



CSMC TECHNOLOGIES CORPORATION

華潤上華科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

The Leading Mainstream Foundry in China
中國主流晶圓專工業之先鋒

2004

interim report | 中期報告



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CORPORATE PROFILE 公司概況

CSMC Technologies Corporation Limited (“The Group”) (SEHK: 0597.HK) was listed on The Stock Exchange of Hong Kong Main Board on 13 August 2004. The Group owns and operates the first, and one of the largest, open semiconductor foundries in China as measured by operational capacity. It focuses on the semiconductor market in China, providing manufacturing services mainly for CMOS logic, mixed signal, high voltage and non-volatile memory ICs. The Group currently targets the market for ICs manufactured with 1.5 micron to 0.4 micron process technologies on 6-inch wafers, and plans to produce ICs with 0.35 micron process technology by the end of 2004. The Directors believe that this segment represents the mainstream semiconductor market in China and offers strong growth opportunities as consumer electronics manufacturing and assembly capacity, continues to grow rapidly in China, both for export and domestic consumption. In addition, the Directors believe this segment enjoys less volatile price swings and more stable margins than segments of the semiconductor market that employ leading-edge process technologies, which change rapidly and require significantly greater capital expenditure.

The Group’s principal customers are the rapidly growing fabless design houses in China. The Group also increasingly provides open foundry services to Independent Device Manufacturers (IDMs). The Directors believe that the Group’s ability to attract and maintain these end customers is a result of its strategy of close customer communication and use of proven technologies and equipment to achieve fast cycle times, high yields and production flexibility.

華潤上華科技有限公司(S E H K : 0597.HK)於二零零四年八月十三日在香港聯合交易所主板上市。本集團於中國擁有及經營第一家，並以營運能力計為其中一家最大型的半導體開放式晶圓代工廠，專注發展中國半導體市場，主要為CMOS邏輯、數模混合信號、高壓及非易失存記憶體的IC提供製造服務。本集團目前針對的市場，是以採用1.5微米至0.4微米製程技術生產的6英寸晶圓製造的IC，以及計劃於二零零四年底以0.35微米製程技術生產IC。董事相信，隨著中國出口及國內消費的消費電子產品製造及組裝的持續激增，這類產品正代表中國的主流半導體市場，存在龐大增長機會。此外，董事相信，這分類相對半導體市場採用先進製程技術的產品種類，價格波動較少，邊際利潤較穩定，原因為那些採用先進技術的產品種類，技術要求日新月異，而所需的資本開支顯著地更多。

本集團的主要客戶是中國迅速增長的無生產線IC設計公司。本集團逐漸增加對IDM提供開放式晶圓代工服務。董事相信，本集團與客戶維持緊密聯繫，採用成熟的生產技術及設備，以實現生產周期短，收益率高和生產靈活，故能吸引及長期服務這些終端客戶。

The Group operates one wafer fabrication facility in Wuxi, China, referred to as Fab 1. The 6-inch wafer fabrication capacity at Fab 1 has increased from approximately 7000 wpm in January 2001 to 26,667 wpm in December 2003 and 44,900 wpm in June 2004. The Group started the construction of the Fab 2 shell in August 2004, which is intended to produce 8-inch wafers using 0.35 micron to 0.25 micron process technologies. Expanding the Group's operation to produce 8-inch wafers is part of the strategy to prepare for migration of the mainstream technology towards the 8-inch wafer market.

The Directors believe that the Group is a leader in recruiting and developing local managerial, technical and operational personnel in the semiconductor foundry industry in China. The Group has developed cooperative recruiting relationships with local universities and a continuous training programme for its staff. The Group believes a friendly and supportive corporate culture based on ethical behavior and mutual respect, helps the Group to attract and retain high quality personnel. The combination of experienced foreign expatriates and skilled local staff has enabled the Group to maintain its competitive advantage, to respond rapidly to customer needs and to reduce costs. The Group intends to continue to recruit, retain and motivate local staff through various incentive plans, including the Equity Incentive Plan.

本集團於中國無錫經營一家晶圓製造廠，稱為「一廠」。一廠的6英寸晶圓產能，已由二零零一年一月每月晶圓產量約7,000片，增至二零零三年十二月每月晶圓產量26,667片，及增至二零零四年六月每月晶圓產量44,900片。本集團於二零零四年八月宣佈建設二廠廠房，計劃採用0.35微米至0.25微米製程技術生產8英寸晶圓。為了預備主流技術轉移至8英寸晶圓市場，本集團的戰略之一是拓展業務至採用0.35微米至0.25微米製程技術生產8英寸晶圓。

董事相信，本集團是中國半導體晶圓代工工業招聘及發展當地管理、技術及營運人才的先驅。本集團已與當地大學建立合作招聘關係，為其員工提供持續培訓計劃。本集團相信，於其道德操守及互相尊重的基礎下，營造友善及互助的企業文化，有助本集團招攬及保留優秀人才。從海外招攬經驗豐富的人才，加上有技能的當地員工，讓本集團能維持於主流半導體技術的競爭優勢，迅速迎合客戶需要及減低成本。本集團計劃藉著股份獎勵計劃等多項獎勵計劃，繼續招聘、保留及激勵當地的員工。

FINANCIAL HIGHLIGHTS 財務概要

Condensed Consolidated Profit and Loss Account 簡明綜合損益賬

For the six months ended 30 June 2004

截至二零零四年六月三十日止六個月

		Unaudited	
		Six months ended 30 June	
		未經審核	
		截至六月三十日止六個月	
		2004	2003
		二零零四年	二零零三年
		US\$'000	US\$'000
		千美元	千美元
Turnover	營業額	34,415	18,822
Cost of sales	銷售成本	(24,350)	(14,494)
Gross profit	毛利	10,065	4,328
Other revenue	其他收益	636	216
Distribution, administrative and other operating expenses	分銷、行政及其他經營開支	(5,766)	(2,811)
Operating profit	經營溢利	4,935	1,733
Finance costs	融資成本	(553)	(266)
Profit before taxation	除稅前溢利	4,382	1,467
Taxation	稅項	(586)	(285)
Profit attributable to shareholders	股東應佔溢利	3,796	1,182
Dividends	股息	1,338	13,000
Basic earnings per share	每股基本盈利	US\$0.002美元	US\$0.001美元
Fully diluted earnings per share	每股全面攤薄盈利	N/A 不適用	N/A 不適用

Gross Profit Analysis

		Six months ended	
		六個月止	
		30th June, 2004	30th June, 2003
		截至二零零四年	截至二零零三年
		六月三十日	六月三十日
		unaudited	unaudited
		未經審核	未經審核
Turnover	營業額	34,415	18,822
Cost of Sales	銷售成本	-24,350	-14,494
Gross Profit	毛利	10,065	4,328
Gross Margin	邊際毛利	29%	23%

Earnings Per Share

		As at six months ended	
		六個月止	
		30th June, 2004	30th June, 2003
		截至二零零四年	截至二零零三年
		六月三十日	六月三十日
		unaudited	unaudited
		未經審核	未經審核
(Amount: USD'000)	(除另有所指外，		
(Unless stated otherwise)	金額以千美元計)		
Profit for the period	期內溢利	3,796	1,182
Outstanding shares	已發行股份	1,657,987,393	963,380,000
Earning per share - (US Cents)	每股盈利－(美仙)	0.2	0.1

Gearing Ratios

		資本負債比率	
		30th June, 2004	31st December, 2003
		截至二零零四年	截至二零零三年
		六月三十日	十二月三十一日
		unaudited	audited
		未經審核	未經審核
(Amount: USD'000)	(除另有所指外，		
(Unless stated otherwise)	金額以千美元計)		
Equity	股本	115,385	95,227
Consolidated borrowings	綜合借貸淨額	25,558	22,650
Consolidated total assets	綜合資產總值	161,886	137,015
Gearing ratio	資本負債比率		
Debt/equity gearing ratio	負債與權益比率	22%	24%
Debt/asset gearing ratio	負債與資產比率	16%	17%

CHAIRMAN'S STATEMENT 主席報告

During the period under review, the Group's turnover grew by 83% to US\$34.4 million, as compared with the previous corresponding period. The strong growth in turnover was mainly attributable to increased capacity from 26,667 wpm at the end of 2003 to 44,900 wpm by 30 June 2004 and higher sales volume. Profit for the period saw a remarkable 221% growth to US\$ 3.8 million as a result of higher profit margin, and improved average capacity utilization. Net profit margin increased from 6% in the previous corresponding period to 11%.

The Group has made significant progress to develop and shift its product mix. It has been increasing the proportion of products that use more advanced process technologies, hence carrying higher average selling prices and yielding higher profit margins. Gross profit margin for the period has improved to 29% from 23% in the previous corresponding period.

The Group's wafer fabrication capacity is expected to grow to 59,200 wpm by December 2004. With an enlarging customer base and improving product mix, the Group has full confidence in achieving the profit forecast of not less than US\$11.2 million for year ended 31 December 2004. In addition, to prepare for migration of the mainstream technology towards the 8-inch wafers using 0.35 micron to 0.25 micron process technologies, the Group kicked off the construction of the Fab 2 shell in Wuxi New District in August 2004. Looking ahead, the Group will expand the production capacity prudently while developing new markets and strengthening its leadership in the mainstream semiconductor market.

於回顧期間內，集團的營業額較去年同期增長83%至3,440萬美元。營業額錄得強勁增長，主要由於產能由二零零三年底的每月26,667片增加至二零零四年六月三十日的每月44,900片，以及銷售量增加所致。由於邊際利潤增加以及平均產能利用率增強，溢利大幅上升221%至380萬美元。邊際純利由去年同期的6%增加至11%。

集團在開發及轉移產品組合方面，亦有重大的進展。由於相對較高製程產品比例的增加，使平均銷售單價(ASP)及邊際利潤有效提升。毛利率由去年同期的23%增至本期的29%。

於二零零四年十二月底前，集團的晶圓產能將會提升至月產能59,200片。隨著擴大客戶基礎及改善產品組合，集團很有信心今年的盈利預測將不少於1,120萬美元。此外，為了積極準備主流市場轉移至8英寸0.35-0.25微米製程技術，集團已於今年八月展開在無錫新區興建晶圓二廠廠房的工程。展望未來，集團在謹慎擴充產能的同時，亦會發展新的市場，同時強化其在主流半導體市場的領導地位。

REVIEW OF OPERATIONS AND RESULTS 業務回顧及業績

Financial Review 財務回顧

Cashflow

The net cashflow from operations during the period amounted to US\$9.6 million which represents an increase of 2 times over that of the same period last year of US\$4.9 million. This increase was mainly brought about by the strong growth of profit for the period. The Group has spent US\$29.4 million in capital expenditures during the period which has been used for the expansion and upgrading of existing production facilities of Fab 1 and the construction of the Fab 2 shell. This was funded by the capital injection from the Group's shareholders amounting to US\$16.4 million, additional bank borrowings of US\$2.9 million and the Group's ongoing cash balance. As at period end the Group's cash balance was US\$35.5 million compared to US\$3.5 million as at end of June 2003.

Liquidity and Financial Resources

The Group has relied on internally generated cashflow and the new capital injection as the principal sources of funding for the recent capacity expansion of Fab 1 and the initial planning and design phase of the planned construction of Fab 2 shell. As at the end of the period, the Group had total borrowings of US\$25.6 million of short term loans which represented a 13% increase compared to the end of last year. The gearing ratio of the Group at the end of the period was 22%, compared to 24% at end of June 2003. As we have successfully raised approximately US\$44 million (Gross Proceeds) from the recent IPO in August 2004, the Group is now in a much stronger position to proceed with its planned capacity expansion project. In addition, the current ratio (ratio of current assets to current liabilities) was maintained at the healthy level of 1.3. With a robust performance from the last six months and stable outlook, the company's financial position is healthy.

現金流量

期內來自業務的現金流量淨額為9,600,000美元，較上年同期的4,900,000美元增加兩倍。增加的主要原因是期內的溢利增長強勁。期內，本集團已動用29,400,000美元資本開支，以擴充及提升一廠的現有生產設施及興建二廠的廠房。這些資本開支是來自本集團的股東注資16,400,000美元、額外銀行借貸2,900,000美元及本集團的持續現金結餘。期終，本集團的現金結餘為35,500,000美元，相對於二零零三年中期則為3,500,000美元。

流動資金及財務資源

本集團利用內部現金流量及新注資額，作為最近擴充一廠產能，以及興建二廠廠房的初步規劃和設計階段所需的資金。期終，本集團的短期貸款總額25,600,000美元，較去年底增加13%。期終，本集團的資本負債比率為22%，而去年同期期終為24%。本集團透過最近於二零零四年八月進行的首次公開售股而成功籌集約44,000,000美元（所得款項總額），故目前有更大實力執行已計劃的擴充產能項目。此外，流動比率（即流動資產對流動負債的比率）保持在1.3穩健水平。最近六個月以來，本公司的業績表現極為理想，加上前景穩定，因此可望有穩健的財務狀況。

Financial Management and Treasury Policy

The financial risk management of the Group is the responsibility of the Group's Finance Division. One of the objectives of the Group's treasury policies is to manage its exposure to fluctuation in foreign currency exchange rates. The Group transacts all PRC business in Renminbi, and most of the overseas business are denominated in US dollars. The Group's assets and liabilities are denominated in US dollars and Renminbi. The Group does not expect significant exposure to foreign exchange fluctuations in this regard.

Capital Structure

As at the end of the period the shareholders' equity of the Group was US\$115.4 million, representing an increase of US\$20.2 million or 21% compared to the end of last year. During the period US\$1.338 million of dividend was paid through a bonus issue pursuant to which a total of 1.338 million ordinary shares were issued to shareholders of the Company as final dividend for the year 2003.

Significant Investment, Acquisitions and Disposals

The Group has no significant investments, acquisitions and disposals in addition to those which have been disclosed during the recent IPO in August 2004.

Contingent Liabilities

Please refer to CAPITAL COMMITMENTS FOR FIXED ASSETS in the Section 12 of the Auditor Review Report for further details.

Going Concern

On the basis of current financial forecasts and financing facilities available, the Group has adequate financial resources to continue operation for the foreseeable future. For this reason, the going concern basis continues to be adopted for preparing the financial statements.

財務管理及庫存政策

本集團的財務部負責管理財務風險事宜。本集團庫存政策的其中一個目標，是處理有關匯率波動的事宜。本集團的所有中國業務均以人民幣進行，而海外業務絕大部份則以美元進行。本集團的資產和負債均以美元及人民幣為單位。就此而言，本集團預期不會面對嚴重的外匯波動風險。

資本架構

期終，本集團的股東權益為115,400,000美元，較去年底增加20,200,000美元或21%。期內，本集團通過發放1,338,000股普通股給股東作為2003年1,338,000美元的股利。

重大投資、收購及出售事項

除了最近於二零零四年八月刊發首次公開售股章程中所披露者外，本集團並無進行任何重大投資、收購及出售事項。

或然負債

有關其他詳情，請參閱核數師審核報告第12節的固定資產的資本承擔。

持續經營

根據現時的財務預測及獲提供的融資安排，本集團有足夠財務資源於可見將來繼續營運。因此，本集團會繼續採用持續經營的基準編製財務報表。

Reward for Employees

As at 30th June, 2004, the Group employed approximately 1,200 employees, mainly in Wuxi, PRC. The Group values human resources and recognizes the importance of attracting and retaining quality staff for its continuing success. Staff bonus and share options are granted to certain employees basing on individual performance. The Group believes this will assist the Group to attract and retain quality staff and at the same time encourage the employees to give their best performance.

PROSPECTS 展望

The Group expanded its capacity rapidly since 2003 and managed to maintain a very high utilization rate throughout the period. The China IC market has maintained a healthy growth rate, and the Group has successfully developed new markets and expanded its' customer base in keeping with the capacity expansion plan. The improvement in the financial performance in the last six months and the stable outlook in the China mainstream IC market for the coming months underpins the Group's continued expectation to meet the prospectus forecast for 2004. The Group expects to deliver to our customer higher value products like mixed mode, high voltage, and 0.35 micron product lines towards the end of 2004. These should enhance the overall gross margin and contribute to a better bottom line.

The Group continues to work towards growing its IDM market segment; this will ensure the increased capacity can be absorbed by the larger customers which provide a more stable demand for our services. Working with these large customers allows the company both to grow revenue steadily and also to refine our production process, in the research and development, quality, and overall operational capability.

The Group expects that if the market maintains its current level of growth, and the Group continues to build on existing market share, the prospect for the current financial year remains positive.

僱員獎勵

於二零零四年六月三十日，本集團主要在中國無錫聘請約1,200名僱員。本集團重視人力資源，並洞悉到吸引和挽留優秀員工是保持成功的重要因素。本集團根據個人表現，向若干僱員發放獎金及股權。本集團相信，這將有助吸引和挽留優秀員工，同時亦可鼓勵僱員發揮最佳表現。

自二零零三年以來，本集團便迅速擴充其產能，務求在本期間保持非常高的利用率。中國IC市場穩健增長，本集團為配合產能擴充計劃，已成功開發新市場及擴大其客戶基礎。由於最近六個月的財務表現有改善，加上未來數月的中國主流IC市場前景穩定，使本集團能繼續期望達到本公司在招股章程所載有關二零零四年的預測目標。本集團預期於二零零四年底，向客戶提供更高價值的產品，例如混合數模、高壓及0.35微米產品系列。這些將會提升整體邊際毛利，並帶來更理想的年終表現。

本集團繼續努力開拓並壯大其器件合成生產商客戶基礎，確保已增加的產能可以由較大規模、且對本集團的服務有較穩定需求的客戶所吸納。與該等大規模的客戶合作，使本集團在研發、產品質素及整體營運能力等方面，均能夠實現穩定的收益增長，以及優化生產程序。

本集團預期，若市場保持現有增長水平，且本集團不斷擴大現有市場份額，則本財政年度保有樂觀的前景。

ADDITIONAL INFORMATION 其他資料

Directors' and Chief Executives' Interests in Shares, Underlying Shares and Debentures 董事及行政總裁於股份、有關股份及債券的權益

As at 30 June 2004, the interests or short positions held by the Directors and Chief Executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:-

於二零零四年六月三十日，本公司董事及行政總裁於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債券中，擁有須記入本公司根據證券及期貨條例第352條存置的登記冊內的權益或淡倉，或根據上市規則所載的上市公司董事進行證券交易的標準守則，須通知本公司及聯交所的權益或淡倉，並載述如下：

Interest in the company and associated corporations

於公司及相聯法團的權益

Name of Company or associated corporations	Name of Director or Chief Executive	Capacity and Nature of Interest	Number of Shares	Percentage of aggregate long position in shares to the total issued share capital of the Company as 30 June 2004 於股份的好倉總額佔本公司於二零零四年六月三十日已發行股本總額的百分比
公司或相聯法團名稱	董事或行政總裁姓名	身份及權益性質	股份數目	
Dr. Peter Cheng-yu CHEN 陳正宇博士	Dr. Peter Cheng-yu CHEN 陳正宇博士	Beneficial Interest 實益權益	700,000	0.027%
Mr. Robert Naii LEE 李乃義先生	Mr. Robert Naii LEE 李乃義先生	Beneficial Interest 實益權益	500,000	0.019%
Mr. Nein-nan TSAI 蔡聯南先生	Mr. Nein-nan TSAI 蔡聯南先生	Beneficial Interest 實益權益	400,000	0.015%

Substantial Shareholders

As at end of 30 June 2004, the following corporations, other than a director or chief executive, have interest or short position in the shares and underlying shares of the company as recorded in the register of the company required to be kept under the section 336 of part XV of the SFO.

主要股東

於二零零四年六月三十日結束時，以下人士(不包括董事及行政總裁)於公司的股份及相關股份中，擁有須記入公司根據證券及期貨條例第XV部第336條存置的登記冊內的權益或淡倉。

Name of Company or associated corporations	Name of shareholder	Capacity and Nature of Interest	Number of Shares	Percentage of aggregate long position in shares to the total issued share capital of the company as 30 June 2004 於股份的好倉 總額佔公司 於二零零四年 六月三十日 已發行股本 總額的百分比
公司或相聯 法團名稱	股東姓名	身份及 權益性質	股份數目	
Faithway Resources Limited	Faithway Resources Limited	Beneficial Interest 實益擁有	567,488,030	34.18%
Stockside	Stockside	Beneficial Interest 實益擁有	504,079,270	30.36%
Crown Crystal Investments Limited	Crown Crystal Investments Limited	Beneficial Interest 實益擁有	151,223,780	9.11%

Corporate Governance

The Group is committed to the practice of good corporate governance in line with the prevailing practices and the standards expected of a transparent, open and accountable corporate citizen.

Compliance with the Code of Best Practices

The Directors are not aware of any information which indicates that the Group is not or was not in compliance with the Code of Best Practices set out in the Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange.

On Behalf of the Board

Dr. Peter CHEN

Chairman

CSMC Technologies Corporation

As at the date hereof, the Board of Directors of the Company comprises of nine Directors, of which three are Executive Directors, namely Dr. Peter Cheng-yu CHEN, Mr. Robert Naii LEE, Mr. Nein-nan TSAI; three are Non-Executive Directors, namely Mr. Yu YU, Mr. Thiam Kin ONG; and Dr. Nan-Xiang CHEN; and three are Independent Non-Executive Directors, namely Mrs. Kum Loon OON, Mr. Mark Chi Nan HSUE, and Mr. Ralph Sytze YBEMA.

公司管治

本集團已承諾根據現行慣例及標準，實踐良好的公司管治，以實現一個透明度高、開放及值得信賴的公司。

遵守最佳應用守則

並無任何一位董事獲悉任何資料合理顯示，在本期內，本集團並無或曾經沒有遵守上市規則附錄14所載的最佳應用守則。

代表董事會

華潤上華科技有限公司

主席

陳正宇博士

於本公佈刊登日期，本公司董事會成員包括九名董事，當中有三名是執行董事，即陳正宇先生、李乃義先生及蔡聯南先生；三名非執行董事，即俞宇先生、王添根先生及陳南翔博士；以及三名獨立非執行董事，即溫金鸞女士、許奇楠先生及Ralph Sytze YBEMA先生。

Condensed Consolidated Profit and Loss Account 簡明綜合損益賬

For the six months ended 30 June 2004

截至二零零四年六月三十日止六個月

		Unaudited	
		Six months ended 30 June	
		未經審核	
		截至六月三十日止六個月	
		2004	2003
		二零零四年	二零零三年
		US\$'000	US\$'000
		千美元	千美元
		Note	
		附註	
Turnover	營業額		
			34,415
Cost of sales	銷售成本		(24,350)
			18,822
			(14,494)
Gross profit	毛利		10,065
Other revenue	其他收益		636
			4,328
Distribution, administrative and other operating expenses	分銷、行政及其他經營開支		(5,766)
			(2,811)
Operating profit	經營溢利	2	4,935
Finance costs	融資成本		(553)
			1,733
			(266)
Profit before taxation	除稅前溢利		4,382
Taxation	稅項	3(a)	(586)
			1,467
			(285)
Profit attributable to shareholders	股東應佔溢利		3,796
			1,182
Dividends	股息	4	1,338
			13,000
Basic earnings per share	每股基本盈利	5	US\$0.002美元
			US\$0.001美元
Fully diluted earnings per share	每股全面攤薄盈利	5	N/A 不適用
			N/A 不適用

Condensed Consolidated Balance Sheet

簡明綜合資產負債表

As at 30 June 2004 and 31 December 2003

於二零零四年六月三十日及二零零三年十二月三十一日

			Unaudited 未經審核 30 June 2004 二零零四年 六月三十日	Audited 經審核 31 December 2003 二零零三年 十二月三十一日
		Note 附註	US\$'000 千美元	US\$'000 千美元
Non-current assets	非流動資產			
Fixed assets	固定資產	6	101,658	82,830
Land use rights	土地使用權	6	558	567
Intangible assets	無形資產	6	788	395
Total non-current assets	非流動資產總額		<u>103,004</u>	<u>83,792</u>
Current assets	流動資產			
Inventories	存貨		7,975	4,996
Trade and note receivables	應收貿易賬款及應收票據	7	9,726	5,200
Prepayments and other receivables	預付款項及其他應收款項		1,689	778
Due from related parties	應收關連人士款項	13(b)	3,740	2,605
Due from a shareholder	應收一名股東款項	13(b)	6	6
Tax recoverable	可收回稅項		—	305
Restricted bank deposits	有限制銀行存款		285	195
Cash and bank balances	現金及銀行結餘		35,461	39,138
Total current assets	流動資產總額		<u>58,882</u>	<u>53,223</u>

Condensed Consolidated Balance Sheet (Continued)

簡明綜合資產負債表 (續)

As at 30 June 2004 and 31 December 2003

於二零零四年六月三十日及二零零三年十二月三十一日

			Unaudited 未經審核 30 June 2004 二零零四年 六月三十日	Audited 經審核 31 December 2003 二零零三年 十二月三十一日
		Note 附註	US\$'000 千美元	US\$'000 千美元
Current liabilities	流動負債			
Trade and note payables	應付貿易賬款及應付票據	8	9,576	10,716
Accruals and other payables	應計費用及其他應付款項		2,796	628
Advances from customers	客戶墊款		1,248	398
Taxation payable	應付稅項		582	—
Due to related parties	應付關連人士款項	13(b)	6,741	7,396
Short-term bank loans	短期銀行貸款	9	25,558	20,350
Long-term bank loan	長期銀行貸款			
- current portion	- 即期部份		—	2,300
Total current liabilities	流動負債總額		<u>46,501</u>	<u>41,788</u>
Net current assets	流動資產淨額		<u>12,381</u>	<u>11,435</u>
Total assets less current liabilities	資產總額減流動負債		<u>115,385</u>	<u>95,227</u>
Net assets	資產淨額		<u>115,385</u>	<u>95,227</u>
Representing:	包括下列各項：			
Capital and reserves	資本及儲備			
Share capital	股本	10	21,286	16
Reserves	儲備		94,083	95,211
			<u>115,385</u>	<u>95,227</u>

Condensed Consolidated Statement of Changes in Equity

簡明綜合股本變動報表

For the six months ended 30 June 2004

截至二零零四年六月三十日止六個月

		Unaudited									
		Six months ended 30 June 2004									
		未經審核									
		截至二零零四年六月三十日止六個月									
		Share capital	Share premium	Merger reserve	Warrant reserve	Contributed surplus	Reserve fund	Enterprise expansion fund	Cumulative translation adjustments	Retained profits	Total
		股本	股份溢價	合併儲備	認股權證儲備	繳入盈餘	儲備基金	企業發展基金	累計換算調整	保留溢利	總計
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元
As at 1 January 2004	於二零零四年一月一日	16	53,247	34,518	—	2,035	1,513	1,513	10	2,375	95,227
Issuance of warrants	發行認股權證	—	—	—	17,400	—	—	—	—	—	17,400
Share split and re-denomination of currency (Note 10)	股份分拆及貨幣重新列值(附註10)	21,270	(21,270)	—	—	—	—	—	—	—	—
Share issuance expenses	股份發行開支	—	(1,040)	—	—	—	—	—	—	—	(1,040)
Profit for the period	期內溢利	—	—	—	—	—	—	—	—	3,796	3,796
Translation adjustments	換算調整	—	—	—	—	—	—	—	2	—	2
As at 30 June 2004	於二零零四年六月三十日	21,286	30,937	34,518	17,400	2,035	1,513	1,513	12	6,171	115,385

Condensed Consolidated Statement of Changes in Equity (Continued)

簡明綜合股本變動報表 (續)

For the six months ended 30 June 2004

截至二零零四年六月三十日止六個月

		Unaudited Six months ended 30 June 2003 未經審核 截至二零零三年六月三十日止六個月							
		Share capital	Merger reserve	Contributed surplus 認股權證	Reserve fund 儲備基金	Enterprise expansion fund 基金	Cumulative translation adjustments 企業發展 調整	Retained profits 保留溢利	Total
		US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元
As at 1 January 2003	於二零零三年 一月一日	9	11,991	2,035	371	371	6	13,644	28,427
Capital contribution of a subsidiary	一間附屬公司 注資	—	22,527	—	—	—	—	—	22,527
Profit for the period	期內溢利	—	—	—	—	—	—	1,182	1,182
Profit appropriation	溢利分配	—	—	—	1,142	1,142	—	(2,284)	—
Dividends declared	已宣派股息	—	—	—	—	—	—	(13,000)	(13,000)
Translation adjustments	換算調整	—	—	—	—	—	(1)	—	(1)
As at 30 June 2003	於二零零三年 六月三十日	<u>9</u>	<u>34,518</u>	<u>2,035</u>	<u>1,513</u>	<u>1,513</u>	<u>5</u>	<u>(458)</u>	<u>39,135</u>

Condensed Consolidated Cash Flow Statement

簡明綜合現金流量報表

For the six months ended 30 June 2004

截至二零零四年六月三十日止六個月

		Unaudited	
		Six months ended 30 June	
		未經審核	
		截至六月三十日止六個月	
		2004	2003
		二零零四年	二零零三年
		US\$'000	US\$'000
		千美元	千美元
Net cash inflow from operating activities	經營業務所產生的現金流入淨額	9,580	4,875
Net cash used in investing activities	投資業務所動用的現金淨額	(29,404)	(15,507)
Net cash inflow from financing activities	融資業務所產生的現金流入淨額	16,145	8,190
Decrease in cash and cash equivalents	現金及現金等值項目減少	(3,679)	(2,442)
Effect on foreign exchange rate changes	匯率變動影響	2	—
Cash and cash equivalents at beginning of period	期初的現金及現金等值項目	39,138	5,951
Cash and cash equivalents at end of period	期終的現金及現金等值項目	35,461	3,509
Analysis of balances of cash and cash equivalents	現金及現金等值項目結餘分析		
Cash and bank balances	現金及銀行結餘	35,461	3,509

Notes to the Condensed Financial Statements 簡明財務報表附註

30 June 2004

二零零四年六月三十日

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited consolidated condensed accounts are prepared in accordance with Hong Kong Statement of Standard Accounting Practice (“SSAP”) Number 25, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

These condensed accounts should be read in conjunction with the accountants’ report contained in Appendix 1 of the Company’s prospectus dated 3 August 2004 (the “Accountants Report”).

The accounting policies and methods of computation used in the preparation of these condensed accounts are consistent with those used in the Accountant’s Report.

1 編製基準及會計政策

該等未經審核綜合簡明賬目乃根據香港會計師公會所頒佈的香港會計實務準則（「會計實務準則」）第25號「中期財務申報」編製。

該等簡明賬目應與載於本公司於二零零四年八月三日刊發的招股章程內的會計師報告（「會計師報告」）一併閱讀。

於編製該等簡明賬目時所採納的會計政策及計算方法，與編製會計師報告所採納者一致。

Notes to the Condensed Financial Statements (Continued) 簡明財務報表附註 (續)

30 June 2004

二零零四年六月三十日

2 OPERATING PROFIT

Operating profit is stated after crediting and charging the following:

2 經營溢利

經營溢利經計入及扣除下列各項後列賬：

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2004 二零零四年 US\$'000 千美元	2003 二零零三年 US\$'000 千美元
Crediting:	經計入：		
Refund of value-added tax (Note 3(b))	增值稅退款 (附註3(b))	507	176
		<hr/>	<hr/>
Charging:	經扣除：		
Depreciation of fixed assets	固定資產折舊	6,167	3,750
Amortisation of land use right	土地使用權攤銷	9	—
Amortisation of intangible assets	無形資產攤銷	38	4
Staff costs (excluding directors' emoluments)	員工成本 (不包括董事酬金)		
- Wages and salaries	- 工資及薪金	3,696	2,109
- Pension cost – defined contribution	- 退休金成本 – 界定供款	419	205
Loss on disposal of fixed assets	出售固定資產虧損	—	3
Provision for inventory obsolescence	過時存貨撥備	111	—
Provision for doubtful receivables	應收呆賬撥備	193	—
Operating lease expenses on buildings and machinery	樓宇及機器的經營租約開支	651	561
Research and development expenses (excluding staff costs)	研究及開發開支 (不包括員工成本)	1,232	398
		<hr/>	<hr/>

Notes to the Condensed Financial Statements (Continued) 簡明財務報表附註 (續)

30 June 2004

二零零四年六月三十日

3 TAXATION

(a) Income tax

The Company was incorporated under the Companies Law (2003 Revision) of the Cayman Islands and is not subject to taxation in the Cayman Islands.

No Hong Kong profits tax has been provided as there was no assessable profit earned in or derived from Hong Kong.

The Company's subsidiaries registered in the People's Republic of China (the "PRC") are subject to Enterprise Income Tax ("EIT") on the income as reported in their PRC statutory accounts adjusted in accordance with relevant PRC income tax laws. The applicable EIT rates range from 15% to 24%. In accordance with the PRC "Law of Enterprise Income Tax for Enterprise with Foreign Investment", the Company's PRC subsidiaries are entitled to full exemption from EIT for the first two years and a 50% reduction in EIT for the next three years, commencing from the first profitable year after offsetting all tax losses carried forward from previous five years.

3 稅項

(a) 所得稅

本公司根據開曼群島公司法（二零零三年修訂版）註冊成立，並不須要繳交任何開曼群島稅項。

由於並無自香港賺取或產生應課稅溢利，故並無就香港利得稅撥備。

本公司於中華人民共和國（「中國」）註冊的附屬公司，須就他們的中國法定賬目所呈報的應課稅收入（根據有關中國所得稅法作出調整）繳付企業所得稅。適用企業所得稅率介乎15%至24%。根據中國「外商投資企業所得稅法」，本公司的中國附屬公司可自首個獲利年度（經抵銷過往五年結轉的所有稅項虧損後）起計的首兩年全數豁免繳付企業所得稅，及於隨後三年減免50%企業所得稅。

Notes to the Condensed Financial Statements (Continued) 簡明財務報表附註(續)

30 June 2004

二零零四年六月三十日

3 TAXATION (Continued)

(a) Income tax (Continued)

The amount of taxation charged to the condensed consolidated profit and loss accounts represents:

Current taxation:	即時稅項：
- PRC taxation	- 中國稅項

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of the home country of the Company as follows:

Profit before taxation	除稅前溢利
Calculated at a taxation rate of 0%	按稅率0%計算
Effect of different taxation rates in other subsidiaries	其他附屬公司不同稅率的影響
Income not subject to taxation	毋須繳付稅項的收入
Expenses not deductible for taxation purposes	不可扣稅開支
Taxation charge	稅務開支

3 稅項(續)

(a) 所得稅(續)

自簡明綜合損益賬扣除的稅項金額指：

Unaudited 未經審核	
Six months ended 30 June 截至六月三十日止六個月	
2004 二零零四年 US\$'000 千美元	2003 二零零三年 US\$'000 千美元
<u>586</u>	<u>285</u>

就本集團除稅前溢利的稅項與使用公司經營所在地的稅率計算出的理論金額差異如下：

Unaudited 未經審核	
Six months ended 30 June 截至六月三十日止六個月	
2004 二零零四年 US\$'000 千美元	2003 二零零三年 US\$'000 千美元
<u>4,382</u>	<u>1,467</u>
—	—
611	306
(61)	(21)
<u>36</u>	<u>—</u>
<u>586</u>	<u>285</u>

Notes to the Condensed Financial Statements (Continued) 簡明財務報表附註 (續)

30 June 2004

二零零四年六月三十日

3 TAXATION (Continued)

(b) Value-added tax ("VAT")

The Company's subsidiaries registered in the PRC are subject to VAT, which is charged on top of the selling price at a general rate of 17%. An input credit is available whereby input VAT previously paid on purchases of raw materials or semi-finished products can be used to offset the output VAT on sales to determine the net VAT payable.

According to relevant PRC rules and regulations, one of the Group's major operating subsidiary (CSMC Technologies Fab 1 Co., Ltd.), being qualified as a micro-electronics products manufacturer, is entitled to refund of VAT from 1 July 2000 to 31 March 2005. The net VAT payables related to domestic sales were firstly paid to the tax bureau and any portion in excess of 6% of domestic sales would be refunded. The Group's VAT refund for the six months ended 30 June 2004 amounted to approximately US\$507,000 (2003: approximately US\$176,000).

(c) Deferred taxation

There was no significant unprovided deferred taxation as at 30 June 2004 (2003: Nil).

3 稅項 (續)

(b) 增值稅 (「增值稅」)

本公司於中國註冊的附屬公司須繳付增值稅，以售價按一般稅率17%徵收。先前用於購買原材料或半製成品所支付的進項增值稅可先行記賬，並可沖銷銷售時須支付的銷項增值稅，以確定應繳付的增值稅淨額。

根據有關中國法例及法規，本集團其中一間主要自營附屬公司(無錫華潤上華半導體有限公司)被評為合資格的微電子產品製造商，可由二零零零年七月一日起至二零零五年三月三十一日止獲退回增值稅。無錫華潤上華首先向稅務局支付有關內銷額的應付增值稅淨額，隨後將獲退回內銷額6%以外的任何餘額。本集團截至二零零四年六月三十日止六個月的增值稅退款約達507,000美元(二零零三年：約176,000美元)。

(c) 遞延稅項

於二零零四年六月三十日，本集團並無任何重大未撥備遞延稅項(二零零三年：無)。

Notes to the Condensed Financial Statements (Continued) 簡明財務報表附註(續)

30 June 2004

二零零四年六月三十日

4 DIVIDENDS

4 股息

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2004 二零零四年 US\$'000 千美元	2003 二零零三年 US\$'000 千美元
Pre-listing dividends (i)	上市前股息 (i)	—	13,000
Interim, paid (ii)	中期，已付 (ii)	<u>1,338</u>	<u>—</u>
		<u>1,338</u>	<u>13,000</u>

(i) Dividends paid during the six months ended 30 June 2003 represented dividends declared by a group company to its then shareholders prior to the listing of the Company.

(ii) In March 2004, the Company declared a dividend of US\$1,338,000 which was satisfied by a bonus issue pursuant to which a total of 1,338,000 ordinary shares of US\$0.0001 each of the Company were allotted and issued, credited as fully paid, to members of the Company whose names appeared on the register of members of the Company as at 31 December 2003 in proportion to their respective shareholdings by the capitalisation of the sum of US\$133.8 that standing to the credit of the share premium account of the Company.

(i) 截至二零零三年六月三十日止六個月期間內支付的股息，乃本公司上市前由集團公司向其當時股東宣派的股息。

(ii) 於二零零四年三月，本公司宣派股息1,338,000美元，以紅利發行形式償付。據此，本公司藉著把本公司股份溢價賬的貸項133.8美元資本化，配發及發行本公司每股面值0.0001美元入賬列作繳足的普通股1,338,000股，給名列本公司於二零零三年十二月三十一日的股東名冊的股東，有關配發及發行按該等股東各自的持股量進行。

Notes to the Condensed Financial Statements (Continued) 簡明財務報表附註(續)

30 June 2004

二零零四年六月三十日

5 EARNINGS PER SHARE

The calculations of basic and diluted earnings per share are based on the Group's profit attributable to shareholders of approximately US\$3,796,000 for the six months ended 30 June 2004 (2003: approximately US\$1,182,000).

Basic earnings per share is calculated based on the weighted average number of 1,657,987,393 ordinary shares in issue during the six months ended 30 June 2004 (2003: 963,380,000 ordinary shares) taking into account the effect of the 1:10 share split.

No fully diluted earnings per share for the six months ended 30 June 2004 is presented as the potential dilutive ordinary shares resulted from the exercise of the warrants were anti-dilutive.

6 CAPITAL EXPENDITURE

Opening net book amount as at 1 January 2004	於二零零四年一月一日的 期初賬面淨額
Additions	增加
Depreciation/amortisation charge	折舊／攤銷支出
Closing net book amount as at 30 June 2004	於二零零四年六月三十日的 期末賬面淨額

As at 30 June 2004, certain of the Group's machinery and equipment with net book value of approximately US\$8,200,000 (31 December 2003: approximately US\$9,152,000) were mortgaged as collateral to secure the Group's short-term bank loans (Note 9).

5 每股盈利

每股基本及攤薄盈利是根據本集團於截至二零零四年六月三十日止六個月的股東應佔溢利約3,796,000美元(二零零三年：約1,182,000美元)計算。

每股基本盈利是根據1:10股份分拆後截至二零零四年六月三十日止六個月期間的已發行普通股加權平均股數1,657,987,393股(二零零三年：963,380,000股普通股)計算。

由於截至二零零四年六月三十日止六個月期間，因行使認股權證而產生的潛在攤薄普通股具反攤薄作用，故並無呈列該等期間的每股悉數攤薄盈利。

6 資本開支

	Land use rights	Intangible assets
Fixed assets 固定資產	土地使用權	無形資產
US\$'000 千美元	US\$'000 千美元	US\$'000 千美元
Opening net book amount as at 1 January 2004	82,830	395
Additions	24,995	431
Depreciation/amortisation charge	(6,167)	(38)
Closing net book amount as at 30 June 2004	101,658	788

於二零零四年六月三十日，本集團賬面淨值約8,200,000美元(二零零三年十二月三十一日：約9,152,000美元)的若干機器及設備已予按揭，作為取得本集團的短期銀行貸款的抵押品(附註9)。

Notes to the Condensed Financial Statements (Continued) 簡明財務報表附註 (續)

30 June 2004

二零零四年六月三十日

7 TRADE AND NOTE RECEIVABLES

The aging analysis of trade and note receivables is as follows:

0 to 30 days	0至30日
30 to 90 days	30至90日
90 to 180 days	90至180日

The Group would generally grant credit term from 0 to 60 days to its customers. In addition, a predetermined maximum credit term has been set for each customer.

7 應收貿易賬款及應收票據

應收貿易賬款及應收票據的賬齡分析如下：

Unaudited 未經審核 30 June 2004 二零零四年 六月三十日 US\$'000 千美元	Audited 經審核 31 December 2003 二零零三年 十二月三十一日 US\$'000 千美元
6,015	4,144
3,672	1,056
39	—
<u>9,726</u>	<u>5,200</u>

本集團一般給予客戶0至60日信貸期。此外，本集團已就各名客戶預定了最長信貸期。

Notes to the Condensed Financial Statements (Continued) 簡明財務報表附註(續)

30 June 2004

二零零四年六月三十日

8 TRADE AND NOTE PAYABLES

The aging analysis of trade and note payables is as follows:

0 to 30 days	0至30日
30 to 90 days	30至90日
180 to 360 days	180至360日

9 SHORT-TERM BANK LOANS

Secured	有抵押
Unsecured	無抵押

As at 30 June 2004, the Group's short-term bank loans bore interest at rates ranging from 3.31% to 5.31% per annum (31 December 2003: 3.31% to 5.31% per annum). The secured portion was secured by certain of the Group's machinery and equipment (Note 6).

8 應付貿易賬款及應付票據

應付貿易賬款及應付票據的賬齡分析如下：

Unaudited 未經審核	Audited 經審核
30 June 2004 二零零四年 六月三十日 US\$'000 千美元	31 December 2003 二零零三年 十二月三十一日 US\$'000 千美元
7,879	10,622
1,646	58
51	36
<u>9,576</u>	<u>10,716</u>

9 短期銀行貸款

Unaudited 未經審核	Audited 經審核
30 June 2004 二零零四年 六月三十日 US\$'000 千美元	31 December 2003 二零零三年 十二月三十一日 US\$'000 千美元
2,416	4,229
23,142	16,121
<u>25,558</u>	<u>20,350</u>

於二零零四年六月三十日，本集團的短期銀行貸款須按年利率介乎3.31厘至5.31厘（二零零三年十二月三十一日：年息率介乎3.31厘至5.31厘）支付利息。有抵押部分由本集團的若干機器及設備作抵押（附註6）。

Notes to the Condensed Financial Statements (Continued) 簡明財務報表附註(續)

30 June 2004

二零零四年六月三十日

10 SHARE CAPITAL

10 股本

		Unaudited 未經審核 30 June 2004 二零零四年 六月三十日 US\$'000 千美元	Audited 經審核 31 December 2003 二零零三年 十二月三十一日 US\$'000 千美元
Authorised	法定		
- 500,000,000 ordinary shares of US\$0.0001 each	- 500,000,000股每股面值0.0001美元的普通股	—	50
- 500,000,000 redeemable convertible preferred shares of US\$0.0001 each	- 500,000,000股每股面值0.0001美元的可贖回可換股優先股	—	50
- 10,000,000,000 ordinary shares of HK\$0.1 each	- 10,000,000,000股每股面值0.1港元的普通股	128,205	—
		<u>128,205</u>	<u>100</u>
Issued and fully paid	已發行及繳足		
- 111,800,000 ordinary shares of US\$0.0001 each	- 111,800,000股每股面值0.0001美元的普通股	—	11
- 52,200,000 redeemable convertible preferred shares of US\$0.0001 each	- 52,200,000股每股面值0.0001美元的可贖回可換股優先股	—	5
- 1,660,291,090 ordinary shares of HK\$0.1 each	- 1,660,291,090股每股面值0.1港元的普通股	21,286	—
		<u>21,286</u>	<u>16</u>

Notes to the Condensed Financial Statements (Continued) 簡明財務報表附註(續)

30 June 2004

二零零四年六月三十日

10 SHARE CAPITAL (Continued)

Movements in share capital during the period was as follows:

		US\$ denominated ordinary share 以美元列值 的普通股		US\$ denominated preferred shares 以美元列值 的優先股		HK\$ denominated ordinary share 以港元列值 的普通股	
		Number of shares 股份數目 '000 千股	Amount 金額 US\$'000 千美元	Number of shares 股份數目 '000 千股	Amount 金額 US\$'000 千美元	Number of shares 股份數目 '000 千股	Amount 金額 US\$'000 千美元
As at 1 January 2004	於二零零四年 一月一日	111,800	11	52,200	5	—	—
Dividends satisfied by shares (Note 4(ii))	以股代息 (附註4(ii))	1,338	—	—	—	—	—
Issuance of shares	發行股份	691	—	—	—	—	—
Share split and re-denomination of currency (i)	股份分拆及 貨幣重新 列值	(113,829)	(11)	(52,200)	(5)	1,660,291	21,286
As at 30 June 2004	於二零零四年 六月三十日	—	—	—	—	1,660,291	21,286

(i) On 8 May 2004, 113,829,109 ordinary shares and 52,200,000 preferred shares of US\$0.0001 each were repurchased and 1,660,291,090 ordinary shares of HK\$0.1 each were allotted and issued, credited as fully paid, to the former holders of such ordinary and preferred shares in exchange therefor on a pro rata basis.

10 股本(續)

期內股本變動如下：

(i) 於二零零四年五月八日，分別購回113,829,109股及52,200,000股每股面值0.0001美元的普通股及優先股，以及按比例向該等普通股及優先股的前股東配發及發行1,660,291,090股每股面值0.1港元的入賬列作繳足普通股，作為購回有關股份的代價。

Notes to the Condensed Financial Statements (Continued) 簡明財務報表附註(續)

30 June 2004

二零零四年六月三十日

11 SEGMENT INFORMATION

The Group has only one business segment which is the manufacturing of integrated circuit and related products.

An analysis by geographical segment, as determined by location of ultimate customers, is as follows:

11 分類資料

本集團唯一的業務分類為製造集成電路及相關產品。

按最終客戶所在地釐定的地區分類分析如下：

		Unaudited 未經審核		
		Six months ended 30 June 2004 截至二零零四年六月三十日止六個月		
		Turnover 營業額 US\$'000 千美元	Cost of sales 銷售成本 US\$'000 千美元	Gross profit 毛利 US\$'000 千美元
PRC	中國	21,332	(14,448)	6,884
Taiwan	台灣	7,801	(5,951)	1,850
United States	美國	3,491	(2,718)	773
Hong Kong	香港	1,413	(1,049)	364
Others	其他	378	(184)	194
Total	總額	34,415	(24,350)	10,065
		Unaudited 未經審核		
		Six months ended 30 June 2003 截至二零零三年六月三十日止六個月		
		Turnover 營業額 US\$'000 千美元	Cost of sales 銷售成本 US\$'000 千美元	Gross profit 毛利 US\$'000 千美元
PRC	中國	15,535	(11,940)	3,595
Taiwan	台灣	1,394	(1,167)	227
United States	美國	508	(1,027)	(519)
Hong Kong	香港	1,242	(242)	1,000
Others	其他	143	(118)	25
Total	總額	18,822	(14,494)	4,328

No segment information by location of assets is presented as the majority of the Group's assets are located in the PRC.

由於本集團大部分資產均位於中國，故並無按資產所在地呈列分類資料。

Notes to the Condensed Financial Statements (Continued) 簡明財務報表附註(續)

30 June 2004

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12 CAPITAL COMMITMENTS FOR FIXED ASSETS

12 固定資產的資本承擔

	Unaudited 未經審核	Audited 經審核
	30 June 2004 二零零四年 六月三十日 US\$'000 千美元	31 December 2003 二零零三年 十二月三十一日 US\$'000 千美元
Contracted but not provided for:		
- Acquisition of plant and machinery	17,038	15,000
Authorised but not contracted for:		
- Acquisition of plant and machinery	25,365	75,708
- Acquisition of information technology system	682	1,686
	<u>43,085</u>	<u>92,394</u>

13 RELATED PARTY TRANSACTIONS

Parties are considered to be related if the Group has the ability, directly or indirectly, to control the parties or exercise significant influence over the parties in making financial and operating decision, or vice versa, or where the Group and the parties are subject to common control or common significant influence.

13 關連人士交易

倘本集團有能力直接或間接控制某方，或可對某方的財務和營運決策發揮重大影響力(或其對本集團的財務和營運決策發揮重大影響力)，或倘本集團及某方均受共同控制或共同重大影響，則此等人士會被視為關連人士。

Notes to the Condensed Financial Statements (Continued) 簡明財務報表附註(續)

30 June 2004

二零零四年六月三十日

13 RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties

For the six months ended 30 June 2004, the Group had the following significant transactions with related parties:

Sales of goods to related companies	向關連公司銷售商品	7,800	8,795
Purchase of fixed assets from a related company	向一間關連公司購買固定資產	7,480	11,500
Rental, utilities and other services fees paid to a related company	向一間關連公司支付租金、公用事業費用及其他服務費用	4,520	2,942
Consultancy fee paid to a related company	向一間關連公司支付顧問費用	334	418

(b) Balances with related parties

As at 30 June 2004, all balances with related parties were unsecured, non-interest bearing and without fixed repayment terms.

14 SUBSEQUENT EVENT

On 13 August 2004, the Company listed its shares on The Hong Kong Stock Exchange Limited.

13 關連人士交易(續)

(a) 與關連人士交易

截至二零零四年六月三十日止六個月，本集團與關連人士的重大交易如下：

Unaudited 未經審核	
Six months ended 30 June 截至六月三十日止六個月	
2004 二零零四年 US\$'000 千美元	2003 二零零三年 US\$'000 千美元
7,800	8,795
7,480	11,500
4,520	2,942
<u>334</u>	<u>418</u>

(b) 關連人士結餘

於二零零四年六月三十日，所有關連人士結餘為無抵押、免息及無固定還款期。

14 期後事項

本公司於二零零四年八月十三日在香港聯合交易所掛牌上市。



CSMC TECHNOLOGIES CORPORATION
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