <p>A meeting and the resolutions adopted thereat shall not be invalidated as a result of the accidental omission to give notice of the meeting to, or the failure of receiving such notice by, a person entitled to receive such notice <u>when the Company sends notice of the general meeting in the manner required by the relevant stock exchange or regulatory authority in the place where the shares are listed.</u></p>
35.	Article 67		<u>Changed as Article 68</u>

No.	Article	Before Amendments	After Amendments
36.	Article 68		<u>Changed as Article 69</u>
37.	Article 69		<u>Changed as Article 70</u>
38.	Article 70		<u>Changed as Article 71</u>
39.	Article 71	<p>...</p> <p>If a legal person shareholder appoints its legal representative to attend the shareholder's general meeting on its behalf, the Company has the right to request such legal representative to provide a copy of evidence of his identity and the notarized resolution of its board of directors or other decision-making body in relation to the appointment of such <u>legal</u> representative.</p>	<p><u>Changed as Article 72</u></p> <p>...</p> <p>If a legal person shareholder appoints its legal representative <u>or authorized representative</u> to attend the shareholder's general meeting on its behalf, the Company has the right to request such legal representative to provide a copy of evidence of his identity and the notarized resolution of its board of directors or other decision-making body in relation to the appointment of such <u>authorized</u> representative.</p>
40.	Article 72		<u>Changed as Article 73</u>
41.	Article 73		<u>Changed as Article 74</u>
42.	Article 74		<u>Changed as Article 75</u>
43.	Article 75		<u>Changed as Article 76</u>
44.	Article 76		<u>Changed as Article 77</u>
45.	Article 77	<p>...</p> <p>Shares held by the Company have no voting rights, and such shares will not be included in the total number of shares with voting rights at the general meeting.</p> <p>...</p>	<p><u>Changed as Article 78</u></p> <p>...</p> <p>Shares held by the Company have no voting rights, and such shares will not be included in the total number of shares with voting rights at the general meeting.</p> <p><u>Regarding to purchase of shares with voting power by a shareholder in violation of Article 63(1) and (2) of the Securities Law, the voting right of the shares in excess of the prescribed proportion shall not be exercised for a period of thirty-six months after the purchase and such shares will not be included in the total number of shares with voting rights at the general meeting.</u></p> <p>...</p>
46.	Article 78	<p><u>Voting at general meetings shall be conducted by show of hands, unless the following persons require ballot voting before or after voting by show of hands or relevant regulations of securities regulatory authority at the location where the shares of the Company are listed require ballot voting:</u></p> <p>(1) <u>Presider of the meeting;</u></p>	<p><u>Changed as Article 79</u></p> <p><u>General meetings shall be voted by registered ballot.</u></p> <p><u>Before shareholders vote on the proposed resolution at the general meeting, two shareholder representatives shall be elected to participate in counting and scrutiny of votes. If the matters under consideration are related to the shareholders, the</u></p>

No.	Article	Before Amendments	After Amendments
		<p>(2) <u>At least two shareholders with voting rights or Rules proxies thereof; or</u></p> <p>(3) <u>One or more shareholders present in person or by proxy and representing 10% or more of all shares carrying the right to vote, individually or jointly, at the meeting.</u></p> <p><u>Unless the said persons require voting by ballot, the presider shall announce the result of voting by show of hands on proposals, which result shall be recorded in the minutes as final evidence, without specifying the number or percentage of pros for or cons against the resolutions adopted at the meeting.</u></p> <p><u>The request for ballot voting can be withdrawn by the proposer</u></p> <p><u>Where ballot voting is required by relevant regulations of securities regulatory authority at the place where the Company's shares are listed, the presider may, in the spirit of fairness and honesty, allow voting by show of hands with respect to resolutions relating merely to procedure or administrative issues.</u></p> <p><u>In the case of voting by ballot, the Company shall appoint a supervisor for counting votes in accordance with the Hong Kong Listing Rules and shall disclose relevant votes voted as required by laws, administrative regulations, relevant regulatory authority or the listing rules of the place where the Company's shares are listed.</u></p>	<p><u>relevant shareholders and their proxies are not allowed to participate in counting and scrutiny of votes.</u></p> <p><u>When shareholders vote on a proposed resolution at the general meeting, lawyers, shareholder representatives and supervisor representatives shall jointly be responsible for counting and scrutiny of votes, and announce the voting results on the spot, and the voting results for resolutions shall be recorded in the minutes of the meeting.</u></p> <p><u>Shareholders or their proxies who vote through the Internet or other means have the right to check their voting results through the corresponding voting system.</u></p>
47.	Article 79		<u>Changed as Article 80</u>
48.	Article 80		<u>Changed as Article 81</u>
49.	Article 81		<u>Changed as Article 82</u>
50.	Article 82	<p>...</p> <p>(1) ...</p> <p>(2) ...</p> <p>(3) ...</p> <p>(4) ...</p> <p>(5) ...</p> <p>(6) ...</p>	<p><u>Changed as Article 83</u></p> <p>...</p> <p>(1) ...</p> <p>(2) ...</p> <p>(3) ...</p> <p>(4) ...</p> <p>(5) ...</p> <p>(6) ...</p>

No.	Article	Before Amendments	After Amendments
		(7) matters other than those required by laws, administrative regulations or the Company's Articles of Association to be passed by way of a special resolution.	(7) matters other than those required by laws, administrative regulations, <u>the listing rules of the place where the Company's shares are listed</u> or the Company's Articles of Association to be passed by way of a special resolution.
51.	Article 83	<p>...</p> <p>(1) <u>increase or reduction of the registered capital of the Company;</u></p> <p>(2) division, merger, dissolution, liquidation or change of corporate form of the Company;</p> <p>(3) ...</p> <p>(4) <u>to adjust the plans for profit distribution and making up losses of the Company;</u></p> <p>(5) <u>the Company's acquisition or disposal of major assets within one year with the transaction amount exceeding 30% of the total assets of the Company;</u></p> <p>(6) <u>share options incentive schemes; and</u></p> <p>(7) <u>other issues requiring adoption by special resolution pursuant to the Articles of Association and the listing rules of the place where the Company's shares are listed.</u></p>	<p><u>Changed as Article 84</u></p> <p>...</p> <p>(1) <u>increase or reduction of the share capital and issue of shares, warrants and other similar securities of the Company;</u></p> <p>(2) division, <u>spin off</u>, merger, dissolution, liquidation or change of corporate form of the Company;</p> <p>(3) ...</p> <p>(4) <u>the Company's acquisition or disposal of major assets within one year with the transaction amount exceeding 30% of the total assets of the Company;</u></p> <p>(5) <u>share options incentive schemes and employee share ownership scheme; and</u></p> <p>(6) <u>other issues requiring adoption by special resolution pursuant to the Articles of Association and the listing rules of the place where the Company's shares are listed.</u></p>
52.	Article 84	<p>...</p> <p>(1) ...</p> <p>(2) ...</p>	<p><u>Changed as Article 85</u></p> <p>...</p> <p>(1) ...</p> <p>(2) ...</p>

No.	Article	Before Amendments	After Amendments
		<p>(3) If the Supervisory Committee approves the request, it will issue a notice about convening the meeting within five days of receiving the request. If the notice modifies the proposed resolution in the original request, <u>consent must be obtained from the relevant shareholder.</u></p> <p>(4) ...</p> <p>...</p>	<p>(3) If the Supervisory Committee approves the request, it will issue a notice about convening the meeting within five days of receiving the request. If the notice modifies the proposed resolution in the original request, <u>relative modifications must be obtained consent from the relevant shareholder.</u></p> <p>(4) ...</p> <p>...</p>
53.	Article 85		<u>Changed as Article 86</u>
54.	Article 86		<u>Changed as Article 87</u>
55.	Article 87		<u>Changed as Article 88</u>
56.	Article 88		<u>Changed as Article 89</u>
57.	Article 89		<u>Changed as Article 90</u>
58.	Article 90		<u>Changed as Article 91</u>
59.	Article 91		<u>Changed as Article 92</u>
60.	Article 92		<u>Changed as Article 93</u>
61.	Article 93		<u>Changed as Article 94</u>
62.	Article 94		<u>Changed as Article 95</u>
63.	Article 95		<u>Changed as Article 96</u>
64.	Article 96		<u>Changed as Article 97</u>
65.	Article 97		<u>Changed as Article 98</u>
66.	Article 98	<p>If the Company intends to change or abrogate the rights of class shareholders, it may do so only after such change or abrogation has been approved by a special resolution of the shareholders' general meeting and by a separate shareholders' general meeting convened by the shareholders of that class in accordance with <u>Articles 100 to 104.</u></p>	<p><u>Changed as Article 99</u></p> <p>If the Company intends to change or abrogate the rights of class shareholders, it may do so only after such change or abrogation has been approved by a special resolution of the shareholders' general meeting and by a separate shareholders' general meeting convened by the shareholders of that class in accordance with <u>Articles 101 to 105.</u></p>
67.	Article 99		<u>Changed as Article 100</u>
68.	Article 100	<p>In relation to classes of shareholders who are affected, irrespective of whether they have the right to vote at shareholders' general meetings, they shall have the right to vote at class meetings of shareholders in respect of matters referred to in items (2) to (8) or (11) to (12) of <u>Article 99</u>, except that interested shareholders shall not have the right to vote at such class meetings.</p>	<p><u>Changed as Article 101</u></p> <p>In relation to classes of shareholders who are affected, irrespective of whether they have the right to vote at shareholders' general meetings, they shall have the right to vote at class meetings of shareholders in respect of matters referred to in items (2) to (8) or (11) to (12) of <u>Article 100</u>, except that interested shareholders shall not have the right to vote at such class meetings.</p>

No.	Article	Before Amendments	After Amendments
		<p>For the purposes of the preceding paragraph, the term “interested shareholders” shall have the following meanings:</p> <p>(1) in case of a repurchase of shares by way of public dealing on a securities exchange in accordance with Article 25 hereof, the controlling shareholders as defined in <u>Article 51</u> hereof shall be “interested shareholders”;</p> <p>(2) ...</p> <p>(3) under a restructuring proposal of the Company, shareholders who will bear liability in a smaller proportion than that of the liability borne by other shareholders of the same class, or shareholders who have an interest in a restructuring proposal of the Company that is different from the interest in such restructuring proposal of other shareholders of the same class shall be “interested shareholders”; or</p> <p>(4) <u>if any shareholder shall disclaim his voting right or be limited just to vote for or against appointed special resolutions on some resolutions of a class of shareholders, any vote from them or their proxies that disobey the regulation or limitation shall not be count as a vote which has a voting right.</u></p>	<p>For the purposes of the preceding paragraph, the term “interested shareholders” shall have the following meanings:</p> <p>(1) in case of a repurchase of shares by way of public dealing on a securities exchange in accordance with Article 25 hereof, the controlling shareholders as defined in <u>Article 53</u> hereof shall be “interested shareholders”;</p> <p>(2) ...</p> <p>(3) under a restructuring proposal of the Company, shareholders who will bear liability in a smaller proportion than that of the liability borne by other shareholders of the same class, or shareholders who have an interest in a restructuring proposal of the Company that is different from the interest in such restructuring proposal of other shareholders of the same class shall be “interested shareholders”.</p>
69.	Article 101	<p>Resolutions of a class general meeting shall be approved by votes representing more than two-thirds of the voting rights of shareholders of that class present at the meeting who, in accordance with <u>Article 100</u>, are entitled to vote at the meeting.</p>	<p><u>Changed as Article 102</u></p> <p>Resolutions of a class general meeting shall be approved by votes representing more than two-thirds of the voting rights of shareholders of that class present at the meeting who, in accordance with <u>Article 101</u>, are entitled to vote at the meeting.</p> <p><u>If any shareholder shall disclaim his voting right or be limited just to vote for or against appointed special resolutions on some resolutions of a class of shareholders according to the Hong Kong Listing Rules, any vote from them or their proxies that disobey the regulation or limitation shall not be count as a vote which has a voting right.</u></p>
70.	Article 102	<p>When the Company is to hold a class meeting, it shall by way of public announcement and issue a written notice within the time limit set out in <u>Article 53</u> of this Articles of Association informing all the registered shareholders of that class of the matters to be examined at the meeting as well as the date and place of the meeting.</p>	<p><u>Changed as Article 103</u></p> <p>When the Company is to hold a class meeting, it shall by way of public announcement and issue a written notice within the time limit set out in <u>Article 61</u> of this Articles of Association informing all the registered shareholders of that class of the matters to be examined at the meeting as well as the date and place of the meeting.</p>
71.	Article 103		<u>Changed as Article 104</u>

No.	Article	Before Amendments	After Amendments
72.	Article 104	<p>Apart from the holders of other classes of shares, holders of Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares shall be deemed to be holders of different classes of shares.</p> <p>The special procedures for approval by a class of shareholders shall not apply in the following circumstances:</p> <p>(1) where, upon the approval by a special resolution of the shareholders' general meeting, the Company issues, either separately or concurrently, Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares once every 12 months, not more than 20 percent of the existing issued of the respective classes;</p> <p>(2) where the plan for issuance of Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares upon the establishment of the Company is completed within 15 months from the date of approval by the State Council Securities Commission;</p> <p>(3) ...</p>	<p><u>Changed as Article 105</u></p> <p>Apart from the holders of other classes of shares, holders of <u>Onshore-Listed</u> Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares shall be deemed to be holders of different classes of shares.</p> <p>The special procedures for approval by a class of shareholders shall not apply in the following circumstances:</p> <p>(1) where, upon the approval by a special resolution of the shareholders' general meeting, the Company issues, either separately or concurrently, <u>Onshore-Listed</u> Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares once every 12 months, not more than 20 percent of the existing issued of the respective classes;</p> <p>(2) where the plan for issuance of <u>Onshore-Listed</u> Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares upon the establishment of the Company is completed within 15 months from the date of approval by the State Council Securities Commission;</p> <p>(3) ...</p>
73.	Article 105	<p>Directors shall be elected at general meetings for a term of three years, which is renewable upon re-election when it expires. Before the expiration, the general meeting cannot terminate their services without cause.</p> <p>...</p>	<p><u>Changed as Article 106</u></p> <p>Directors shall be elected at general meetings for a term of three years, which is renewable upon re-election when it expires. Before the expiration, the general meeting cannot terminate their services without cause <u>which is subject to Article 113 of this Articles of Association.</u></p> <p>...</p>
74.	Article 106		<u>Changed as Article 107</u>
75.	Article 107		<u>Changed as Article 108</u>
76.	Article 108		<u>Changed as Article 109</u>
77.	Article 109		<u>Changed as Article 110</u>
78.	Article 110		<u>Changed as Article 111</u>
79.	Article 111		<u>Changed as Article 112</u>
80.	Article 112		<u>Changed as Article 113</u>
81.	Article 113		<u>Changed as Article 114</u>

No.	Article	Before Amendments	After Amendments
82.	Article 114	Independent directors are directors who do not hold any position in the Company other than as director, member or chairman of the special committee of the Board and do not maintain with the Company or its substantial shareholders a connection which may possibly hamper their independent and objective judgments. Independent directors must make up at least a third of the Board and must consist of at least three members. The Company shall have at least one independent director who shall have appropriate professional qualifications or have appropriate accounting or related financial management expertise <u>and shall have at least one independent director who ordinarily lives in Hong Kong.</u>	<u>Changed as Article 115</u> Independent directors are directors who do not hold any position in the Company other than as director, member or chairman of the special committee of the Board and do not maintain with the Company or its substantial shareholders a connection which may possibly hamper their independent and objective judgments. Independent directors must make up at least a third of the Board and must consist of at least three members. The Company shall have at least one independent director who shall have appropriate professional qualifications or have appropriate accounting or related financial management expertise.
83.	Article 115		<u>Changed as Article 116</u>
84.	Article 116		<u>Changed as Article 117</u>
85.	Article 117		<u>Changed as Article 118</u>
86.	Article 118		<u>Changed as Article 119</u>
87.	Article 119		<u>Changed as Article 120</u>
88.	Article 120		<u>Changed as Article 121</u>
89.	Article 121	... (1) ... (2) ... (3) ... (4) ... (5) ... (6) ... (7) ... (8) ... (9) ...	<u>Changed as Article 122</u> ... (1) ... (2) ... (3) ... (4) ... (5) ... (6) ... (7) ... (8) ... (9) ...

APPENDIX 3

PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

No.	Article	Before Amendments	After Amendments
		<p>(10) to appoint or renew the manager of Company and the secretary to the board of directors, <u>appoint or renew the personnel in charge of financial affairs and other senior management staffs proposed by the manager; to decide on the candidates for directors and supervisors of wholly-owned subsidiaries and recommend candidates for directors and supervisors of shareholding or joint-stock subsidiaries;</u></p> <p>(11) ...</p> <p>(12) ...</p> <p>(13) ...</p> <p>(14) ...</p> <p>(15) ...</p> <p>(16) ...</p> <p>(17) ...</p> <p>(18) ...</p> <p>(19) ...</p> <p>(20) ...</p> <p>...</p>	<p>(10) to appoint or renew the manager of Company and the secretary to the board of directors, <u>and, on the nomination of the manager, to appoint or dismiss the deputy manager, chief financial officer and other senior management staffs;</u></p> <p>(11) ...</p> <p>(12) ...</p> <p>(13) ...</p> <p>(14) ...</p> <p>(15) ...</p> <p>(16) ...</p> <p>(17) ...</p> <p>(18) ...</p> <p>(19) ...</p> <p>(20) ...</p> <p>...</p>
90.	Article 122		<u>Changed as Article 123</u>
91.	Article 123		<u>Changed as Article 124</u>
92.	Article 124		<u>Changed as Article 125</u>
93.	Article 125		<u>Changed as Article 126</u>
94.	Article 126	<p>...</p> <p>(1) ...</p> <p>(2) ...</p> <p>(3) ...</p>	<p><u>Changed as Article 127</u></p> <p>...</p> <p>(1) ...</p> <p>(2) ...</p> <p>(3) ...</p>

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ARTICLES OF ASSOCIATION**

No.	Article	Before Amendments	After Amendments
		(4) ... (5) ... (6) ... (7) <u>required by the securities regulatory authorities to be held;</u> (8) <u>other situation as required by these Articles, the Company Law or the listing rules of the place where the Company's shares are listed.</u>	(4) ... (5) ... (6) ... (7) <u>other situation as required by these Articles, the Company Law or the listing rules of the place where the Company's shares are listed.</u>
95.	Article 127		<u>Changed as Article 128</u>
96.	Article 128	Unless otherwise provided herein, board meetings shall be held only if more than half of the directors (including directors attending the meeting on behalf of others pursuant to <u>Article 129</u> of the Articles of Association) are present. ...	<u>Changed as Article 129</u> Unless otherwise provided herein, board meetings shall be held only if more than half of the directors (including directors attending the meeting on behalf of others pursuant to <u>Article 130</u> of the Articles of Association) are present. ...
97.	Article 129		<u>Changed as Article 130</u>
98.	Article 130		<u>Changed as Article 131</u>
99.	Article 131		<u>Changed as Article 132</u>
100.	Article 132		<u>Changed as Article 133</u>
101.	Article 133		<u>Changed as Article 134</u>
102.	Article 134		<u>Changed as Article 135</u>
103.	Article 135		<u>Changed as Article 136</u>
104.		(Blank)	<u>Article 137</u> <u>The manager shall formulate the rules of working of the manager and report them to the Board for approval and implementation.</u>
105.		(Blank)	<u>Article 138</u> <u>The rules of working of the manager includes the following.:</u> (1) <u>Conditions, procedures and participants of the managers' meeting;</u> (2) <u>the specific responsibilities of the manager and other senior management staff and their segregation of duties;</u>

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PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

No.	Article	Before Amendments	After Amendments
			<p>(3) <u>the use of the Company's funds and assets, the authority to enter into major contracts, and the reporting system to the Board and the Supervisory Committee;</u></p> <p>(4) <u>Such other matters as the Board may deem necessary.</u></p>
106.		(Blank)	<p><u>Article 139</u></p> <p><u>The manager may resign before the expiry of his term of office. The specific procedures and methods for the resignation of the manager are set out in the employment contract between the manager and the Company.</u></p>
107.		(Blank)	<p><u>Article 140</u></p> <p><u>Senior management assist the manager in all aspects of the Company's work and are led by and accountable to the manager.</u></p>
108.	Article 136		<u>Changed as Article 141</u>
109.	Article 137		<u>Changed as Article 142</u>
110.	Article 138		<u>Changed as Article 143</u>
111.	Article 139		<u>Changed as Article 144</u>
112.	Article 140		<u>Changed as Article 145</u>
113.	Article 141		<u>Changed as Article 146</u>
114.	Article 142		<u>Changed as Article 147</u>
115.	Article 143		<u>Changed as Article 148</u>
116.		(Blank)	<p><u>Article 149</u></p> <p><u>The Supervisory Committee shall formulate rules of procedures for the Supervisory Committee to clarify the manner in which the Supervisory Committee conducts its business and its voting procedures to ensure the efficiency of the Supervisory Committee and scientific decision-making.</u></p>
117.	Article 144		<u>Changed as Article 150</u>
118.	Article 145		<u>Changed as Article 151</u>
119.	Article 146		<u>Changed as Article 152</u>
120.	Article 147		<u>Changed as Article 153</u>
121.	Article 148	<p>...</p> <p>(1) ...</p>	<p>...</p> <p>(1) ...</p>

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ARTICLES OF ASSOCIATION**

No.	Article	Before Amendments	After Amendments
		(2) ... (3) ... (4) ... (5) ... (6) ... (7) ... (8) ... (9) ...	(2) ... (3) ... (4) ... (5) ... (6) ... (7) ... (8) ... (9) ... (10) <u>Subject to a securities market entry restriction imposed by the CSRC which the restriction period not yet expired;</u> (11) <u>Any other content required by law, administrative regulations or departmental rules.</u>
122.	Article 149		<u>Changed as Article 155</u>
123.	Article 150		<u>Changed as Article 156</u>
124.	Article 151		<u>Changed as Article 157</u>
125.	Article 152		<u>Changed as Article 158</u>
126.	Article 153		<u>Changed as Article 159</u>
127.	Article 154		<u>Changed as Article 160</u>
128.	Article 155	A director, a supervisor or senior management staff of the Company may be relieved from liability for a specific breach of duties with the informed consent given at the shareholders' general meeting, except in circumstances as specified in <u>Article 50.</u>	<u>Changed as Article 161</u> A director, a supervisor or senior management staff of the Company may be relieved from liability for a specific breach of duties with the informed consent given at the shareholders' general meeting, except in circumstances as specified in <u>Article 52.</u>
129.	Article 156		<u>Changed as Article 162</u>
130.	Article 157	If a director, a supervisor or senior management staff of the Company gives a written notice to the board of directors before the conclusion of the contract, transaction or arrangement is first considered by the Company, stating that due to the contents of the notice, he has an interest in the contract, transaction or arrangement that may subsequently be made by the Company, such director,	<u>Changed as Article 163</u> If a director, a supervisor or senior management staff of the Company gives a written notice to the board of directors before the conclusion of the contract, transaction or arrangement is first considered by the Company, stating that due to the contents of the notice, he has an interest in the contract, transaction or arrangement that may subsequently be made by the Company, such director,

APPENDIX 3**PROPOSED AMENDMENTS TO
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No.	Article	Before Amendments	After Amendments
		supervisor or senior management staff of the Company shall be deemed for the purposes of the <u>preceding Articles of this part</u> to have declared his interest, insofar as attributable to the scope stated in the notice.	supervisor or senior management staff of the Company shall be deemed for the purposes of the <u>Article 162 of the Articles of Association</u> to have declared his interest, insofar as attributable to the scope stated in the notice.
131.	Article 158	The Company may not in any manner pay tax on behalf of its directors, supervisors and senior management staff.	<u>Changed as Article 164</u> The Company may not in any manner pay tax on behalf of its directors, supervisors and senior management staff, <u>except for individual income tax withheld and paid in accordance with the relevant national regulations.</u>
132.	Article 159		<u>Changed as Article 165</u>
133.	Article 160	A loan provided by the Company in violation of the <u>Article 159</u> shall be immediately repayable by the recipient of the loan, regardless of the terms of the loan.	<u>Changed as Article 166</u> A loan provided by the Company in violation of the <u>Article 165</u> shall be immediately repayable by the recipient of the loan, regardless of the terms of the loan.
134.	Article 161	The Company may not be forced to provide a loan guarantee provided by the Company in violation of the first paragraph of <u>Article 159(1)</u> , except: ...	<u>Changed as Article 167</u> The Company may not be forced to provide a loan guarantee provided by the Company in violation of the first paragraph of <u>Article 165(1)</u> , except: ...
135.	Article 162		<u>Changed as Article 168</u>
136.	Article 163		<u>Changed as Article 169</u>
137.	Article 164		<u>Changed as Article 170</u>
138.	Article 165	... (1) ... (2) Anyone makes a general offer so that the offer becomes a controlling shareholder as defined in <u>Article 51</u> hereof. ...	<u>Changed as Article 171</u> ... (1) ... (2) Anyone makes a general offer so that the offer becomes a controlling shareholder as defined in <u>Article 53 of the Articles of Association</u> hereof. ...
139.	Article 166		<u>Changed as Article 172</u>
140.	Article 167		<u>Changed as Article 173</u>
141.	Article 168		<u>Changed as Article 174</u>
142.	Article 169		<u>Changed as Article 175</u>
143.	Article 170		<u>Changed as Article 176</u>
144.	Article 171		<u>Changed as Article 177</u>

No.	Article	Before Amendments	After Amendments
145.	Article 172		<u>Changed as Article 178</u>
146.	Article 173	<p>The Company may not keep any account books other than statutory account books.</p> <p><u>The profits after taxation shall be distributed as follows:</u></p> <p>(1) <u>compensation for loss;</u></p> <p>(2) <u>allocating to the statutory common reserve fund;</u></p> <p>(3) <u>allocating to the discretionary common reserve fund as approved by the resolutions of shareholders' general meeting; and</u></p> <p>(4) <u>payment of dividends in respect of ordinary shares.</u></p> <p><u>The Company shall not make any distribution by way of dividends or bonus shares before compensation for loss and allocation to the statutory common reserve fund.</u></p>	<p><u>Changed as Article 179</u></p> <p>The Company may not keep any account books other than statutory account books. <u>The assets of the Company are not held in any personal account.</u></p> <p><u>When the Company distributes its profit after taxation for the year, 10% of the profits shall be withdrawn and included in the Company's legal reserve. If the accumulated amount of the Company's legal reserve is at least 50% of the registered capital of the Company, it may not be withdrawn.</u></p> <p><u>Where the Company's legal reserve is insufficient to cover losses of previous years, the profits of the year shall be used to cover the losses before the legal reserve is withdrawn in accordance with the preceding paragraph.</u></p> <p><u>After the Company has withdrawn the legal reserve from its profit after taxation, it may also withdraw any provident fund from its profit after tax by resolution of the general meeting.</u></p> <p><u>Any profit after taxation remaining after the Company has made up its losses and withdrawn its reserves shall be distributed in proportion to the shares held by the shareholders, except where these Articles of Association provide that the distribution shall not be made in proportion to the shares held.</u></p> <p><u>If a general meeting in breach of the preceding paragraph, the shareholder must return the profits distributed in contravention of provision before the company makes up for its losses and before the withdrawal of the legal reserve.</u></p> <p><u>The shares held by the Company do not participate in the distribution of profits.</u></p>
147.	Article 174		<u>Changed as Article 180</u>
148.	Article 175	<p>...</p> <p>(1) ...</p> <p>(2) ...</p> <p>(3) ...</p>	<p><u>Changed as Article 181</u></p> <p>...</p> <p>(1) ...</p> <p>(2) ...</p> <p>(3) ...</p>

No.	Article	Before Amendments	After Amendments
		The dividends <u>shall</u> be distributed twice a year, the shareholders' general meeting shall authorize the board of directors by way of ordinary resolution to declare and pay the interim and final dividends.	The dividends <u>may</u> be distributed twice a year, the shareholders' general meeting shall authorize the board of directors by way of ordinary resolution to declare and pay the interim and final dividends.
149.	Article 176	<p>...</p> <p>The Company shall calculate, declare and pay dividends and other amounts which are payable to holders of domestic shares in Renminbi. The Company shall calculate, declare and pay dividends and other amounts which are payable to holders of Overseas-Listed Foreign-Invested Shares in Renminbi, and shall pay such amounts in currency of the place where these Overseas-Listed Foreign-Invested Shares are listed. (or, if there is more than one such place, of the place where the Overseas-Listed Foreign-invested shares maintain a primary listing as determined by the Board.)</p> <p>...</p>	<p><u>Changed as Article 182</u></p> <p>...</p> <p>The Company shall calculate, declare and pay dividends and other amounts which are payable to holders of <u>Onshore-Listed</u> domestic shares in Renminbi. The Company shall calculate, declare and pay dividends and other amounts which are payable to holders of Overseas-Listed Foreign-Invested Shares in Renminbi, and shall pay such amounts in currency of the place where these Overseas-Listed Foreign-Invested Shares are listed. (or, if there is more than one such place, of the place where the Overseas-Listed Foreign-invested shares maintain a primary listing as determined by the Board.)</p> <p>...</p>
150.	Article 177		<u>Changed as Article 183</u>
151.	Article 178		<u>Changed as Article 184</u>
152.	Article 179		<u>Changed as Article 185</u>
153.	Article 180		<u>Changed as Article 186</u>
154.	Article 181	If the position of accounting firm becomes vacant, <u>the board of directors may appoint an accounting firm to fill such vacancy before a shareholders' general meeting is held.</u> However, if there are other accounting firms holding the position of accounting firm of the Company while such vacancy still exists, such accounting firms may continue to act.	If the position of accounting firm becomes vacant, <u>the Company should convene an extraordinary general meeting as soon as possible to appoint an accounting firm to fill the vacancy.</u> However, if there are other accounting firms holding the position of accounting firm of the Company while such vacancy still exists, such accounting firms may continue to act.
155.	Article 182		<u>Changed as Article 188</u>
156.	Article 183	The remuneration or method of remuneration of an accounting firm shall be decided upon by the shareholder's general meeting. <u>The remuneration of an accounting firm appointed by the board of directors shall be determined by the board of directors.</u>	The remuneration or method of remuneration of an accounting firm shall be decided upon by the shareholder's general meeting.
157.	Article 184		<u>Changed as Article 190</u>
158.	Article 185	...	<u>Changed as Article 191</u>

No.	Article	Before Amendments	After Amendments
		<p>The Company shall also send a copy of the abovementioned notice to each holder of the Overseas-Listed Foreign-Invested Shares by prepaid mail at the recipient's address shown in the register of shareholders.</p> <p>...</p>	<p>The Company shall also send a copy of the abovementioned notice by announcement or postage prepaid mail to every member entitled to a copy of the Company's financial statement at the recipient's address shown in the register of shareholders.</p> <p>...</p>
159.	Article 186	<p>The merger or division of the Company shall require the preparation of a proposal by the board of directors. After such proposal has been approved in accordance with the procedures specified in the Articles of Association of the Company, relevant examination and approval procedures shall be carried out according to law. Shareholders who object to such proposal on the merger or division of the Company shall have the right to require the Company or shareholders who are in favor of such proposal to purchase their shares at a fair price. The contents of resolutions approving the merger or division of the Company shall be compiled in a special document for inspection by shareholders.</p> <p><u>Holders of Overseas-Listed Foreign-Invested Shares that are listed in Hong Kong shall be served with copies of the abovementioned document by prepaid mail.</u></p>	<p><u>Changed as Article 192</u></p> <p>The merger or division of the Company shall require the preparation of a proposal by the board of directors. After such proposal has been approved in accordance with the procedures specified in the Articles of Association of the Company, relevant examination and approval procedures shall be carried out according to law. Shareholders who object to such proposal on the merger or division of the Company shall have the right to require the Company or shareholders who are in favor of such proposal to purchase their shares at a fair price. The contents of resolutions approving the merger or division of the Company shall be compiled in a special document for inspection by shareholders.</p> <p><u>The abovementioned document shall be delivered to every shareholder of Overseas-Listed Foreign-Invested Shares by prepaid mail at the recipient's address shown in the register of shareholders.</u></p>
160.	Article 187	<p>...</p> <p>In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and a property list. The Company shall notify its creditors within a period of 10 days from the date on which the merger resolution is passed and publish on the newspaper within 30 days from that date.</p> <p>...</p>	<p><u>Changed as Article 193</u></p> <p>...</p> <p>In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and a property list. The Company shall notify its creditors within a period of 10 days from the date on which the merger resolution is passed and publish on the newspaper within 30 days from that date. <u>The creditor may, within thirty days from the date of receipt of the notice, or within forty-five days from the date of publication if no notice has been received, demand that the Company settle the debt or provide a corresponding guarantee.</u></p> <p>...</p>
161.	Article 188	<p>...</p> <p>Debts owed by the Company prior to the division shall be assumed by the companies in existence after the division in accordance with the agreement reached.</p>	<p><u>Changed as Article 194</u></p> <p>...</p> <p>Debts owed by the Company prior to the division are the joint and several liability of the companies in existence after the division, unless otherwise agreed in writing between the Company and its creditors prior to the division in respect of the settlement of debts.</p>

No.	Article	Before Amendments	After Amendments
162.	Article 189		<u>Changed as Article 195</u>
163.	Article 190	<p>...</p> <p>(1) <u>Any circumstance for dissolution specified in the Articles of Association arises;</u></p> <p>(2) <u>The general meeting has resolved to dissolve the Company;</u></p> <p>(3) ...;</p> <p>(4) <u>The Company is declared bankrupt according to law because it is unable to pay its debts as they fall due;</u></p> <p>(5) <u>The business license is revoked according to law, or the Company is ordered to close or is cancelled;</u></p> <p>(6) <u>If the Company gets into serious trouble in operations and management and continuation may incur material losses of the interests of the shareholders, and no solution can be found through any other channel, the shareholders holding more than 10% of the total voting rights of the Company may request the a court with jurisdiction to dissolve the Company.</u></p> <p>If the Company is dissolved by reason of the preceding paragraph, a liquidation team shall be established within 15 days after the reasons for the dissolution occur. The liquidation team shall be established by the directors or persons approved by the general meeting. If no liquidation team is established after the said timeframe, the creditors may apply to a competent court for appointment of relevant persons to establish a liquidation team to commence liquidation.</p>	<p><u>Changed as Article 196</u></p> <p>...</p> <p>(1) <u>The expiration of the period of business provided for in these Articles or the occurrence of any other cause of dissolution provided for in these Articles of Association;</u></p> <p>(2) <u>The general meeting has resolved to dissolve the Company by a two-thirds majority of the votes held by the shareholders present at the general meeting;</u></p> <p>(3) ...;</p> <p>(4) <u>The business license is revoked according to law, or the Company is ordered to close or is cancelled;</u></p> <p>(5) <u>If the Company gets into serious trouble in operations and management and continuation may incur material losses of the interests of the shareholders, and no solution can be found through any other channel, the shareholders holding more than 10% of the total voting rights of the Company may request the a court with jurisdiction to dissolve the Company.</u></p> <p><u>In the case of (1) of the preceding paragraph, the Company may survive by amending these Articles. If the Company is dissolved by reason of (1), (2), (4), (5) of the preceding paragraph, a liquidation team shall be established within 15 days after the reasons for the dissolution occur. The liquidation team shall be established by the directors or persons approved by the general meeting. If no liquidation team is established after the said timeframe, the creditors may apply to a competent court for appointment of relevant persons to establish a liquidation team to commence liquidation.</u></p>

No.	Article	Before Amendments	After Amendments
164.	Article 191	<p><u>In the circumstance set out in (1) of the preceding article, the Company may continue to subsist by amending the Articles of Association. Where the Company dissolves pursuant to (1), (2), (5) and (6) of the preceding article, a liquidation group shall be set up within 15 days and the members thereof shall be decided by an ordinary resolution at a general meeting.</u></p> <p><u>Where the Company is to be dissolved pursuant to item (4) of the preceding Article, a competent court shall, in accordance with relevant laws, arrange for the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out liquidation.</u></p> <p><u>If the liquidation group is not duly set up, the creditors may request a competent court to designate related persons to form a liquidation.</u></p>	<u>Deleted</u>
165.	Article 192		<u>Changed as Article 197</u>
166.	Article 193	<p>The liquidation group shall notify all creditors within 10 days after its establishment and shall make announcements in newspapers within 60 days. The creditors shall declare their creditor's rights to the liquidation group within 30 days after receipt of the notice or within 45 days after announcement if the creditors have not received the notice. To declare their creditor's rights, the creditors shall explain matters relating to their rights and provide relevant evidential documents. The liquidation group shall register the creditor's rights according to law.</p>	<p><u>Changed as Article 198</u></p> <p>The liquidation group shall notify all creditors within 10 days after its establishment and shall make announcements in newspapers within 60 days. The creditors shall declare their creditor's rights to the liquidation group within 30 days after receipt of the notice or within 45 days after announcement if the creditors have not received the notice. To declare their creditor's rights, the creditors shall explain matters relating to their rights and provide relevant evidential documents. The liquidation group shall register the creditor's rights according to law. <u>During the reporting period, the liquidation group is not allowed to pay off creditors.</u></p>
167.	Article 194		<u>Changed as Article 199</u>
168.	Article 195		<u>Changed as Article 200</u>
169.	Article 196		<u>Changed as Article 201</u>
170.	Article 197		<u>Changed as Article 202</u>
171.	Article 198		<u>Changed as Article 203</u>
172.	Article 199	<p><u>Where an amendment to the Company's Articles of Association involves matters provided for in the Prerequisite Clauses promulgated by the securities Committee of the State Council and the Economic Reform Committee of the State on 27 August 1994, it shall become effective after being examined and approved by the authorities that are authorized by the State council to examine and approve companies and the State Council Securities Commission. Where an amendment to the Company's Articles of Association involves matters of company registration, application for a change in the registration shall be made according to law.</u></p>	<p><u>Changed as Article 204</u></p> <p>Where an amendment to the Company's Articles of Association involves matters of company registration, application for a change in the registration shall be made according to law.</p>

No.	Article	Before Amendments	After Amendments
173.	Article 200	<p>...</p> <p><u>Unless the context otherwise requires, “announcement” described in these Articles of Association shall refer to the announcement published in such Chinese newspapers as specified, agreed or approved by the Chinese laws and regulations or the securities regulatory authorities under the State Council when issued to holders of onshore-listed shares or within the PRC in accordance with relevant regulations and the Articles of Association; or the announcement published in newspapers and/or other media (including websites) specified in accordance with relevant requirements of Hong Kong Listing Rules when issued to holders of the Company’s H shares or in Hong Kong in accordance with relevant regulations and the Articles of Association.</u></p> <p>...</p>	<p><u>Changed as Article 205</u></p> <p>...</p> <p><u>The Company issues announcements and makes disclosures to A Shares shareholders in media and websites that meet the requirements set by the CSRC. Unless otherwise provided, any notice or report required by these Articles to be given on the Stock Exchange of Hong Kong Limited in accordance with the Hong Kong Listing Rules shall at the same time be disclosed by the Company on the domestic market. The Company shall give notice and make announcement to the shareholders of Overseas-Listed Foreign-Invested Shares in the manner and on the website as provided in these Articles and according to the Hong Kong Listing Rules.</u></p> <p>...</p>
174.	Article 201		<u>Changed as Article 206</u>
175.	Article 202		<u>Changed as Article 207</u>
176.	Article 203		<u>Changed as Article 208</u>
177.	Article 204		<u>Changed as Article 209</u>
178.	Article 205		<u>Changed as Article 210</u>
179.	Article 206		<u>Changed as Article 211</u>
180.	Article 207	<p>The power of interpretation of this Articles of Association is vested in the Board of the Company. This Articles of Association has been approved in the general meeting of the Company and <u>will be effective upon the date of the initial public offering in PRC whereby the Company’s shares are listed on the domestic stock exchange in PRC.</u></p>	<p><u>Changed as Article 212</u></p> <p>The power of interpretation of this Articles of Association is vested in the Board of the Company. This Articles of Association has been approved in the general meeting of the Company and <u>becomes effective.</u></p>

APPENDIX 4**PROPOSED AMENDMENTS TO RULES FOR
MANAGEMENT OF EXTERNAL GUARANTEE**

This appendix 4 sets out the existing rules for management of external guarantee and proposed amendments thereto for the purpose of information.

The English version in this Appendix 4 is not an official translation of the Chinese version. In the case of any discrepancies, the Chinese version shall prevail.

No.	Rule	Before Amendments	After Amendments
1.	Rule 23	<p>...</p> <p>1) ...</p> <p>2) ...</p> <p>3) ...</p> <p>4) <u>the amount of guarantee based on the calculation principle of accumulating amount of 12 consecutive months exceeds 30% of the total assets of the Company in the most recent audit;</u></p> <p>5) <u>any guarantee the amount of which exceeds 50% of the Company's latest audited net assets and the absolute amount of which exceeds RMB30 million for 12 consecutive months;</u></p> <p>6) ...</p> <p>7) ...</p> <p>...</p>	<p>...</p> <p>1) ...</p> <p>2) ...</p> <p>3) ...</p> <p>4) <u>the amount of external guarantee provided by the Company exceeds 30% of the total assets of the Company in the most recent audit;</u></p> <p>5) <u>the amount of guarantee provided by the Company within one year exceeds 30% of the Company's latest audited total assets;</u></p> <p>6) ...</p> <p>7) ...</p> <p>...</p>
2.	Rule 50	<p>These rules shall come into effect <u>upon the initial public offering and listing of the Company's ordinary shares in RMB in the PRC</u> after consideration by the general meeting of the Company and shall be amended by the general meeting and explained by the Board.</p>	<p>These rules shall come into effect after consideration by the general meeting of the Company and shall be amended by the general meeting and explained by the Board.</p>

APPENDIX 5**PROPOSED AMENDMENTS TO RULES FOR
PROCEDURES OF THE GENERAL MEETINGS**

This appendix 5 sets out the existing rules for procedures of the general meetings and proposed amendments thereto for the purpose of information.

The English version in this Appendix 5 is not an official translation of the Chinese version. In the case of any discrepancies, the Chinese version shall prevail.

No.	Rule	Before Amendments	After Amendments
1.	Rule 1	In order to further regulate the conduct of Shanghai Fudan Microelectronics Group Company Limited (hereinafter referred to as the “Company”) and to ensure that the general meeting of the Company can exercise its powers and functions in accordance with the law, pursuant to the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Code on Governance of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Hong Kong Listing Rules”) and the relevant listing rules of the Shanghai Stock Exchange and other laws and regulations, regulatory documents and the Articles of Association (Draft) of Shanghai Fudan Microelectronics Group Company Limited (the “Articles of Association”), these Rules of Procedure of the General Meetings of Shanghai Fudan Microelectronics Group Company Limited (hereinafter referred to as the “Rules of Procedure”) are made.	In order to further regulate the conduct of Shanghai Fudan Microelectronics Group Company Limited (hereinafter referred to as the “Company”) and to ensure that the general meeting of the Company can exercise its powers and functions in accordance with the law, pursuant to the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Code on Governance of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Hong Kong Listing Rules”) and the relevant listing rules of the Shanghai Stock Exchange and other laws and regulations, regulatory documents and the Articles of Association of Shanghai Fudan Microelectronics Group Company Limited (the “Articles of Association”), these Rules of Procedure of the General Meetings of Shanghai Fudan Microelectronics Group Company Limited (hereinafter referred to as the “Rules of Procedure”) are made.
2.	Rule 7	<p>...</p> <p>1) ...</p> <p>2) ...</p> <p>3) ...</p> <p>4) ...</p> <p>5) ...</p> <p>6) ...</p> <p>7) to pass resolutions concerning the increase or reduction of the Company’s registered capital <u>or repurchase its shares</u>;</p> <p>8) ...</p> <p>9) ...</p> <p>10) ...</p> <p>11) ...</p>	<p>...</p> <p>1) ...</p> <p>2) ...</p> <p>3) ...</p> <p>4) ...</p> <p>5) ...</p> <p>6) ...</p> <p>7) to pass resolutions concerning the increase or reduction of the Company’s registered capital;</p> <p>8) ...</p> <p>9) ...</p> <p>10) ...</p> <p>11) ...</p>

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PROPOSED AMENDMENTS TO RULES FOR PROCEDURES OF THE GENERAL MEETINGS

No.	Rule	Before Amendments	After Amendments
		<p>12) to examine and approve the <u>related</u> guarantees;</p> <p>13) to examine and approve the Company's acquisition or disposal of major assets within one year <u>with the value or transaction amount</u> exceeding 30% of the audited total assets of the Company;</p> <p>14) ...</p> <p>15) <u>to examine and approve the guarantee provided to the connected parties;</u></p> <p>16) to examine and approve share incentive plans;</p> <p>17) <u>to examine and approve any changes to the use of proceeds;</u></p> <p>18) <u>to consider other matters which require resolution of the shareholders in general meeting according to laws and administrative regulations or the Articles of Association.</u></p> <p>...</p>	<p>12) to examine and approve the external guarantees <u>as provided for in Article 56 of the Articles of Association;</u></p> <p>13) to examine and approve the Company's acquisition or disposal of major assets within one year exceeding 30% of the audited total assets of the Company;</p> <p>14) ...</p> <p>15) <u>to examine and approve any changes to the use of proceeds;</u></p> <p>16) to examine and approve share incentive plans <u>and employee share ownership plan;</u></p> <p>17) <u>to consider other matters which require resolution of the shareholders in general meeting according to laws and administrative regulations, the listing rules of the place where the Company's shares are listed or the Articles of Association.</u></p> <p>...</p>
3.	Rule 11	<p>...</p> <p>1) ...</p> <p>2) ...</p> <p>3) <u>Upon written request by a shareholder holding individually or in aggregate more than 10% of the shares of the Company, the number of shares held by the shareholder as at the close of business on the date of the written request or on the previous trading day (if the date of the written request is a non-trading day).</u></p> <p>4) ...</p> <p>5) ...</p> <p>6) ...</p>	<p>...</p> <p>1) ...</p> <p>2) ...</p> <p>3) <u>When shareholders holding individually or in aggregate more than 10% (including 10%) of the shares of the Company request in writing that an extraordinary general meeting be convened, the number of shares held by the shareholder as at the close of business on the date of the written request or on the previous trading day (if the date of the written request is a non-trading day).</u></p> <p>4) ...</p> <p>5) ...</p> <p>6) ...</p>

No.	Rule	Before Amendments	After Amendments
		7) such other circumstances as required by laws, administrative regulations, departmental rules, <u>the rules of Shanghai Stock Exchange, the Hong Kong Listing Rules</u> or the Articles of Association.	7) such other circumstances as required by laws, administrative regulations, departmental rules, <u>the listing rules of the place where the Company's shares are listed</u> or the Articles of Association.
	
4.	Rule 22	... If the Supervisory Committee agrees to convene an extraordinary general meeting, it shall, within 5 days of receipt of the request, issue a notice convening the general meeting and shall seek the consent of the relevant shareholders for any changes to the original <u>proposal</u> in the notice.	... If the Supervisory Committee agrees to convene an extraordinary general meeting, it shall, within 5 days of receipt of the request, issue a notice convening the general meeting and shall seek the consent of the relevant shareholders for any changes to the original <u>request</u> in the notice.
	
5.	Rule 55	... 1) ... 2) ... 3) ... 4) ... 5) ... 6) ... 7) matters other than those required by laws, administrative regulations or the Company's Articles of Association to be passed by way of a special resolution.	... 1) ... 2) ... 3) ... 4) ... 5) ... 6) ... 7) matters other than those required by laws, administrative regulations, <u>the listing rules of the place where the Company's shares are listed</u> or the Company's Articles of Association to be passed by way of a special resolution.
6.	Rule 56	... 1) increase or reduction of the <u>registered capital of the Company</u> ; 2) division, merger, dissolution, liquidation or change of corporate form of the Company; 3) 1) increase or reduction of the share capital and issue of <u>shares, warrants and other similar securities of the Company</u> ; 2) division, <u>spin off</u> , merger, dissolution, liquidation or change of corporate form of the Company; 3) ...

No.	Rule	Before Amendments	After Amendments
		<p>4) the Company's acquisition or disposal of major assets within one year or guarantee amount exceeding 30% of the <u>latest total audited assets</u> of the Company;</p> <p>5) share options incentive schemes;</p> <p>6) <u>to adjust the policies and plans for profit distribution and making up losses of the Company;</u></p> <p>7) <u>other issues requiring adoption by special resolution pursuant to laws, administrative regulations and the Articles of Association and where the general meeting, by ordinary resolution, determines that it will have a material effect on the Company.</u></p>	<p>4) the Company's acquisition or disposal of major assets within one year or guarantee amount exceeding 30% of the <u>total assets value</u> of the Company;</p> <p>5) share options incentive schemes <u>and employee share ownership scheme;</u></p> <p>6) <u>other issues requiring adoption by special resolution pursuant to laws, administrative regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association.</u></p>
7.	Rule 57	...	<p>...</p> <p><u>Regarding to purchase of shares with voting power by a shareholder in violation of Article 63(1) and (2) of the Securities Law, the voting right of the shares in excess of the prescribed proportion shall not be exercised for a period of thirty-six months after the purchase and such shares will not be included in the total number of shares with voting rights at the general meeting.</u></p> <p>...</p>
8.	Rule 83	...	<p>...</p> <p><u>If any shareholder shall disclaim his voting right or be limited just to vote for or against appointed special resolutions on some resolutions of a class of shareholders according to the Hong Kong Listing Rules, any vote from them or their proxies that disobey the regulation or limitation shall not be count as a vote which has a voting right.</u></p>
9.	Rule 86	<p>Apart from the holders of other classes of shares, holders of Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares shall be deemed to be holders of different classes of shares.</p> <p>...</p> <p>(1) where, upon the approval by a special resolution of the shareholders' general meeting, the Company issues, either separately or concurrently, Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares once every 12 months, not more than 20 percent of the existing issued of the respective classes;</p>	<p>Apart from the holders of other classes of shares, holders of <u>Onshore-Listed</u> Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares shall be deemed to be holders of different classes of shares.</p> <p>...</p> <p>(1) where, upon the approval by a special resolution of the shareholders' general meeting, the Company issues, either separately or concurrently, <u>Onshore-Listed</u> Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares once every 12 months, not more than 20 percent of the existing issued of the respective classes;</p>

APPENDIX 5**PROPOSED AMENDMENTS TO RULES FOR
PROCEDURES OF THE GENERAL MEETINGS**

No.	Rule	Before Amendments	After Amendments
		(2) where the plan for issuance of Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares upon the establishment of the Company is completed within 15 months from the date of approval by the State Council Securities Commission;	(2) where the plan for issuance of <u>Onshore-Listed</u> Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares upon the establishment of the Company is completed within 15 months from the date of approval by the State Council Securities Commission;
		(3) ...	(3) ...
10.	Rule 89	These Rules of Procedure shall become effective <u>upon the initial public offering and listing of the Company's ordinary shares in Renminbi in the PRC</u> after they have been approved by a resolution of the general meeting.	These Rules of Procedure shall become effective after they have been approved by a resolution of the general meeting.

APPENDIX 6**PROPOSED AMENDMENTS TO RULES FOR
PROCEDURES OF THE BOARD OF DIRECTORS**

This appendix 6 sets out the existing rules for procedures of the board of directors and proposed amendments thereto for the purpose of information.

The English version in this Appendix 6 is not an official translation of the Chinese version. In the case of any discrepancies, the Chinese version shall prevail.

No.	Article	Before Amendments	After Amendments
1.	Rule 16
		1) Convene general meetings and report on the general meeting for its work;	1) <u>Responsible to</u> convene general meetings and report on the general meeting for its work;
		2) ...	2) ...
		3) ...	3) ...
		4) ...	4) ...
		5) ...	5) ...
		6) ...	6) ...
		7) ...	7) ...
		8) ...	8) ...
		9) ...	9) ...
		10) to appoint or renew the manager of Company and the secretary to the board of directors, <u>appoint or renew the personnel in charge of financial affairs and other senior management staffs proposed by the manager; to decide on the candidates for directors and supervisors of wholly-owned subsidiaries and recommend candidates for directors and supervisors of shareholding or joint-stock subsidiaries;</u>	10) to appoint or renew the manager of Company and the secretary to the board of directors, <u>and, on the nomination of the manager, to appoint or dismiss the deputy manager, chief financial officer and other senior management staffs;</u>
		11) ...	11) ...
		12) ...	12) ...
		13) ...	13) ...
		14) ...	14) ...
		15) ...	15) ...

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PROPOSED AMENDMENTS TO RULES FOR PROCEDURES OF THE BOARD OF DIRECTORS

No.	Article	Before Amendments	After Amendments
		<p>16) ...</p> <p>17) ...</p> <p>18) ...</p> <p>19) ...</p> <p>20) other powers and functions conferred by law, <u>administrative regulations, departmental regulations or the Articles of Association.</u></p> <p>...</p>	<p>16) ...</p> <p>17) ...</p> <p>18) ...</p> <p>19) ...</p> <p>20) other powers and functions conferred by law, regulations, <u>the listing rules of the place where the Company's shares are listed, the general meetings and the Articles of Association.</u></p> <p>...</p>
2.	Rule 26	<p>...</p> <p>1) ...</p> <p>2) ...</p> <p>3) ...</p> <p>4) ...</p> <p>5) ...</p> <p>6) ...</p> <p>7) <u>required by the securities regulatory authorities to be held:</u></p> <p>8) <u>other situation as required by the Articles of Association of the Company, the Hong Kong Listing Rules or the listing rules of the place where the Company's shares are listed.</u></p>	<p>...</p> <p>1) ...</p> <p>2) ...</p> <p>3) ...</p> <p>4) ...</p> <p>5) ...</p> <p>6) ...</p> <p>7) <u>other situation as required by the Articles of Association of the Company, the Company Laws or the listing rules of the place where the Company's shares are listed.</u></p>
3.	Rule 62	These Rules of Procedure shall become effective <u>upon the initial public offering and listing of the Company's ordinary shares in Renminbi in the PRC</u> after they have been approved by a resolution of the general meeting.	These Rules of Procedure shall become effective after they have been approved by a resolution of the general meeting.

APPENDIX 7**PROPOSED AMENDMENTS TO RULES FOR
PROCEDURES OF INDEPENDENT DIRECTORS**

This appendix 7 sets out the existing rules for procedures of independent directors and proposed amendments thereto for the purpose of information.

The English version in this Appendix 7 is not an official translation of the Chinese version. In the case of any discrepancies, the Chinese version shall prevail.

No.	Article	Before Amendments	After Amendments
1.	Rule 1	In order to further improve the governance structure of Shanghai Fudan Microelectronics Group Company Limited (hereinafter referred to as the “Company”), promote the standardized operation of the Company and fully utilize the role of independent directors in the Board of Directors, these rules are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Code on Governance of Listed Companies, <u>the Guiding Opinions on the Establishment of an Independent Director System in Listed Companies</u> , the Guidelines on Filing and Training of Independent Directors of Listed Companies on the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), the relevant listing rules of the Shanghai Stock Exchange and other laws, regulations and regulatory documents as well as the relevant provisions and requirements of the Articles of Association of Shanghai Fudan Microelectronics Group Company Limited (hereinafter referred to as the “Articles of Association”).	In order to further improve the governance structure of Shanghai Fudan Microelectronics Group Company Limited (hereinafter referred to as the “Company”), promote the standardized operation of the Company and fully utilize the role of independent directors in the Board of Directors, these rules are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Code on Governance of Listed Companies, <u>the Rules for Independent Directors of Listed Companies</u> , <u>Self-Regulatory Guidelines for Listed Companies on the Science and Technology Innovation Board of the Shanghai Stock Exchange No. 1 - Regulation of Operations</u> , the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), the relevant listing rules of the Shanghai Stock Exchange and other laws, regulations and regulatory documents as well as the relevant provisions and requirements of the Articles of Association of Shanghai Fudan Microelectronics Group Company Limited (hereinafter referred to as the “Articles of Association”).
2.	Rule 5	... <u>At least one of the independent directors (non-executive) must be ordinarily stayed in Hong Kong.</u>	...
3.	Rule 7	... <u>A candidate for independent director of the Company who has not obtained the qualification certificate for independent director at the time of nomination shall undertake in writing to attend the latest independent director qualification training and obtain the qualification certificate for independent director.</u> <u>Independent directors of the Company shall attend training on their qualifications for appointment, the duration of which shall not be less than 30 hours, and shall obtain a certificate of qualification for appointment as an independent director. In principle, independent directors should attend follow-up training once every two years after they have taken office, and the duration of such training should not be less than 30 hours.</u>	...

No.	Article	Before Amendments	After Amendments
4.		(Blank)	<p><u>Rule 8</u></p> <p>A candidate for independent director of the Company who has not obtained the qualification certificate for independent director at the time of nomination shall undertake in writing to attend the latest independent director qualification training and obtain the qualification certificate for independent director.</p>
5.		(Blank)	<p><u>Rule 9</u></p> <p>Independent directors of the Company shall attend training on their qualifications for appointment, the duration of which shall not be less than 30 hours, and shall obtain a certificate of qualification for appointment as an independent director. In principle, independent directors should attend follow-up training once every two years after they have taken office, and the duration of such training should not be less than 30 hours.</p>
6.	Rule 8		<u>Changed as Rule 10</u>
7.	Rule 9		<u>Changed as Rule 11</u>
8.	Rule 10		<u>Changed as Rule 12</u>
9.	Rule 11		<u>Changed as Rule 13</u>
10.	Rule 12		<u>Changed as Rule 14</u>
11.	Rule 13		<u>Changed as Rule 15</u>
12.	Rule 14	<p>Within 5 trading days after receiving the materials reported by the Company, the Shanghai Stock Exchange will conduct a review of the qualifications of the independent director candidates in accordance with the “Guiding Opinions on the Establishment of an Independent Director System in Listed Companies” of the China Securities Regulatory Commission and relevant regulations.</p> <p>...</p>	<p><u>Changed as Rule 16</u></p> <p>Within 5 trading days after receiving the materials reported by the Company, the Shanghai Stock Exchange will conduct a review of the qualifications of the independent director candidates in accordance with the “Rules for Independent Directors of Listed Companies” of the China Securities Regulatory Commission and relevant regulations.</p> <p>...</p>
13.	Rule 15		<u>Changed as Rule 17</u>
14.	Rule 16		<u>Changed as Rule 18</u>
15.	Rule 17		<u>Changed as Rule 19</u>
16.	Rule 18		<u>Changed as Rule 20</u>
17.	Rule 19	<p>...</p> <p>1) Significant connected transaction (refers to a connected transaction with a connected natural person for an amount of RMB300,000 or more, or a connected transaction with a related legal entity for an</p>	<p><u>Changed as Rule 21</u></p> <p>...</p> <p>1) Significant connected transaction (refers to a connected transaction with a connected person for an aggregate amount of more than \$3 million or more than 5% of the Company’s latest audited net asset</p>

APPENDIX 7

PROPOSED AMENDMENTS TO RULES FOR PROCEDURES OF INDEPENDENT DIRECTORS

No.	Article	Before Amendments	After Amendments
		<p><u>amount of RMB3 million or more, and representing more than 0.5% of the absolute value of the Company's latest audited net assets) should be approved by the independent directors and submitted to the Board for discussion. The independent directors may engage an intermediary to issue an independent financial adviser's report to form the basis of their judgement before making a judgment;</u></p> <p>2) ...</p> <p>3) ...</p> <p>4) ...</p> <p>5) <u>Engagement of external auditors and advisory bodies independently;</u></p> <p>6) <u>Voting rights may be solicited from shareholders prior to a general meeting.</u></p> <p><u>The exercise of the above powers and functions by the independent directors shall obtain the consent of at least one-half of all independent directors.</u></p> <p>...</p>	<p>value) should be approved by the independent directors <u>precedingly</u>. The independent directors may engage an intermediary to issue an independent financial adviser's report to form the basis of their judgement before making a judgment;</p> <p>2) ...</p> <p>3) ...</p> <p>4) ...</p> <p>5) <u>Solicitation of voting rights from shareholders prior to a general meeting;</u></p> <p>6) <u>Engagement of external auditors and advisory bodies to audit and advise on specific matters of the Company independently.</u></p> <p><u>In exercising the powers and functions set out in items (1) to (5) of the preceding paragraph, the independent directors shall obtain the consent of at least one-half of all the independent directors, for in item (6) of the preceding paragraph shall be subject to the approval of all independent directors. Items (1) and (2) shall be approved by at least one-half of the independent directors before submitted to the Board for discussion.</u></p> <p>...</p>
18.	Rule 20		<u>Changed as Rule 22</u>
19.	Rule 21		<u>Changed as Rule 23</u>
20.	Rule 22		<u>Changed as Rule 24</u>
21.	Rule 23		<u>Changed as Rule 25</u>
22.	Rule 24		<u>Changed as Rule 26</u>
23.	Rule 25	<p>The Company should ensure that independent directors have the same right to information as other directors. The Company must give the independent directors advance notice of any matter requiring a decision by the Board and provide sufficient information at the same time, and the independent directors may request supplementary information if they consider it inadequate. When two independent directors consider that there is insufficient information or uncertainty in their arguments, they may jointly propose in writing to the Board to adjourn the board</p>	<p><u>Changed as Rule 27</u></p> <p>The Company should ensure that independent directors have the same right to information as other directors. The Company must give the independent directors advance notice of any matter requiring a decision by the Board and provide sufficient information at the same time, and the independent directors may request supplementary information if they consider it inadequate. When two <u>or more</u> independent directors consider that there is insufficient information or uncertainty in their arguments, they may jointly propose in writing to the Board to adjourn the</p>

APPENDIX 7**PROPOSED AMENDMENTS TO RULES FOR
PROCEDURES OF INDEPENDENT DIRECTORS**

No.	Article	Before Amendments	After Amendments
		meeting or to postpone the consideration of the matter, and the Board shall adopt such proposal. ...	board meeting or to postpone the consideration of the matter, and the Board shall adopt such proposal. ...
24.	Rule 26		<u>Changed as Rule 28</u>
25.	Rule 27		<u>Changed as Rule 29</u>
26.	Rule 28		<u>Changed as Rule 30</u>
27.	Rule 29		<u>Changed as Rule 31</u>
28.	Rule 30		<u>Changed as Rule 32</u>
29.	Rule 31		<u>Changed as Rule 33</u>
30.	Rule 32	These rules shall be formulated by the Board of Directors <u>and, subject to the approval of the Company's general meeting, shall take effect from the date of the Company's initial public offering in the PRC and listing of its shares on the Shanghai Stock Exchange, or until the date of the Company's completion of its initial public offering in the PRC and listing of its shares on the Shanghai Stock Exchange, alternative provisions shall apply (see footnote for details).</u>	<u>Changed as Rule 34</u> These rules shall be formulated by the Board of Directors <u>and shall become effective after approval by the Company's general meeting.</u>
31.	Rule 33		<u>Changed as Rule 35</u>

NOTICE OF ANNUAL GENERAL MEETING



**FUDAN
MICRO**

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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of Shanghai Fudan Microelectronics Group Company Limited (the “Company”) will be held at Conference Room, Building 4, Fudan National University Science and Technology Park, 127 Guotai Road, Shanghai, the People’s Republic of China (the “PRC”) on Friday, 2 June 2023 at 10:00 a.m. for the following purposes:–

ORDINARY RESOLUTION

1. To consider and approve the Work Report of the Board of 2022;
2. To consider and approve the Work Report of the Supervisory Committee of 2022;
3. To consider and approve the Final Account Report of 2022;
4. To consider and approve the Annual Report of 2022;
5. To consider and approve the Profit Distribution Plan of 2022;
6. To consider and approve the Re-appointment of Overseas and Domestic Auditor and internal control Auditor of 2023;
7. To consider and approve the Remuneration of Directors And Supervisors of 2023;
8. To consider and approve the Purchase of Liability Insurance for Directors, Supervisors and Senior Management;
9. To consider and approve the proposed amendments to Corporate Governance Rules;
10. To consider and approve the proposal of utilization of the surplus funds raised from the A Share Offering for permanent replenishment of working capital;

SPECIAL RESOLUTION

11. To consider and approve the proposed amendments to Articles of Association;

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

12. To consider and approve the General Mandate to issue additional A Shares and/or H Shares.

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

Shanghai, the PRC, 25 April 2023

Notes:

- Persons who hold shares of the Company and whose names appear on the Register of Members of the Company as at 2 June 2023 shall be entitled to attend the AGM.
- 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.
- The instrument appointing a proxy must be in writing of a Shareholder or his attorney duly authorized in writing. If the Shareholder is a legal person, that instrument must be executed either under its seal or in writing by its director or other attorney duly authorized to sign the same. 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 principal place of business in the PRC at Building 4, Lane 127, Guotai Road, Shanghai, the PRC (for holders of A Shares) or the Company's Share Registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares) as stipulated in the proxy form.
- For holders of H Shares, the Register of Members of H Shares of the Company will be closed from 29 May 2023 to 2 June 2023 (both dates inclusive) during which period no transfer of H Shares will be registered. To be qualified to attend the AGM, all transfers of H Shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 25 May 2023.
- Shareholders or their proxies shall provide their identification documents when attending the AGM. If corporate Shareholders appoint authorized representative to attend the AGM, the authorized representative shall produce his/her identity documents and a notarially certified copy of the relevant authorization instrument signed by the board of directors or other authorized parties of the corporate Shareholders or other notarially certified documents allowed by the Company. Proxies shall produce their identity documents and the proxy form signed by the Shareholders or their attorney when attending the AGM.
- 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.
- Shareholders attending the AGM shall be responsible for their own travel and accommodation expenses.
- Information containing further details regarding the proposed resolutions set out in the above notice as required by the Listing Rules are set out in this circular and appendix 1 to 7 of this circular.

* *For identification purpose only*