



Interim Report

2007

中期報告

A Leading Analog Foundry in China
中國模擬晶圓專工領航者

CSMC TECHNOLOGIES CORPORATION

華潤上華科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊之有限公司)

(Stock Code 股份代號 : 0597)

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Positioning The Group is positioned as a leading analog foundry in mainland China with two market segment thrust: power management IC and power discrete products. Demand for energy saving semiconductors continues to accelerate on a worldwide basis with the fastest growth rates occurring in the China analog IC market. The Group offers a broad range of analog and power process technologies to mainland China and international fabless design houses while maintaining selective capacities for outsourced contract manufacturing with international integrated device manufacturers. The Group's strategy maximizes shareholders' value by ensuring continual high foundry utilization rates balanced with cost effective capacity expansion.

定位 華潤上華矢志成為中國內地模擬晶圓專工之領航者，致力於開發電源管理IC及電源分立器件。在全球範圍內，對於節能半導體的需求持續加速增長，而中國模擬集成電路市場的增長率最為顯著。本集團為國內外集成電路設計商提供廣泛的模擬和功率制程技術，同時，保留部分產能為國際器件集成生產商提供外包製造服務。本集團的策略是確保持續的高產能利用率以及具有成本效益的產能擴充，從而實現股東價值最大化。



Corporate profile

CSMC Technologies Corporation ("CSMC" or the "Company") is a limited liability company incorporated in the Cayman Islands. CSMC was listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in August 2004 (Stock Code 0597).

Pioneering the open foundry business model in China since 1997, CSMC and its subsidiaries (the "Group" or "We") provides Integrated Circuits ("IC") manufacturing services for fabless design houses and integrated device manufacturers (IDMs). CSMC Technologies Fab 1 Co., Ltd. ("Fab 1") is the first and the largest open 6-inch wafer foundry in China as measured by production capacity. Fab 1 contains a clean room of 6,400 square meters. Fab 1 manufactures 6-inch wafers on process technologies ranging from 3.0 micron to 0.35 micron with production capacity of 62,000 6-inch wafers per month ("wpm").

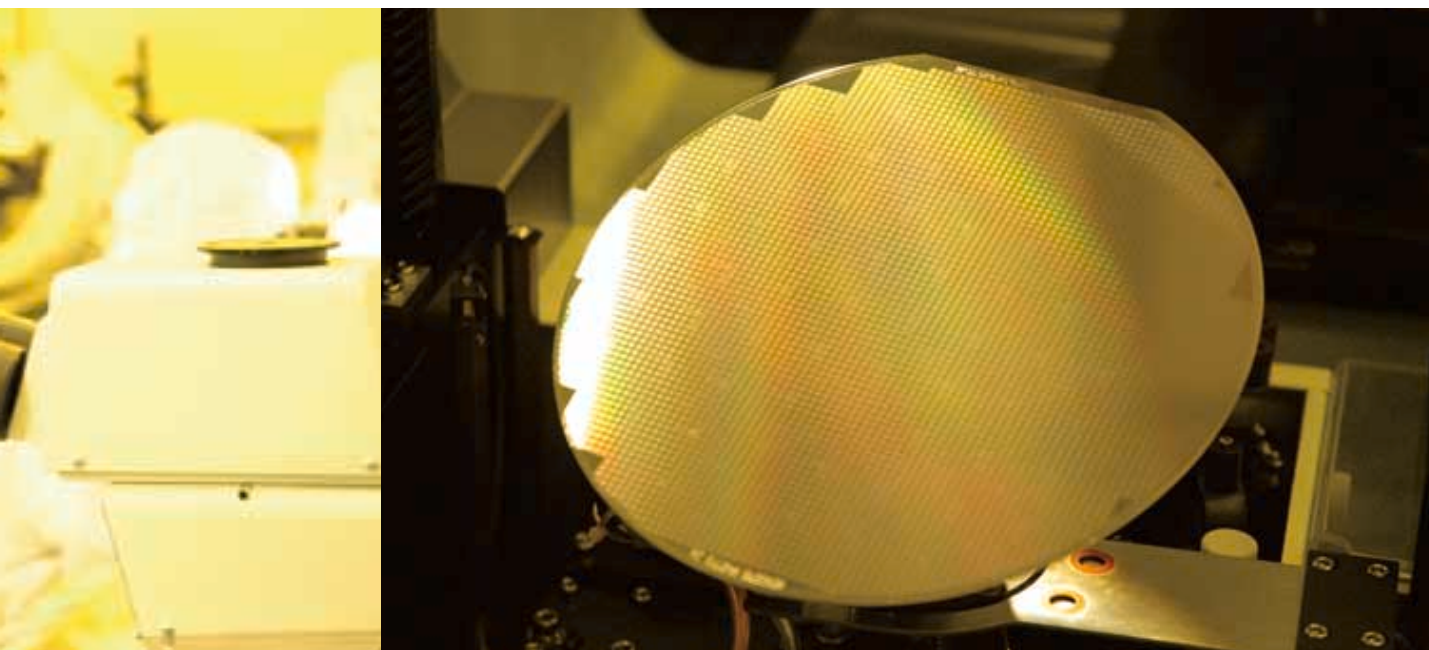
CSMC Technologies Fab 2 Co., Ltd. ("Fab 2") is engaging strategic partners consistent with the Group's strategy focusing on high voltage analog and will manufacture 8-inch wafers on process technologies ranging from 0.35 micron to 0.18 micron.

公司概況

華潤上華科技有限公司（「華潤上華」或「本公司」）為於開曼群島註冊成立之有限公司。華潤上華於二零零四年八月在香港聯合交易所有限公司（「香港聯交所」）主板上市（股份代號0597）。

華潤上華及其附屬公司（「本集團」）或「我們」於一九九七年在中國開創開放式晶圓代工業務模式的先河，目前為無生產綫設計公司及集成設備製造商（「IDMs」）提供集成電路（「IC」）制造服務。無錫華潤上華半導體有限公司（「一廠」）是國內第一家且以產能計為國內最大型開放式6英寸晶圓代工廠。一廠的無塵室面積達6,400平方米。採用3.0微米至0.35微米的制程技術生產6英寸晶圓，產能為每月62,000片6英寸晶圓。

無錫華潤上華科技有限公司（「二廠」）正在尋求與本集團專注於高壓模擬工藝的策略相一致的戰略伙伴，將採用0.35微米到0.18微米制程技術生產8英寸晶圓。



CSMC Technologies Fab 3 Co., Ltd. ("Fab 3") has commenced its operation since July 2006. Fab 3 contains a clean room of 2,392 square meters and manufactures 6-inch wafers on process technologies ranging from 3.0 micron to 0.8 micron with a target production capacity of 20,000 6-inch wpm.

The Group offers worldwide customers a broad range of analog and power process technologies including Mixed Signal, BCD, BiCMOS, Planar DMOS, Trench DMOS, EEPROM and CMOS Logic. We also offer assistance to fabless customers by arranging upstream IC design services as well as downstream testing and packaging services.

Expanding with the fast growing analog IC market, the Group is rapidly completing its transition to analog foundry, addressing demands for power management IC and power discrete products and aiming to be a leading analog foundry in China.

北京華潤上華半導體有限公司(「三廠」)自二零零六年七月開始營運。三廠配備的無塵室面積達2,392平方米，採用3.0微米至0.8微米的制程技術生產6英寸晶圓，產能目標為每月20,000片6英寸晶圓。

本集團向全球顧客提供範圍廣泛的模擬及功率制程技術，包括數模混合信號，BCD，BiCMOS，平面DMOS，挖槽DMOS，EEPROM及CMOS邏輯。我們亦協助客戶安排上游IC設計服務及下游測試及封裝服務。

與快速發展的模擬集成電路市場共同發展，本集團正迅速地完成向模擬晶圓專工的轉型，專注開發電源管理IC及電源分立器件，並矢志成為中國模擬晶圓專工廠之領航者。

English Name	CSMC Technologies Corporation	英文名稱	CSMC Technologies Corporation
Chinese Name	華潤上華科技有限公司	中文名稱	華潤上華科技有限公司
Chairman	Peter CHEN Cheng-yu	主席	陳正宇
President	Elvis DENG Mao-song (appointed on 1 July 2007)	總裁	鄧茂松 (於二零零七年七月一日獲委任)
Executive Directors	Peter CHEN Cheng-yu Elvis DENG Mao-song (appointed on 1 July 2007) Robert LEE Naii (resigned on 1 July 2007)	執行董事	陳正宇 鄧茂松 (於二零零七年七月一日獲委任) 李乃義 (於二零零七年七月一日辭任)
Non-Executive Directors	ZHU Jinkun WANG Guoping Ken ONG Thiam Kin YU Yu CHEN Nan-xiang	非執行董事	朱金坤 王國平 王添根 俞宇 陳南翔
Independent Non-Executive Directors	Kum Loon OON Mark HSUE Chi Nan Ralph Sytze YBEMA	獨立非執行董事	溫金鸞 許奇楠 Ralph Sytze YBEMA
Audit Committee	Kum Loon OON (Chairperson) YU Yu Ralph Sytze YBEMA	審核委員會	溫金鸞(主席) 俞宇 Ralph Sytze YBEMA
Remuneration Committee	Ken ONG Thiam Kin (Chairperson) Mark HSUE Chi Nan Ralph Sytze YBEMA	薪酬委員會	王添根(主席) 許奇楠 Ralph Sytze YBEMA
Nomination Committee	Ralph Sytze YBEMA (Chairperson) Kum Loon OON Mark HSUE Chi Nan CHEN Nan-xiang Peter CHEN Cheng-yu	提名委員會	Ralph Sytze YBEMA (主席) 溫金鸞 許奇楠 陳南翔 陳正宇

Company Secretary and Qualified Accountant	Frank LAI Ni Hium <i>Certified Practising Accountant</i> (Australia)	公司秘書及 合資格 會計師	黎汝雄 澳洲執業會計師
Auditors	Deloitte Touche Tohmatsu	核數師	德勤•關黃陳方會計師行
Legal Advisor	Richards Butler	法律顧問	齊伯禮律師行
Registered Office	Scotia Center, P.O. Box 2804 George Town, Grand Cayman Cayman Islands British West Indies	註冊辦事處	Scotia Center, P.O. Box 2804 George Town, Grand Cayman Cayman Islands British West Indies
Principal Place of Business	No. 14 Liangxi Road Wuxi, Jiangsu 214061 China	主要營業 地點	中國 江蘇省無錫市 梁溪路14號 郵編：214061
Place of Business in Hong Kong Registered under Part XI of the Companies Ordinance	Rm. 510, 5/F., IC Development Centre No. 6, Science Park West Avenue Hong Kong Science Park, Shatin N.T., Hong Kong	根據公司條 例第XI部 登記的 香港營業 地點	香港 新界 沙田 香港科學園 科技大道西6號 集成電路開發中心 5樓510室
Share Registrar and Transfer Office in Hong Kong	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong	香港股份 過戶及 登記處	香港中央證券登記 有限公司 香港 灣仔 皇后大道東183號 合和中心 17樓 1712-1716室
Website Address	www.csmc.com.cn	網址	www.csmc.com.cn

Financial Highlights

財務概要

		Six months ended		
		截至以下日期止六個月		
		30 June 2007	30 June 2006	Percentage change
		二零零七年	二零零六年	百分比變動
		六月三十日	六月三十日	
		US\$'000	US\$'000	
		千美元	千美元	
		(unaudited)	(unaudited)	
		(未經審核)	(未經審核)	
Turnover	營業額	64,205	53,444	20.1%
Operating profit	經營溢利	6,415	2,392	168.2%
Profit for the period attributable to equity holders of the Company	本公司股權持有人應佔期內溢利	3,097	523	492.2%
Total earnings before interest expense, taxation and depreciation and amortization ("EBITDA")	未計利息開支、稅項、折舊及攤銷前的盈利總額 (「EBITDA」)	16,894	16,691	1.2%
Earnings per share	每股盈利			
Basic (US cents)	基本 (美仙)	0.11	0.02	450.0%
Diluted (US cents)	攤薄 (美仙)	0.11	0.02	450.0%

		As at		Percentage change 百分比變動
		30 June 2007 二零零七年 六月三十日 US\$'000 千美元 (unaudited) (未經審核)	31 December 2006 二零零六年 十二月三十一日 US\$'000 千美元 (audited) (經審核)	
Total assets	資產總值	274,870	253,280	8.5%
Total equity	權益總額	178,827	171,135	4.5%
Bank balances and cash	銀行結餘及現金	19,527	21,101	-7.5%
Borrowings	借貸	47,825	42,785	11.8%
Ratio (Note 1)		比率 (附註 1)		
Current ratio (times)	流動比率 (倍)	0.92	1.05	-11.7%
Debt to equity (%)	借貸與權益比率 (%)	15.82	12.67	7.0%
Net book value per share (US cents)	每股賬面淨值 (美仙)	6.55	6.28	4.2%

Note 1:

附註 1:

Current ratio = current assets / current liabilities

流動比率 = 流動資產 / 流動負債

Debt to equity = net borrowings / total equity

借貸與權益比率 = 借貸淨額 / 權益總額

Net book value per share = total equity / total outstanding shares

每股賬面淨值 = 權益總額 / 已發行股份總額

Dear Shareholders,

During the first half of 2007, the Group continued its rapid transition towards becoming a leading analog foundry in China. Demand for analog process technologies grew as expected from mainland China and international fabless customers. We developed several power DMOS technologies at the Wuxi and Beijing facilities and achieved turnover consistent with expectations. Today, we are increasingly viewed not only in China but also in the worldwide semiconductor industry as an analog foundry of choice due to the execution of a well balanced strategy for increasing analog process technologies while meeting overseas standards for quality and delivery performance.

I am pleased to report that CSMC recorded turnover of US\$64.21 million during the first half of 2007, representing a 20.1% increase as compared to US\$53.44 million for the same period in 2006. The Group's net profit improved to US\$3.10 million, nearly a six fold increase over US\$523,000 reported for the first half of 2006. Increased turnover and profitability were derived from the Group's improving analog IC and power MOSFET shipment ratio and high capacity utilization at Fab 1. Analog and power products accounted for 42.3% of the total turnover of the first half of 2007, a substantial increase when compared with 28.7% for the same period in 2006.

致各股東：

於二零零七年上半年，本集團持續快速轉型為中國模擬晶圓專工之領航者。中國內地及國際無生產線IC設計客戶對於模擬制程技術的需求按預期增長。我們在無錫及北京的工廠已投入了電源DMOS技術，並取得了與預期相一致的營業額。今天，隨著本集團採取一個均衡策略，在增加模擬制程技術的同時亦致力滿足海外客戶對於品質及交貨的要求，令本集團日益成為國內及全球半導體行業中的優選模擬晶圓代工廠。

我很高興宣佈華潤上華於二零零七年上半年錄得6421萬美元的營業額，較二零零六年同期的5344萬美元增加20.1%。本集團的純利增至310萬美元，幾乎為二零零六年上半年的523,000美元的六倍。營業額及盈利上升是由於本集團的模擬集成電路及電源分立器件付運比率上升及一廠高產能使用率所致。模擬及功率產品佔二零零七年上半年的營業總額的42.3%，較二零零六年同期的28.7%顯著增長。

Our strategy is to focus on analog IC, which have broad usage for power management and energy saving applications, accounting for approximately 20% of the worldwide IC market. With growing emphasis on environmental protection and energy savings in China, CSMC foresees a continuing growth in the China analog semiconductor market that significantly outpaces the worldwide market. We are well positioned to participate in the surging demand for analog IC for domestic and overseas design houses. Entering the second half of 2007, our backlog is strong and we expect to accelerate our top and bottom line performance based on a further improvement in the analog and power IC ratio.

Looking ahead, our 8-inch Fab project will be our next platform to strengthen our leading position in the domestic and overseas analog market. We are currently in discussions with potential customers to establish strategic partnerships.

In summary, we are pleased to be one of the leading analog foundries for the growing China electronics market. We believe that our ability to offer better quality and cost effective services, will continue to be our core competence to further enhance our leadership position in the market.

On behalf of CSMC, I would like to take this opportunity to thank all of our shareholders, business partners and our employees for your support and confidence.



Dr. Peter CHEN Cheng-yu
Chairman

Hong Kong, 23 August 2007

我們的策略是專注於模擬集成電路，該類集成電路在電源管理及節能應用方面有廣泛的用途，佔全球集成電路市場約20%。隨著中國越來越注重環保及節約能源，華潤上華預測中國模擬半導體市場將持續增長，速度遠超全球市場。針對國內及海外設計公司對於模擬集成電路快速增長的需求，我們作了有利的定位。邁入二零零七年下半年，我們有大量訂單在手，加上模擬及功率集成電路比率進一步改善，有助提升我們的盈利及業績表現。

展望未來，我們的8英寸廠將加強我們在國內外模擬市場的領導地位。我們現正與潛在客戶商討建立策略性夥伴關係。

總而言之，我們很高興成為成長中的中國電子市場的領先模擬晶圓專工廠之一。我們相信，我們提供更高質素及更具成本效益服務的能力，將繼續成為我們的核心競爭力，並進一步鞏固我們在市場上的領導地位。

本人藉此機會謹代表華潤上華感謝所有股東、業務夥伴及我們的僱員的支持和信賴。



陳正宇博士
主席

香港，二零零七年八月二十三日

OVERVIEW

In the first half of year 2007, the Group has benefited from its transition to analog foundry with the continual efforts on process technology mix evolution and capacity expansion. The Group's consolidated turnover for the six months ended 30 June 2007 increased by 20.1% to US\$64.21 million when compared with US\$53.44 million for the same period of 2006, allowing the Group to book a net profit of US\$3.10 million, representing an increase of 492.2% as compared with US\$523,000 same period last year. During the period under review, the EBITDA increased to US\$16.89 million.

The production capacity of the Group increased to 72,000 wpm by end of the period under review from 59,200 wpm in the same period of last year, in light of the increased production capacity, the average capacity utilization of the Group maintained at 85% for the first half of 2007.

BUSINESS REVIEW

Expansion of Business

The growth of China analog IC market is outpacing that of the worldwide market, which leads the Group's business in mainland China contributed US\$45.55 million or 70.9% of the total turnover of the Group in the first half of 2007, which represents an increase of 21.3% over US\$37.57 million in the first half of 2006. The Group's business from overseas market increased by 17.5% as a result of the growth in overseas market demand in the first half of 2007.

概覽

於二零零七年上半年，本集團受惠於其向模擬晶圓專工之轉型，及持續致力於制程技術組合的改革及產能擴張。本集團截至二零零七年六月三十日止六個月的綜合營業額較二零零六年同期的5,344萬美元增加20.1%至6421萬美元，使本集團錄得純利310萬美元，較去年同期的523,000美元增加492.2%。於回顧期內，扣除利息、稅項、折舊及攤銷後盈利增加至約1,689萬美元。

集團產能自去年同期的每月約59,200片晶圓增加至回顧期終的每月約72,000片晶圓，鑒於產能擴大，本集團於二零零七年上半年的平均產能使用率維持在85%。

業務回顧

業務拓展

中國模擬市場增長強勁，高於全球，使本集團於中國大陸的業務於二零零七年上半年對本集團的總營業額貢獻4,555萬美元或70.9%，較二零零六年上半年的3,757萬美元增加21.3%。因海外市場需求增長，二零零七年上半年本集團來自海外市場的業務增加17.5%。

BUSINESS REVIEW (Continued)

Expansion of Business (Continued)

The following table shows the geographical breakdown of the Group's turnover for the six months ended 30 June 2007 and 2006.

業務回顧 (續)

業務拓展 (續)

下表呈列本集團截至二零零七年及二零零六年六月三十日止六個月按地區分析的營業額。

		Unaudited Turnover for six months ended			
		30 June 2007		30 June 2006	
		截至以下日期止六個月的未經審核營業額			
		二零零七年六月三十日		二零零六年六月三十日	
		US\$'000	%	US\$'000	%
		千美元		千美元	
Mainland China	中國大陸	45,552	70.9	37,566	70.3
Asia, other than mainland China	不包括中國大陸 在內的亞洲	11,412	17.8	9,134	17.1
United States	美國	5,022	7.8	5,555	10.4
Europe	歐洲	2,219	3.5	1,189	2.2
Total	總額	64,205	100.0	53,444	100.0

The Group continues its strategy to diversify its customer base to avoid over-reliance on any single customer. With the increase in turnover, the Group's top five customers contributed 35.8% of total turnover in the first half of 2007 down from 45.0% in the same period of 2006.

本集團持續採取分散客戶基礎的策略以避免過度依賴任何單一客戶。隨着營業額增加，於二零零七年上半年，本集團前五大客戶貢獻總營業額的35.8%，較二零零六年同期的45.0%有所下降。

BUSINESS REVIEW (Continued)**Technology Migration**

The Group is transforming to be a leading analog foundry in China to focus on and benefit from the rapidly increasing demand in China analog IC market. Turnover contributions from analog IC increased to 42.3% in the first half of 2007 from 28.7% in the same period of 2006. The analog IC using high voltage, mixed-signal and DMOS technologies are widely used for applications of power management IC and power discrete.

The table below shows the Group's turnover for the six months ended 30 June 2007 and 2006 by process mix:

業務回顧(續)**技術改良**

本集團正轉型為中國模擬晶圓專工之領航者，以專注並受惠於中國模擬集成電路市場需求的快速增長。來自模擬集成電路的營業額由二零零六年同期的28.7%增至二零零七年上半年的42.3%。使用高壓、數模混合信號及DMOS技術的模擬集成電路，廣泛用於電源管理集成電路及電源分立器件。

下表呈列本集團截至二零零七年及二零零六年六月三十日止六個月按制程組合分析的營業額：

Unaudited Turnover for six months ended
截至六月三十日止六個月的未經審核營業額

		30 June 2007		30 June 2006	
		二零零七年六月三十日		二零零六年六月三十日	
		US\$'000	%	US\$'000	%
		千美元		千美元	
Logic	邏輯	31,552	49.0	29,759	55.8
Mixed-signal	數模混合信號	22,183	34.6	14,264	26.7
NVM&EEPROM	NVM&EEPROM	2,474	3.9	1,995	3.7
DMOS	DMOS	4,926	7.7	1,094	2.0
Others	其他	3,070	4.8	6,332	11.8
Total	總計	<u>64,205</u>	<u>100.0</u>	<u>53,444</u>	<u>100.0</u>

The Group continuously enhances its process technology. Turnover contributions from 0.5 micron and more advanced process technologies increased to US\$29.84 million or 46.5% in the first half of 2007 from US\$21.01 million or 39.4% in the same period of 2006.

本集團持續提升其制程技術。源自0.5微米及更先進制程技術的營業額由二零零六年上半年的2,101萬美元(或佔39.4%)上升至二零零七年上半年的2984萬美元(或佔46.5%)。

BUSINESS REVIEW (Continued)

業務回顧 (續)

Technology Migration (Continued)

技術改良 (續)

The table below shows the Group's turnover for the six months ended 30 June 2007 and 2006 by process technologies:

下表呈列本集團截至二零零七年及二零零六年六月三十日止六個月按制程技術分析的營業額：

		Unaudited Turnover for six months ended			
		截至六月三十日止六個月的未經審核營業額			
		30 June 2007		30 June 2006	
		二零零七年六月三十日		二零零六年六月三十日	
		US\$'000	%	US\$'000	%
		千美元		千美元	
6-inch	6英寸				
>=0.8 micron	> = 0.8微米	11,442	17.7	13,373	25.0
0.6-0.8 micron	0.6 - 0.8微米	14,931	23.3	11,631	21.8
0.5-0.6 micron	0.5 - 0.6微米	24,048	37.5	14,573	27.3
0.35-0.5 micron	0.35 - 0.5微米	5,788	9.0	6,441	12.1
Subtotal	小計	56,209	87.5	46,018	86.2
DMOS	DMOS	4,926	7.7	1,094	2.0
Others	其他	3,070	4.8	6,332	11.8
Total	總計	64,205	100.0	53,444	100.0

Employees

The management believes that the Group's employees are its greatest asset. The Group had 1,955 employees as at 30 June 2007, an increase of 135 employees compared with 1,820 at the end of 2006. The Group has maintained a good working relationship with employees over the period.

僱員

管理層相信，本集團的僱員為最重要的資產。截至二零零七年六月三十日，本集團有1,955名僱員，較二零零六年底的1,820名增加135名。本集團於期內與僱員維持良好關係。

BUSINESS REVIEW (Continued)**Employees (Continued)**

In the highly competitive semiconductor industry, strong human resources are essential for continuous growth. The management successfully leverage on the strengths of both domestic employees and international expertise. The Group also prides itself for its track record of recruiting and developing local managerial, technical, and operating personnel. Currently, 98% of the Group's employees are citizens of the PRC. As at 30 June 2007, 54.0% of the Group's employees hold college or graduate degrees.

FINANCIAL REVIEW

The Group's interim results for each of the six months ended 30 June 2007 and 2006 are set out in Interim Financial Information on page 35 to 54:

Turnover

The Group's consolidated turnover for the six months ended 30 June 2007 amounted to US\$64.21 million, representing an increase of 20.1% compared to US\$53.44 million in the same period of 2006. This increase in turnover was mainly due to the increase in volume of wafers shipped by 10.9% to 322,731 wafers in the first half of 2007 from 290,980 wafers in the same period of 2006. The increase in average selling price ("ASP") by 9.2% from US\$173 to US\$189 resulted from the process technology mix improving for more analog products, also contributed to the turnover increase.

Gross Profit

Gross profit and gross margin increased to US\$15.49 million or 24.1% in the first half of 2007 from US\$9.13 million or 17.1% in the same period of 2006, respectively. The increase in gross margin was mainly due to the increase in ASP of 9.2% for the first half of 2007.

業務回顧 (續)**僱員 (續)**

半導體行業的競爭非常激烈，強大的人力資源對於公司持續發展至關重要。管理層成功地運用中國國內僱員及國際專才的優勢。本集團亦對其招聘及發展本地管理、技術及營運員工的記錄感到自豪。本集團現時98%的員工為中國內地人才。於二零零七年六月三十日，本集團54.0%的僱員均擁有大專或以上學歷。

財務回顧

本集團截至二零零七年及二零零六年六月三十日止六個月中期業績載於中期財務資料第35頁至第54頁：

營業額

本集團截至二零零七年六月三十日止六個月的綜合營業額達到6,421萬美元，較二零零六年同期的5,344萬美元增加20.1%。營業額增加主要是由於付運的晶圓由二零零六年上半年的290,980片增加10.9%至二零零七年同期的322,731片。由於優化制程技術組合，增加模擬產品，使平均售價由173美元上升9.2%至189美元，也帶動營業額上升。

毛利

毛利及毛利率分別由二零零六年同期的913萬美元及17.1%增至二零零七年上半年的1549萬美元及24.1%。毛利率的增長主要是由於二零零七年上半年平均售價增加9.2%所致。

FINANCIAL REVIEW (Continued)

Operating Profit

The Group's operating profit increased by 157.2% to US\$6.15 million in the first half of 2007 from US\$2.39 million in the same period of 2006. The increase are mainly arising from the increasing in gross profit to US\$15.43 million in the first half of 2007 from US\$9.13 million in the same period of 2006 with netting off by the startup and operating costs of Fab 3 in 2007, which had not commenced operation in first half of 2006.

Profit for the Period Attributable to Equity Holders of the Company

The Group recorded a net profit of US\$3.10 million in the first half of 2007 compared to US\$523,000 in the same period of 2006.

Dividends

The Directors do not recommend any payment of an interim dividend for 2007.

Liquidity and Capital Resources

For the six months ended 30 June 2007, the Group's sources of liquidity mainly included cash inflow from operating activities and proceeds from net bank borrowings, which amounted to US\$6.90 million and US\$4.91 million, respectively. The net cash inflow from operation of US\$6.90 million in the first half of year 2007 represents a decrease of US\$4.51 million compared with US\$11.41 million same period last year. Such decrease was mainly due to the increase in trade & other receivables arising from the increased turnover. The Group's cash has principally been applied to the expansion and upgrade of the production facilities and equipment of US\$13.81 million.

財務回顧 (續)

經營溢利

本集團於二零零七年上半年的經營溢利由二零零六年同期的239萬美元增加157.2%至615萬美元。經營溢利增加主要是由於毛利由二零零六年上半年的913萬美元增加至二零零七年上半年的1,543萬美元及承擔三廠於二零零七年的開辦及經營成本，而三廠於二零零六年上半年尚未開始營運。

本公司股權持有人應佔期內溢利

本集團於二零零七年上半年錄得純利310萬美元，而二零零六年同期則為523,000美元。

股息

董事不建議派付二零零七年年中期股息。

流動資金及資金資源

截至二零零七年六月三十日止六個月，本集團流動資金主要包括經營活動所得現金流量及銀行借貸淨額，分別為690萬美元及491萬美元。二零零七年上半年的經營活動所得現金流量為690萬美元，比去年同期的1,141萬美元減少了451萬美元。該減少部分主要由於由增加的營業額產生的應收貿易及其他款項的增加。本集團的現金主要應用於生產設施及設備的擴充及升級共計1,381萬美元。

FINANCIAL REVIEW (Continued)**Liquidity and Capital Resources (Continued)**

As at 30 June 2007, the Group's free cash on hand was US\$19.53 million, representing a decrease of US\$1.58 million or 7.5% compared with that of 31 December 2006. Among the cash balance, 43.6% and 52.4% were denominated in Renminbi and US dollars respectively.

Capital Expenditures

The Group requires capital to build, expand, upgrade and maintain its production facilities and equipment. The Group incurred a capital expenditure of US\$13.81 million in the first half of 2007, mainly including US\$586,000 spent on construction of Fab 2 facilities, US\$7.35 million spent on Fab 1's upgrade of process technology mix and payment for the remainder of prior year's capacity expansion, and US\$5.87 million spent on machinery and equipment purchasing for Fab 3.

Indebtedness

As at 30 June 2007, the Group has total bank borrowings of US\$47.83 million, of which US\$40.83 million was short-term in nature which carried interest at rates ranging from 5.84% to 6.32% per annum. The long-term portion of US\$7.00 million carried interest at rate of 6.14% per annum and was repayable within 2 years.

Out of the total bank borrowings of US\$47.83 million, there were US\$12.80 million borrowings secured by certain of the Group's equipment and land use rights with the net book value of approximately US\$14.31 million.

財務回顧 (續)**流動資金及資金資源 (續)**

於二零零七年六月三十日，本集團手頭上的現金為1,953萬美元，較二零零六年十二月三十一日減少了158萬美元或7.5%。現金結存之中，43.6%為人民幣及52.4%為美元。

資本開支

本集團需要資金以建設、擴充、提升及維護生產設施及設備。本集團於二零零七年上半年產生資本開支1,381萬美元，其中586,000美元用於興建二廠廠房，735萬美元用於改良一廠的製程技術組合及支付上年度的擴充產能的結餘，以及587萬美元用於添置三廠的機器及設備。

債務

於二零零七年六月三十日，本集團有總銀行借款4,783萬美元，其中4,083萬美元短期銀行貸款按年利率介乎5.84厘至6.32厘計息。長期銀行貸款700萬美元按年利率6.14厘計息，須在兩年內償還。

銀行借貸總額4,783萬美元之中，有抵押部分1,280萬美元以本集團賬面淨值約1,431萬美元的若干機器及土地使用權作抵押。

FINANCIAL REVIEW (Continued)

Commitments and Contingent Liabilities

As at 30 June 2007, the Group had capital commitments of US\$100.61 million. Details are set out as follows:

		US\$'000
		千美元
Capital expenditure contracted for but not provided in respect of property, plant and equipment	有關物業、廠房及設備的已訂約但未撥備的資本開支	40,860
Capita expenditure authorized but not contracted for in respect of property, plant and equipment	有關物業、廠房及設備的已授權但未訂約的資本開支	59,748
Total	總計	<u>100,608</u>

As at 30 June 2007, the Group had lease commitments of US\$8.73 million (31 December 2006: US\$10.68 million) for factory premises and office under non-cancellable operating lease agreements, of which US\$8.32 million (31 December 2006: US\$9.36 million) is due within five years and US\$411,000 (31 December 2006: US\$1.32 million) is due after 5 years or later.

With respect to the mortgage loans of its employees, the Group has provided a corporate guarantee amounting to approximately US\$393,000 (31 December 2006: US\$515,000) to a third party bank and pledged bank deposit of approximately US\$192,000 (31 December 2006: US\$187,000) as security for these employees' mortgage loans. Management anticipates that no material liabilities will be arising from the above guarantees.

財務回顧(續)

承擔及或然負債

於二零零七年六月三十日，本集團的資本承擔為10,061萬美元，詳情如下：

		US\$'000
		千美元
Capital expenditure contracted for but not provided in respect of property, plant and equipment	有關物業、廠房及設備的已訂約但未撥備的資本開支	40,860
Capita expenditure authorized but not contracted for in respect of property, plant and equipment	有關物業、廠房及設備的已授權但未訂約的資本開支	59,748
Total	總計	<u>100,608</u>

於二零零七年六月三十日，本集團在不可註銷的營運租賃協議下的工廠及辦公室資本承擔873萬美元(二零零六年十二月三十一日：1,068萬美元)，其中832萬美元(二零零六年十二月三十一日：936萬美元)於五年內到期及411,000美元(二零零六年十二月三十一日：132萬美元)於五年後到期。

至於其員工的按揭貸款，本集團已提供一項總值約393,000美元(二零零六年十二月三十一日：515,000美元)的公司擔保予第三方銀行及約192,000美元的抵押銀行存款(二零零六年十二月三十一日：187,000美元)，作為該等員工按揭貸款之抵押品。管理層預期以上擔保不會產生重大負債。

FINANCIAL REVIEW (Continued)

Principal Accounting Policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2006 as described in the 2006 annual report of the Company (the “2006 Annual Report”).

In the current interim period, the Group has applied, for the first time, a new standard, amendment and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants, which are effective for the Group’s financial year beginning 1 January 2007.

The adoption of the new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised

The Group has not early applied the new standards or interpretations that have been issued but are not yet effective. The management is assessing the impact on the results and the financial positions of the Group upon application of these standards or interpretations.

Going Concern

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

Legal Liabilities

For the six months ended 30 June 2007, the Company was not involved in any material litigation or arbitration and no material litigation or claims was pending or threatened or made against the Company as far as the Company is aware.

財務回顧 (續)

主要會計政策

本公司所採納的會計政策與二零零六年年報(「二零零六年年報」)所載截至二零零六年十二月三十一日止年度的年度財務報表所採納者一致。

在本中報期內，本集團首次應用一項由香港會計師公會頒佈的新準則、修訂及詮釋(「新香港財務報告準則」)，乃於本集團於二零零七年一月一日開始的財政年度生效。

採納上述新香港財務報告準則對本集團本期或過往會計期間的業績或財政狀況並無重大影響。因此並無確認過往期間調整。

本集團尚未提早採納已頒佈但尚未生效的新準則或詮釋。管理層正在評估應用該等準則或詮釋對本集團的業績及財政狀況的影響。

持續經營

基於現時財務預測及可得的融資額度，本集團於可預見將來擁有適當的財務資源維持其經營。因此，於編製財務報表時將繼續採用持續經營基準。

法律責任

截至二零零七年六月三十日止六個月，本公司並無涉及任何重大訴訟或仲裁，且就本公司所知，亦無任何尚未了結或針對本公司的重大訴訟或申索。

FINANCIAL REVIEW (Continued)**Foreign Exchange Risk Management**

The Group's operational cash flow was primarily denominated in Renminbi and US dollars. The Group's borrowings were also denominated in Renminbi and US dollars. The Group does not expect significant exposure to foreign exchange fluctuations in this regard. The management believes that, considering the working capital position of the Group, the Group will have sufficient foreign exchange to meet its foreign exchange liabilities as they become due. It is the Group's policy not to enter into derivative transactions for speculative purposes.

Gearing Ratio

As at 30 June 2007, the gearing ratio, calculated as net borrowings divided by total equity was 15.8%, compared with 12.7% as at 31 December 2006. Total liability divided by total equity was 53.7%, compared with 48.0% as at 31 December 2006.

財務回顧 (續)**外匯風險管理**

本集團的營運現金流量主要以人民幣及美元為單位。本集團的借款亦以人民幣及美元為單位。本集團預期不會因此面對匯率波動的重大風險。在考慮本集團的營運資金狀況後，管理層相信，本集團有足夠外匯儲備，在到期時償還外匯負債。本集團的政策是不會就投機目的而訂立任何衍生交易。

負債比率

於二零零七年六月三十日，按借貸淨額除以權益總額計算所得的負債比率為15.8%，而二零零六年十二月三十一日則為12.7%。負債總額除權益總額為53.7%，二零零六年十二月三十一日則為48.0%。

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES OF THE LISTING RULES

In the opinion of the Directors, the Group has been in compliance with the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the reporting period. The Board acknowledges its responsibility for the Group's systems of internal controls and has assumed this responsibility through formalized Group financial and legal procedures, the Group's auditors and the Audit Committee.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiry to all Directors, and all Directors have confirmed that, for the six months ended 30 June 2007, they have complied with required standard of dealing set out in the Model Code.

CORPORATE GOVERNANCE

CSMC recognizes its responsibilities to shareholders and aims to protect and enhance shareholders' value through solid corporate governance. The Group is committed to ensuring transparent, open and accountable disclosures. Good corporate governance is not just a question of regulatory compliance but is ingrained into the Company's culture and emphasized at every level.

The Board has been and will continue to uphold the appropriate standards of corporate governance within the Group, thereby ensuring that our business is conducted in an honest, ethical and responsible manner.

遵守上市規則的企業管治常規守則

董事認為，本集團於報告期內一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載的企業常規管治守則的規定。董事會深明其對本集團內部監控體系的責任，並透過集團正式財務及法律程序、本集團核數師及審核委員會履行責任。

上市發行人董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載有關上市公司董事進行證券交易的標準守則（「標準守則」）。本公司已對所有董事作出特別查詢，所有董事已確認截至二零零七年六月三十日止六個月，一直遵守標準守則所載的買賣標準規定。

公司管治

華潤上華了解其對股東的責任，並透過穩固的公司管治維護及提升股東的價值。本集團承諾確保作出具透明度、公開及負責任的披露。良好的公司管治不僅關乎遵守規例，同時亦涉及本公司上下各階層的文化。

董事會一直及將繼續堅持本集團內適當的公司管治標準，以確保所有業務均誠實、合乎道德及負責任地進行。

THE BOARD OF DIRECTORS

The Board's primary role is to protect and enhance long-term shareholder value. It sets the overall strategy for the Group, ensures effective management and provides proper supervision of the Group's business conduct.

The Board consists of ten Directors, including the Chairman of the Board. Two of them are Executive Directors and members of the management. There are eight Non-Executive Directors, three of whom are Independent Non-Executive Directors. The Board benefits from experience and expertise from each Director. All Board members understand their duty to represent the interest of the shareholders. The Group ensures that the Board members have access to the appropriate financial and relevant documents regarding the Group's activities on a timely basis.

As at 30 June 2007, the Board has established three Board Committees to assist in the execution of its responsibilities, namely the Audit Committee, the Remuneration Committee and the Nomination Committee to oversee particular aspects of the Group's affairs. Independent Non-Executive Directors play a vital role in these committees to ensure that independent and objective views are expressed and considered.

REMUNERATION COMMITTEE

The primary aim of the Remuneration Committee is to formulate transparent procedures for developing remuneration policies and compensation packages for employees of the Group. The Remuneration Committee is also entrusted to adopt appropriate staff development and retention policies. The members and chairperson of the Remuneration Committee are the same as those disclosed in the 2006 Annual Report. The Remuneration Committee has full access to the records and details of such package, upon request.

董事會

董事會的主要職責是保障及提高長期股東價值。董事會為本集團制訂整體策略，確保有效管理，並適當監察本集團的業務行為。

董事會由十名董事組成，包括董事會主席。其中兩名是執行董事及管理層成員。董事會包括八名非執行董事，其中三名為獨立非執行董事。董事會受惠於各董事的豐富經驗及知識。所有董事知曉其職責是代表股東的利益。本集團確保董事會成員已及時取得與本集團業務有關的適當財務及相關文件。

於二零零七年六月三十日，董事會已成立三個委員會，分別為審核委員會、薪酬委員會及提名委員會，以協助其執行責任，審視本集團事務的特定範疇。獨立非執行董事於這些委員會內扮演重要角色，確保獨立、客觀的意見獲得發表及考慮。

薪酬委員會

薪酬委員會的主要目的是就本集團員工薪酬及福利政策制訂具透明度的機制。薪酬委員會亦有權採納適當的員工發展及挽留政策。薪酬委員會成員及主席與本集團二零零六年年報所披露者一致。薪酬委員會可要求取得該等資料的記錄及詳情。

AUDIT COMMITTEE

The Audit Committee is responsible for assisting the Board in reviewing the effectiveness of the financial reporting process and the internal controls and risk management systems of the Group. The Audit Committee also oversees the audit process and performs other duties as assigned by the Board. The members and chairperson of the Audit Committee are the same as those disclosed in the 2006 Annual Report. The Audit Committee has full access to the external auditor in these reviews when it sees fit and has been provided with sufficient resources to discharge its duties.

NOMINATION COMMITTEE

The Nomination Committee is responsible for reviewing the composition of the Board and if necessary, recommending changes. It is also responsible for considering any nominations of new members to the Board. The members and chairperson of the Nomination Committee are the same as those disclosed in the 2006 Annual Report.

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY

As at 30 June 2007, the Directors and the President of the Company and their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO to be entered in the register of the Company referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange:

審核委員會

審核委員會負責協助董事會檢討本集團財務報告程序及內部監控與風險管理制度之有效性。審核委員會亦監察審核程序及履行董事會指派的其他職務。審核委員會的成員及主席與本集團於二零零六年年報所披露者一致。審核委員會於審視期間，在其認為適當的時候會與外聘核數師聯絡，並擁有足夠資源履行其職責。

提名委員會

提名委員會負責審視董事會的組成，並在必要時作出改動建議。提名委員會亦負責對董事會新提名成員予以考慮。提名委員會的成員及主席與本集團二零零六年年報所披露者相同。

董事於本公司股份的權益

於二零零七年六月三十日，本公司董事及總裁及彼等各自的聯繫人於本公司或其相聯法團（定義見證券及期貨條例第XV部）股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉（包括已獲得或根據證券及期貨條例有關規定視為擁有的權益及淡倉），或擁有根據證券及期貨條例第352條所存置的本公司登記冊內所記錄的權益或淡倉，或擁有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知會本公司及聯交所的權益或淡倉如下：

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY (Continued)

Interest in issued ordinary shares and share options of the Groups

— Shares allocated to the Directors under the Equity Incentive Plan

As at 30 June 2007, particulars of outstanding shares allocated but not exercised to Directors and their respective associates (as defined in the Listing Rules) under the Equity Incentive Plan were as follows:

Director	董事	Outstanding Shares allocated but not exercised Under the Equity Incentive Plan 根據股份獎勵計劃獲分配但未行使的已發行股份	Approximate percentage of interest in the Company 於本公司權益的概約百分比
Dr. Peter CHEN Cheng-yu	陳正宇博士	2,330,000	0.09%
Mr. Robert LEE Naii *	李乃義先生*	1,665,000	0.06%
Mr. Elvis DENG Mao-song **	鄧茂松先生**	1,330,000	0.05%
Total	總計	5,325,000	0.20%

No shares were allocated to the Directors during the six months ended 30 June 2007 under Equity Incentive Plan.

No options were granted to the Directors during the six months ended 30 June 2007 under Share Option Scheme.

Notes:

The exercise price is HKD0.078 and exercisable period is from October 1, 2004 to October 1, 2007.

* Mr. Robert Lee Naii resigned as an Executive Director and President of the Company from 1 July 2007.

** Mr. Elvis DENG Mao-song was appointed as an Executive Director and the President of the Company from 1 July 2007.

董事於本公司股份的權益 (續)

於本集團之已發行普通股及購股權的權益

— 根據股份獎勵計劃分配予董事的股份

於二零零七年六月三十日，根據股份獎勵計劃向董事及彼等相關的聯繫人(定義見上市規則)分配但尚未行使的已發行股份的詳情如下：

截至二零零七年六月三十日止六個月，並無於股份獎勵計劃下分配董事股份。

截至二零零七年六月三十日止六個月，並無於購股權計劃下授予董事購股權。

附註：

行使價是0.078港元及行使期由二零零四年十月一日至二零零七年十月一日。

* 李乃義先生自二零零七年七月一日辭任本公司執行董事及總裁。

** 鄧茂松先生自二零零七年七月一日獲委任為本公司執行董事及總裁。

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY (Continued)

— Shares held by the Directors

As at 30 June 2007, particulars of shares held by Directors and their respective associates (as defined in the Listing Rules), directly and indirectly, were as follows:

Director	董事	Shares Held 所持股份	Approximate percentage of interest in the Company 於本公司權益的 概約百分比
Dr. Peter CHEN Cheng-yu	陳正宇博士	37,293,200	1.36%
Mr. Robert LEE Naii *	李乃義先生*	15,995,694	0.59%
Mr. Elvis Deng Mao-song**	鄧茂松先生**	5,024,584	0.18%
Total	總計	54,296,806	2.13%

* Mr. Robert Lee Naii resigned as an Executive Director and President of the Company from 1 July 2007.

** Mr. Elvis DENG Mao-song was appointed as an Executive Director and the President of the Company from 1 July 2007.

董事於本公司股份的權益 (續)

— 董事持有的股份

於二零零七年六月三十日，董事及彼等各自的聯繫人(定義見上市規則)直接及間接持有的股份詳情如下：

* 李乃義先生自二零零七年七月一日辭任本公司執行董事及總裁。

** 鄧茂松先生自二零零七年七月一日獲委任為本公司執行董事及總裁。

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY (Continued)

董事於本公司股份的權益 (續)

Interest in issued ordinary shares and share option of China Resources Logic Limited ("CR Logic"), the controlling shareholder of the company

於本公司控股股東華潤勵致有限公司 (「華潤勵致」) 已發行普通股及購股權的權益

— Share options of CR Logic granted to the Directors

— 授予董事的華潤勵致購股權

As at 30 June 2007, particulars of outstanding share options granted but not exercised to Directors and their respective associates (as defined in the Listing Rules) under CR Logic share option scheme were as follows

於二零零七年六月三十日，根據華潤勵致購股權計劃向董事及彼等各自的聯繫人(定義見上市規則)授予但並未行使的購股權詳情如下

Name 名稱	Date of grant 授出日期	Exercise price per share(HK\$) 每股行使價 (港元)	Outstanding as at 1 Jan 2007 於二零零七年一月一日 尚未行使	Outstanding as at 30 June 2007 於二零零七年六月三十日 尚未行使	Approximate percentage of interest in CR Logic 30 June 2007 於二零零七年六月三十日 於華潤勵志權益 概約百分比
Mr. ZHU Jinkun 朱金坤先生	25/04/2001 ¹ 02/10/2002 ² 09/04/2003 ³ 13/01/2004 ⁴	0.547 0.570 0.479 0.906	1,000,000 800,000 2,800,000 1,500,000	1,000,000 800,000 2,800,000 1,500,000	
Total 總計			6,100,000	6,100,000	0.22%
Mr. WANG Guoping 王國平先生	09/04/2003 ³ 13/01/2004 ⁵	0.479 0.906	2,000,000 1,000,000	2,000,000 1,000,000	
Total 總計			3,000,000	3,000,000	0.11%
Mr. Ken ONG Thiam Kin 王添根先生	25/04/2001 ¹ 02/10/2002 ² 09/04/2003 ³ 13/01/2004 ⁵	0.547 0.570 0.479 0.906	2,000,000 1,000,000 500,000 1,000,000	2,000,000 1,000,000 500,000 1,000,000	
Total 總計			4,500,000	4,500,000	0.16%

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY (Continued)

董事於本公司股份的權益 (續)

Name 名稱	Date of grant 授出日期	Exercise price per share(HK\$) 每股行使價 (港元)	Outstanding as	Outstanding as	Approximate
			at 1 Jan 2007 於二零零七年 一月一日 尚未行使	at 30 June 2007 於二零零七年 六月三十日 尚未行使	percentage of interest in CR Logic 30 June 2007 於二零零七年 六月三十日 在華潤勵志權益 概約百分率
Mr. YU Yu 俞宇先生	01/12/2001 ⁶ 02/10/2002 ² 09/04/2003 ³ 13/01/2004 ⁵	0.790 0.570 0.479 0.906	1,500,000 1,000,000 500,000 1,000,000	1,500,000 1,000,000 500,000 1,000,000	
Total 總計			4,000,000	4,000,000	0.14%
Mr. CHEN Nan-xiang 陳南翔先生	03/04/2003 ⁷ 13/01/2004 ⁵	0.479 0.906	160,000 800,000	160,000 800,000	
Total 總計			960,000	960,000	0.03%
Grand Total 各項合計			18,560,000	18,560,000	0.66%

* No share options were granted, exercised, cancelled and lapsed during the six months ended 30 June 2007.

* 於截至二零零七年六月三十日止六個月，並無購股權授出、行使、註銷及失效。

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY (Continued)

董事於本公司股份的權益 (續)

Notes:

附註：

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| <p>1. The exercisable period is divided into 2 tranches, exercisable during the periods from 25th April, 2003 and 2004 to 24th April, 2011.</p> <p>2. The exercisable period is divided into 3 tranches, exercisable during the periods from 2nd October, 2003, 2004 and 2005 to 1st October 2012.</p> <p>3. The exercisable period is divided into 3 tranches, exercisable during the periods from 9th April, 2004, 2005 and 2006 to 8th April, 2013.</p> <p>4. The exercisable period during which the share options may be exercised is from 13th January, 2004 to 12th January, 2014.</p> <p>5. The exercisable period is divided into 3 tranches, exercisable during the periods from 13th January, 2005, 2006 and 2007 to 12th January, 2014.</p> <p>6. The exercisable period is divided into 3 tranches, exercisable during the periods from 3rd December, 2002, 2003 and 2004 to 3rd December, 2011.</p> <p>7. The exercisable period during which the share options may be exercised is from 3rd April, 2006 to 2nd April, 2013.</p> | <p>1. 行使期分為兩個期間，分別由二零零三年及二零零四年四月二十五日至二零一一年四月二十四日止期間予以行使。</p> <p>2. 行使期分為三個期間，分別由二零零三年、二零零四年及二零零五年十月二日至二零一二年十月一日止期間予以行使。</p> <p>3. 行使期分為三個期間，分別由二零零四年、二零零五年及二零零六年四月九日至二零一三年四月八日止期間予以行使。</p> <p>4. 購股權可於二零零四年一月十三日至二零一四年一月十二日期間予以行使。</p> <p>5. 行使期分為三個期間，分別由二零零五年、二零零六年及二零零七年一月十三日至二零一四年一月十二日止期間予以行使。</p> <p>6. 行使期分為三個期間，分別由二零零二年、二零零三年及二零零四年十二月三日至二零一一年十二月三日止期間予以行使。</p> <p>7. 可行使購股權之可行使日期由二零零六年四月三日至二零一三年四月二日。</p> |
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DIRECTORS' INTERESTS IN SHARES OF THE COMPANY (Continued)

— Shares of CR Logic held by the Directors

As at 30 June 2007, particulars of shares of CR Logic held by Directors and their respective associates (as defined in the Listing Rules), directly and indirectly, were as follows:

董事於本公司股份的權益 (續)

— 董事持有的華潤勵致的股份

於二零零七年六月三十日，董事及彼等各自的聯繫人(定義見上市規則)直接及間接持有的華潤勵致股份如下：

Director 董事		Shares Held 所持股份	Approximate percentage of interest in CR Logic 於華潤勵致 權益的概約 百分比
Mr. ZHU Jinkun	朱金坤先生	2,370,000	0.085%
Mr. ZHU Jinkun's Spouse	朱金坤先生之配偶	160,000	0.006%
Mr. WANG Guoping	王國平先生	1,108,000	0.040%
Mr. Ken ONG Thiam Kin	王添根先生	1,100,000	0.040%
Mr. YU Yu	俞宇先生	100,000	0.004%
Mr. YU Yu's Spouse	俞宇先生之配偶	60,000	0.002%
Total	總計	4,898,000	0.177%

SUBSTANTIAL SHAREHOLDERS' INTERESTS OF THE COMPANY

So far as known to the Directors of the Company, as at 30 June 2007, shareholders (other than Directors or President of the Company) who had interest or short positions in the shares or underlying shares of the Company which would have to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, or which are expected to be, directly or indirectly, interested or deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, were as follows:

主要股東於本公司的權益

據本公司董事所知，於二零零七年六月三十日，於本公司股份或相關股份中，擁有根據證券及期貨條例第XV部第2及第3分部的條文須向本公司披露的權益或淡倉，或擁有本公司根據證券及期貨條例第336條所存置的登記冊內所記錄的權益或淡倉，或預期將直接或間接擁有或被視為擁有附有權利於任何情況下在本公司股東大會上投票的任何類別股本面值5%或以上的股東（不包括本公司的董事及總裁）載述如下：

Company Name 公司名稱		Number of shares 股份數目	Percentage of Aggregate Long Position in Shares to the Total Issued Share Capital of the Company 持有股份好倉 總額佔本公司 已發行股本 總額百分比
China Resources National Corporation (note 1) ("CRNC")	中國華潤總公司 ⁽¹⁾ (「中國華潤」)	1,984,967,848	72.65%
China Resources Co., Limited (note 1) ("CR Co")	華潤股份有限公司 ⁽¹⁾ (「華潤公司」)	1,984,967,848	72.65%
CRC Bluesky Limited (note 1) ("CRCB")	CRC Bluesky Limited ⁽¹⁾ (「CRCB」)	1,984,967,848	72.65%
China Resources (Holdings) Company Limited (note 1) ("CR Holdings")	華潤(集團)有限公司 ⁽¹⁾ (「華潤集團」)	1,984,967,848	72.65%
Splendid Time Investments Inc. (note 1) ("Splendid")	Splendid Time Investments Inc. (note 1) ("Splendid")	1,984,967,848	72.65%
China Resources Logic Limited (note 1)	華潤勵致有限公司 ⁽¹⁾ (「華潤勵致」)	1,984,967,848	72.65%
CRT (BVI) Limited (note 2) ("CRT")	CRT (BVI) Limited (note 2) ("CRT")	691,437,790	25.31%
China Resources Microelectronics (Holdings) Limited (note 2) ("CR Microelectronics")	華潤微電子(控股)有限公司 ⁽²⁾ (「華潤微電子」)	691,437,790	25.31%
Faithway Resources Limited (note 2) ("Faithway")	Faithway Resources Limited ⁽²⁾ (「Faithway」)	691,437,790	25.31%

SUBSTANTIAL SHAREHOLDERS' INTERESTS OF THE COMPANY (Continued)

Notes:

- 1 CRNC is a State owned enterprise which is the parent company of CR Co, a company incorporated in the PRC, which in turn is the parent company of CRCB, a company incorporated in the British Virgin Islands, which is in turn the parent company of CR Holdings, a company incorporated in Hong Kong, which in turn is the parent company of Splendid, a company incorporated in the British Virgin Islands. Splendid is interested in one third or more of the voting power at general meetings of CR Logic, a company incorporated in Bermuda and whose shares are listed on the Stock Exchange. Each of CRNC, CR Co, CRCB, CR Holdings, Splendid and CR Logic is deemed to be interested in the shares of the Company held by CR Logic and Faithway by virtue of Divisions 2 and 3 of Part XV of the SFO.
- 2 Faithway is wholly owned by CR Microelectronics, a company incorporated in the British Virgin Islands, which is in turn wholly owned by CRT, a company incorporated in the British Virgin Islands. CRT is wholly owned by CR Logic. Each of Faithway, CR Microelectronics and CRT is deemed to be interested in the shares of the Company by virtue of Divisions 2 and 3 of Part XV of the SFO.

主要股東於本公司的權益 (續)

附註：

- (1) 中國華潤為國有企業，為華潤公司（於中國註冊成立的公司）的母公司，華潤公司為CRCB（在英屬處女群島註冊成立的公司）的母公司，CRCB為華潤集團（於香港註冊成立的公司）的母公司，華潤集團為Splendid（於英屬處女群島註冊成立的公司）的母公司，Splendid擁有華潤勵致（於百慕達註冊成立的公司，其股份於香港聯交所上市）股東大會上三分之一或以上的投票權。中國華潤、華潤公司、CRCB、華潤集團、Splendid及華潤勵致根據證券及期貨條例第XV部第2及第3部各自被視為於華潤勵致及Faithway於本公司擁有的股份中擁有權益。
- (2) Faithway由華潤微電子（於英屬處女群島註冊成立的公司）全資擁有，華潤微電子由CRT（於英屬處女群島註冊成立的公司）全資擁有。CRT由華潤勵致全資擁有。Faithway、華潤微電子及CRT根據證券及期貨條例第XV部第2及第3分部各自被視為於本公司的股份中擁有權益。

SHARE RELATED OPTION PLANS

As disclosed in the 2006 Annual Report, the Company adopted the Equity Incentive Plan (“EIP”) and Share Option Scheme (“SOS”) on 8 May 2004 and 27 May 2005 by way of ordinary resolution of shareholders, respectively. The objective of the EIP is to share the pride of ownership among the executives and employees of the Group and to reward their performance and contribution. The objective of the SOS is to provide participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholder as a whole. The EIP and SOS provided the Company with a flexible means of retaining, motivating, rewarding, remunerating, compensating and/or providing benefits to the participants. The EIP and SOS are subject to the administration of the Remuneration Committee.

The binomial model is developed to estimate the fair value of publicly traded options that have no vesting restriction and are fully transferable. The binomial model is only one of the commonly used models to estimate the fair value of an option. The value of an option varies with different variables of certain subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option.

購股權計劃

如二零零六年年報所披露，本公司股東分別於二零零四年五月八日及二零零五年五月二十七日通過普通決議案，批准採納股份獎勵計劃及購股權計劃。股份獎勵計劃旨在讓本集團的行政人員及僱員以股東身份分享集團成果，並回報彼等的表現及貢獻。購股權計劃旨在向參考者提供購買本公司所有權權益的機會，以及鼓勵參與者，為增加本公司及其股份價值而努力工作，實現本公司的整體利益。股份獎勵計劃及購股權計劃為本公司提供一個靈活的方法，讓本公司能挽留、激勵、獎勵、慰勞、補償參與者，及／或給予參與者福利。股份獎勵計劃及購股權計劃由薪酬委員會管理。

二項模式乃用作估計並無賦予限制及可悉數轉讓的公開買賣購股權公平價值。二項模式僅為估計購股權公平價值常用模式之一。購股權價值基於若干主觀假設不同變數而有所不同。所採納變數的任何變動或對購股權公平價值的估計構成重大影響。

SHARE RELATED OPTION PLANS (Continued)

- Equity Incentive Plan

Movements in the number of outstanding shares under the EIP are as follows:

	Date of allocation	Exercise price per share (HK\$) (港元)	Balance as	Allocation during the period	Number of shares allocated			Balances as
			at 1 January, 2007		已分配股份數目			at 30 June, 2007
	分配日期	每股行使價格	於二零零七年一月一日的結存	於期內分配	於期內行使	於期內失效	於二零零七年六月三十日的結存	
			'000 (千)	'000 (千)	'000 (千)	'000 (千)	'000 (千)	
Peter Chen Cheng-yu, 陳正宇	01/10/2003	0.078	2,330	—	—	—	2,330	
Robert Lee Naii* 李乃義	01/10/2003	0.078	1,665	—	—	—	1,665	
Elvis DENG Mao-song ** 鄧茂松	01/10/2003	0.078	1,330	—	—	—	1,330	
Management and employees 管理層及僱員	01/10/2003 ¹ 26/01/2005 ¹ 02/01/2006 ¹ 16/05/2006 ¹	0.078 0.078 0.078 0.078	26,149 6,737 5,632 2,040	— — — —	5,065 393 770 192	959 407 1,513 578	20,125 5,937 3,349 1,270	
Total 總計			45,883	—	6,420	3,457	36,006	

* Mr. Robert Lee Naii resigned as an Executive Director and President of the Company from 1 July 2007.

** Mr. Elvis DENG Mao-song is appointed as an Executive Director and the President of the Company from 1 July 2007.

Note 1:

The weighted average closing price of the shares immediately before the date on which the options were exercised was HK\$ 0.620.

Share allocated under the EIP are subject to a four-year vesting period from the date of allocation in which a quarter of such number of shares will vest each year during the four-year period.

購股權計劃 (續)

- 股份獎勵計劃

根據股份獎勵計劃已發行的股份數目變動如下：

Number of shares allocated

已分配股份數目

* 李乃義先生自二零零七年七月一日辭任本公司執行董事及總裁。

** 鄧茂松先生自二零零七年七月一日獲委任為本公司執行董事及總裁。

附註 1:

購股權被行使日期前的加權收市價格為 0.620 港元。

股份獎勵計劃下分配之股份受限於自分配日期開始計算的四年歸屬期，該等股份數目之四分之一將於該四年時期之每一年被歸屬。

SHARE RELATED OPTION PLANS (Continued)

購股權計劃 (續)

- Share Option Scheme

- 購股權計劃

Movements in the number of outstanding shares under SOS are as follows:

購股權計劃下應付股份數目變動如下：

	Date of grant 授出日期	Exercise price 每股 行使價格 (HK\$) (港元)	Number of share option granted 授出購股權數目				Balances as at 30 June, 2007 於二零零七年 六月三十日 之結存 '000 (千股)
			Balance as at 1 January, 2007 於二零零七年 一月一日 之結存 '000 (千股)	Granted during the period 於期內授出 '000 (千股)	Exercised during the period 於期內行使 '000 (千股)	Lapsed during the period 於期內失效 '000 (千股)	
Management and employees 管理層及僱員	08/09/2006 ¹ 28/05/2007 ²	0.360 0.750	21,291 —	— 1,987	— —	800 —	20,491 1,987
Total 總計			21,291	1,987	—	800	22,478

No shares were granted to the Directors during the six months ended 30 June 2007

於截至二零零七年六月三十日止六個月並無授予董事股份。

Notes:

附註：

- Share options granted under the SOS in 8 September 2006 are subject to a four-year vesting period from the date of allocate in which a quarter of such number of share options will vest each year during the four-year period.
- Share options granted under the SOS in 28 May 2007 are subject to one-year vesting period from the participant's employment starting date as approved by Remuneration Committee.

- 於二零零六年九月八日，購股權計劃下授出的購股權受限於由分配日期開始計算的四年歸屬期，於該四年時期的每一年，四份之一的購股權將會被歸屬。
- 於二零零七年五月二十八日，購股權計劃下授出的購股權受限於由如薪酬委員會所批的參加者受僱日期開始計算的一年歸屬期。

SHARE RELATED OPTION PLANS (Continued)

During the period, the fair value of the SOS granted determined using the binomial model was HK\$0.094. The significant inputs into the model were share price at the grant date of HK\$0.75, expected dividend paid out rate of 0%, annual risk-free interest rate of within the range of 3.481% to 3.648% and volatility rate of 27.43%. The volatility is measured based on the volatility return on Hang Seng Index for the past ten years from 1997 to 2006.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2007, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained during the reporting period the amount of public float as required under the Listing Rules.

SUBSEQUENT EVENTS

The Directors believe that there are no significant subsequent events to be disclosed.

INTERIM RESULTS REVIEWED BY THE AUDIT COMMITTEE AND THE AUDITOR

The Audit Committee has reviewed, with the management and the Company's external auditor, the accounting principles and policies adopted by the Group, and the unaudited interim financial information for the six months ended 30 June 2007.

購股權計劃 (續)

期內，利用二項式模式釐定購股權計劃授出股份的公平值為0.094港元。該模式所用的重要數據為授出日期的股價0.75港元、預期派發的股息率0%、無風險年利率介乎3.481%至3.648%及波幅率27.43%。波幅率乃根據一九九七年至二零零六年過去十年恆生指數的波幅率回報計量。

購買，出售或贖回本公司上市證券

截至二零零七年六月三十日止六個月，本公司或其任何附屬公司並無購買，出售或贖回本公司上市證券。

充足公眾持股量

根據本公司所獲得的資料及就董事所知，董事確認於報告期間，本公司已維持上市規則規定的公眾持股量。

結算日後事項

董事相信並無任何須予披露的重大結算日後事項。

經審核委員會及核數師審閱的中期業績

審核委員會與管理層及本公司外聘核數師審閱本集團所採納之會計原則及政策和截至二零零七年六月三十日止六個月未經審核中期財務報告。

INTERIM RESULTS APPROVED BY THE BOARD OF DIRECTORS

The unaudited interim financial information for the six months ended 30 June 2007 was approved by the Board of Directors for issue on 23 August 2007.

On behalf of the Board.



Dr. Peter CHEN Cheng-yu
Chairman

Hong Kong, 23 August 2007

經董事會批准之中期業績

董事會於二零零七年八月二十三日批准通過截至二零零七年六月三十日止六個月的未經審核中期財務資料。

代表董事會



陳正宇博士
主席

香港，二零零七年八月二十三日

Deloitte. 德勤

TO THE BOARD OF DIRECTORS OF CSMC TECHNOLOGIES CORPORATION

(incorporated in Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 37 to 54 which comprises the condensed consolidated balance sheet of CSMC Technologies Corporation as of 30 June 2007 and the related condensed consolidated income statement, statement of changes in equity and cash flow statement for the six months period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

致華潤上華科技有限公司董事會

(於開曼群島註冊成立之有限公司)

簡介

我們已審閱於第37頁至第54頁所列財務資料，包括華潤上華科技有限公司於二零零七年六月三十日的簡明綜合資產負債表及於當時止六個月的相關簡明綜合收益表、權益變動表及現金流量表，及若干解釋附註。香港聯合交易所有限公司主板證券上市規則規定，編製中期財務資料報告須符合香港會計師公會（「香港會計師公會」）頒佈的香港會計準則（「香港會計準則」）第34號「中期財務報告」及相關條款。董事負責根據香港會計準則第34號編製及呈報此中期財務資料。我們的責任是根據審閱的結果對此中期財務資料發表結論，並根據我們議定的聘用條款，僅向閣下報告。除此之外，本報告並無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
23 August 2007

審閱範圍

我們已按照香港會計師公會頒佈的香港審閱聘用協定準則第2410號「由實體的獨立核數師執行的中期財務資料審閱」進行審閱工作。中期財務資料審閱工作主要包括向負責財務和會計事務的人員作出查詢，及進行分析性和其他審閱程序。審閱的範圍遠不及根據香港審核準則進行審核的範圍，故我們不能保證我們將知悉在審計中可能被發現的所有重大事項。因此，我們並不發表審核意見。

結論

按照本所的審閱結果，本所並無發現任何事項，令本所相信中期財務資料在各重大方面沒有未根據香港會計準則第34號編製。

德勤•關黃陳方會計師行
執業會計師

香港
二零零七年八月二十三日

Condensed Consolidated Interim Income Statement

簡明綜合中期收益表

(For the six months ended 30 June 2007)

(截至二零零七年六月三十日止六個月)

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT 簡明綜合中期收益表

		Six months ended 截至以下日期止六個月	
		30 June 2007 二零零七年 六月三十日 US\$'000 千美元 (unaudited) (未經審核)	30 June 2006 二零零六年 六月三十日 US\$'000 千美元 (unaudited) (未經審核)
		Notes 附註	
Turnover	營業額		64,205
Cost of sales	銷售成本		(48,713)
Gross profit	毛利		15,492
Other income	其他收入		1,792
Distribution and selling expenses	分銷及銷售費用		(1,370)
Administrative expenses	行政費用		(6,168)
Research and development expenses	研究及開發費用		(1,850)
Other expenses	其他費用		(1,481)
Operating profit	經營溢利		6,415
Finance costs	融資成本		(1,779)
Profit before taxation	除稅前溢利		4,636
Taxation	稅項	5	(1,539)
Profit for the period attributable to equity holders of the Company	本公司股權持有人應佔期內溢利	6	3,097
EARNINGS PER SHARE	每股盈利	8	
Basic (US cents)	基本(美仙)		0.11
Diluted (US cents)	攤薄(美仙)		0.11

Condensed Consolidated Interim Balance Sheet

簡明綜合中期資產負債表

(At 30 June 2007)

(於二零零七年六月三十日)

		As at	
		於	
		30 June	31 December
		2007	2006
		二零零七年	二零零六年
		六月三十日	十二月三十一日
		US\$'000	US\$'000
		千美元	千美元
		(unaudited)	(audited)
		(未經審核)	(經審核)
		Notes	
		附註	
Non-current Assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	9	192,517
Prepaid lease payments on land use rights	土地使用權預付租金		569
Intangible assets	無形資產		6,739
Deferred tax assets	遞延稅項資產		691
			<u>200,516</u>
Current Assets	流動資產		
Inventories	存貨		27,827
Debtors, deposits and prepayments	應收賬款、按金及預付款項	10	26,232
Pledged bank deposits	有抵押銀行存款		768
Bank balances and cash	銀行結餘及現金		19,527
			<u>74,354</u>
Total Assets	資產總值		<u><u>274,870</u></u>
			<u><u>175,310</u></u>
			<u><u>69,716</u></u>
			<u><u>253,280</u></u>

Condensed Consolidated Interim Balance Sheet (Continued)

簡明綜合中期資產負債表(續)

(At 30 June 2007)

(於二零零七年六月三十日)

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET 簡明綜合中期資產負債表

		As at 於	
		30 June 2007 二零零七年 六月三十日 US\$'000 千美元	31 December 2006 二零零六年 十二月三十一日 US\$'000 千美元
		Notes 附註	(unaudited) (未經審核)
		(audited) (經審核)	
Equity and Liabilities	權益及負債		
Capital and Reserves	股本及儲備		
Share capital	股本	13	35,029
Share premium and reserves	股份溢價及儲備		143,798
Total Equity	權益總額		<u>178,827</u>
Non-current Liabilities	非流動負債		
Borrowings	借貸	12	7,000
Long-term payables	長期應付賬項		8,534
			<u>15,534</u>
Current Liabilities	流動負債		
Creditors and accrued charges	應付賬款及應計費用	11	39,151
Taxation	稅項		533
Borrowings	借貸	12	40,825
			<u>80,509</u>
Total Liabilities	負債總額		<u>96,043</u>
Total Equity and Liabilities	權益及負債總額		<u>274,870</u>
Net current (liabilities) assets	流動(負債)資產淨額		<u>(6,155)</u>
Total assets less current liabilities	資產總額減流動負債		<u>194,361</u>
			<u>186,623</u>

Condensed Consolidated Interim Statement of Changes in Equity

簡明綜合中期權益變動表

(For the six months ended 30 June 2007)

(截至二零零七年六月三十日止六個月)

		Attributable to equity holders of the Company							
		本公司股本持有人應佔							
		Share	Share	Merger	Translation	Share	Other	Retained	Total
		capital	premium	reserve	reserve	option	reserves	profits	equity
		股本	股份溢價	合併儲備	兌換儲備	購股權儲備	其他儲備	保留溢利	權益總額
		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
		(Note a)							
		(附註a)							
At 1 January 2007 (audited)	於二零零七年 一月一日 (經審核)	34,947	76,892	34,518	8,200	1,152	7,107	8,319	171,135
Exchange differences arising on translation of foreign operations recognised directly in equity	於股權中直接 確認之海外 業務產生之 匯兌差額	—	—	—	4,086	—	—	—	4,086
Profit for the period	期內溢利	—	—	—	—	—	—	3,097	3,097
Total recognised income for the period	期內確認 收益總額	—	—	—	4,086	—	—	3,097	7,183
Recognition of equity-settled share-based payment	確認股本結算的 股份付款	—	—	—	—	480	—	—	480
Share issue upon exercise of Equity Incentive Plan	於行使股份獎勵 計劃時發行股份	82	273	—	—	(326)	—	—	29
At 30 June 2007 (unaudited)	於二零零七年 六月三十日 (未經審核)	35,029	77,165	34,518	12,286	1,306	7,107	11,416	178,827

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY 簡明綜合中期權益變動表

Condensed Consolidated Interim Statement of Changes in Equity (Continued)

簡明綜合中期權益變動表(續)

(For the six months ended 30 June 2007)

(截至二零零七年六月三十日止六個月)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY 簡明綜合中期權益變動表

		Attributable to equity holders of the Company							
		本公司股本持有人應佔							
		Share							
		Share	Share	Merger	Translation	Share	Other	Retained	Total
		capital	premium	reserve	reserve	option	reserves	profits	equity
		股本	股份溢價	合併儲備	兌換儲備	購股權儲備	其他儲備	保留溢利	權益總額
		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
		(Note a)							
		(附註a)							
At 1 January 2006 (audited)	於二零零六年 一月一日 (經審核)	34,327	74,634	34,518	3,294	1,171	7,107	1,953	157,004
Exchange differences arising on translation of foreign operations recognised directly in equity	於股權中直接 確認之海外 業務產生 之匯兌差額	—	—	—	1,289	—	—	—	1,289
Profit for the period	期內溢利	—	—	—	—	—	—	523	523
Total recognised income for the period	期內確認 收益總額	—	—	—	1,289	—	—	523	1,812
Recognition of equity-settled share-based payment	確認股本結算的 股份付款	—	—	—	—	1,462	—	—	1,462
Share issue upon exercise of Equity Incentive Plan	於行使股份獎勵 計劃時發行股份	228	736	—	—	(822)	—	—	142
Repurchase of shares	股份購回	(44)	(129)	—	—	—	—	—	(173)
At 30 June 2006 (unaudited)	於二零零六年 六月三十日 (未經審核)	34,511	75,241	34,518	4,583	1,811	7,107	2,476	160,247

Note:

附註：

(a) Other reserves comprise contributed surplus, statutory reserve fund and enterprise expansion fund of subsidiaries in mainland China.

(a) 其他儲備包括供款盈餘、法定儲備基金及中國內地附屬公司之企業發展基金。

Condensed Consolidated Interim Cash Flow Statement

簡明綜合中期現金流量表

(For the six months ended 30 June 2007)

(截至二零零七年六月三十日止六個月)

		Six months ended 截至以下日期止六個月	
		30 June 2007 二零零七年 六月三十日 US\$'000 千美元 (unaudited) (未經審核)	30 June 2006 二零零六年 六月三十日 US\$'000 千美元 (unaudited) (未經審核)
Net cash generated by operating activities	經營業務產生的現金淨額	6,900	11,408
Investing activities	投資活動		
Purchases of property, plant and equipment	購置物業、廠房及設備	(13,809)	(10,810)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	885	—
Other investing activities	其他投資活動	296	154
Net cash used in investing activities	投資活動動用的現金淨額	(12,628)	(10,656)
Financing activities	融資活動		
Increase in borrowings	借貸增加	27,540	23,464
Repayments of borrowings	償還借貸	(22,628)	(17,585)
Repurchase of shares	股份購回	—	(173)
Other financing activities	其他融資活動	(239)	—
Net cash generated by financing activities	融資活動產生的現金淨額	4,673	5,706
Net (decrease) increase in cash and cash equivalents	現金及現金等價物(減少)增加淨額	(1,055)	6,458
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物	21,101	24,778
Effect of foreign exchange rate changes	外幣匯率變動的影響	(519)	70
Cash and cash equivalents at 30 June represented by bank balances and cash	於六月三十日的現金及現金等值即銀行結餘及現金	19,527	31,306

Notes to the Condensed Consolidated Interim Financial Statements

簡明綜合中期財務報表附註

(For the six months ended 30 June 2007)

(截至二零零七年六月三十日止六個月)

1. GENERAL INFORMATION

CSMC Technologies Corporation (the "Company") and its subsidiaries (the "Group") manufacture and sell integrated circuits and related products. The Group's production facilities are located in the People's Republic of China (the "PRC").

The Company is a limited liability company incorporated in Cayman Islands. The address of its registered office is Scotia Centre, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands, British West Indies.

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited.

This condensed consolidated interim financial information was approved for issue on 23 August 2007.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

At 30 June 2007, the Group has net current liabilities of US\$6,155,000. Taking into account the financial resources available to the Group, including internally generated funds and the available banking facilities, the Group has sufficient working capital for its present requirements for the next 12 months from the balance sheet date.

1. 一般資料

華潤上華科技有限公司(「本公司」)及其附屬公司(統稱「本集團」)製造及銷售集成電路及相關產品。本集團生產設施位於中華人民共和國(「中國」)。

本公司為開曼群島註冊成立的有限公司，其註冊辦事處地址為Scotia Centre, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands, British West Indies.

本公司以香港聯合交易所有限公司主板為上市地。

該簡明綜合中期財務資料於二零零七年八月二十三日獲批准發佈。

2. 編製基準

簡明綜合中期財務報表乃根據香港聯合交易所有限公司證券上市規則附錄十六的適用披露規定及香港會計師公會(「香港會計師公會」)頒佈的香港會計準則第34號「中期財務報告」而編製。

本集團於二零零七年六月三十日錄得淨流動負債6,155,000美元。按目前可供使用的財務資源的財政預測，包括內部貢獻資金及可供動用的融資額度計算，本集團有足夠的營運資金在未來的十二個月內滿足現有營運需求。

(For the six months ended 30 June 2007)

(截至二零零七年六月三十日止六個月)

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost basis. The accounting policies used in the condensed consolidated financial statements are consistent with those of the Group's 2006 Annual Report.

In the current interim period, the Group has applied, for the first time, a new standard, amendment and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning 1 January 2007.

The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the new standards or interpretations that have been issued but are not yet effective. The management is assessing the impact on the results and the financial positions of the Group upon application of these standards or interpretations.

3. 主要會計政策

簡明綜合中期財務報表以歷史成本基準編製。簡明綜合中期財務報表所採用的會計政策，與本集團二零零六年年報中所採用者一致。

在本中報期內，本集團首次應用一項由香港會計師公會頒佈的新準則、修訂及詮釋（「新香港財務報告準則」），乃於本集團於二零零七年一月一日開始的財政年度生效。

採納上述新香港財務報告準則對本集團本期或過往會計期間的業績或財政狀況並無重大影響。因此並無確認過往期間調整。

本集團尚未提早採納已頒佈但尚未生效的新準則或詮釋。管理層正在評估應用該等準則或詮釋對本集團的業績及財政狀況的影響。

Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註 (續)

(For the six months ended 30 June 2007)

(截至二零零七年六月三十日止六個月)

4. SEGMENT INFORMATION

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

The Group's turnover is mainly derived from mainland China, Asia other than mainland China, United States and Europe.

4. 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。

本集團的營業額主要源自中國大陸、不包括中國大陸在內的亞洲、美國及歐洲。

		Six months ended	
		截至以下日期止六個月	
		30 June 2007	30 June 2006
		二零零七年	二零零六年
		六月三十日	六月三十日
		US\$'000	US\$'000
		千美元	千美元
Turnover	營業額		
Mainland China	中國大陸	45,552	37,566
Asia other than mainland China	不包括中國大陸在內的亞洲	11,412	9,134
United States	美國	5,022	5,555
Europe	歐洲	2,219	1,189
		<hr/>	<hr/>
Total	總額	<u>64,205</u>	<u>53,444</u>

Turnover is allocated based on the place / countries in which customers are located.

營業額乃根據客戶所在地／國家分配。

Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註 (續)

(For the six months ended 30 June 2007)

(截至二零零七年六月三十日止六個月)

5. TAXATION

5. 稅項

		Six months ended	
		截至以下日期止六個月	
		30 June 2007	30 June 2006
		二零零七年	二零零六年
		六月三十日	六月三十日
		US\$'000	US\$'000
		千美元	千美元
Current tax	現行稅項		
PRC Enterprise Income Tax	— 中國企業所得稅	(1,513)	(172)
Deferred tax	遞延稅項	(26)	(103)
		<u>(1,539)</u>	<u>(275)</u>

No provision in Hong Kong Profits Tax is made as the Group has no assessable profit for both periods. Profits tax outside Hong Kong is calculated at the rates prevailing in the respective jurisdictions.

由於本集團在本期並無應課稅溢利，故並無就香港利得稅作出撥備。香港以外的利得稅乃按有關司法權區的現行稅率計算。

Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註 (續)

(For the six months ended 30 June 2007)

(截至二零零七年六月三十日止六個月)

6. PROFIT FOR THE PERIOD

6. 期內溢利

		Six months ended	
		截至以下日期止六個月	
		30 June 2007	30 June 2006
		二零零七年	二零零六年
		六月三十日	六月三十日
		US\$'000	US\$'000
		千美元	千美元
Profit for the period has been arrived at after charging (crediting):	期內溢利已計入／(扣除)下列項目：		
Depreciation of property plant and equipment	物業、廠房及設備折舊	10,027	14,111
Amortization of prepaid lease payments on land use rights	土地使用權預付租金攤銷	6	6
Amortization of intangible assets	無形資產攤銷	446	182
Total depreciation and amortization	折舊及攤銷總額	10,479	14,299
Write down (reversal) of inventories to net realisable value	存貨撇減(撥回)至可變現淨值	1,446	(15)
(Gain) loss on disposal of property, plant and equipment	出售物業、廠房及設備(收益)／虧損	(670)	10
Bank interest income	銀行利息收入	(116)	(154)
Exchange gain	匯兌收益	(759)	(292)

7. DIVIDEND

No dividends were paid during the period. The directors do not recommend the payment of an interim dividend.

7. 股息

於本期並無派付股息。董事不建議派付中期股息。

Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註 (續)

(For the six months ended 30 June 2007)

(截至二零零七年六月三十日止六個月)

8. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

8. 每股盈利

計算本公司普通權益持有人應佔每股基本盈利及攤薄盈利的數據如下：

		Six months ended 截至以下日期止六個月	
		30 June 2007 二零零七年 六月三十日 US\$'000 千美元	30 June 2006 二零零六年 六月三十日 US\$'000 千美元
Earnings	盈利		
Earnings for the purpose of basic and diluted earnings per share	用作計算每股基本及攤薄盈利的盈利	<u>3,097</u>	<u>523</u>
Number of shares	股份數目	'000 千股	'000 千股
Weighted average number of ordinary shares for the purpose of basic earnings per share	用作計算每股基本盈利的普通股加權平均數	2,727,287	2,647,908
Effect of dilutive potential ordinary shares:	潛在攤薄普通股的影响：		
Share options - Equity Incentive Plan	購股權－股份獎勵計劃	31,613	64,852
Share options - Share Option Scheme	購股權－購股權計劃	<u>2,852</u>	<u>—</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	用作計算每股攤薄盈利的普通股加權平均數	<u>2,761,752</u>	<u>2,712,760</u>

Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註 (續)

(For the six months ended 30 June 2007)

(截至二零零七年六月三十日止六個月)

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group disposed of certain machinery with a carrying amount of US\$215,000 for proceeds of US\$885,000, resulting in a profit on disposal of US\$670,000.

In addition, the Group spent approximately US\$22,856,000 on additions to construction in progress and machinery.

10. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group generally grants credit terms from 30-90 days to its customers. The aged analysis of trade debtors including notes receivables is as follows:

		As at	
		於	
		30 June 2007	31 December 2006
		二零零七年	二零零六年
		六月三十日	十二月三十一日
		US\$'000	US\$'000
		千美元	千美元
0-60 days	0-60天	17,511	13,759
61-90 days	61-90天	1,711	1,527
91-180 days	91-180天	1,766	217
Over 180 days	180天以上	768	434
		21,756	15,937

Included in trade debtors was US\$3,298,000 (31 December 2006: US\$2,448,000) due from related companies arising from transactions carried out in the ordinary course of business of the Group. These amounts are unsecured, interest-free and are repayable within the credit periods similar to those offered by the Group to its major customers.

9. 物業、廠房及設備變動

期內，本集團以885,000美元出售了賬面值215,000美元的機器，獲得出售溢利670,000美元。

另外，本集團斥資22,856,000美元於添置在建工程及機器。

10. 應收賬款、按金及預付款項

本集團一般授予顧客30-90天的信貸期。包括應收票據之應收貿易賬款的賬齡分析如下：

計入應收貿易賬款內為3,298,000美元（二零零六年十二月三十一日：2,448,000美元）因本集團於日常業務過程中所進行的交易而產生之應收關連公司的款項。該等款項乃無抵押、免息及須於本集團向其主要客戶提供的類似信貸期內償還。

Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註 (續)

(For the six months ended 30 June 2007)

(截至二零零七年六月三十日止六個月)

11. CREDITORS AND ACCRUED CHARGES

The aged analysis of the trade creditors, which are included in creditors and accrued charges, is as follows:

0-60 days	0-60天
61-90 days	61-90天
91-180 days	91-180天
Over 180 days	180天以上

Included in creditors was US\$1,271,000 (31 December 2006: US\$1,143,000) due to related companies arising from transactions carried out in the ordinary course of business of the Group. These amounts are unsecured, interest-free and are repayable within the credit periods similar to those offered by its major suppliers.

11. 應付賬款及應計費用

計入應付賬款及應計費用的應付貿易賬款之賬齡分析如下：

As at	
於	
30 June 2007	31 December 2006
二零零七年	二零零六年
六月三十日	十二月三十一日
US\$'000	US\$'000
千美元	千美元
20,296	18,977
1,991	393
2,831	24
462	1,157
<u>25,580</u>	<u>20,551</u>

計入應付貿易賬款內為1,271,000美元(二零零六年十二月三十一日：1,143,000美元)因本集團於日常業務過程中產生之欠予關連公司的款項。該等款項乃無抵押、免息及須於本集團主要供應商提供的類似信貸期內償還。

Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註(續)

(For the six months ended 30 June 2007)

(截至二零零七年六月三十日止六個月)

12. BORROWINGS

During the period, the Group obtained new bank loans amounting to US\$27,540,000. As at 30 June 2007, the Group's long-term and short-term bank loans carried interest at rates ranging from 5.84% to 6.32%. The proceeds were used to finance the working capital and acquisition of property, plant and equipment.

12. 借貸

期內，本集團得到新銀行貸款27,540,000美元。於二零零七年六月三十日，本集團之長期及短期銀行貸款利率為5.84厘至6.32厘。該款項用作支付營運資金及收購物業、廠房及設備。

		As at	
		於	
		30 June 2007	31 December 2006
		二零零七年	二零零六年
		六月三十日	十二月三十一日
		US\$'000	US\$'000
		千美元	千美元
Secured bank loans	已抵押銀行貸款	12,800	15,306
Unsecured bank loans	無抵押銀行貸款	35,025	27,479
		<u>47,825</u>	<u>42,785</u>
Less: Amount due within one year shown under current liabilities	減：流動負債項下一年內到期之款項	(40,825)	(35,785)
Amount due after one year shown as non-current liabilities	非流動負債項下一年後到期之款項	<u>7,000</u>	<u>7,000</u>

Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註 (續)

(For the six months ended 30 June 2007)

(截至二零零七年六月三十日止六個月)

13. SHARE CAPITAL

Ordinary shares of HK\$0.1 each.
Issued and fully paid

13. 股本

每股面值0.1港元的普通股
已發行及繳足

		Number of shares	Amount
		股份數目	款項
		'000	US\$'000
		千股	千美元
At 1 January 2007	於二零零七年一月一日	2,725,844	34,947
Shares issued under Equity Incentive Plan	股份獎勵計劃下發行的股份	6,420	82
At 30 June 2007	於二零零七年六月三十日	<u>2,732,264</u>	<u>35,029</u>

Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註 (續)

(For the six months ended 30 June 2007)

(截至二零零七年六月三十日止六個月)

14. CONTINGENCIES AND COMMITMENTS

With respect to the mortgage loans of its employees, the Group has provided a corporate guarantee amounting to approximately US\$393,000 (31 December 2006: US\$515,000) to a third party bank and pledged bank deposit of approximately US\$192,000 (31 December 2006: US\$187,000) as security for these employees' mortgage loans. Management anticipates that no material liabilities will arise from the above guarantees.

As at 30 June 2007, the Group was committed to capital expenditure of US\$100,608,000 for the completion of its construction and capacity expansion.

14. 或然負債及承擔

本集團已就其僱員的按揭貸款向一家第三方銀行作出企業擔保，款額約為393,000美元(二零零六年十二月三十一日：515,000美元)，並抵押約192,000美元(二零零六年十二月三十一日：187,000美元)的銀行存款作為有關僱員按揭貸款的抵押品。管理人員預期上述擔保將不會產生重大負債。

於二零零七年六月三十日，本集團為完成其建設及產能擴充承擔了100,608,000美元資本開支。

		As at	
		於	
		30 June 2007	31 December 2006
		二零零七年	二零零六年
		六月三十日	十二月三十一日
		US\$'000	US\$'000
		千美元	千美元
Capital expenditure authorized but not contracted for in respect of property, plant and equipment	有關物業、廠房及設備的已授權但未訂約的資本開支	59,748	51,835
Capital expenditure contracted for but not provided in respect of property, plant and equipment	有關物業、廠房及設備的已訂約但未撥備的資本開支	40,860	49,714

As at 30 June 2007, the Group had lease commitments of US\$8,733,000 (31 December 2006: US\$10,679,000) for factory premises and office under non-cancellable operating lease agreements, of which US\$8,322,000 (31 December 2006: US\$9,356,000) is due within five years and US\$411,000 (31 December 2006: US\$1,323,000) is due after 5 years or later.

於二零零七年六月三十日，本集團擁有不可註銷的營運租賃協議下的廠房及辦公室租賃承擔8,733,000美元(二零零六年十二月三十一日：10,679,000美元)，其中8,322,000美元於五年內到期(二零零六年十二月三十一日：9,356,000美元)及411,000美元於五年後或更後到期(二零零六年十二月三十一日：1,323,000美元)。

Notes to the Condensed Consolidated Interim Financial Statements (Continued)

簡明綜合中期財務報表附註 (續)

(For the six months ended 30 June 2007)

(截至二零零七年六月三十日止六個月)

15. RELATED PARTY TRANSACTIONS AND BALANCES

During the period, the Group entered into the following significant transactions with related parties:

Sales of goods to a subsidiary of China Resource Logic Limited ("CR Logic"), the intermediate holding company	出售貨物予直接控股公司華潤勵致有限公司(「華潤勵致」)的附屬公司	8,213	8,018
Rental utilities and other services paid to the subsidiaries of CR Logic	向華潤勵致附屬公司支付的租金、公用事業費用及其他服務費用	6,715	6,838
Consultancy fee paid to a company controlled by certain Directors of the Company	支付一家由本公司若干董事控制之公司之顧問費用	194	118

The amount due from / to related parties as included in notes 10 & 11 are unsecured, interest-free and are repayable on demand.

Key management compensation

Salaries and allowances	薪金及津貼	930	692
Share based payments	以股份為基礎的償付	55	212

15. 關連人士交易及結存

期內，本集團與關連方達成以下重大交易：

Six months ended 截至以下日期止六個月	
30 June 2007 二零零七年 六月三十日 US\$'000 千美元	30 June 2006 二零零六年 六月三十日 US\$'000 千美元

包括於附註10及11的應收／應付款項為無抵押、免息及需按要求償還。

主要管理人員薪酬

Six months ended 截至以下日期止六個月	
30 June 2007 二零零七年 六月三十日 US\$'000 千美元	30 June 2006 二零零六年 六月三十日 US\$'000 千美元

Salaries and allowances	薪金及津貼	930	692
Share based payments	以股份為基礎的償付	55	212
		985	904

Shareholders can obtain copies of Interim Report by writing to:

Computershare Hong Kong Investor Services Limited
Rooms 1806-1807
18th Floor,
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

If you are not a shareholder, please write to:

CSMC Technologies Corporation
14 Liangxi Road
Wuxi, Jiangsu
214061, China
Attn: IR Department

CSMC interim report is also available online at
<http://www.csmc.com.cn>.

Shareholder Enquiries

Our enquiry hotline is operational during normal office hours:

Telephone: +86-510-88118089
Facsimile: +86-510-85877352
Email: ir@csmc.com.cn

股東可致函以下地址索取中期報告印製本：

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心18樓
1806-1807室

倘若閣下並非股東，請致函：

華潤上華科技有限公司
中國
江蘇省無錫市
梁溪路14號
郵編：214061
收件人：投資者關係部

華潤上華的中期報告亦可於網上瀏覽，
網址為<http://www.csmc.com.cn>。

股東查詢熱線

閣下可於一般辦公時間內致電本公司的查詢熱線：

電話：+86-510-88118089
傳真：+86-510-85877352
電子郵件：ir@csmc.com.cn

CSMC TECHNOLOGIES CORPORATION
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www.csmc.com.cn