



華潤微電子有限公司
China Resources Microelectronics Limited

(Formerly known as CSMC TECHNOLOGIES CORPORATION)

(前稱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)

Annual Report

2007

年度報告

CONTENTS

目錄

1	Company Profile and Corporate Information 公司概況及公司資料
7	Financial Highlights 財務概要
9	Five-year Financial Summary 五年財務概要
10	Historical Milestones 里程碑
11	Chairman's Report 主席報告書
13	Management Discussion and Analysis 管理層討論及分析
32	Corporate Governance Report 企業管治報告
45	Directors and Senior Management 董事及高級管理層
53	Report of the Directors 董事會報告書
95	Independent Auditor's Report 獨立核數師報告書
98	Consolidated Income Statement 綜合收益表
99	Consolidated Balance Sheet 綜合資產負債表
101	Consolidated Statement of Changes in Equity 綜合權益變動表
103	Consolidated Cash Flow Statements 綜合現金流量表
105	Notes to the Consolidated Financial Statements 綜合財務報表附註

Company Profile and Corporate Information

公司概況及公司資料

China Resources Microelectronics Limited (“CRMicro” or the “Company”, formerly named as CSMC Technologies Corporation (“CSMC”)) is a limited liability company incorporated in the Cayman Islands. The Company 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, the Company and its subsidiaries (the “Group” or “We”) provide Integrated Circuits (“IC”) and power discrete processes manufacturing services for fabless design houses and integrated device manufacturers (IDMs). Our fabs are located in Wuxi, Jiangsu Province and Beijing with a total manufacturing capacity of approximately 80,000 6-inch wafers per month (“wpm”), which is believed to be the largest 6-inch open foundry operation in terms of production capacity in mainland China.

In December 2007, China Resources Logic Limited (“CR Logic”) and the Company jointly announced the amalgamation of both companies’ semiconductor businesses under the Group. The amalgamation was approved by the shareholders of both companies on 13 February, 2008 and completed on 5 March 2008, which will enable the Group to become one of the largest local players in the China semiconductor industry with manufacturing and service capabilities covering open foundry service as well as IC testing and packaging services, discrete device manufacture, and IC design. Each operation of the semiconductor business will remain distinct from one another and operate independently. The Company has been renamed as China Resources Microelectronics Limited with effective from 14 February, 2008

We believe that the amalgamation will broaden and strengthen the operating base of the Group and will further enhance our leading position as one of the largest and most profitable operators in the China semiconductor industry, and hence, will deliver greater values to our customers and shareholders.

華潤微電子有限公司(「華潤微電子」或「本公司」, 前稱華潤上華科技有限公司(「華潤上華」))為於開曼群島註冊成立之有限公司。本公司於二零零四年八月於香港聯合交易所有限公司(「聯交所」)主板上市(股份代號0597)。

本公司及其附屬公司(「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」)及電源分立器件製造服務。本集團晶圓製造廠位於江蘇省無錫市及北京市, 合計產能約為每月80,000片6英寸晶圓, 按生產能力計為中國大陸最大的6英寸開放式晶圓代工廠。

華潤勵致有限公司(「華潤勵致」)與本公司於二零零七年十二月聯合公佈合併兩間公司的半導體業務, 由本集團經營。該項合併於二零零八年二月十三日獲股東批准並於二零零八年三月五日完成, 合併將使本集團成為中國本土半導體行業中最大型的廠商之一, 其製造及服務範圍涵蓋開放式晶圓代工以及集成電路封裝測試服務、分立器件製造和測試及集成電路設計。半導體業務的各項經營將相互有所區別而獨立經營。本公司已於二零零八年二月十四日更名為華潤微電子有限公司。

我們相信, 該項合併將擴大及鞏固本集團的業務基礎, 並將進一步增強其作為中國半導體行業內規模最大及利潤最豐厚經營者之一的領導地位, 從而給客戶及股東帶來更大價值。

CORPORATE INFORMATION

公司資料

English Name	China Resources Microelectronics Limited (Formerly named as CSMC Technologies Corporation)	英文名稱	China Resources Microelectronics Limited (前稱CSMC Technologies Corporation)
Chinese Name	華潤微電子有限公司 (前稱華潤上華科技有限公司)	中文名稱	華潤微電子有限公司 (前稱華潤上華科技有限公司)
Stock Code	597	股份代號	597
Chairman	SONG Lin (appointed on 20 March 2008)	主席	宋林 (於二零零八年三月二十日獲委任)
	Peter CHEN Cheng-yu (resigned on 20 March 2008)		陳正宇 (於二零零八年三月二十日辭任)
Vice Chairman	Peter CHEN Cheng-yu (appointed on 20 March 2008)	副主席	陳正宇 (於二零零八年三月二十日獲委任)
	ZHU Jinkun (appointed on 20 March 2008)		朱金坤 (於二零零八年三月二十日獲委任)
President	Elvis DENG Mao-song (resigned on 20 March 2008)	總裁	鄧茂松 (於二零零八年三月二十日辭任)
Chief Executive Officer	WANG Guoping (appointed on 20 March 2008)	首席執行官	王國平 (於二零零八年三月二十日獲委任)
Chief Financial Officer	Frank LAI Ni Hium	首席財務官	黎汝雄

Company Profile and Corporate Information

公司概況及公司資料

Executive Directors	<p>SONG Lin (appointed on 20 March 2008)</p> <p>Peter CHEN Cheng-yu Elvis DENG Mao-song (appointed on 1 July 2007, resigned on 20 March 2008)</p> <p>Robert LEE Naii (resigned on 1 July 2007)</p> <p>WANG Guoping (formerly a Non-Executive Director, re-designated as an Executive Director on 20 March 2008)</p> <p>Frank LAI Ni Hium (appointed on 20 March 2008)</p>	執行董事	<p>宋林 (於二零零八年三月二十日獲委任)</p> <p>陳正宇 鄧茂松 (於二零零七年七月一日獲委任，於二零零八年三月二十日辭任)</p> <p>李乃義 (於二零零七年七月一日辭任)</p> <p>王國平 (曾任非執行董事，於二零零八年三月二十日轉任執行董事)</p> <p>黎汝雄 (於二零零八年三月二十日獲委任)</p>
Non-Executive Directors	<p>ZHU Jinkun WANG Guoping (re-designated as an Executive Director on 20 March 2008)</p> <p>Ken ONG Thiam Kin (resigned on 20 March 2008)</p> <p>YU Yu (resigned on 20 March 2008)</p> <p>CHEN Nan-xiang (resigned on 20 March 2008)</p> <p>JIANG Wei (appointed on 20 March 2008)</p> <p>LI Fuzuo (appointed on 20 March 2008)</p> <p>Du Wenmin (appointed on 20 March 2008)</p>	非執行董事	<p>朱金坤 王國平 (於二零零八年三月二十日轉任執行董事)</p> <p>王添根 (於二零零八年三月二十日辭任)</p> <p>俞宇 (於二零零八年三月二十日辭任)</p> <p>陳南翔 (於二零零八年三月二十日辭任)</p> <p>蔣偉 (於二零零八年三月二十日獲委任)</p> <p>李福祚 (於二零零八年三月二十日獲委任)</p> <p>杜文民 (於二零零八年三月二十日獲委任)</p>

Independent Non-Executive Directors	Kum Loon OON Mark HSUE Chi Nan (resigned on 20 March 2008)	獨立非執行 董事	溫金鸞 許奇楠 (於二零零八年三月二十日 辭任)
	Ralph Sytze YBEMA KO Ping Keung (appointed on 20 March 2008)		Ralph Sytze YBEMA 高秉強 (於二零零八年三月二十日 獲委任)
Audit Committee	Kum Loon OON (Chairperson) YU Yu (resigned on 20 March 2008)	審核委員會	溫金鸞 (主席) 俞宇 (於二零零八年三月二十日 辭任)
	Ralph Sytze YBEMA KO Ping Keung (appointed on 20 March 2008)		Ralph Sytze YBEMA 高秉強 (於二零零八年三月二十日 獲委任)
Remuneration Committee	Ken ONG Thiam Kin (Chairperson, resigned on 20 March 2008)	薪酬委員會	王添根 (主席，於二零零八年三月 二十日辭任)
	Mark HSUE Chi Nan (resigned on 20 March 2008)		許奇楠 (於二零零八年三月二十日 辭任)
	Ralph Sytze YBEMA (Chairperson, appointed on 20 March 2008)		Ralph Sytze YBEMA (主席，於二零零八年三月 二十日獲委任)
	Frank LAI Ni Hium (appointed on 20 March 2008)		黎汝雄 (於二零零八年三月二十日 獲委任)
	Kum Loon OON (appointed on 20 March 2008)		溫金鸞 (於二零零八年三月二十日 獲委任)

Company Profile and Corporate Information

公司概況及公司資料

Nomination Committee	Ralph Sytze YBEMA (Chairperson) Kum Loon OON Mark HSUE Chi Nan (resigned on 20 March 2008) KO Ping Keung (appointed on 20 March 2008) CHEN Nan-xiang (resigned on 20 March 2008) Peter CHEN Cheng-yu WANG Guoping (appointed on 20 March 2008)	提名委員會	Ralph Sytze YBEMA (主席) 溫金鸞 許奇楠 (於二零零八年三月二十日 辭任) 高秉強 (於二零零八年三月二十日 獲委任) 陳南翔 (於二零零八年三月二十日 辭任) 陳正宇 王國平 (於二零零八年三月二十日 獲委任)
Company Secretary and Qualified Accountant	Frank LAI Ni Hium Certified Practising Accountant (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 in association with Reed Smith LLP	法律顧問	齊伯禮律師行(與Reed Smith律師事務所聯營)
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 Rooms 1806-1807 18th 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18樓1806-1807室
Website Address	www.csmc.com.cn	網址	www.csmc.com.cn

Financial Highlights 財務概要

FINANCIAL HIGHLIGHTS 財務概要

		2007	2006	Year-on-year
		US\$'000	US\$'000	change
		二零零七年	二零零六年	逐年
		千美元	千美元	變動
Revenue	收入	142,563	114,302	24.7%
Total earnings before interest expense, taxation, depreciation and amortization (“EBITDA”)	未計利息開支、稅項、折舊及攤銷前的盈利總額 (「EBITDA」)	43,125	34,281	25.8%
Depreciation and amortization	折舊及攤銷	(22,030)	(23,263)	(5.3%)
Finance costs	融資成本	(3,557)	(3,531)	0.7%
Profit before income tax	除所得稅前溢利	17,538	7,487	134.2%
Taxation	稅項	(4,064)	(1,121)	262.5%
Profit for the year (“Net profit”)	年內溢利 (「純利」)	13,474	6,366	111.7%
As at 31 December	於十二月三十一日			
Total assets	資產總值	310,442	253,280	22.6%
Total equity	權益總額	197,526	171,135	15.4%
Bank balances and cash	銀行結餘及現金	20,712	21,101	(1.8%)
Borrowings	借貸	58,645	42,785	37.1%
Earnings per share	每股盈利			
Basic (US cent)	基本 (美仙)	0.49	0.24	105.5%
Diluted (US cent)	攤薄 (美仙)	0.49	0.23	111.6%
Net assets per share (US cent)	每股資產淨值 (美仙)	7.21	6.28	14.8%
Ratios (Note 1)	比率 (附註 1)			
Gross margin (%)	毛利率 (%)	26.86	23.56	14.0%
Operating profit margin (%)	邊際經營溢利 (%)	14.80	9.34	58.4%
Net profit margin (%)	邊際純利 (%)	9.45	5.57	69.7%
Current ratio (times)	流動比率 (倍)	0.79	1.05	(24.9%)
Quick ratio (times)	速動比率 (倍)	0.49	0.64	(23.6%)
Net debt to equity (%)	淨借貸與權益比率 (%)	19.20	12.67	51.5%

Note 1:		附註1：	
Net assets per share	= Shareholders' equity / number of shares issued as at the end of the accounting period	每股資產淨值	= 股東權益／於會計期間結束時的已發行股份數目
Gross profit margin	= Gross profit / revenue x 100%	邊際毛利	= 毛利／收益 × 100%
Operating profit margin	= Operating profit / revenue x 100%	邊際經營溢利	= 經營溢利／收益 × 100%
Net profit margin	= Profit after tax / revenue x 100%	邊際純利	= 除稅後溢利／收益 × 100%
Current ratio	= Current assets / current liabilities	流動比率	= 流動資產／流動負債
Quick ratio	= (Current assets – inventories) / current liabilities	速動比率	= (流動資產 – 存貨)／流動負債
Net debt to equity	= (Total debts less bank balances and cash) / total equity x 100%	借貸與權益比率	= (借貸總額減銀行結餘及現金)／權益總額 × 100%

Five-year Financial Summary 五年財務概要

		(Note 1) (附註1)				
		2007	2006	2005	2004	2003
		二零零七年	二零零六年	二零零五年	二零零四年	二零零三年
		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
		(Restated) (重列)				
Consolidated income statement	綜合收益表					
Revenue	收入	142,563	114,302	78,099	79,860	42,077
EBITDA	EBITDA	43,125	34,281	17,244	27,457	14,391
Profit (loss) for the year	年內溢利 (虧損)	13,474	6,366	(6,842)	10,171	4,015
Operating cash inflow	營運現金淨流入	40,284	31,430	18,032	19,967	9,034

		As at 31 December 於十二月三十一日				
		2007	2006	2005	2004	2003
		二零零七年	二零零六年	二零零五年	二零零四年	二零零三年
		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
		(Restated) (重列)				
Consolidated balance sheet	綜合資產負債表					
Non-current assets	非流動資產	229,608	183,564	161,296	140,069	83,792
Current assets	流動資產	80,834	69,716	62,854	59,439	53,223
Non-current liabilities	非流動負債	10,384	15,488	9,230	—	—
Current liabilities	流動負債	102,532	66,657	57,916	39,095	41,788
Total equity	權益總額	197,526	171,135	157,004	160,413	95,227

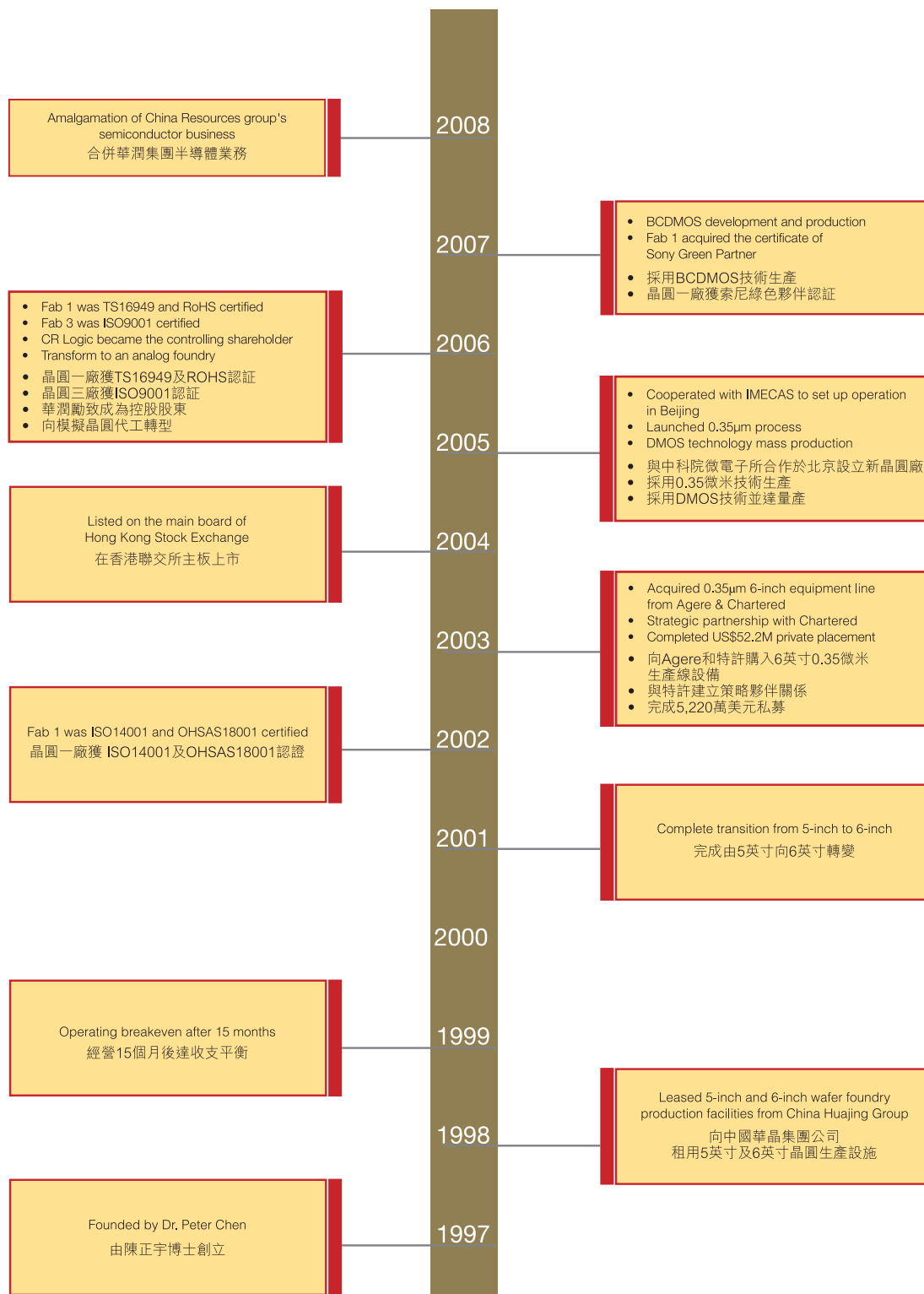
Note:

附註：

1. The consolidated income statement for the year ended 31 December 2004 was restated following the adoption of new HKFRS which are effective for accounting periods commencing on or after 1 January 2005.

1. 截至二零零四年十二月三十一日止年度的綜合收益表於採納新香港財務報告準則後重列。新香港財務報告準則於二零零五年一月一日或之後開始的會計期間生效。

Historical Milestones 里程碑



Dear Shareholders,

Being the first and the largest 6-inch open foundry in China, the Group continues to execute its rapid transition into mainland China and global analog/power management markets. The Chinese analog market alone demonstrated a 29.1% growth rate in 2007 as compared with a 4.4% worldwide market growth rate in terms of revenue. In 2007, the Group demonstrated a record revenue and profitability due to our strategic analog positioning, resulting in the most profitable year in the history of the Company.

I am proud to report that the Group recorded a revenue of US\$142.56 million for the financial year 2007, representing a 24.7% growth as compared with US\$114.30 million for the financial year 2006, of which, analog semiconductor products accounted for approximately 43.8% of the annual revenue and exceeded 50% in the fourth quarter of 2007. Derived from the strong performance of analog semiconductor products, the Group booked a historical record net profit of US\$13.47 million, which doubled the net profit of over US\$6.37 million in 2006. We are confident that the analog products will account for a higher percentage of our future revenue. Looking ahead, our incremental 8-inch capacity expansion in 2008 will provide incremental technology and production platforms to strengthen our leading position in the domestic and overseas analog market.

致各股東：

作為中國首家及規模最大的6英寸開放式晶圓代工企業，本集團繼續迅速轉型主攻中國內地及全球模擬／電源管理市場。與全球市場以收入計4.4%的增長率相較，中國模擬市場於二零零七年的表現一枝獨秀，錄得29.1%的增長。二零零七年，由於策略定位於模擬產品，本集團在收入及盈利方面創下新高，令二零零七年成為本公司歷史上盈利最高的年度。

本人欣然宣佈，本集團於二零零七年財政年度錄得收入14,256萬美元，較二零零六年財政年度的11,430萬美元增加24.7%，其中模擬半導體產品佔年收入約43.8%，並於二零零七年第四季度超過50%。受惠於模擬半導體產品的強勁表現，本集團的純利錄得1347萬美元，創歷史新高，較二零零六年的純利637萬美元翻一番。我們相信模擬產品在本公司未來收入中所佔的比重將更高。展望未來，本公司於二零零八年對8英寸晶圓產能的增量擴充將可提供更大的技術及生產平台，鞏固本公司於國內及海外模擬市場的領導地位。

The Company and China Resources Logic have completed the amalgamation of the semiconductor businesses of both companies into CRMicro. After amalgamation, the Company will be one of the top five semiconductor producers in mainland China. All the existing open foundry service businesses will be injected into a new wholly-owned subsidiary of the Company in a manner so that open foundry service and other semiconductor business will remain distinct from one another and operated independently. Other non-foundry businesses include IC design, testing and packaging services, and discrete device manufacturing. The foundry business will not only be provided with more stable orders from our upstream IC design and discrete device manufacturing businesses, but also be better facilitated and supported by the downstream IC testing and packaging business. With the upstream and downstream synergy arising from the amalgamation, the Group will be able to offer Turnkey service to customers, which will be valuable for the Group in maintaining its relationship with customers. Through the amalgamation, the Group will distinguish itself from the other semiconductor companies in China in terms of product portfolio as well as growth environment. The amalgamation will bring much greater flexibility in deploying existing resources and discretionary cash flows. We are optimistic that the amalgamation will broaden and strengthen the operating base of the Company and will further enhance our leading position as one of the largest domestic operators in the China semiconductor industry.

Finally, on behalf of the Company, I would like to take this opportunity to thank all of our shareholders, business partners and our employees for your support and confidence with us.



Dr. Peter CHEN Cheng-yu
Chairman

Hong Kong, 20 March 2008

本公司及華潤勵致已完成將兩間公司半導體業務併入華潤微電子的工作。合併後，本公司將為中國大陸五大半導體製造商之一。所有現有開放式晶圓代工業務將注入本公司一家新的全資附屬公司以利開放式晶圓代工服務及其他半導體業務將相互有所區別而獨立經營。其他非晶圓代工業務包括集成電路設計、封測服務及分立器件製造。晶圓代工業務可獲上游集成電路設計與分立器件製造所提供之更穩定之訂單，亦可獲下游集成電路封測服務更好之協助及支持。經由本次合併而致的上下游協同效應，本集團將可為客戶提供 Turnkey 服務，從而與客戶保持良好關係。經由此次合併，本集團將與其他中國半導體公司在產品結構與增長環境相區別。合併將為調配現有資源及使用現金流量提供更大靈活性。我們相信合併將拓寬及加強本公司營運基礎，並進一步提高我們作為中國半導體行業最大國內營運商之一的領導地位。

最後，本人謹代表本公司，藉此機會對本公司的所有股東、業務夥伴及員工的支持和信賴表示感謝。



主席
陳正宇博士

香港，二零零八年三月二十日

BUSINESS REVIEW OF THE YEAR

Overview

In 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 revenue and the net profit for the financial year 2007 hit the new historical heights. The consolidated revenue increased by 24.7% to US\$142.56 million in 2007 from US\$114.30 million in 2006. The Group recorded a net profit of US\$13.47 million, representing an increase of 111.7% as compared with US\$6.37 million in 2006. EBITDA for the year ended 31 December 2007 was US\$43.13 million, representing an increase of 25.8% from US\$34.28 million as compared to the prior year. In 2007, the average capacity utilization rate of the Group was up to 87% as well as the average selling price (the "ASP") has increased to US\$189 per wafer in 2007 from US\$175 per wafer in 2006.

Expansion of Business

The Group continues to maintain a high portfolio of the turnover from China market as the growth of China analog IC market is outpacing the worldwide market. Accordingly, the Group recorded over US\$100 million revenue from the mainland China market, representing 71.1% of the total revenue of the Group in 2007 and represents an increase of 30.9% as compared to US\$77.41 million in 2006. The Group's business from the overseas market also increased by 11.7% to US\$41.21 million in 2007 due to the growth in overseas market demand in 2007.

年度業務回顧

概覽

於二零零七年，本集團受惠於其向模擬晶圓專工的轉型，及持續致力於工藝技術組合的改革及產能擴張。本集團於二零零七年財政年度的綜合收入及純利創歷史新高。綜合收入由二零零六年的11,430萬美元增加24.7%至二零零七年的14,256萬美元。本集團錄得純利1,347萬美元，較二零零六年的637萬美元增加111.7%。截至二零零七年十二月三十一日止年度的EBITDA為4,313萬美元，較上一年度3,428萬美元增加25.8%。於二零零七年，本集團的平均產能使用率達87%，平均售價也從二零零六年的每片晶圓175美元上升至二零零七年的189美元。

拓展業務

由於中國模擬集成電路市場的增長超過全球市場水平，本集團來自中國市場的營業額持續保持較高水平。因此，本集團自中國大陸市場錄得超過1億美元收入，佔本集團二零零七年收入總額的71.1%，較二零零六年的7,741萬美元增加30.9%。本集團海外市場業務亦增加11.7%至二零零七年的4,121萬美元，乃由於二零零七年海外市場需求增長所致。

BUSINESS REVIEW OF THE YEAR (Cont'd)

Expansion of Business (Cont'd)

The following table shows the geographical breakdown of the Group's revenue for the five years ended 31 December 2007:

	2007		2006		2005		2004		2003	
	(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)	%
The mainland										
China 中國大陸	101,350	71.1	77,413	67.7	52,982	67.8	46,854	58.6	32,289	76.7
Asia, other than the mainland 以外的 China 亞洲地區	25,976	18.2	21,989	19.2	15,194	19.5	20,900	26.2	7,596	18.1
United States 美國	11,737	8.2	10,852	9.5	5,637	7.2	5,571	7.0	2,192	5.2
Europe 歐洲	3,500	2.5	4,048	3.6	4,286	5.5	6,535	8.2	—	—
Total 總計	142,563	100.0	114,302	100.0	78,099	100.0	79,860	100.0	42,077	100.0

The Group maintains good business relationship with our key customers. The Group generated revenue of US\$48.13 million from its top five customers in 2007 as compared with US\$48.36 million in 2006. We adopted a strategy to diversify customer base to avoid over-reliance on any single customer. The Group's top five customers' contribution to the revenue decreased to 33.7% in 2007 from 42.3% in 2006.

年度業務回顧 (續)

拓展業務 (續)

下表呈列按地區分析本集團截至二零零七年十二月三十一日止五個年度的收入:

本集團與主要客戶保持良好的業務關係。二零零七年本集團來自五大客戶的收入為4,813萬美元，而二零零六年則為4,836萬美元。本集團採納策略使其客戶群多元化，避免過分依賴任何單一客戶。本集團五大客戶的收入貢獻由二零零六年的42.3%下降至二零零七年的33.7%。

BUSINESS REVIEW OF THE YEAR (Cont'd)

Production Capacity and Capacity Utilization Rate

By the end of 2007, the Group's production capacity reached 79,400 wpm, whereas the average capacity utilization achieved 87% in 2007 as compared to 86% in 2006.

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. Revenue contributions from analog ICs increased to 43.8% in 2007 from 33.1% in 2006.

The table below shows the Group's revenue by process mix for the five years ended 31 December 2007:

		2007		2006		2005		2004		2003	
		(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)	
Logic	邏輯	72,202	50.7	69,611	61.0	51,725	66.2	63,438	79.4	38,123	90.6
Analog	模擬	62,515	43.8	37,913	33.1	21,995	28.2	13,082	16.4	2,506	6.0
Others	其他	7,846	5.5	6,778	5.9	4,379	5.6	3,340	4.2	1,448	3.4
Total	總計	142,563	100.0	114,302	100.0	78,099	100.0	79,860	100.0	42,077	100.0

In addition to the ongoing capacity expansion and improvement on the contribution from analog ICs, the Group continuously enhances its process technology by geometry. Revenue contributions from 0.5 micron and the more advanced process technologies increased to US\$65.86 million or 46.2% in 2007 from US\$48.55 million or 42.5% in 2006. The Group is also working towards expanding its process technology offering to include 0.35 to 0.18 micron with the technology partner for Fab 2 when those process technologies come on stream.

業務回顧 (續)

產能及產能使用率

截至二零零七年底，本集團的產能達每月79,400片晶圓，二零零七年平均產能使用率為87%，而二零零六年則為86%。

技術轉移

本集團正轉型成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。來自模擬晶圓代工業務的收入貢獻由二零零六年的33.1%增加至二零零七年的43.8%。

下表呈列截至二零零七年十二月三十一日止五個年度按工藝組合分析本集團的收入：

除正在進行的產能擴充及模擬晶圓代工業務的貢獻提升外，本集團持續以綫寬提升其工藝技術。源自0.5微米及更先進工藝技術的收入由二零零六年的4,855萬美元（或佔42.5%）增至二零零七年的6,586萬美元（或佔46.2%）。本集團亦正就二廠尋求與技術夥伴合作，在0.35至0.18微米工藝技術將成為市場主流時提供相應的技術條件。

BUSINESS REVIEW OF THE YEAR (Cont'd)**Technology Migration (Cont'd)**

The table below shows the Group's revenue by geometry for the five years ended 31 December 2007:

		2007		2006		2005		2004		2003	
		(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)	
6-inch	6英寸										
>=1.0 micron	>=1.0 微米	24,017	16.8	28,594	25.0	21,310	27.3	20,350	25.4	18,234	43.3
0.6 - 0.8 micron	0.6-0.8 微米	33,367	23.4	26,925	23.6	17,967	23.0	28,922	36.2	14,217	33.8
0.5 micron	0.5 微米	55,034	38.6	35,904	31.4	20,917	26.8	8,840	11.1	1,496	3.6
0.35-0.4 micron	0.35-0.4 微米	10,830	7.6	12,650	11.1	11,270	14.4	18,347	23.0	6,682	15.9
Subtotal	小計	123,248	86.4	104,073	91.1	71,464	91.5	76,459	95.7	40,629	96.6
DMOS	DMOS	11,469	8.0	3,451	3.0	2,256	2.9	61	0.1	—	—
Others	其他	7,846	5.6	6,778	5.9	4,379	5.6	3,340	4.2	1,448	3.4
Total	總計	142,563	100.0	114,302	100.0	78,099	100.0	79,860	100.0	42,077	100.0

業務回顧 (續)**技術轉移 (續)**

下表呈列按綫寬分析的本集團截至二零零七年十二月三十一日止五個年度的收入：

BUSINESS REVIEW OF THE YEAR (Cont'd)

Employees

The management believes that the Group's employees are its greatest assets. The Group had 2,119 employees as at 31 December 2007, representing an increase of 299 employees as compared to 1,820 at the end of 2006. The Group has maintained a good working relationship with its employees over the year.

In the highly competitive foundry business, strong human resources are essential for continuous growth. The management successfully leverage on the strengths of both local Chinese employees and international expertise. The Group also prides itself for its track record of recruiting and developing local managerial, technical, and operating personnel. Currently approximately 98% of the Group's staff are citizens of the People's Republic of China (the "PRC"), including the majority of its managers. As at 31 December 2007, about 55% of the Group's employees hold college or graduate degrees.

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Employer's pension cost charged to the consolidated income statement was US\$2.16 million in 2007, compared with US\$1.31 million in 2006.

業務回顧 (續)

僱員

管理層相信，本集團的僱員為最重要的資產。截至二零零七年十二月三十一日，本集團有僱員2,119名，較二零零六年底的1,820名僱員增加299人。過往一年，本集團與僱員維持良好關係。

晶圓代工業務的競爭非常激烈，強大的人力資源是持續增長所必需的。管理層成功地利用中國本地僱員及國際專才的優勢。本集團亦對其招聘及發展本地的管理、技術及營運員工的記錄感到自豪。本集團現時約98%的員工為中華人民共和國（「中國」）國內人才，包括大部分的經理。於二零零七年十二月三十一日，本集團約55%的僱員擁有大學或以上的學歷。

本集團就強制性、合約性或自願性的公眾或私人管理退休金保證計劃作出供款。二零零七年，於綜合收益表中扣除的僱主退休金成本為216萬美元，而二零零六年則為131萬美元。

OPERATING RESULTS

The following table shows certain information relating to Group's results of operations for the two years ended 31 December 2007, as extracted from the audited consolidated financial statements of the same period:

Consolidated income statements

		For the year ended 31 December 截至十二月三十一日止年度				
		2007		2006		Year-on-year Rate 逐年變動率
		(US\$'000) (千美元)	%	(US\$'000) (千美元)	%	%
Revenue	收入	142,563	100.0	114,302	100.0	24.7%
Cost of sales	銷售成本	(104,270)	(73.1)	(87,368)	(76.4)	19.3%
Gross profit	毛利	38,293	26.9	26,934	23.6	42.2%
Operating expenses:	營運支出：					
Other income	其他收入	4,761	3.3	4,965	4.2	(4.1%)
Selling and distribution costs	銷售及分銷成本	(2,815)	(2.0)	(3,162)	(2.8)	(11.0%)
Administrative expenses	行政費用	(13,530)	(9.5)	(14,108)	(12.3)	(4.1%)
Research and development expenses	研究及開發費用	(4,908)	(3.4)	(3,100)	(2.7)	58.3%
Other operating expenses	其他經營支出	(706)	(0.5)	(511)	(0.4)	38.1%
Operating profit	經營溢利	21,095	14.8	10,679	9.6	97.5%
Finance costs	融資成本	(3,557)	(2.4)	(3,531)	(3.0)	0.7%
Profit before taxation	除稅前溢利	17,538	12.4	7,487	6.6	134.2%
Taxation	稅項	(4,064)	(2.9)	(1,121)	(1.0)	262.5%
Profit for the year attributable to equity holders of the Company	本公司股本持有人應佔年度溢利	13,474	9.5	6,366	5.6	111.7%
Dividend declared and paid	已宣派及支付股息	—		—		
Earnings per share	每股盈利					
– basic (US cent)	– 基本 (美仙)	0.49		0.24		104.2%
– diluted (US cent)	– 攤薄 (美仙)	0.49		0.23		113.0%
Operating Data	經營數據					
Depreciation and amortization	折舊及攤銷	22,030		23,263		(5.3%)
Capital expenditure	資本開支	56,258		32,406		73.6%
Wafer sales (units)	晶圓銷售數量 (以片計)	735,500		615,100		19.6%
ASP (US\$) (Wafer sales/ quantity of wafer sold)	平均售價 (美元) (晶圓銷售額/ 已售晶圓數量)	189		175		8.0%

經營業績

下表呈列有關本集團截至二零零七年十二月三十一日止兩個年度的經營業績的若干資料。該等資料乃摘錄自同期經審計綜合財務報表。

綜合收益表

OPERATING RESULTS (Cont'd)

Revenue

During the financial year under review, the Group's revenue was mainly contributed from wafer fabrication. The Group's consolidated revenue for the year ended 31 December 2007 amounted to US\$142.56 million, representing an increase of 24.7% compared with US\$114.30 million in 2006. This increase in the Group's revenue was mainly due to the increase in sales volume of wafers shipped by 19.6% to 735,500 wafers in 2007 from 615,100 wafers in 2006. The increase in ASP by 8.0% from US\$175 in 2006 to US\$189 in 2007, which resulted from the change in process technology mix to more analog products, also contributed to the revenue increase.

Cost of sales

Cost of sales consists principally of:

- depreciation;
- direct materials, mainly raw wafers, and indirect materials such as test wafers, photo masks, chemicals and photo resist;
- manufacturing overhead, including utilities, spare parts, repair and maintenance, rent, and indirect labor; and
- direct labor, including salaries for employees directly involved in manufacturing activities.

Cost of sales increased by 19.3% to US\$104.27 million in 2007 from US\$87.37 million in 2006. The increase in cost of sales in the year was primarily due to the increase in the volume of wafers sold.

經營業績 (續)

收入

於回顧財政年度內，本集團收入主要來自晶圓製造。本集團截止二零零七年十二月三十一日止年度的綜合收入為14,256萬美元，相比二零零六年的11,430萬美元增長24.7%。本集團收入增加主要由於晶圓付運量由二零零六年的615,100片增加了19.6%至二零零七年的735,500片所致。鑑於優化工藝技術組合，增加更多模擬產品，使平均售價亦由二零零六年的175美元增加了8.0%至二零零七年的189美元，也帶動收入上升。

銷售成本

銷售成本主要包括：

- 折舊；
- 直接物料，主要為未經加工晶圓，及間接物料，如測試晶圓、光罩、化學品及光刻膠；
- 製造間接費用，包括動力、零備件維修及保養，租金及間接勞工；及
- 直接勞工，包括直接參與製造活動的僱員薪金

銷售成本由二零零六年的8,737萬美元增加19.3%至二零零七年的10,427萬美元，本年銷售成本增加主要原因是晶圓銷售數量增加。

OPERATING RESULTS (Cont'd)

Gross profit

Gross profit increased by 42.2% to US\$38.29 million in 2007 from US\$26.93 million in 2006, of which, increases in ASP of 8.0% contributed approximately US\$8.61 million. The higher utilization rate also contributed to more gross profit for dilution impact on the fixed costs. As a result, the gross margin increased to 26.9% in 2007 from 23.6% in 2006.

Depreciation and amortization

Depreciation of property, plant and equipment and amortization of intangible assets included in cost of sales, selling and distribution costs, administrative expenses and research and development expenses are as follows:

Depreciation of property, plant and equipment	物業、廠房及設備的折舊
Amortization of intangible assets	無形資產的攤銷
Amortization of prepaid lease payments on land use rights	預付土地使用權租金攤銷

Taxation

The details of taxation charged to the consolidated income statement for the two years ended 31 December 2007 are as follows:

The tax charge comprises:	稅項開支包括：
Current taxation	即期稅項
Hong Kong	香港
PRC Enterprise Income Tax	中國企業所得稅
Deferred taxation	遞延稅項

經營業績 (續)

毛利

毛利由二零零六年的2,693萬美元增加42.2%至二零零七年的3,829萬美元，其中平均售價增長8.0%約為本集團帶來861萬美元。使用率上升攤薄固定成本，亦令毛利上升。因此，邊際毛利率由二零零六年的23.6%增至二零零七年的26.9%。

折舊及攤銷

計入銷售成本、銷售及分銷成本、行政費用以及研究及開發費用的物業、廠房及設備的折舊以及無形資產的攤銷如下：

2007	2006
US\$'000	US\$'000
千美元	千美元
21,063	22,633
954	630
13	12

稅項

於截至二零零七年十二月三十一日止兩個年度的綜合收益表扣除的稅項詳情如下：

2007	2006
US\$'000	US\$'000
千美元	千美元
91	—
4,041	1,459
(68)	(338)
4,064	1,121

OPERATING RESULTS (Cont'd)

Taxation (Cont'd)

Hong Kong Profits Tax is calculated at 17.5% on the estimated assessable profits for the year ended 31 December 2007. No provision for Hong Kong Profits Tax has been made for the year ended 31 December 2006 as the Group did not generate any assessable profit arising in Hong Kong during that year.

Profits tax arising in the PRC is calculated based on the applicable tax rates on assessable profits. Certain subsidiaries operating in the PRC which are regarded as encouraged technology intensive foreign investment enterprises with foreign investment in excess of US\$30,000,000 have been granted tax concessions by the tax authorities and are entitled to PRC Enterprises Income Tax at preferential rate of 15%.

Dividends

The directors do not recommend the payment of a dividend for the financial year ended 31 December 2007.

Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings for the purposes of calculating basic and diluted earnings per share	用作計算 每股基本及 攤薄盈利的盈利
---	--------------------------

經營業績 (續)

稅項 (續)

香港利得稅乃按截至二零零七年十二月三十一日止年度估計應課稅溢利的17.5%計算。由於本集團於截至二零零六年十二月三十一日止年度並未在香港產生任何應課稅溢利，故並無為該年度的香港利得稅作出撥備。

於中國產生的所得稅乃按應課稅溢利適用稅率計算。若干於中國營運的附屬公司為投資超過3,000萬美元的受鼓勵技術密集型外商投資企業，獲稅務局授予稅項寬減，可享有15%的中國企業所得稅優惠稅率。

股息

董事不建議派付截至二零零七年十二月三十一日止財政年度的股息。

每股盈利

每股基本及攤薄盈利是根據下列數據計算：

2007	2006
US\$'000	US\$'000
千美元	千美元
13,474	6,366

OPERATING RESULTS (Cont'd)

Earnings per share (Cont'd)

Weighted average number of ordinary shares for the purposes of calculating basic earnings per share ('000)	用作計算每股基本盈利的普通股加權平均數 (千股)
Effect of dilutive potential ordinary shares:	潛在攤薄普通股的影響：
– Equity incentive plan ('000)	– 股份獎勵計劃 (千股)
– Share Option Scheme ('000)	– 購股權計劃 (千股)
Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share ('000)	用作計算每股攤薄盈利的普通股加權平均數 (千股)

Liquidity and Capital Resources

For the year ended 31 December 2007, the Group's sources of liquidity were mainly derived from the operating activities and bank borrowings, which amounted to US\$40.28 million and US\$14.58 million, respectively. The net cash inflow from operation of US\$40.28 million in 2007 represents an increase of US\$8.85 million as compared with US\$31.43 million in 2006. Such increase was mainly due to the growth of revenue. The Group's cash has principally been applied to the expansion and upgrade of the production facilities and equipment of US\$56.26 million.

經營業績 (續)

每股盈利 (續)

Number of ordinary shares 普通股數目	
2007	2006
2,731,704	2,701,158
30,822	36,454
5,627	1,099
2,768,153	2,738,711

流動資金及資本來源

截至二零零七年十二月三十一日止年度，本集團的流動資金來源主要來自經營活動及銀行借貸，分別為4,028萬美元及1,458萬美元。於二零零七年營運現金流入淨額4,028萬美元較二零零六年的3,143萬美元增加885萬美元。該項增加主要由於收入增長所致。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5,626萬美元。

OPERATING RESULTS (Cont'd)

Liquidity and Capital Resources (Cont'd)

The table below sets forth the cashflow of the Group for the two years ended 31 December 2007, as well as the cash and cash equivalents at the end of each of the two years:

		2007	2006
		US\$'000	US\$'000
		千美元	千美元
Net cash generated from operating activities	經營活動產生的現金流入淨額	40,284	31,430
Net cash used in investing activities	投資活動動用的現金淨額	(53,911)	(31,384)
Net cash generated from (used in) financing activities	融資活動產生(動用)的現金淨額	12,278	(3,056)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(1,349)	(3,010)
Effect of foreign exchange rate changes	外幣匯率變動的影響	960	(667)
Cash and cash equivalents at beginning of year	年初現金及現金等價物	21,101	24,778
Cash and cash equivalents at end of year	年終現金及現金等價物	20,712	21,101

As at 31 December 2007, the Group's free cash on hand was US\$20.71 million, representing a decrease of US\$389,000 or 1.8% compared with that of 31 December 2006. Among the cash balance, 52.5% and 45.6% were denominated in Renminbi ("RMB") and US dollars respectively.

經營業績(續)

流動資金及資本來源(續)

下表列出本集團截至二零零七年十二月三十一日止兩個年度的現金流量及該兩個年度末的現金及現金等價物：

於二零零七年十二月三十一日，本集團手頭上的可用現金為2,071萬美元，較二零零六年十二月三十一日減少了389,000美元或1.8%。現金結存之中，52.5%為人民幣及45.6%為美元。

OPERATING RESULTS (Cont'd)

Indebtedness

The borrowings of the Group as at 31 December 2007 and 2006 were as follows:

Secured bank loans	有抵押銀行借貸
Unsecured bank loans	無抵押銀行借貸
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
Amount due after one year shown as non-current liabilities	非流動負債下一年後 到期之款項

Among the borrowings there were US\$2.80 million short term loan secured by machineries and equipment with a net book value of US\$1.97 million and another US\$7.00 million current portion of long-term loan secured by land use right with a net book value of US\$586,000.

The Group receives payments in currencies including RMB, US dollars and Hong Kong dollars, and it incurs costs and expenses in currencies including US dollars, RMB, Japanese Yen, Hong Kong dollars and Euros. The management believes that, considering the working capital position of the Group, the Group will have sufficient foreign exchange funding to meet its foreign exchange liabilities as they become due.

經營業績(續)

債務

本集團截至二零零七年及二零零六年十二月三十一日的借貸如下：

2007	2006
US\$'000	US\$'000
千美元	千美元
9,800	15,306
48,854	27,479
58,645	42,785
(58,645)	(35,785)
—	7,000

借貸包括短期貸款280萬美元，以賬面淨值197萬美元的機器及設備作抵押，另外長期貸款的即期部分700萬美元則以賬面淨值586,000美元的土地使用權作抵押。

本集團收取的款項以人民幣、美元及港元為單位，其成本及費用則以美元、人民幣、日圓、港元及歐元為單位。管理層相信，考慮到本集團的營運資金狀況，本集團將有充足外匯支付到期的外匯負債。

OPERATING RESULTS (Cont'd)

Capital Expenditures

The Group requires capital to build, expand, upgrade and maintain its production facilities and equipments. The Group incurred a capital expenditure of US\$56.26 million in 2007, mainly including US\$39.17 million spent on the purchase of machinery and equipment for 6-inch fabs capacity expansion and transition to analog foundry and US\$17.09 million spent on construction and facilities for Fab 2, our initial 8-inch fab.

The Group is cultivating business opportunities with certain technology partners and endeavors to form strategic partnerships for Fab 2. The construction of Fab 2 facilities are in progress and expected to be completed in year 2008.

The Group will continue to implement its prudent capital management policy and optimize the allocation of its capital resources.

Commitments and Contingent Liabilities

a) Capital commitments

As at 31 December 2007 and 2006, the Group had the following significant capital commitments:

Capital expenditure in respect of acquisition of property, plant and equipment	有關收購物業、廠房及設備的資本開支
Authorised but not contracted for	已授權但未訂約
Contracted but not provided for	已訂約但未撥備

經營業績 (續)

資本開支

本集團需要資金以建設、擴充、提升及維修生產設施及設備。於二零零七年，本集團的資本開支為5,626萬美元，其中3,917萬美元用於為6英寸廠的產能擴充及向模擬晶圓專工的轉型而購置機器設備，及1,709萬美元用於二廠(本集團第一家8英寸廠)建設及設施。

本集團有意與若干技術夥伴發展業務機會，並努力為二廠建立策略夥伴關係。二廠有關設施工程仍在施工，預計將於二零零八年竣工。

本集團將繼續執行謹慎的資本開支政策，並進一步善用分配資本開支。

承擔及或然負債

a) 資本承擔

於二零零七年及二零零六年十二月三十一日，本集團的重大資本承擔如下：

As at 31 December
於十二月三十一日

2007 (US\$'000) 千美元	2006 (US\$'000) 千美元
336,507	51,835
89,815	49,714

OPERATING RESULTS (Cont'd)

Commitments and Contingent Liabilities (Cont'd)

b) Operating lease commitments

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Within one year	一年內
In the second to fifth year inclusive	二至五年（包括首尾兩年）
After five years	五年後

c) Contingent liabilities

During the year, the Group has provided corporate guarantees for the down payment of loans of its employees amounting to approximately US\$481,000 (2006: US\$515,000). The management anticipates that no material liabilities will be arising from the above guarantees.

Save as disclosed above, the Group does not have any other commitments or contingent liabilities.

Legal Liabilities

For the year ended 31 December 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 of.

經營業績 (續)

承擔及或然負債 (續)

b) 經營租賃承擔

於結算日，本集團的不可撤銷經營租賃的日後最低租金付款額如下：

As at 31 December
於十二月三十一日

2007 (US\$'000) 千美元	2006 (US\$'000) 千美元
2,012	1,997
6,838	7,359
365	1,323
9,215	10,679

c) 或然負債

年內，本集團為其員工的貸款金額合計約48.1萬美元（二零零六年：51.5萬美元）提供公司擔保。管理層預計上述擔保將不會產生任何重大負債。

除上文所披露者外，本集團並無任何其他承擔或或然負債。

法律責任

截至二零零七年十二月三十一日止年度，本公司並無涉及任何重大訴訟或仲裁，且就本公司所知，亦無任何未了結或針對本公司的重大訴訟或申索。

Basis of Preparation and Changes in Accounting Policies

In the current year, the Group has applied, for the first time, several new standard, amendment and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are effective for the Group’s financial year beginning 1 January 2007. The details are set out in note 2 to the consolidated financial statements.

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented.

Going Concern

As at 31 December 2007, the Group has net current liabilities of US\$21,698,000. Taking into account the financial resources available to the Group, including internally generated funds and the available banking facilities, the Group has adequate financial resources for its present requirements for the next 12 months from the balance sheet date. Accordingly, the financial statements have been prepared on a going concern basis.

Foreign Exchange Risk Management

The Group undertakes certain sales and purchases transactions denominated in foreign currencies, hence exposures to exchange rate fluctuation arises. The Group matches its assets and liabilities in the same currency as far as possible. The Group and its subsidiaries are mainly exposed to currency fluctuation of United States dollars and RMB. 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 purpose.

編製基準及會計政策變動

在本年度，本集團首次應用若干由香港會計師公會（「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。詳情載於綜合財務報表附註2。

採納上述新香港財務報告準則對編製及呈報本期或過往會計期間的業績或財政狀況並無重大影響。

持續經營

本集團於二零零七年十二月三十一日錄得淨流動負債21,698,000美元。按目前可供使用的財務資源的預測，包括內部貢獻資金及可供動用的融資額度計算，本集團有足夠的財務資源其未來未來十二個月的現有需求。因此，財務報表已按持續經營基準編製。

外匯風險管理

本集團從事若干以外幣列值的買賣交易，故面臨匯率波動風險。本集團盡可能匹配其資產與負債於同樣貨幣。本集團及其附屬公司主要面臨美元及人民幣的外幣波動風險。管理層相信，考慮到本集團的營運資金狀況，本集團有充足的外匯支付到期的外匯負債。本集團的政策是不為投機目的而參與衍生交易。

OPERATING RESULTS (Cont'd)

Gearing Ratio

As at 31 December 2007, the gearing ratio, calculated as net borrowings divided by total equity was 19.2%, compared with 12.7% as at 31 December 2006. Total liability divided by total equity was 57.2%, compared with 48.0% as at 31 December 2006.

Other Significant Matters

Amalgamation of Semiconductor Business with CR Logic

On 4 December 2007, CR Logic and the Company jointly announced a proposal which would result in the amalgamation of both companies' semiconductor businesses under the Group. The Group was to acquire the semiconductor businesses of CR Logic, being all its semiconductor operations other than China Resources Semiconductor Company Limited which operates a 4-inch fab in Tai Po, Hong Kong, by issue of consideration shares at an aggregate issue price equal to approximately HK\$1,448.9 million, representing the net asset value of the companies being acquired based on the management accounts of such companies as at 30 June 2007 net of any dividend payable. As a part of the transaction, the existing option holders of CR Logic were offered shares in the Company in consideration for the cancellation of their share options.

On 13 February 2008, ordinary resolutions were duly passed at the extraordinary general meeting of the Company in relation to (i) the acquisition of the semiconductor businesses from CR Logic by the Company; (ii) the continuing connected transaction arising out of such acquisition; and (iii) the allotment of CSMC shares to certain directors of the Company or such other connected persons who are holders of share options granted by CR Logic in respect of cancellation of their share options, and a special resolution was also duly passed at the same meeting in relation to the change of name of the Company.

On 5 March 2008, 3,153,640,010 shares of the Company were issued as consideration for the aforementioned amalgamation proposal and option cancellation.

經營業績(續)

負債比率

於二零零七年十二月三十一日，按借貸淨額除以權益總額計算所得的負債比率為19.2%，而二零零六年十二月三十一日則為12.7%。負債總額除以權益總額為57.2%，二零零六年十二月三十一日則為48.0%。

其他重大事項

合併華潤勵致半導體業務

華潤勵致及本公司於二零零七年十二月四日共同宣佈一項建議，將導致兩間公司的半導體業務合併由本集團經營。本集團將收購華潤勵致的半導體業務（即其所有半導體業務（於香港大埔經營4英寸晶圓廠的華潤半導體有限公司除外），代價為總發行價約1,448,900,000港元的等值股份，相當於被收購公司於二零零七年六月三十日的管理賬目所列的資產淨值（除待付股息）。作為該方案的一部分，華潤勵致現有購股權持有人已獲配發本公司股份，作為撤銷彼等購股權的代價。

於二零零八年二月十三日，本公司的股東特別大會已正式通過有關(i)本公司收購華潤勵致半導體業務；(ii)由該收購產生的持續關連交易；及(iii)配發華潤上華股份予若干本公司董事或該等其他關連人士（為華潤勵致就註銷其購股權授出的購股權的持有人）的普通決議案及有關更改本公司名稱的特別決議案。

於二零零八年三月五日，本公司已發行3,153,640,010股股份，作為落實上述合併建議及撤銷購股權的代價。

OPERATING RESULTS (Cont'd)

Other Significant Matters (Cont'd)

Joint Venture with CR Holdings

On 19 March 2008, the Company has entered into an agreement for the formation of a joint venture with China Resources (Holdings) Company Limited (“CR Holdings”) under which the Company will participate in the joint venture for the operation of the 8 inch wafer fabrication line by holding an indirect 19% shareholding in the joint venture company. The balance of 81% interest will be held by a wholly-owned subsidiary of CR Holdings. The total commitment under this joint venture will be US\$500 million of which the Company’s total commitment will be US\$95 million and the balance of US\$405 million will be borne by CR Holdings. The joint venture will then acquire from the Company its entire interest in Qualibest Enterprises Limited, a wholly-owned indirect subsidiary, which has been valued at approximately US\$58.44 million, being its unaudited net asset value as at 29 February 2008 adjusted for the market value of a site in the Wuxi Hi-Tech Development Zone plus the shareholder’s loans of US\$58.7 million up to 29 February 2008. The joint venture will also acquire from CR Holdings its equity interest in China Fast Limited, a wholly-owned indirect subsidiary of CR Holdings, at nominal value of US\$1 and the shareholder’s loan of US\$200 million up to 29 February 2008 at face value. The Group will also enter into a services agreement with the joint venture to provide sales, marketing, purchasing and a variety of other technical and administrative support services for the 8 inch wafer operation upon completion of the joint venture agreement. The joint venture agreement and the services agreement are conditional upon the approval of independent shareholders of the Company to be convened.

經營業績 (續)

其他重大事項 (續)

與華潤(集團)成立合資公司

於二零零八年三月十九日本公司與華潤(集團)有限公司(「華潤(集團)」)就成立一間合營公司訂立協議，據此，本公司將透過持有合營公司19%的間接股權，參與經營該8英寸晶圓生產線。其餘81%的股權將由華潤(集團)的一間全資附屬公司持有。合營公司項下的總承擔將為5億美元其中本公司的總承擔將為9,500萬美元，而其餘4.05億美元將由華潤(集團)承擔。合營公司其後將向本公司收購於極品實業有限公司(本公司的一間全資附屬公司)的全部股份，其估值約為5,844萬美元，即按照其於二零零八年二月二十九日未經審核淨資產(並根據其在無錫高新技術開發區擁有的一塊土地的市值作出調整)加上截至二零零八年二月二十九日的為數5870萬美元的股東貸款。合營公司亦將向華潤(集團)按1美元的面值收購其於中迅有限公司(華潤(集團)的一間全資附屬公司)的股權及按面額收購其授予中迅有限公司的截至股東貸款二零零八年二月二十九日為數2億美元的股東貸款。本集團亦將與合營公司訂立服務協議，以於合營協議完成後向8英寸晶圓業務提供銷售、市場推廣、採購及多種其他技術支援及管理支援服務。合營協議及服務協議均須待本公司的獨立股東批准後，方可作實。

PROSPECTS FOR THE YEAR 2008

We expect the year 2008 will be a challenging year for the Company. According to the press by Department of Economic and Social Affairs of the United Nations, a continuous economic downturn and slowdown in consumption in the United States, coupled with the bursting of the housing-market bubble, the unfolding credit crisis and a further strong currency depreciation could create more uncertainty across global financial markets as well as the consumer market. As one of the semiconductor players, who is targeting on consumer, computer and commodity market, we have seen a slight market softening for overseas market from the fourth quarter of 2007 and will speed up the ramping up of new processes to counteract the uncertainty.

On the other hand, the year 2008 will be the sixth continuing growth year for semiconductor industry while the Chinese analog semiconductor market, in terms of sales revenue, is forecasted to grow over 27% in 2008, according to CCID Consulting Co., Ltd., a professional market research and management consultancy services provider in China. With the existing approximately 80,000 wpm capacity and successful transition to an analog foundry, we are well positioned to capture this continuing growth market opportunity for our future.

二零零八年的前景

我們預期，二零零八年對於本公司而言將是具有挑戰的一年。根據聯合國經濟和社會事務部發佈的資料，美國經濟持續衰退及消費減緩，加上樓市泡沫破滅、信貸危機愈演愈烈及貨幣進一步大幅貶值，可能會給全球金融市場和消費市場帶來更多不明朗因素。作為面向消費品、電腦及商品市場的一名半導體從業者，我們自二零零七年第四季起已察覺到海外市場輕微趨於疲軟，並將加速發展新工藝以抵禦不明朗因素。

另一方面，根據賽迪顧問股份有限公司（中國一家專業市場調查及管理顧問服務供應商）的資料，二零零八年將為半導體行業持續增長的第六年，同時據預測中國模擬半導體市場按銷售收益計於二零零八年將增長逾27%。由於現有約每月80,000片晶圓的產能及成功轉移至模擬晶圓代工，我們良好的定位有利於把握其未來持續增長的市場機遇。

PROSPECTS FOR THE YEAR 2008 (Cont'd)

Year 2008 will also be another milestone year for the Company. The Company and China Resources Logic have completed the amalgamation of the semiconductor businesses of both companies into the Company. After amalgamation, the Company will be one of the top five semiconductor producers in mainland China. Semiconductor business will also become one of the five main business segments of China Resources Group. The wafer foundry business will not only be provided with more stable orders from our upstream IC design and discrete device manufacturing businesses, but also be better facilitated and supported by the downstream IC testing and packaging business. With the upstream and downstream synergy arising from the amalgamation, the Group will be able to offer turnkey service to customers, which will be valuable for the Group in maintaining its relationship with customers. Through the amalgamation, the Group will distinguish itself from the other semiconductor companies in China in terms of product portfolio as well as growth environment. The amalgamation will bring much greater flexibility in deploying existing resources and discretionary cash flows. We are optimistic that the amalgamation will broaden and strengthen the operating base of the Company and will further enhance the Company's leading position as one of the largest domestic operators in the China semiconductor industry.

二零零八年的前景(續)

二零零八年也將為本公司另一個里程碑年度。本公司及華潤勵致已完成將兩家公司半導體業務合併入本公司的工作。合併後，本公司將為中國大陸前五大半導體製造商之一。半導體業務也將成為華潤集團五大業務分部之一。晶圓代工業務可獲上游集成電路設計與分立器件製造所提供之更穩定之訂單，亦可獲下游集成電路封測服務更好之協助及支持。經由本次合併而致的上下游協同效應，本集團將可為客戶提供Turnkey服務，從而與客戶保持良好關係。經由此次合併，本集團將與其他中國半導體公司在產品結構與增長環境相區別。合併將為調配現有資源及使用現金流量提供更大靈活性。我們相信合併將拓寬及加強本公司營運基礎，並進一步提高本公司作為中國半導體行業最大國內營運商之一的領導地位。

HONG KONG CODE ON CORPORATE GOVERNANCE PRACTICES

For the year ended 31 December 2007, the Company complied with the Code on Corporate Governance Practice (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted 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 year ended 31 December 2007, they have complied with required standard of dealing set out in the Model Code.

《香港企業管治常規守則》

截至二零零七年十二月三十一日止年度，本公司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管治常規守則（「守則」）。

《上市公司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的上市公司董事進行證券交易的標準守則（「標準守則」）。本公司已向所有董事作出特別查詢，而所有董事均已確認，截至二零零七年十二月三十一日止年度，他們一直遵守標準守則所載的買賣標準規定。

CORPORATE GOVERNANCE

The Company 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.

The Board continuously upholds the appropriate standards of corporate governance within the Group, thereby ensuring that the business is conducted in an honest, ethical and responsible manner.

The Board understands its responsibility to prepare the financial statements, the annual and interim reports in a balanced manner. This similar responsibility extends to include other price-sensitive announcements and other financial disclosures under the Listing Rules. The Board will also report to regulators any information which is required to be disclosed pursuant to the statutory requirements. The statement of the auditors' about their reporting responsibility on the financial statements is set out in the Independent Auditor's Report on page 95 to 97.

THE BOARD OF DIRECTORS

During the year 2007, the Board consists of ten Directors, including the Chairman of the Board, two of whom are Executive Directors and members of the management. There are eight Non-Executive Directors, of whom three are Independent Non-Executive Directors. The Board benefits from the experience and expertise of each Director. All Board members understand their duties to take decisions objectively in the interests of the Company.

The Chairman ensures that the Board members have access to appropriate financial and relevant documents about the Group's activities on a timely basis.

企業管治

本公司瞭解其對於股東需負的責任，故透過穩固的公司管治，以保障和提升股東價值。本集團承諾確保公司保持透明、公開，並會對各事項作詳細披露。

董事會一直堅持於集團內有適當的公司管治標準，藉以確保能夠真誠和負責地經營業務。

董事會明白其有責任以公允的方式編製財務賬目、年報及中期報告，此類責任亦包括根據上市規則規定的其他影響股價的公告及其他財務披露。董事會亦將會向監察人報告根據法定規定須予披露的任何資料。有關核數師對財務報表的報告責任的陳述，載於獨立核數師報告95頁至97頁。

董事會

於二零零七年度，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。董事會因各董事的豐富經驗及知識而受惠。所有董事知曉其職責是為了股東的利益而客觀地作出決定。

主席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。

THE BOARD OF DIRECTORS (Cont'd)

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

The Board is responsible both for how the Company is managed and the Company's direction. Approval of the Board is required for the strategies of the Group, annual budget, major acquisition and disposal, dividend policy, appointment and retirement of Directors, remuneration policy and other major operational and financial matters. Day-to-day operations of the Group are the responsibility of the Company's management.

On 20 March 2008, each Independent Non-Executive Director of the Company has provided a written statement confirming of his/her independence to the Company pursuant to rule 3.13 of the Listing Rules. The Company assessed that each Independent Non-Executive Director continues to be independent.

董事會 (續)

董事會的主要職責是保障及提升股東的長期價值，並制定本集團的整體策略，確保有效管理及適當監察本集團的業務行為。

董事會負責本公司的管理方式及運作方向。本集團的策略、年度預算、重大收購及出售事項、股息政策、董事的委任及退任、薪酬政策及其他主要營運及財務事宜，均須得到董事會批准。本集團的日常營運為本公司管理層的責任。

於二零零八年三月二十日，本公司各獨立非執行董事已根據上市規則第3.13條提供書面聲明，確認其獨立於本公司。本公司亦評估各獨立非執行董事將繼續保持其獨立性。

THE BOARD OF DIRECTORS (Cont'd)

The members of the Board of Directors during the year 2007 are:

董事會 (續)

於二零零七年度董事會成員為：

Name 姓名	Title 職位	Date Elected 獲委任日期	Period of Term 任期	Date First Elected 首獲委任日期
Peter CHEN Cheng-yu 陳正宇	Chairman/Executive Director 主席／執行董事	29 May 2007 二零零七年五月二十九日	3 years 三年	28 January 2003 二零零三年一月二十八日
Robert LEE Naii 李乃義	President/Executive Director 總裁／執行董事	27 May 2005, (resigned on 1 July 2007) 二零零五年五月二十七日 於二零零七年七月一日辭任	3 years 三年	28 January 2003 二零零三年一月二十八日
Elvis DENG Mao-song 鄧茂松	President/Executive Director 總裁／執行董事	1 July 2007 二零零七年七月一日	3 years 三年	1 July 2007 二零零七年七月一日
ZHU Jinkun 朱金坤	Non-Executive Director 非執行董事	29 May 2007 二零零七年五月二十九日	3 years 三年	1 September 2006 二零零六年九月一日
WANG Guoping 王國平	Non-Executive Director 非執行董事	29 May 2007 二零零七年五月二十九日	3 years 三年	1 September 2006 二零零六年九月一日
Ken ONG Thiam Kin 王添根	Non-Executive Director 非執行董事	26 May 2006 二零零六年五月二十六日	3 years 三年	1 September 2003 二零零三年九月一日
YU Yu 俞宇	Non-Executive Director 非執行董事	26 May 2006 二零零六年五月二十六日	3 years 三年	1 September 2003 二零零三年九月一日
CHEN Nan-xiang 陳南翔	Non-Executive Director 非執行董事	26 May 2006 二零零六年五月二十六日	3 years 三年	1 September 2003 二零零三年九月一日
Kum Loon OON 溫金鸞	Independent Non-Executive Director 獨立非執行董事	27 May 2005 二零零五年五月二十七日	3 years 三年	8 May 2004 二零零四年五月八日
Mark HSUE Chi Nan 許奇楠	Independent Non-Executive Director 獨立非執行董事	29 May 2007 二零零七年五月二十九日	3 years 三年	8 May 2004 二零零四年五月八日
Ralph Sytze YBEMA Ralph Sytze YBEMA	Independent Non-Executive Director 獨立非執行董事	29 May 2007 二零零七年五月二十九日	3 years 三年	8 May 2004 二零零四年五月八日

THE BOARD OF DIRECTORS (Cont'd)

The term of office of each Director, including Independent Non-Executive Director, is for a period of three years subject to the requirement that one-third of the Directors shall retire from office by rotation at each annual general meeting pursuant to the Articles 95 and 112 of Article of Association of the Company. On 20 March 2008, the Company announced that Mr. Elvis DENG Mao-song has resigned as an Executive Director and President of the Company; Mr. Ken ONG Thiam Kin, Mr. YU Yu and Dr. CHEN Nan-xiang have resigned as Non-Executive Directors; and Mr. Mark HSUE Chi Nan has resigned as an Independent Non-Executive Director.

Also on 20 March 2008, Mr. SONG Lin and Mr. Frank LAI Ni Hium were appointed as Executive-Directors; Mr. JIANG Wei, Mr. LI Fuzuo and Mr. DU Wenmin were appointed as Non-Executive Directors; and Professor KO Ping Keung was appointed as an Independent Non-Executive Director of the Company. They shall hold office only until the 2007 Annual General Meeting of the Company and shall be eligible for re-election at that meeting.

The afore-mentioned resignations and appointments of Directors of the Company took effect immediately after the conclusion of the meeting of the Board of Directors held on 20 March 2008 at which the 2007 results, this annual report and the information contained herein were considered and approved.

CHAIRMAN AND PRESIDENT

The Chairman ensures that all Directors are properly briefed on issues arising at board meetings and that all Directors receive complete and reliable information in a timely manner whilst the President carries out the decisions made by the Board and is in charge of the Company's day to day management. The roles of the Chairman and the President are separate and not performed by the same individual.

During the year 2007, Dr. Peter CHEN Cheng-yu was the Chairman of the Board. Mr. Elvis DENG Mao-song was an Executive Director of the Company and the President of the Company.

董事會 (續)

每名董事，包括獨立非執行董事的任期均為三年，惟根據本公司組織章程細則第95及112條，佔所有董事人數三分之一的董事須於每屆股東周年大會上輪席退任。於二零零八年三月二十日，本公司公告鄧茂松先生辭任執行董事兼總裁，王添根先生、俞宇先生及陳南翔博士辭任非執行董事，許奇楠先生辭任獨立非執行董事。

亦於二零零八年三月二十日宋林先生及黎汝雄先生獲委任為執行董事。蔣偉先生、李福祚先生及杜文民先生獲委任為非執行董事。高秉強教授獲委任為獨立非執行董事。彼等的任期至本公司二零零七年度股東週年大會屆滿，並符合資格於該股東週年大會上膺選連任。

前述本公司董事之辭任及委任於二零零八年三月二十日召開的董事會結束後即行生效。於該董事會上，二零零七年業績、本年度報告及所附信息已被考慮及獲批准。

主席及總裁

主席確保所有董事均適當知悉於董事會會議提出的事宜，且所有董事可及時獲得完整及可靠的資料；而總裁執行董事會作出的決定，並負責本公司的日常管理事宜。主席及總裁的職務分離及並非由同一人擔任。

二零零七年內，陳正宇博士為董事會主席，而鄧茂松先生為本公司執行董事及總裁。

BOARD MEETINGS AND BOARD COMMITTEES MEETING 董事會會議及董事委員會會議

The attendance of Directors in Board committees meetings during the year 2007 are as follows:

於二零零七年度，董事於董事會會議及董事委員會會議的出席率如下：

Name 姓名		Board meetings 董事會 會議	Audit Committee meetings 審核委員會 會議	Remuneration Committee meetings 薪酬委員會 會議	Nomination Committee meetings 提名委員會 會議
Peter CHEN Cheng-yu	陳正宇	4	—	—	1
Robert LEE Nail	李乃義 *	2	—	—	—
Elvis DENG Mao-song	鄧茂松 **	2	—	—	—
ZHU Jinkun	朱金坤	3	—	—	—
WANG Guoping	王國平	4	—	—	—
Ken ONG Thiam Kin	王添根	4	—	5	—
YU Yu	俞宇	4	5	—	—
CHEN Nan-xiang	陳南翔	4	—	—	1
Kum Loon OON	溫金鸞	4	4	—	1
Mark HSUE Chi Nan	許奇楠	4	—	5	1
Ralph Sytze YBEMA	Ralph Sytze YBEMA	4	5	5	1

On 11 March 2008, a meeting of Nomination Committee were held. Each member of the Nomination Committee participated in the meeting. During the meeting, the Nomination Committee reviewed the bios of Mr. SONG Lin, Mr. JIANG Wei, Mr. LI Fuzuo, Mr. DU Wenmin, Mr. Frank LAI Ni Hium and Professor Ko Ping Keung, and recommended to the Board for appointment of Mr. SONG Lin, Mr. JIANG Wei, Mr. LI Fuzuo, Mr. DU Wenmin, Mr. Frank LAI Ni Hium and Professor Ko Ping Keung as directors of the Company.

提名委員會於二零零八年三月十一日舉行會議。提名委員會各成員均有參與會議。會上，提名委員會審閱了宋林先生、蔣偉先生、李福祚先生、杜文民先生、黎汝雄先生及高秉強教授的履歷，並向董事會建議委任宋林先生、蔣偉先生、李福祚先生、杜文民先生、黎汝雄先生及高秉強教授為本公司董事。

* resigned from Directorship in 1 July 2007

* 於二零零七年七月一日辭任董事

** appointed as an Executive Director and president with effect from 1 July 2007

** 於二零零七年七月一日獲委任為執行董事及總裁

NON-EXECUTIVE DIRECTORS

Pursuant to the letters of appointment of the Non-Executive Directors (including the Independent Non-Executive Directors), the term of appointment for each of them is for a term of three years commencing from the date of appointment.

The functions of Non-Executive Directors include the following:

- participating in board meetings of the Company to bring an independent judgment to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct;
- taking the lead where potential conflict of interests arise;
- serving on the audit, remuneration and nomination committees; and
- scrutinising the Group's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance.

REMUNERATION COMMITTEE

The primary aim of the Remuneration Committee is to formulate transparent procedures for developing remuneration policies and compensation packages for the employees of the Group. The Remuneration Committee is also entrusted to adopt appropriate staff development and retention policies.

The members of the Remuneration Committee for the year 2007 are set out on page 4 of this Annual Report.

非執行董事

根據非執行董事的委任函件(包括獨立非執行董事)，各非執行董事的任期由委任日期起計三年。

非執行董事的職務如下：

- 參與本公司的董事會會議，就策略、政策、業績、可靠性、資源、主要委任及行為準則提供獨立判斷；
- 於發生潛在利益衝突時主持大局；
- 為審核、薪酬及提名委員會服務；及
- 監察本集團於達致協定公司目標及目的時的表現，及監察業績的匯報。

薪酬委員會

薪酬委員會的主要目的是為本集團僱員的薪酬制定具透明度的程序及政策。薪酬委員會亦獲委託，採納適當的員工發展及挽留政策。

於二零零七年度薪酬委員會成員詳情載於本年度報告第4頁。

REMUNERATION COMMITTEE (Cont'd)

The roles of the Remuneration Committee as delegated by the Board are as follow:

- To recommend to the Board on the Group's policy and structure for all remuneration of the Directors, senior management and other employees of the Group by the establishment of a formal and transparent procedure for developing policy on such remuneration matters;
- To determine the specific remuneration packages of all directors and senior management;
- To review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;
- To review and approve the compensation payable to Executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is fair and not excessive to the Company.
- To review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is reasonable and appropriate;
- To make recommendations to the Board on the remuneration for Non-Executive Directors;
- To ensure that no Director or any of his associates is involved in deciding his own remuneration; and
- To consider other relevant matters as referred to it by the Board.

薪酬委員會 (續)

薪酬委員會獲董事會授予的職權如下：

- 透過就薪酬事宜的發展政策制定正式及透明的程序，為本集團關於其董事、高級管理層及其他僱員的所有薪酬所採取的政策及架構向董事會提出推薦建議；
- 為所有董事及高級管理層釐定特定薪酬制度；
- 藉著參考公司董事會不時議決的目標，審閱及批准基於業績的薪酬；
- 就執行董事及高級管理層失去或終止職位，審閱及批准應付予他們的補償，以確保該補償乃根據有關合約條款釐定，且該補償對本公司而言屬公平及金額不會過高；
- 審閱及批准有關辭去或撤換行為不檢董事的補償安排，以確保該等安排乃根據有關合約條款作出，而任何補償付款屬合理及適當；
- 就非執行董事的酬金向董事會提出推薦建議；
- 確保董事或其任何聯繫人概無參與決定其薪酬的任何事宜；及
- 考慮董事會向其提及的其他相關事宜。

NOMINATION COMMITTEE

The members of Nomination Committee are set of on page 5 of this Annual Report.

The roles of Nomination Committee as delegated by the Board are as follow:

- To review the structure, size and composition of the Board on a regular basis and to make recommendations to the Board regarding any proposed changes;
- To identify individuals suitable and qualified to become Board members and to make recommendations to the Board on the selection of individuals nominated for directorships;
- To assess the independence of Independent Non-Executive Directors, having regard to the requirements under the Listing Rules; and
- To make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors in particular, the Chairman and the Executive Directors.

提名委員會

提名委員會成員詳情載於本年度報告第5頁。

提名委員會獲董事授予的職權如下：

- 定期審閱董事會的架構、規模及組成，並就任何建議改動向董事會提供推薦建議；
- 物色適合及有資格成為董事會成員的人選，並於董事會遴選獲提名候選人出任董事時提供推薦建議；
- 根據上市規則的規定，評估獨立非執行董事的獨立性；及
- 就有關委任重選董事及董事（特別是主席及執行董事）的繼任計劃的相關事宜向董事會提供推薦建議。

AUDIT COMMITTEE

The members of the Audit Committee for year 2007 are set out on page 4 of this Annual Report.

The roles of the Audit Committee as delegated by the Board are as follows:

- Review financial statements and formal announcements relating to financial performance, and review significant financial reporting judgments contained in them. Review audit plans and reports of the external auditors and internal auditors, and consider the effectiveness of actions or policies taken by Management on the recommendations and observations. Review the independence and objectivity of the external auditors annually. Review the nature and extent of non-audit services performed by the auditors.
- Make recommendations to the Board on the appointment, reappointment and removal of the external auditor and approve the remuneration and terms of engagement of the external auditor.
- Meet with external auditors and internal auditors, without the presence of Management, at least annually;
- Ensure that the internal audit function is adequately resourced and has appropriate standing within the Company at least annually;
- Review interested person transactions;

審核委員會

於二零零七年度審核委員會成員詳情載於本年度報告第4頁。

審核委員會獲董事會授予的職權如下：

- 審閱有關財務表現的財務報表及正式公告，並審閱當中所載的重大財務報告判斷。審閱外聘核數師及內部核數師的審核計劃及報告，並審議管理層就推薦建議及觀察所得所採取的行動或政策是否有效。每年檢討外聘核數師的獨立性及客觀性。審閱核樓師履行的非核數服務的性質及範圍；
- 就委任、重新委任及撤換外聘核數師向董事會提供推薦建議，批准外聘核數師的酬金及委聘條款；
- 至少每年會見外聘核數師及內部核數師一次，毋須管理層在場；
- 至少每年一次確保內部審核部門掌握充分資源，並與本公司立場一致；
- 審閱有權益人士的交易；

AUDIT COMMITTEE (Cont'd)

- Report to the Board on material matters, findings and recommendations;
- Investigate any matters within the Audit Committee's purview, whenever it deems necessary; and
- Perform such other functions as the Board may determine.

AUDITORS' REMUNERATION

PricewaterhouseCoopers has resigned as auditor of the Company with effect from 31 July 2007.

Both the Board and the Audit Committee of the Company confirmed that there is no disagreement between the Company and PricewaterhouseCoopers and no circumstance connected with PricewaterhouseCoopers' resignation which the Board and the Audit Committee of the Company considered should be brought to the attention of the shareholders of the Company.

Deloitte Touche Tohmatsu has been appointed as auditors of the Group following the resignation of PricewaterhouseCoopers and to hold office until the conclusion of next annual general meeting of the Company.

審核委員會 (續)

- 委員會須向董事會匯報重大事項、結果及推薦建議；
- 於視為有需要的情況下，調查任何在審核委員會負責範疇內的事項；及
- 履行董事會釐定的任何其他職能。

核數師酬金

羅兵咸永道會計師事務所已辭任本公司核數師，由二零零七年七月三十一日起生效。

本公司董事會及審核委員會均確認，本公司與羅兵咸永道會計師事務所並無意見分歧，概無有關其辭任而本公司董事會及審核委員會認為須本公司股東知悉的事宜。

羅兵咸永道會計師事務所辭任後，德勤·關黃陳方會計師行已獲委任為本集團核數師，任期至本公司下屆股東週年大會結束止。

AUDITORS' REMUNERATION (Cont'd)

The remuneration paid to PricewaterhouseCoopers and Deloitte Touche Tohmatsu in 2007 includes:

Service 服務	Remuneration 酬金	Auditor 核數師	Type (Audit /Non-Audit) 類別 (核數 /非核數)
2006 Annual Audit 二零零六年年度核數	US\$230,291	PricewaterhouseCoopers 羅兵咸永道會計師事務所	Audit 核數
2007 Interim Review 二零零七年中期審閱	US\$50,000	Deloitte Touche Tohmatsu 德勤•關黃陳方會計師行	Audit 核數
Special Review for working capital sufficient statement 營運資金報表特別審閱	US\$30,647	Deloitte Touche Tohmatsu 德勤•關黃陳方會計師行	Non-Audit 非核數
Tax Service 稅務服務	US\$10,805	PricewaterhouseCoopers 羅兵咸永道會計師事務所	Non-Audit 非核數

核數師酬金 (續)

二零零七年，支付予羅兵咸永道及德勤•關黃陳方會計師行的酬金包括：

INTERNAL CONTROLS AND RISK MANAGEMENT

The Board and management understand that proper internal controls not only facilitate the effectiveness and efficiency of operations, ensuring compliance with laws and regulations, but most importantly, they serve to minimize risk exposure for the Group. The Group is committed to the identification, monitoring and management of risks associated with its business activities and has implemented practical and effective control systems, including:

- A clearly defined organizational structure;
- Budgeting and forecasting systems for performance measurement and monitoring of strategic business units;
- Regular reviews of financial performance.

內部控制及風險管理

董事會及管理層人員瞭解到，適當的內部控制不但促使營運的有效性及效率，確保遵守法律和規例，最重要的是，盡量減低本集團所面對的風險。本集團致力於識別、監察和管理與其業務有關的風險。本集團實行了可行及有效的控制制度，包括：

- 清楚定義的組織架構；
- 衡量業績的預算和預測制度，監察策略性業務單位；
- 定期審核財務表現。

INTERNAL CONTROLS AND RISK MANAGEMENT 內部控制及風險管理 (續)

(Cont'd)

The Board has the overall responsibility of maintaining an effective internal control system. During the year, the Board has reviewed the effectiveness of such internal control system in operation. This is achieved through works done by the Company's Internal Audit Division, which regularly carries out internal audit reviews and reports its findings to the Audit Committee for their consideration and guidance for improvement to the internal control system.

Communication with Shareholders

During the year under review, the Group has proactively enhanced its corporate transparency and communications with its shareholders and the investment community through its annual and interim reports. Constantly being updated in a timely manner, the Company maintains its website at www.csmc.com.cn on which press releases, announcements and financial and other information relating to the Company and its business are disclosed.

董事會須全面負責維持有效的內部控制系統。年內，董事會已檢討該內部控制系統的運作效用，檢討工作由本公司的內部審核部門負責，內部審核部門會定期進行內部審核檢討，並會向審核委員會匯報檢討結果，供審核委員會考慮及作為改善內部控制系統的指引。

與股東溝通

於回顧年內，本集團透過年度報告及中期報告，積極提高其企業透明度及與其股東及投資人士的溝通。本公司即時在其網站 (www.csmc.com.cn) 發放新聞稿、公告及有關本公司及其業務的財務及其他資料。

EXECUTIVE DIRECTORS*

Dr. Peter CHEN Cheng-yu, 69, is the Chairman of the Board and an Executive Director of CR Logic, the substantial shareholder of the Company. Dr. Chen is also directors of various subsidiaries of the Group. Dr. Chen graduated with a Bachelor of Science degree in Electrical Engineering in 1965 from the National Taiwan University. He was awarded a Doctoral degree in Electrical Engineering by Cornell University in 1971. Dr. Chen was the founder and the former Chairman of Mosel and Mosel-Vitellic Inc. He was also the founder of Crosslink Technology Partners and the former Chairman of the board of directors of Above Net. Dr. Chen has over 31 years of experience in the semiconductor industry. He founded the Group and has led its management team since then.

Mr. Elvis DENG Mao-song, 45, has been appointed as an Executive Director and President of the Company with effect from 1 July 2007. Mr. DENG graduated from National Chiao Tung University, Taiwan with a Bachelor of Science in engineering degree and holds a Master of Business Administration degree from the Management School of the National Taiwan University. Mr. DENG joined the Group in August 2003 as Vice President of Administration and was appointed as Vice President of Marketing and Sales in April 2004. Mr. Deng has been designated to Chief Operating Officer of CSMC with effect from 14 February 2007. Mr. DENG has over 20 years of experience in the semiconductor industry and has extensive experiences in semiconductor industry and corporate management. Prior to joining the Group, Mr. Deng was the co-founder and Vice President of Resources and Corporate Strategy of Ardentec Corporation, Taiwan and the Director of Liaison, Finance and Administration of Vanguard International Semiconductor-America, California, USA.

* Biographical details of Executive Directors, who were appointed on 20 March 2008, are set out in the announcement of the Company, which was published on 20 March 2008.

執行董事*

陳正宇博士，69歲，董事會主席暨本公司主要股東華潤勵致的執行董事。陳博士亦為本集團多家附屬公司的董事。陳博士於一九六五年畢業於國立台灣大學，取得電機工程理學士學位。彼於一九七一年取得美國康乃爾大學電機工程博士學位。陳博士為茂矽及茂矽一華智的創辦人及前任主席，亦為Crosslink Technology Partners的創辦人及原網上網公司的前任董事長。陳博士於半導體行業擁有超過三十一年經驗。他創辦本集團並自此一直擔任本集團的管理層領導人。

鄧茂松先生，45歲，已獲委任為本公司執行董事兼總裁，由二零零七年七月一日起生效。鄧先生畢業於台灣國立交通大學，持有工學士學位及國立台灣大學商學研究所工商管理碩士學位。鄧先生於二零零三年八月加盟本集團擔任行政副總裁並由二零零四年四月起獲委任為市場及銷售副總裁。鄧先生由二零零七年二月十四日起獲委任為華潤上華營運長。鄧先生於半導體行業擁有逾二十年經驗，及於半導體行業及企業管理擁有豐富經驗。於加盟本集團前，鄧先生曾為台灣欣銓科技股份有限公司的創始人之一並擔任財資及策略副總裁，美國加州世界先進積體電路股份有限公司的產品開發聯絡、財務及行政處長。

* 於二零零八年三月二十日獲委任之執行董事的履歷詳情登載於本公司二零零八年三月二十日所刊發之公告。

NON-EXECUTIVE DIRECTORS*

Mr. ZHU Jinkun, 53, is a Non-Executive Director of the Company appointed on 1 September 2006. Mr. ZHU is appointed as Deputy Chairman and Chief Executive Officer of CR Logic on 15th January 2003 with overall responsibilities for the CR Logic group operation and development. He was further appointed as the Chairman of the board of directors of CR Logic with effect from 28th February, 2006. He is a Director and of CR Holdings, the immediate holding company of CR Logic. Mr. ZHU is also Chairman and Executive Director of China Resources Microelectronics (Holdings) Limited, a wholly owned subsidiary of CR Logic and the holding company of CR Logic semiconductor business. He is also a director of various subsidiaries of CR Logic. Mr. ZHU joined CR Holdings in 1991 and occupied many important positions successively since then. He is experienced in business administration. He also has extensive experience in semiconductor operations and has been responsible for strategic planning, business development and operation of the CR Logic group's semiconductor business since 1997. Mr. ZHU graduated from the Nanjing University, the PRC and obtained an Executive Master of Business Administration Degree from the University of International Business and Economics, the PRC.

Mr. WANG Guoping, 45, is a Non-Executive Director of the Company appointed on 1 September 2006. Mr. WANG was appointed as an Executive Director of CR Logic on 11 March, 2003 and is Chief Executive Officer of CR Logic with effect from 28 February, 2006. He is also a Director and General Manager of China Resources Microelectronics (Holdings) Limited, a wholly owned subsidiary of CR Logic engaged in semiconductor business of CR Logic group. He is also a director of various subsidiaries of CR Logic group. Mr. WANG has extensive experience in semiconductor research & development and production management. He is also well versed in managing operation of manufacturing bipolar integrated circuits and discrete devices, testing & packaging. Mr. WANG obtained a Master Degree in Engineering from the University of Electronic Science and Technology, Chengdu, the PRC.

* Biographical details of Non-Executive Directors, who were appointed on 20 March 2008, are set out in the announcement of the Company, which was published on 20 March 2008.

非執行董事*

朱金坤先生，53歲，於二零零六年九月一日獲委任為本公司非執行董事。朱先生於二零零三年一月十五日獲委任為華潤勵致的副主席兼行政總裁，全面負責華潤勵致集團營運及發展。於二零零六年二月二十八日，朱先生獲委任為華潤勵致董事會主席。彼亦身兼華潤勵致的直接控股公司華潤(集團)的董事及華潤勵致全資附屬公司華潤微電子(控股)有限公司(其為華潤勵致集團半導體業務的控股公司)的主席兼執行董事。彼亦為華潤勵致集團多間附屬公司的董事。朱先生於一九九一年加入華潤(集團)，曾連續擔任多個高級管理職位，於業務管理方面擁有經驗，自一九九七年起負責華潤勵致集團半導體業務的策略規劃、業務發展及營運，於半導體營運方面擁有豐富經驗。朱先生畢業於中國南京大學，並持有中國對外經濟貿易大學頒授的高級管理人員工商管理碩士學位。

王國平先生，45歲，於二零零六年九月一日獲委任為本公司非執行董事。王先生於二零零三年三月十一日獲委任為華潤勵致的執行董事，由二零零六年二月二十八日起獲委任為華潤勵致的行政總裁。彼亦為華潤勵致全資附屬公司華潤微電子(控股)有限公司董事兼總經理，該公司從事華潤勵致集團的半導體業務。彼亦為華潤勵致集團多間附屬公司的董事。王先生於半導體研發及生產管理方面擁有豐富經驗。彼於管理集成電路和分立器件的芯片製造、測試及封裝營運具有豐富經驗及專長。王先生持有中國成都電子科技大學工程碩士學位。

* 於二零零八年三月二十日獲委任之非執行董事的履歷詳情登載於本公司二零零八年三月二十日所刊發之公告。

NON-EXECUTIVE DIRECTORS (Cont'd)

Mr. ONG Thiam Kin, 50, is a Non-Executive Director of the Company appointed on 1 September 2003. Mr. ONG was appointed as an Executive Director and Chief Financial Officer of CR Logic on 28 May 2001 with overall responsibilities for the financial and legal operations of CR Logic group. He is also a director of various subsidiaries of CR Logic group. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom, the Hong Kong Institute of Certified Public Accountants and members of the national accounting bodies of Singapore and Malaysia. He obtained a Master of Business Administration Degree from the University of Southern Queensland, Australia. He has more than 21 years of diverse range of experience in professional practice and various industries straddling countries and cities in Southeast Asia, the PRC and Hong Kong.

Mr. YU Yu, 46, is a Non-Executive Director of the Company appointed on 1 September 2003. Mr. YU also serves as executive vice president of CR Logic, responsible for the business development of CR Logic group. Mr. YU is also a director of CR Microelectronics and Faithway. Mr. YU has more than 11 years experience in direct investment and project management. He holds a Master degree in Engineering and a Master degree in Business Administration.

Dr. CHEN Nan-xiang, 47, is a Non-Executive Director of the Company appointed on 1 September 2003. Dr. CHEN also serves as a director and deputy general manager of CR Microelectronics (Holdings) Limited with responsibility for strategic planning, product development and R&D. He is also a director and the president of Wuxi CR Semiconductor Wafer & Chips Ltd. Dr. Chen has more than 18 years of semiconductor industrial experience. In addition, Dr. CHEN has worked at the Max Planck Institute for Microstructures in Germany as a visiting scientist, the Fraunhofer Institute of Integrated Circuits in Germany as a research fellow, and the Institute of Microelectronics of Peking University as an associate professor. Dr. CHEN received his Bachelor degree from the University of Electronic Science and Technology of China in 1982, Master degree from Shaanxi Research Institute of Microelectronics in 1985, and PhD from Beijing Normal University.

非執行董事 (續)

王添根先生，50歲，於二零零三年九月一日獲委任為本公司非執行董事。王先生於二零零一年五月二十八日獲委任為華潤勵致的執行董事兼財務長，負責華潤勵致集團整體財務及法律事務運作。彼亦為華潤勵致集團多間附屬公司的董事。王先生為英國特許會計師公會及香港會計師公會的資深會員，並為新加坡及馬來西亞等國家會計師公會的成員。彼持有澳洲南昆士蘭大學工商管理碩士學位。彼於東南亞多個國家、香港及中國的專業管理、及多個行業擁有逾二十一年的經驗。

俞宇先生，46歲，於二零零三年九月一日獲委任為本公司非執行董事。俞先生亦為華潤勵致的執行副總裁，負責華潤勵致集團的業務發展。俞先生亦為華潤微電子及 Faithway 的董事。俞先生具有逾十一年從事直接投資及項目管理經驗，擁有工程學碩士及工商管理碩士學位。

陳南翔博士，47歲，於二零零三年九月一日獲委任為本公司非執行董事，亦為華潤微電子(控股)有限公司的董事及副總經理，負責策略計劃、產品開發及研發工作。彼亦為無錫華潤晶芯半導體有限公司的董事兼總裁。陳博士擁有逾十八年從事半導體工業的經驗。此外，陳博士曾擔任德國 Max Planck 微結構研究所的客席科學家、德國 Fraunhofer 集成電路研究所的客席研究員，以及北京大學微電子研究所的客席教授。陳博士於一九八二年獲得中國電子科技大學的學士學位，於一九八五年獲得陝西微電子研究所的碩士學位，並持有北京師範大學的哲學博士學位。

INDEPENDENT NON-EXECUTIVE DIRECTORS*

Mrs. Kum Loon OON, 56, is an Independent Non-Executive Director of the Company appointed on 8 May 2004. Mrs. OON graduated from the University of Singapore in 1973 with a Bachelor of Business Administration degree. She was awarded the Esso Scholarship during her tertiary education and completed her honours degree in Business Administration at the University of Singapore in 1974. Mrs. OON has approximately 30 years' experience in the banking industry. Over this period, she led and managed a diverse range of portfolios in DBS Group. Her extensive experience included credit management, capital markets and risk management. She retired from DBS as chief financial officer in 2003 where her responsibilities included the financial reporting of the affairs and activities of the entire DBS Group, as well as capital management and alliances and acquisitions, investor relations, and asset liability management.

Mr. Mark HSUE Chi Nan, 57, is an Independent Non-Executive Director of the Company appointed on 8 May 2004. Mr. HSUE graduated from National Chiao Tung University, Taiwan with a Bachelor degree in Electrophysics in 1973. He was awarded a Master degree in Electrical Engineering from the University of California, Santa Barbara in 1978. Mr. Hsue also serves as a director and the president of Uni-Pac Management Company, a venture capital management company focused on biotech and high-tech investments. Mr. HSUE has a number of years of experience in semiconductor and high-tech industries. He was a co-founder of and served various executive positions within Mosel and Mosel-Vitellic Inc.

* Biographical details of Independent Non-Executive Director, who was appointed on 20 March 2008, are set out in the announcement of the Company, which was published on 20 March 2008.

獨立非執行董事*

溫金鸞女士，56歲，於二零零四年五月八日獲委任為本公司獨立非執行董事。溫女士於一九七三年畢業於新加坡大學，取得工商管理學士學位。彼於大專教育時期曾獲得Esso獎學金，並於一九七四年獲得新加坡大學工商管理榮譽學士學位。溫女士於銀行界擁有約三十年經驗，於該期間，她曾領導及管理新加坡發展銀行集團多個範疇。彼於信貸管理、資本市場及風險管理方面擁有豐富經驗。溫女士曾任職星展的財務長，負責星展集團的整體財務申報事宜及業務，以及資本管理、聯盟及收購活動、投資者關係及資產與負債管理，於二零零三年退休。

許奇楠先生，57歲，於二零零四年五月八日獲委任為本公司獨立非執行董事。許先生於一九七三年畢業於台灣國立交通大學，取得電子物理學系學士學位。彼於一九七八年榮獲美國加州大學聖巴巴拉分校電子工程學碩士學位。許先生亦出任聯太管理顧問股份有限公司的董事及總裁，該公司為一家創業基金管理公司，專門從事生物科技及高科技投資。許先生於半導體及高科技行業方面有多年經驗。彼為茂矽和茂矽一華智的聯合創辦人，曾於茂矽和茂矽一華智出任多個行政管理職位。

* 於二零零八年三月二十日獲委任之獨立非執行董事的履歷詳情登載於本公司二零零八年三月二十日所刊發之公告。

INDEPENDENT NON-EXECUTIVE DIRECTORS (Cont'd)

Mr. Ralph Sytze YBEMA, 41, is an Independent Non-Executive Director of the Company appointed on 8 May 2004. Mr. YBEMA obtained an LL.M. in business law from the University of Leiden in 1990 and in 1993 gained certification as corporate counsel through the Dutch bar exam equivalent for in-house counsel. Mr. YBEMA was part of the Corporate Legal Department at Royal Philips Electronics N.V. of the Netherlands, focusing on its activities in the PRC. Mr. YBEMA was first assigned to Hong Kong in May 1995 where his brief included Philips' Asian and PRC Mergers & Acquisitions activities. In 1997, Mr. YBEMA joined US-based Global IT outsourcing giant Computer Sciences Corporation ("CSC") in 1997 as European Counsel in London and in 2000 returned to Asia as General Counsel for CSC's Asia Group. He currently has an international corporate and cross-border M&A practice which involves acting as Asia-Pacific and China corporate counsel to major MNCs in a variety of industries. Mr. YBEMA is co-founder and first President of the Hong Kong Corporate Counsel Association and was also a Founding Member of the Singapore Corporate Counsel Association. He serves on the Professional Services Advisory Committee of the Hong Kong Trade Development Council and speaks seven languages including passable Mandarin Chinese.

獨立非執行董事(續)

Ralph Sytze YBEMA先生，41歲，於二零零四年五月八日獲委任為本公司獨立非執行董事。Ybema先生於一九九零年取得University of Leiden商業法碩士學位，並於一九九三年獲得荷蘭大律師試的企業律師資格，相等於內部律師的資歷。他為荷蘭Royal Philips Electronics N.V.企業法律部門的成員，專注中國業務。Ybema先生於一九九五年首次派駐香港，其業務包括Philips的亞洲併購業務。於一九九七年，於倫敦加入以美國為基地的全資訊科技外判服務供應商Computer Sciences Corporation (「CSC」)作為歐洲律師，於二零零零年，彼重返亞洲出任CSC亞洲集團的一般律師。他目前擁有國際公司及跨境併購實務，擔任亞太區及中國區公司律師以服務多個行業的主要跨國公司。Ybema先生為Hong Kong Corporate Counsel Association的創辦人之一兼首任主席。彼亦是Singapore Corporate Counsel Association的創辦成員，現任職於香港貿易發展局專業服務諮詢委員會，能講七國語言(包括漢語普通話)。

EXECUTIVE MANAGEMENT

Mr. Frank LAI Ni Hium, 46, is the Chief Financial Officer of the Group. Mr. LAI graduated from the University of Western Australia in 1982 with a Bachelor degree in Commerce. He was awarded a graduate diploma in Business and Administration from the Curtin University of Technology of Western Australia in 1988. He is a member of the Australian Society of Certified Practicing Accountants. Before he joined the Group in May 2000, Mr. LAI served as the chief executive officer of Logic International Ltd. and the chief financial officer in Eagle Brand Holdings Ltd. listed in Singapore. He is also a member of the advisory board of Business Week Asia CFO Forum. Mr. LAI joined the Group in May 2000.

Mr. TSAI Nein-nan, 55, is the Vice President of the Group and General Manager of Fab 2. Mr. TSAI graduated from Tung Hai University with a Bachelor of Science degree in Chemical Engineering in 1976. He was awarded a Master of Science degree in Chemical Engineering by Lamar University, Beaumont, Texas in 1983. He has more than 21 years of experience in the semiconductor industry as a photo engineer of UMC, process engineer of Philips Electronics N.V., fab manager of Hualong Microelectronic Corporation, manufacturing director of ProMOS Technologies Inc. and Director of Manufacturing of Mosel-Vitellic Inc. Mr. TSAI joined the Group in September 2001.

Mr. Steve HUANG Dong-tsair, 49, is the Group's Vice President and General Manager of Fab 3. Mr. HUANG holds a Master degree in Chemistry from Fujen University, Taiwan. He has over 21 years of experience in the semiconductor industry. Mr. HUANG served as a deputy director of Mosel-Vitellic Inc. His previous experience also includes positions at Electronic Research Service Organization (ERSO) of Industrial Technology Research Institute (ITRI, Taiwan) and Millipore Asia Limited Taiwan Branch Office (US). Mr. HUANG joined the Group in October 1999.

行政人員

黎汝雄先生，46歲，本集團財務長。黎先生於一九八二年自西澳洲大學畢業，獲得商學士學位。彼於一九八八年取得西澳歌廷理工大學工商管理畢業文憑。彼為澳洲執業會計師協會會員。於二零零零年五月加入本集團前，黎先生曾擔任勵致洋行執行總裁及新加坡上市鷹牌控股公司財務長。彼亦為Business Week Asia CFO Forum顧問會成員。黎先生於二零零零年五月加盟本集團。

蔡聯南先生，55歲，現為本集團副總裁兼二廠總經理。蔡先生於一九七六年畢業於東海大學，持有化學工程理學士學位。彼於一九八三年獲得美國德克薩斯州Beaumont的Lamar University理學碩士化學工程專業學位。蔡先生於半導體行業擁有逾二十一年經驗，曾出任聯華的光刻工程師、Philips Electronics NV的制程工程師、Hualong Microelectronic Corporation的晶圓代工經理、茂德科技的生產處長及茂矽-華智的生產處長。蔡先生於二零零一年九月加盟本集團。

黃棟材先生，49歲，本集團副總裁及三廠總經理。黃先生持有台灣輔仁大學化學碩士學位。彼於半導體行業累積逾二十一年經驗。黃先生為茂矽-華智副處長，曾任職於台灣工業科技研究學院 (ITRI, 台灣) 電子工業研究所 (ERSO) 及密理博亞洲有限公司台灣分公司 (美國)。黃先生於一九九九年十月加盟本集團。

EXECUTIVE MANAGEMENT (Cont'd)

Mr. TENG Jingxin, 63, is the Vice President of Domestic Business Development of the Group. Mr. TENG graduated from Southeast University China with a Bachelor degree in Electrical Engineering in 1968. He has over 39 years of experience in the semiconductor industry. Mr. TENG served as Chief Engineer of Huajing Group, Director of Huajing Bipolar IC Research Department and Chief Engineer of the Bipolar IC Chief Factory of Huajing Group, and Vice Superintendent of 58th Institute of Microelectronics. Mr. TENG joined the Group in January 2002.

Mr. Elvis HUANG Yu-ping, 46, is the Vice President of Production of the Group. Mr. HUANG graduated from National Central University Taiwan with a Master degree in Physics in 1988. Mr. HUANG has more than 16 years of experience in the semiconductor industry with previous employment at Mxic, ProMOS Technologies Inc. and Mosel. Mr. Huang joined the Group in September 2002.

Mr. Gerry FORTIN, 51, is the Vice President of Marketing & Sales of the Group. Mr. FORTIN graduated from the University of Maine with a Bachelor of Science in Electrical Engineering degree. Mr. FORTIN has over 27 years of leadership experience with international foundry business management, new business development, product engineering and manufacturing operations. Prior to joining the Group, Mr. FORTIN worked at IBM, National Semiconductor and Fairchild Semiconductor. Mr. FORTIN joined the Group in January 2006.

行政人員 (續)

滕敬信先生，63歲，本集團的國內市場開拓副總裁。滕先生一九六八年獲授中國東南大學理學電力工程學士學位。彼於半導體行業擁有逾三十九年經驗。滕先生為華晶集團總工程師、華晶雙極集成電路研究部主任、華晶集團Bipolar IC Chief Factory的總工程師及原第58微電子研究所副所長。滕先生於二零零二年一月加盟本集團。

黃宇萍先生，46歲，現為本集團生產副總裁。黃先生一九八八年畢業於台灣國立中央大學，持有物理學碩士學位。黃先生於半導體行業擁有逾十六年經驗，曾任職於Mxic、茂德科技及茂矽。黃先生於二零零二年九月加盟本集團。

Gerry FORTIN先生，51歲，現任本集團市場銷售副總裁。Fortin先生畢業於University of Maine，獲授電子工程理學士學位。Fortin先生於國際晶圓代工業務管理、新業務發展、產品工程及製造營運方面擁有逾二十七年的領導經驗。加盟本集團前，Fortin先生曾於IBM、National Semiconductor及Fairchild Semiconductor任職。Fortin先生於二零零六年一月加盟本集團。

EXECUTIVE MANAGEMENT (Cont'd)

Mr. SU Wei, 45, is the Vice President of Quality of the Group. Mr. SU graduated from Hua Zhong University of Science and Technology, China with a Bachelor degree in Semiconductor Devices and Physics. Mr. SU has over 21 years of experience in the semiconductor industry. He was formerly the Deputy Director and Chief Engineer of the Huajing MOS IC Fab. He joined the Group in February 1998.

行政人員 (續)

蘇巍先生，45歲，現為本集團質量副總裁。蘇先生乃中國華中工學院畢業，獲半導體器件及物理專業學士學位。蘇先生於半導體行業擁有逾二十一年經驗。他曾出任華晶MOS晶圓代工廠副處長兼總工程師。彼於一九九八年二月加盟本集團。

The directors of the Company (the "Directors") are pleased to submit their report together with the audited consolidated financial statements for the Group for the year ended 31 December 2007.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of the principal subsidiaries are set out in note 33 to the consolidated financial statements. The Company owns and operates the first and now one of the largest open semiconductor foundries in China as measured by operational capacity. The Group focuses on the semiconductor market in China and is principally engaged in providing manufacturing services mainly for analog and logic semiconductors.

An analysis of the Group's performance for the year by geographical segments is set out in note 8 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results and appropriations of the Group are set out in the consolidated income statement on page 98 to this Annual Report.

The Directors do not recommend the payment of a dividend for the financial year ended 31 December 2007.

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in share capital and share options of the company during the year are set out in note 24 and note 27 to the consolidated financial statements respectively.

RESERVES

Movements in the reserves of the Group during the year are set out on page 101 to this Annual Report.

Distributable reserves of the Company at 31 December 2007 amounted to US\$107.09 million (2006: US\$108.12 million).

本公司董事（「董事」）欣然提呈他們的報告，連同本集團截至二零零七年十二月三十一日止年度的經審核綜合財務報表。

主要業務

本公司是一家投資控股公司。主要附屬公司的業務均載於綜合財務報表附註33。本公司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，主要為模擬及邏輯半導體提供製造服務。

有關按地區分類分析本集團於本年度的業績表現，載於綜合財務報表附註8。

業績及分配

本集團的業績及分配，均載於本年報第98頁的綜合收益表。

董事不建議派付截至二零零七年十二月三十一日止財政年度的股息。

股本及購股權

有關本公司股本及購股權的變動詳情，分別載於綜合財務報表附註24及附註27。

儲備

本集團於年內的儲備變動，載於本年度報告第101頁。

於二零零七年十二月三十一日，本公司的可供分派儲備為10,709萬美元（二零零六年：10,812萬美元）。

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 16 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no pre-emptive or similar rights under the Cayman Islands law or the memorandum and articles of association of the Company which would oblige the Company to offer new shares on a pro-rata basis to its existing shareholders.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 9 of this Annual Report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2007, the Company did not purchase, sale or redeem shares of the Company.

物業、廠房及設備

有關本集團及本公司物業、廠房及設備變動的詳情，載於綜合財務報表附註16。

優先購買權

根據開曼群島法律或本公司的章程大綱及細則，概無優先購買權或類似權利規定本公司有義務按現有股東的股權比例，提呈發售新股份。

五年財務概要

本集團於最近五個財政年度的業績及資產負債概要，載於本年報第9頁。

購買、出售或贖回上市證券

截至二零零七年十二月三十一日止年度，本公司並無購買、出售或贖回本公司股份。

DIRECTORS

A summary of the Directors during the year is set out on pages 3 to 4 of this Annual Report.

None of the Directors proposed for re-election has a service agreement with the Company or any of its subsidiaries, which is not determinable within one year without payment of compensation, other than statutory compensation.

Mrs. Kum Loon OON, Mr. Mark HSUE Chi Nan and Mr. Ralph Sytze YBEMA are Independent Non-Executive Directors of the Company. On 20 March 2008, each Independent Non-Executive Director has provided a written statement confirming of her/his independence to the Company. In accordance with the Listing Rules, the Company assessed that each Independent Non-Executive Director continues to be independent.

On 20 March 2008, the Company announced that Mr. SONG Lin and Mr. Frank LAI Ni Hium were appointed as Executive-Directors, Mr. JIANG Wei, Mr. LI Fuzuo, Mr. DU Wenmin were appointed as Non-Executive Directors; and Professor KO Ping Keung was appointed as an Independent Non-Executive Director of the Company. The above appointments took effect from the conclusion of the meeting of the board of directors of the Company held on 20 March 2008. They shall hold office only until the 2007 Annual General Meeting of the Company and shall be eligible for re-election at that meeting.

董事

年內的董事概述於本年報第3至第4頁。

概無獲建議重選連任的董事已與本公司或其任何附屬公司訂立不可在一年內毋須賠償（法定賠償除外）而予以終止的服務合約。

溫金鸞女士、許奇楠先生及Ralph Sytze YBEMA先生均為本公司獨立非執行董事。於二零零八年三月二十日，每名獨立非執行董事已提供書面聲明，確認其乃獨立於本公司。根據上市規則，本公司亦評估每名獨立非執行董事會繼續保持其獨立性。

於二零零八年三月二十日，本公司公告宋林先生及黎汝雄先生獲委任為執行董事，蔣偉先生、李福祚先生及杜文民先生獲委任為非執行董事，高秉強教授獲委任為獨立非執行董事。以上委任於本公司於二零零八年三月二十日召開之董事會後生效。彼等的任期至本公司二零零七年度股東週年大會屆滿，並符合資格於該股東週年大會上膺選連任。

DIRECTORS' SERVICE CONTRACTS

Each of the Executive Director has entered into a service contract with the Company for an initial term of three years which shall continue thereafter unless and until the Company or the Director serves a written notice of termination three months in advance during the term of the agreement or anytime thereafter. Particulars of the service contracts of the Directors are in all material respects the same. The compensation of the Executive Directors is subject to review each year.

None of the Non-Executive Directors (including the Independent Non-Executive Directors) has entered into any service contract with the Company. Pursuant to the letters of appointment of the Non-Executive Directors (including the Independent Non-Executive Directors), the term of appointment of each of such Directors is for three years commencing from the date of appointment. The Company and Mrs. Kum Loon OON subsequently agree that her appointment may be terminated with immediate effect by either party.

None of the Directors proposed for re-election has a service agreement with the Company or any of its subsidiaries, which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS REMUNERATIONS

The emolument payable to each Executive Director is based on (i) his relevant qualifications experience and expertise, (ii) his duties and responsibilities and (iii) performance of the Company. The current market situation will also be taken into account.

The emolument payable to each Non-Executive Director (including Independent Non-Executive Director) is based on the responsibilities and undertaking to the Board.

Details of the remuneration of the Directors are set out in note 11 to the consolidated financial statements.

董事的服務合約

每名執行董事已與本公司訂立服務合約，初步為期三年，其後可以繼續生效，除非及直至於協議期間內或期後任何時間，本公司或有關董事提前發出三個月書面通知終止為止。董事的服務合約詳情，在各重大方面均屬相同。執行董事的酬金須每年檢討一次。

概無非執行董事(包括獨立非執行董事)已與本公司訂立任何服務合約。根據非執行董事(包括獨立非執行董事)的委任函件，每名董事的委任期為三年，由委任當日起開始。其後，本公司與溫金鸞女士均同意，雙方可即時終止其委任事宜。

概無獲建議重選連任的董事已與本公司或其任何附屬公司訂立不可在一年內毋須賠償(法定賠償除外)而予以終止的服務合約。

董事酬金

本公司應付每名執行董事的薪金乃按照(i)其相關資歷、經驗及專業知識；(ii)其職務及職責；及(iii)本公司的表現而釐定。現有市況亦在考慮因素之列。

本公司應付每名非執行董事(包括獨立非執行董事)的薪金乃按照其在董事會承擔的責任釐定。

董事的酬金詳情載於綜合財務報表附註11。

DIRECTORS' INTERESTS IN CONTRACTS

The Company entered into a consultancy agreement dated 1 July 2006 with Wiston Management Limited ("Wiston"), which is owned as to 50% by Dr. Peter CHEN Cheng-yu, being a Director of the Company.

Under the consultancy agreement, the Company engaged Wiston to recommend and to procure executives, as expatriate employees of management grade within the Group, to provide managerial services to the Company. The consultancy fees are subject to adjustment depending on the number of executives providing services to the Group. All of the consultancy fees charged by Wiston to the Company are to pay for the remuneration of such executives for providing managerial services to the Company. The agreement is for a term of three years and may be terminated by either party on one month's written notice.

The total remuneration payable to each executive is made after negotiation between the Group and the individual executive by reference to the market rate.

Except for those mentioned above, no contracts of significance in relation to the Group's business to which the Company, its holding company or any other subsidiaries was a party, and in which any Director of the Company had a material interest, whether directly or indirectly subsisted at any time during the year ended 31 December 2007.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of Directors and senior management during the year 2007 are set out on pages 45 to 52 of this Annual Report.

Biographical details of Directors, who were appointed on 20 March 2008, are set out in the announcement of the Company, which was published on 20 March 2008.

董事於合約的權益

本公司於二零零三年七月一日與Wiston Management Limited (「Wiston」)訂立一項顧問協議。Wiston由本公司的董事陳正宇博士擁有50%權益。

根據顧問協議，本公司聘用Wiston提供建議或安排行政人員(集團管理級的外籍僱員)向本公司提供管理服務。顧問費用視乎向本集團提供服務的行政人員人數予以調整。Wiston向本公司徵收的所有顧問費用，均用來支付行政人員向本公司提供管理服務的酬金。該協議為期三年，並可由任何一方對對方發出一個月書面通知而終止。

向每名行政人員應付的總酬金，由本集團與個別行政人員參考市價磋商後釐定。

除上述者外，於截至二零零七年十二月三十一日止年度內任何時間，並無存在任何合約，而該等合約對於本集團業務而言屬重大，且本公司、其控股公司或任何其他附屬公司為其訂立的一方，以及本公司任何董事於當中直接或間接擁有重大權益。

董事及高級管理層人員的履歷詳情

於二零零七年度董事及高級管理層人員的履歷詳情，均載於本年報第45至52頁。

於二零零八年三月二十日獲委任之董事的履歷詳情登載於本公司二零零八年三月二十日所刊發之公告。

DIRECTORS' AND KEY EXECUTIVES' INTERESTS IN SECURITIES

As at 31 December 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:

A: Long position in shares of the Company

(a) Shares of the Company allocated to the Directors under the Equity Incentive Plan

As at 31 December 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

Dr. Peter CHEN Cheng-yu 陳正宇博士

董事及主要行政人員於證券權益

於二零零七年十二月三十一日，本公司董事及總裁及彼等各自的聯繫人於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中持有根據證券及期貨條例第XV部第7與8分部必須知會本公司及聯交所（包括根據證券及期貨條例的有關規定被認為或被視作擁有的權益或淡倉）；或根據證券及期貨條例第352條須載入該條例所述的本公司登記冊內；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要求，須知會本公司及聯交所的權益及淡倉如下：

A: 於本公司股份的好倉

(a) 根據股份獎勵計劃分配予董事的股份

於二零零七年十二月三十一日，根據股份獎勵計劃向董事及彼等各自的聯繫人（定義見上市規則）分配但並未行使的已發行股份詳情如下：

Outstanding Shares allocated but not exercised under the Equity Incentive Plan	Approximate percentage of interest in the Company
根據股份獎勵 計劃已分配 但未行使股份	於本公司 權益的 概約百分比
2,330,000	0.08%

DIRECTORS' AND KEY EXECUTIVES' INTERESTS IN SECURITIES (Cont'd)

A: Long position in shares of the Company (Cont'd)

(b) *Shares of the Company held by the directors*

As at 31 December 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 所持股份數目	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. Elvis DENG Mao-song	鄧茂松先生	6,943,230	0.25%
Mr. Ken ONG Thiam Kin	王添根先生	1,000,000	0.04%
Total	總計	45,236,430	1.65%

Save as disclosed above, none of the directors or chief executives of the Company or their respective associated had any personal, family, corporate or other interests in the share capital of the Company or any of its associated corporations as defined in the SFO.

董事及主要行政人員於證券權益 (續)

A: 於本公司股份的好倉 (續)

(b) *董事持有的本公司股份*

於二零零七年十二月三十一日，董事及彼等各自的關連人士(定義見上市規則)直接及間接持有的股份如下：

除上文所披露者外，本公司董事或主要行政人員或彼等各自的聯繫人概無於本公司或其任何相聯法團(定義見證券及期貨條例)的股本中持有任何個人、家族、公司或其他權益。

DIRECTORS' AND KEY EXECUTIVES' INTERESTS IN SECURITIES (Cont'd)

董事及主要行政人員於證券權益 (續)

B: Long position in CR Logic shares, a substantial shareholder of the Company

B: 於本公司主要股東華潤勵致股份的好倉

(a) Share options of CR Logic allocated to the Directors

(a) 分配予董事的華潤勵致的購股權

As at 31 December 2007, particulars of outstanding share options allocated but not exercised to Directors and their respective associates (as defined in the Listing Rules) under CR Logic's share option scheme were as follow:

於二零零七年十二月三十一日，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）分配但尚未行使的購股權詳情如下：

Name of Director 董事姓名	Date of grant 授出日期	Exercise price 每股行使價 (HK\$) (港元)	Number of share options 購股權數目					Outstanding as at 31 December, 2007 於二零零七年十二月三十一日尚未行使	
			Outstanding as at 1 January, 2007 於二零零七年一月一日尚未行使		Granted during the year 已於年內授出	Exercised during the year 已於年內行使	Cancelled during the year 已於年內註銷		Lapsed during the year 已於年內失效
			2007 千股	2007 千股					
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 — 2,800,000 —	— — — —	— 800,000 — 1,500,000		
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		
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	— — — —	1,000,000 — 500,000 —	— — — —	1,000,000 1,000,000 — 1,000,000		

DIRECTORS' AND KEY EXECUTIVES' INTERESTS IN SECURITIES (Cont'd)

董事及主要行政人員於證券權益 (續)

B: Long position in CR Logic shares, a substantial shareholder of the Company (Cont'd)

B: 於本公司主要股東華潤勵致股份的好倉 (續)

(a) *Share options of CR Logic allocated to the Directors* (Cont'd)

(a) *分配予董事的華潤勵致的購股權* (續)

Name of Director 董事姓名	Date of grant 授出日期	Exercise price 每股行使價 (HK\$) (港元)	Number of share options 購股權數目					Outstanding as at 31 December, 2007 於二零零七年十二月三十一日 尚未行使	
			Outstanding as at 1 January, 2007 於二零零七年一月一日 尚未行使		Granted during the year 已於年內授出	Exercised during the year 已於年內行使	Cancelled during the year 已於年內註銷		Lapsed during the year 已於年內失效
			Exercise price 每股行使價 (HK\$) (港元)	2007 於二零零七年一月一日 尚未行使					
Mr. Yu Yu 俞宇先生	04/12/2001 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	
Dr. CHEN Nan-xiang 陳南翔博士	03/04/2003 ⁷ 13/01/2004 ⁵	0.479 0.906	160,000 800,000	— —	160,000 800,000	— —	— —	— —	

Notes:

- The exercisable period is divided into 2 tranches exercisable during the periods from 25 April 2003 and 2004 to 24 April 2011.

附註：

- 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起至二零一一年四月二十四日止期間予以行使。

DIRECTORS' AND KEY EXECUTIVES' INTERESTS IN SECURITIES (Cont'd)

B: Long position in CR Logic shares, a substantial shareholder of the Company (Cont'd)

(a) Share options of CR Logic allocated to the Directors (Cont'd)

Notes: (Cont'd)

2. The exercisable period is divided into 3 tranches exercisable during the periods from 2 October 2003, 2004 and 2005 to 1 October 2012.
3. The exercisable period is divided into 3 tranches exercisable during the periods from 9 April 2004, 2005 and 2006 to 8 April 2013.
4. The exercisable period during which the share options may be exercised is from 13 January 2004 to 12 January 2014.
5. The exercisable period is divided into 3 tranches exercisable during the periods from 13 January 2005, 2006 and 2007 to 12 January 2014.
6. The exercisable period is divided into 3 tranches exercisable during the periods from 3 December 2002, 2003 and 2004 to 3 December 2011.
7. The exercisable period during which the share options may be exercised is from 3 April 2006 to 2 April 2013.

董事及主要行政人員於證券權益 (續)

B: 於本公司主要股東華潤勵致股份的好倉 (續)

(a) 分配予董事的華潤勵致的購股權 (續)

附註：(續)

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起至二零一二年十月一日止期間予以行使。
3. 行使期分為三個期間，分別於二零零四年、二零零五年及二零零六年四月九日起至二零一三年四月八日止期間予以行使。
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。
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起至二零一四年一月十二日止期間予以行使。
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起至二零一一年十二月三日止期間予以行使。
7. 可行使購股權的行使期由二零零六年四月三日起至二零一三年四月二日止。

DIRECTORS' AND KEY EXECUTIVES' INTERESTS IN SECURITIES (Cont'd)

B: Long position in CR Logic shares, a substantial shareholder of the Company (Cont'd)

(b) *Shares of CR Logic held by the Directors*

As at 31 December 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

Mr. ZHU Jinkun
Mr. ZHU Jinkun's Spouse
Mr. WANG Guoping
Mr. Ken ONG Thiam Kin
Mr. YU Yu
Mr. YU Yu's Spouse
Dr. CHEN Nan-xiang

朱金坤先生
朱金坤先生之配偶
王國平先生
王添根先生
俞宇先生
俞宇先生之配偶
陳南翔博士

Total

總計

Shares Held
所持股權數目

5,350,000
160,000
1,108,000
1,500,000
100,000
60,000
960,000

9,238,000

Approximate percentage of interest in CR Logic
於華潤勵致權益的概約百分比

0.190%
0.006%
0.039%
0.053%
0.004%
0.002%
0.034%

0.328%

董事及主要行政人員於證券權益 (續)

B: 於本公司主要股東華潤勵致股份的好倉 (續)

(b) *董事持有的華潤勵致的股份*

於二零零七年十二月三十一日，董事及彼等各自的關連人士(定義見上市規則)直接及間接持有的股份如下：

SUBSTANTIAL SHAREHOLDERS' INTERESTS OF THE COMPANY

So far as known to the Directors of the Company, as at 31 December 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 fall 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，於二零零七年十二月三十一日，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 ⁽¹⁾ ("CRNC")	中國華潤總公司 ⁽¹⁾ (「中國華潤」)	1,984,967,848	72.41%
China Resources Co., Limited ⁽¹⁾ ("CR Co")	華潤股份有限公司 ⁽¹⁾ (「華潤公司」)	1,984,967,848	72.41%
CRC Bluesky Limited ⁽¹⁾ ("CRCB")	CRC Bluesky Limited ⁽¹⁾ ("CRCB")	1,984,967,848	72.41%
CR Holdings ⁽¹⁾	華潤(集團) ⁽¹⁾	1,984,967,848	72.41%
Splendid Time Investments Inc. ⁽¹⁾ ("Splendid")	Splendid Time Investments Inc. ⁽¹⁾ ("Splendid")	1,984,967,848	72.41%
China Resources Logic Limited ⁽¹⁾ ("CR Logic")	華潤勵致有限公司 ⁽¹⁾ (「華潤勵致」)	1,984,967,848	72.41%
CRT (BVI) Limited ⁽²⁾ ("CRT")	CRT (BVI) Limited ⁽²⁾ ("CRT")	691,437,790	25.22%
China Resources Microelectronics (Holdings) Limited ⁽²⁾ ("CR Microelectronics")	華潤微電子(控股)有限公司 ⁽²⁾ (「華潤微電子」)	691,437,790	25.22%
Faithway Resources Limited ⁽²⁾ ("Faithway")	Faithway Resources Limited ⁽²⁾ ("Faithway")	691,437,790	25.22%

SUBSTANTIAL SHAREHOLDERS' INTERESTS OF THE COMPANY (Cont'd)

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. Splendid, a company incorporated in the British Virgin Islands, 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.

Save as disclosed above, the Company had not been notified of any other interests or short positions in the shares and underlying shares of the Company representing 5% or more of the issued share capital of the Company as at 31 December 2007.

MANAGEMENT CONTRACTS

Save the consultancy agreement as disclosed under the paragraph headed "Directors' Interest in Contracts", no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

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。Splendid為一間於英屬處女群島註冊成立的公司，擁有華潤勵致(於百慕達註冊成立的公司，其股份於聯交所上市)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。

除上文所披露者外，於二零零七年十二月三十一日，本公司概無獲知會擁有佔本公司已發行股本5%或以上的股份及相關股份任何其他權益或淡倉。

管理合約

除上文「董事於合約的權益」一段所披露的顧問協議外，年內，並無訂立或存在任何涉及本公司業務的全部或任何重大部分的管理和行政事宜的合約。

MAJOR CUSTOMERS AND SUPPLIERS

The Group's largest customer Wuxi China Resources Semico Co., Ltd. constituted 10.3% of the Group's revenue in 2007. The Group's top five customers constituted a total of 33.7% of revenue in 2007.

During the year, Wuxi China Resources Microelectronics Co., Ltd. was the largest supplier constituting 20.2% of the Group's purchases. 45.0% of purchases were attributable to the Group's five largest suppliers.

Both Wuxi China Resources Semico Co., Ltd and Wuxi China Resources Microelectronics Co., Ltd are subsidiaries of CR Logic. Save as disclosed, none of the Directors or their respective associates or (as far as the Directors are aware) any other shareholders owning more than 5% of the share capital of the Company were interested in any of the five largest suppliers and customers of the Group.

BANK LOANS

Details of bank loans are set out in note 23 to the Consolidated Financial Statements.

主要客戶及供應商

本集團的最大客戶是無錫華潤矽科微電子有限公司，佔本集團於二零零七年銷售額的10.3%。本集團於前五大客戶的銷售額為本集團於二零零七年的銷售額的33.7%。

年內，本集團的最大供應商是無錫華潤微電子有限公司，其佔本集團的採購額20.2%。本集團的前五大供應商則佔本集團採購額的45.0%。

無錫華潤矽科微電子有限公司與無錫華潤微電子有限公司均為華潤勵致的附屬公司。除上述披露者，據董事所知，擁有本公司股本5%以上的董事或彼等各自的聯繫人或任何其他股東概無於本集團任何五大供應商及客戶中擁有任何權益。

銀行貸款

有關銀行貸款的詳情，載於綜合財務報表附註23。

SHARE RELATED INCENTIVE PLANS

(1) Equity Incentive Plan

The Company adopted the Equity Incentive Plan (the “Plan”) on 8 May 2004 by way of ordinary resolution of shareholders. The principle terms of the Plan, total plan amount as well as current status is as follows:

(a) *Objective of the Plan*

The objective of the plan is to share the pride of ownership among employees and to reward their performance and contributions

(b) *Eligible Participants of the Plan*

The eligible participants of the Plan is any full time employee of the Company or of any subsidiary and any Executive, Non-Executive or Independent Non-Executive Directors of the Company or of any subsidiary provided always that such term shall exclude any person who has tendered his resignation or who at the relevant time is working out his/her period of notice pursuant to his/her employment contract or otherwise.

(c) *Remuneration Committee*

The Remuneration Committee, comprising Mr. Ken ONG Thiam Kin (Chairperson) Mr. Mark HUSE Chi Nan and Mr. Ralph Sytze YBEMA, has been delegated with the power to administer the Plan. It will, among other things, approve (i) the total number of shares (which number shall not exceed the total plan amount mentioned in point (d)) to be allocated to eligible participants of the Plan, and (ii) the respective entitlements of the participants, in each case based on the recommendation of the Executive Directors from time to time.

股份獎勵計劃

(1) 股份獎勵計劃

本公司經股東以普通決議案方式批准，於二零零四年五月八日採納股份獎勵計劃（「計劃」）。計劃的主要條款、計劃總額及現有狀況如下：

(a) *計劃的目的*

計劃的目的是讓僱員分享擁有權，並就他們的表現及貢獻作出獎勵。

(b) *計劃的合資格參與者*

計劃的合資格參與者為本公司或其任何附屬公司的任何全職僱員及本公司或其任何附屬公司的任何執行董事、非執行董事或獨立非執行董事，惟有關條款並不包括已請辭或於當時根據其聘用合約或其他條款計算離職通知期的任何人士。

(c) *薪酬委員會*

本公司的薪酬委員會由王添根先生（委員會主席）、許奇楠先生及Ralph Sytze YBEMA先生組成，該委員會已獲授權管理計劃。委員會將會（其中包括）批准(i)分配計劃合資格參與者的股份總數（不得超逾下文(d)項所述的計劃總額）；及(ii)參與者的有關配額，就以上各項而言，乃依據執行董事不時提出的建議。

SHARE RELATED INCENTIVE PLANS (Cont'd)

(1) Equity Incentive Plan (Cont'd)

(d) Total Plan Amount and Individual Limit

Total number of Shares which may be allocated and issued under the Plan shall not exceed 15% of the total number of Shares in issue from time to time. The initial total plan amount, as approved by the shareholders on 8 May 2004 by way of ordinary resolution, is fixed at 246,900,000 shares.

Total number of Shares which may be issued pursuant to the Plan in any financial year shall not exceed 3% of the total number of Shares in issue as at the close of business on the last business day of the preceding financial year.

Total number of Shares issued and to be issued to any selected employees in any 12-month period shall not exceed 1% of the total number of Shares in issue.

(e) Granting and Vesting of the Shares Under the Plan

Among the total plan amount, as at 31 December 2007, a collective of 160,977,294 shares had already been allocated to the eligible participants by the Company and are subject to a four-year vesting period in which a quarter of such number of shares will vest each year during the four-year period. No amount is payable for acceptance of allocation of shares by eligible participants and HK\$0.078 per share is payable by eligible participants for subsequent allotment of shares so vested. As at the date of this Annual Report, the total number of shares available for allocation under the Plan is 85,922,706 which represents about 3.1% of the issued share capital of the Company.

股份獎勵計劃 (續)

(1) 股份獎勵計劃 (續)

(d) 計劃總限及個別上限

根據計劃可能分配及發行的股份總數，在任何時間均不得超過發行股份總數15%。根據股東於二零零四年五月八日以普通決議案方式批准的初步計劃總額確定為246,900,000股股份。

根據計劃可能於任何財政年度發行的股份總數，不得超過上一個財政年度最後營業日辦公時間結束時的已發行股份總數3%。

於任何十二月期間內向任何特定僱員已發行及將發行的股份總數，不得超過已發行股份總數的1%。

(e) 根據計劃授出的股份及股份歸屬

在計劃總額中，截至二零零七年十二月三十一日本公司已向合資格參與者分配共160,977,294股股份。該等股份受制於四年歸屬期，期間每年將歸屬相等於該數目四分之一的股份。合資格參與者無須在接受分配時支付對價但須於歸屬時支付每股0.078港元。於本年報刊發當日，本計劃內可供分配的股份為85,922,706股，佔本公司已發行股本約3.1%。

SHARE RELATED INCENTIVE PLANS (Cont'd)

股份獎勵計劃 (續)

(1) Equity Incentive Plan (Cont'd)

(1) 股份獎勵計劃 (續)

(e) Granting and Vesting of the Shares Under the Plan
(Cont'd)

(e) 根據計劃授出的股份及股份
歸屬 (續)

	Date of grant	Exercise price per share	Number of shares allocated			Balances	
			Balance as at 1 January, 2007	Granted during the year	Exercised during the year	Cancelled/ Lapsed during the year	as at 31 December, 2007
	授出日期	每股行使價	二零零七年一月一日結餘	年內已授出	年內已行使	年內已注銷/失效	二零零七年十二月三十一日結餘
		(HK\$)	'000	'000	'000	'000	'000
		(港元)	千股	千股	千股	千股	千股
Peter Chen Cheng-yu, 陳正宇	01/10/2003 ¹	0.078	2,330	—	—	—	2,330
Robert Lee Naii* 李乃義*	01/10/2003 ¹	0.078	1,665	—	—	—	1,665
Elvis Deng Mao-song** 鄧茂松**	01/10/2003 ¹	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	— — — —	6,968 3,829 1,575 260	993 599 1,513 578	18,188 2,309 2,544 1,202
Total			45,883	—	13,962	3,683	28,238

* resigned from Directorship on 1 July, 2007.

* 於二零零七年七月一日辭任董事。

** appointed as an Executive Director and President with effect from 1 July, 2007 and resigned with effect from 20 March 2008.

** 於二零零七年七月一日獲委任為執行董事及總裁及於二零零八年三月二十日辭任。

Notes:

註:

1. The weighted average closing price of the shares immediately before the date on which the options were exercised was HK\$0.618.

1. 截至行使之日前在公司股份的加權平均收市價為0.618港元。

SHARE RELATED INCENTIVE PLANS (Cont'd)

(1) Equity Incentive Plan (Cont'd)

(f) *Term of the Plan*

The term of the Plan is for ten years from the date of adoption (8 May 2004), subject to early termination by way of ordinary resolution of the shareholders of the Company in a general meeting.

(g) *Interested Shareholders not Entitled to Vote*

Interested shareholders must abstain from voting in any general meeting of the Company where approval from Shareholders is being sought for matters relating to the Plan.

(2) Share Option Scheme

In addition to the Plan, the Company, as approved by its shareholders on 27 May 2005 by way of ordinary resolution, adopted Share Option Scheme (the "Scheme"). The principle terms of the Scheme, total scheme amount as well as current status are as follows:

(a) *Objective of the Scheme*

The objective of the Scheme 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 shareholders as a whole. The Scheme provided the Company with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to the participants.

股份獎勵計劃 (續)

(1) 股份獎勵計劃 (續)

(f) *計劃期限*

計劃期限自採納日期(二零零四年五月八日)起為期十年，但本公司股東可於股東大會上以普通決議案方式提早終止計劃。

(g) *持有權益的股東無權投票*

倘尋求股東批准有關計劃的事宜，則持有權益的股東須於本公司任何股東大會上放棄投票。

(2) 購股權計劃

除計劃外，本公司經股東於二零零五年五月二十七日以普通決議案方式批准，採納購股權計劃(「購股權計劃」)。購股權計劃的主要條款、購股權計劃總額及現有狀況如下：

(a) *購股權計劃的目的*

購股權計劃的目的是向參與者提供購買本公司擁有權益的機會，以及鼓勵參與者，為增加本公司及其股份價值而努力工作，實現本公司及其股東整體利益。購股權計劃為本公司提供一種靈活的方式，藉以保留、激勵、獎勵、回報、補償及／或提供福利予參與者。

SHARE RELATED INCENTIVE PLANS (Cont'd)

(2) Share Option Scheme (Cont'd)

(b) Eligible Participants of the Scheme

The eligible participants of the Scheme is any directors, employees, advisors, consultants, distributors, contractors, contract manufacturers, suppliers, agents, customers, business partners, joint venture business partners, service providers of any member of the Group who the Remuneration Committee consider, in its sole discretion, have contributed or will contribute to the Group.

(c) Remuneration Committee

The Remuneration Committee, comprising Mr. Ken ONG Thiam Kin (Chairperson) Mr. Mark HUSE Chi Nan and Mr. Ralph Sytze YBEMA, has been delegated with the power to administer the Scheme. It will, among other things, (i) consider, in its sole discretion, the eligible participants (ii) approve the total number of shares (which number shall not exceed the total scheme amount) to be allocated to eligible participants of the Scheme, and (iii) approve the respective entitlements of the participants, in each case based on the recommendation of the Executive Directors from time to time.

股份獎勵計劃(續)

(2) 購股權計劃(續)

(b) 購股權計劃的合資格參與者

購股權計劃的合資格參與者為薪酬委員會全權酌情決定認為曾經或將會為本集團帶來貢獻的人士，包括本集團任何成員公司的任何董事、僱員、諮詢人、顧問、分銷商、承包商、承包生產商、供應商、代理、客戶、商業夥伴、合營企業業務夥伴及服務供應商。

(c) 薪酬委員會

薪酬委員會由王添根先生(該委員會主席)、許奇楠先生及Ralph Sytze YBEMA先生組成，該委員會已獲授權管理購股權計劃。委員會將會(其中包括)(i)按其絕對酌情權考慮合資格參與者的資格；(ii)批准分配予購股權計劃合資格參與者的股份總數(不得超逾購股權計劃總額)；及(iii)批准參與者的有關配額，就以上各項而言，乃依據執行董事不時提出的建議。

SHARE RELATED INCENTIVE PLANS (Cont'd)

(2) Share Option Scheme (Cont'd)

(d) Total Scheme Amount and Individual Limit

The overall limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and other share option schemes of the Company and the shares which may fall to be issued under the Plan in aggregate must not exceed 30% of the Shares in issue from time to time.

Shares which may be issued upon exercise of all options to be granted under this Scheme and other share option schemes of the Company shall not exceed 10% of the aggregate of the Shares in issue as at the date of approval of the Scheme by shareholders.

Total number of shares issued and to be issued upon exercise of the options granted to each participant in any 12-month period shall not exceed 1% of the total number of Shares in issue.

股份獎勵計劃 (續)

(2) 購股權計劃 (續)

(d) 購股權計劃總額及個別上限

所有根據購股權計劃及本公司任何其他購股權計劃授出及尚未行使的購股權在悉數行使時可予發行的股份數目，加上因計劃而可能發行的股份數目，整體上限不得超過本公司不時已發行股份總額的30%。

所有根據購股權計劃及本公司任何其他購股權計劃授出的購股權在悉數行使時可予發行的股份數目，不得超過股東批准購股權計劃當日已發行股份總額的10%。

於任何十二個月期間內向任何特定參與者已發行及將發行的購股權而產生的股份總數，不得超過已發行股份總數的1%。

SHARE RELATED INCENTIVE PLANS (Cont'd)

(2) Share Option Scheme (Cont'd)

(e) *Granting and Vesting of the Shares Under the Scheme*

Among the total Scheme amount, as at 31 December 2007, a collective of 22,078,000 shares had already been allocated to the eligible participants by the Company. HK\$1 is payable for acceptance of an offer of option. The subsequent price for which share shall be no less than the higher of (i) the closing price of the shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grants, (ii) the average closing price of the shares as stated in the daily quotations sheet issued by the Stock Exchange for the five business days immediately before the date of grant, and (iii) the nominal value of a share. As at the date of this Annual Report, the total number of shares available for allocation under the Plan is 243,134,198 which represents about 8.9% of the issued share capital of the Company.

股份獎勵計劃(續)

(2) 購股權計劃(續)

(e) 根據購股權計劃授出股份及股份歸屬

在購股權計劃總額中，截至二零零七年十二月三十一日，本公司已分配予其合資格參與者共22,078,000股股份。接納購股權時須繳付1港元。其後每股股價將不低於下列三者中的較高者(i)購股權授出當日股份在聯交所每日報價表所列的收市價；(ii)緊接授出之日前五個營業日股份在聯交所每日報價表所列的平均收市價，及(iii)股份面值。於本年報刊發當日，根據該計劃可供分配的股份為243,134,198股，佔本公司已發行股本約8.9%。

SHARE RELATED INCENTIVE PLANS (Cont'd)
股份獎勵計劃 (續)
(2) Share Option Scheme (Cont'd)
(2) 購股權計劃 (續)
(e) Granting and Vesting of the Shares Under the Scheme
(e) 根據購股權計劃授出股份及股份歸屬 (續)

		Number of shares allocated 分配的購股權數目					Balances as at 31 December 2007 二零零七年 十二月 三十一日
Date of grant 授出日期	Exercise price per share 每股 行使價 (HK\$) (港元)	Balance as at 1 January 2007 二零零七年 一月一日 結餘 '000 千股	Granted during the year 年內 已授出 '000 千股	Exercised during the year 年內 已行使 '000 千股	Cancelled/ Lapsed during the year 年內已 注銷/ 失效 '000 千股		
Management and employees 管理層及僱員	08/09/2006 ^{1,2} 二零零六年 九月八日 ^{1,2}	0.360 21,291	—	2,150	800	18,341	
	28/05/2007 ³ 二零零七年 五月二十八日 ³	0.750 —	1,987	—	400	1,587	
Total 總計		21,291	1,987	2,150	1,200	19,928	

Notes:

附註：

- The weighted average closing price of the shares immediately before the date on which the options were exercised was HK\$0.599.
 - Share options granted under the Scheme on 8 September 2006 are subject to a four-year vesting period from the date of allocation during which a quarter of such number of share options will vest each year during the four-year period.
 - Share options granted under the Scheme on 28 May 2007 are subject to one-year vesting period from the participant's employment starting date as approved by Remuneration Committee.
- 截至行使之日前在公司股份的加權平均收市價為0.599港元。
 - 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 INCENTIVE PLANS (Cont'd)

(2) Share Option Scheme (Cont'd)

(f) *Term of the Scheme*

The term of the Scheme is for ten years from the date of adoption (27 May 2005), subject to early termination by way of ordinary resolution of the shareholders of the Company in a general meeting.

(g) *Interested Shareholders not Entitled to Vote*

Interested shareholders must abstain from voting in any general meeting of the Company where approval from Shareholders is being sought for matters relating to the Scheme.

股份獎勵計劃 (續)

(2) 購股權計劃 (續)

(f) 購股權計劃期限

購股權計劃期限由採納日期 (二零零五年五月二十七日) 起為期十年，但本公司股東可於股東大會上以普通決議案方式提早終止。

(g) 持有權益的股東無權投票

倘尋求股東批准有關購股權計劃事宜，則持有權益的股東須於本公司任何股東大會上放棄投票。

CONNECTED TRANSACTIONS

During the year ended 31 December 2007, the Group had the following transactions, which would need to be disclosed as continuing connected transactions in accordance with the requirements of the Listing Rules.

1. Storage and transportation of dangerous goods with Wuxi Huajing Multi-Services Co., Ltd.

On 1 July 2006, Fab 1 entered into an agreement for the provision of storage and transportation of dangerous chemical goods by Wuxi Huajing Multi-Services Co., Ltd. ("Wuxi Services"), which is a subsidiary of CR Logic, to Fab 1. The agreement was effective from 2 January 2007 for a term of three years ending 31 December 2009, and constituted a continuing connected transaction of the Company.

The annual cap for each of the three years ending 31 December 2009 is RMB1,800,000 (US\$236,939).

For the year ended 31 December 2007, the aggregate transaction amount for the above amounted to RMB1,582,347 (US\$208,289).

關連交易

於截至二零零七年十二月三十一日止年度，本集團進行以下交易。根據上市規則的規定，該等交易需要披露為持續關連交易。

1. 與無錫華晶綜合服務有限公司儲存及運輸危險物品

於二零零六年七月一日，一廠與無錫華晶綜合服務有限公司（「無錫服務」，為華潤勵致的附屬公司）就向一廠提供儲存及運輸危險化學品達成一項協議。該協議由二零零七年一月二日起生效，至二零零九年十二月三十一日終止，為期三年，構成本公司一項持續關連交易。

截至二零零九年十二月三十一日止三個年度各年的年度上限為人民幣1,800,000元（236,939美元）。

截至二零零七年十二月三十一日止年度，上述交易總交易金額達人民幣1,582,347元（208,289美元）。

CONNECTED TRANSACTIONS (Cont'd)

2. Lease of fab premises and supporting facilities with China Resource Microelectronics Co., Ltd.

Fab 1 entered into agreements with Wuxi China Resources Microelectronics Co., Ltd (“Wuxi CR”) which is a subsidiary of CR Logic, for the lease of fab premises and supporting facilities from Wuxi CR. Those agreements, as a whole, constituted a continuing connected transaction of the Company.

The lease of the fab premises and supporting facilities is governed by two agreements, both dated 1 March 2003, and a supplemental agreement dated 6 June 2004, all between Fab 1 and Wuxi CR.

The rental is at a fixed sum subject to adjustment with reference to changes in the prevailing market rates which may be caused by any changes to the PRC national policies from time to time. Furthermore, the parties may review the rental every three years and come to further agreement on adjustment (if any) in the event of material changes to market conditions. The lease covers the term of operation of Fab 1, which expires in July 2049, unless otherwise terminated, and the lease will be automatically renewed during the term of operation of Fab 1 at 20-year interval until 2049 or otherwise terminated.

The annual caps for each of the three years ending 31 December 2009 are RMB9,500,000 (US\$1,250,510).

For the year ended 31 December 2007, the aggregate transaction amount for the above amounted to RMB9,120,999 (US\$1,200,621).

關連交易 (續)

2. 與無錫華潤微電子有限公司租賃晶圓代工廠場地及配套設施

一廠已與華潤勵致的附屬公司無錫華潤微電子有限公司(「無錫華潤」)簽署協議向無錫華潤租賃晶圓代工廠場地及配套設施，該些協議整體構成本公司一項持續關連交易。

租賃晶圓代工廠場地及配套設施受一廠與無錫華潤於二零零三年三月一日訂立的兩份協議，以及於二零零四年六月六日訂立的一份補充協議所規定。

租金已固定在某一金額，但可參考現行市價的變動而調整。有關市價可能因中國國家政策不時轉變而變動。此外，訂約各方可每三年檢討租金一次，倘市況出現重大轉變，可就調整(如有)另行達成協議。該租約於一廠的經營期內有效，除非另行終止，否則將於二零四九年七月屆滿。於一廠經營期間，租約每二十年將會自動續期，直至二零四九年為止或以其他方式終止。

截至二零零九年十二月三十一日止三個年度各年，年度上限為人民幣9,500,000元(1,250,510美元)。

截至二零零七年十二月三十一日止年度，上述交易總額為人民幣9,120,999元(1,200,621美元)。

CONNECTED TRANSACTIONS (Cont'd)

3. The consultancy agreement with Wiston Management Limited

On 1 July 2006, the Company entered into a consultancy agreement with Wiston Management Limited ("Wiston"), which is owned as to 50% by each of Peter CHEN Cheng-yu who is an Executive Director to the Company, and Robert LEE Naii, who resigned from an Executive Director on 1 July 2007. Accordingly, Wiston is a connected person of the Company under the Listing Rules, and the transaction is a continuing connected transaction to the Company. The agreement took effect from 1 August 2006 to 30 June 2009. Under the agreement, the Company engaged Wiston to recommend and to procure executives, as expatriate employees of management grade within the Group, to provide managerial services to the Company. The consultancy fees are subject to adjustment depending on the number of executives providing services to the Group. All of the consultancy fees charged by Wiston to the Company are to pay the executives for providing managerial services to the Company.

關連交易 (續)

3. 與Wiston Management Limited訂立顧問協議

於二零零六年七月一日，本公司與Wiston Management Limited (「Wiston」) 簽署顧問協議。本公司執行董事陳正宇及李乃義(於二零零七年七月一日辭任執行董事一職)各自擁有Wiston 50%的股權。因此，根據上市規則，Wiston為本公司的關連人士。該交易構成本公司一項持續關連交易。該協議由二零零六年八月一日至二零零九年六月三十日生效。根據該協議，本公司聘用Wiston提供建議或安排行政人員(集團內管理級的外籍僱員)向本公司提供管理服務。顧問費用視乎向本集團提供服務的行政人員數目予以調整。Wiston向本公司所收取的所有顧問費用，乃用以支付行政人員向本公司提供管理服務。

CONNECTED TRANSACTIONS (Cont'd)

3. The Consultancy Agreement with Wiston Management Limited (Cont'd)

The annual caps for the three years ending 31 December 2009 are RMB5,000,000 (US\$658,163), RMB5,000,000 (US\$658,163) and RMB2,500,000 (US\$329,082) respectively.

For the year ended 31 December 2007, the aggregate transaction amount for the above amounted to RMB1,494,983 (US\$196,789).

4. Wafer milling service provided by Wuxi CR Mirco-Assemb Tech Ltd.

On 1 July 2006, Fab 1 entered into an agreement with Wuxi CR Mirco-Assemb Tech Ltd. ("Micro-Assemb"), which is a subsidiary of CR Logic, for wafer milling service provided by Micro-Assemb, which constituted a continuing connected transaction of the Company. The agreement took effect from 19 March 2007 to 31 December 2009.

關連交易 (續)

3. 與Wiston Management Limited訂立顧問協議 (續)

截至二零零九年十二月三十一日止三個年度，年度上限分別為人民幣5,000,000元(658,163美元)、人民幣5,000,000元(658,163美元)及人民幣2,500,000元(329,082美元)。

截至二零零七年十二月三十一日止年度，上述交易總額為人民幣1,494,983元(196,789美元)。

4. 無錫華潤安盛科技有限公司所提供的晶圓打磨服務

於二零零六年七月一日，一廠與無錫華潤安盛科技有限公司(「安盛科技」)，華潤勵致的附屬公司，達成協議向一廠提供晶圓打磨服務。該協議構成一項本公司的持續關連交易。該協議由二零零七年三月十九日至二零零九年十二月三十一日生效。

CONNECTED TRANSACTIONS (Cont'd)

4. Wafer milling service provided by Wuxi CR Mirco-Assemb Tech Ltd. (Cont'd)

Under the agreements, Micro-Assemb agreed to provide wafer milling services to Fab 1 at various fixed rates for different types of wafer milling as and when requested by Fab 1. The fee payable by the Group to Micro-Assemb is calculated in accordance with the agreed fixed rates having regard to the size and number of wafers milled by Micro-Assemb.

The annual caps for the above transactions for each of the three years ending 31 December 2009 is RMB4,000,000 (US\$526,531).

For the year ended 31 December 2007, the aggregate transaction amount for the above amounted to RMB147,604 (US\$19,429).

關連交易 (續)

4. 無錫華潤安盛科技有限公司所提供的晶圓打磨服務 (續)

根據該等協議，安盛科技同意在一廠要求時，按各項固定收費就不同晶圓打磨類別提供晶圓打磨服務。本集團向安盛科技應付的費用，是按安盛科技打磨的晶圓大小及數量，按協定的固定費率支付。

於截至二零零九年十二月三十一日止三個年度各年，上述交易的年度上限為人民幣4,000,000元(526,531美元)。

截至二零零七年十二月三十一日止年度，上述交易總額為人民幣147,604元(19,429美元)。

CONNECTED TRANSACTIONS (Cont'd)

5. New office lease agreement with Wuxi CR

Fab 1 and Wuxi CR entered into an office lease agreement on 19 March 2004, which was supplemented by a supplemental agreement dated 6 June 2004. The agreement (as supplemented) constituted a continuing connected transaction of the Company. Under the said agreements, Fab 1 is required to pre-pay rent (estimated to be RMB150,000 per month) for three years in the sum of RMB5,400,000 (US\$652,434) by installments according to the progress of construction of the new building. The pre-payment will be offset against the monthly rental payable by Fab 1 commencing from the date of delivery of possession of the property. Construction and decoration of the office building was completed in mid 2005.

The annual cap for each of the three years ending 31 December 2009 is RMB2,500,000 (US\$329,082).

For the year ended 31 December 2007, the aggregate transaction amount for the above amounted to RMB1,800,000 (US\$236,939).

關連交易 (續)

5. 與無錫華潤訂立的新辦公室租賃協議

一廠與無錫華潤於二零零四年三月十九日訂立辦公室租賃協議，並由一份於二零零四年六月六日訂立的補充協議所補充。該協議及補充協議構成本公司一項持續關連交易。根據該協議，一廠須預繳三年租金，每月估計為人民幣150,000元，即合計人民幣5,400,000元(652,434美元)，根據新大樓建築工程進度分期支付。預繳款項將用作抵銷自交付物業所有權日期起一廠的每月應付租金。辦公大樓已於二零零五年年中完成建築及裝修工程。

截至二零零九年十二月三十一日止三個年度各年，年度上限為人民幣2,500,000元(329,082美元)。

截至二零零七年十二月三十一日止年度，上述交易總額為人民幣1,800,000元(236,939美元)。

CONNECTED TRANSACTIONS (Cont'd)

6. Supply and Sharing of utilities, energy and waste water treatment with Wuxi CR

Fab 1 and Wuxi CR entered into an agreement for supply and sharing of utilities, energy and waste water treatment between Wuxi CR and Fab 1 on 6 May 1999 which was supplemented by a supplemental agreement dated 19 March 2004 for a term of twelve years. The agreement (as supplemented) constituted a continuing connected transaction of the Company. The rates are reviewed and negotiated between the parties annually based on PRC public rates or the current market rates and payments are made by the Group on a monthly basis in accordance with detailed invoices rendered by Wuxi CR.

The annual caps for each of the three years ending 31 December 2009 are RMB130,000,000 (US\$17,112,243), RMB135,000,000 (US\$17,770,406) and RMB140,000,000 (US\$18,428,570) respectively.

For the year ended 31 December 2007, the aggregate transaction amount for the above amounted to RMB98,328,197 (US\$12,943,200).

關連交易 (續)

6. 提供及與無錫華潤共用公用設施、能源及污水處理

一廠與無錫華潤就提供及共用公用設施、能源及污水處理於一九九九年五月六日訂立協議，並由於二零零四年三月十九日訂立的補充協議（為期十二年）所補充。該協議及補充協議構成本公司一項持續關連交易。訂約方根據中國當前市場價格每年檢討及磋商該等費用。本集團每月根據無錫華潤所提供的詳細發票而支付款項。

截至二零零九年十二月三十一日止三個年度各年，年度上限分別為人民幣130,000,000元（17,112,243美元）、人民幣135,000,000元（17,770,406美元）及人民幣140,000,000元（18,428,570美元）。

截至二零零七年十二月三十一日止年度，上述交易總額為人民幣98,328,197元（12,943,200美元）。

CONNECTED TRANSACTIONS (Cont'd)

7. Wafer Processing Agreement with Wuxi China Resources Semico Co., Ltd. (“Wuxi CR Semico”)

On 1 July 2006, Fab 1 and Wuxi CR Semico, which is a subsidiary of CR Logic, entered into an agreement for wafer processing services provided by Fab 1 to Wuxi CR Semico, which took effective from 17 January 2007 to 31 December 2009. The agreement constituted a continuing connected transaction of the Company.

Under the agreement, the Company agreed to provide wafer processing services to Wuxi CR Semico at market price for different types of products required by Wuxi CR Semico. The fee payable by Wuxi CR Semico to the Company is calculated in accordance with the then agreed rates having regard to the size and number of wafers processed by the Company.

The Group continued to monitor the aggregate amount for its continuing connected transactions and based on its internal review and estimate of the demand for the Group's wafer processing services from Wuxi CR Semico. The annual caps for the three years ending 31 December 2009 are RMB220,000,000 (US\$28,959,181), RMB230,000,000 (US\$30,275,507) and RMB250,000,000 (US\$32,908,160) respectively.

For the year ended 31 December 2007, the aggregate transaction amount for the above amounted to RMB111,417,994 (US\$14,666,245).

關連交易 (續)

7. 與無錫華潤矽科微電子有限公司(「無錫華潤矽科」)訂立的晶圓代工協議

於二零零六年七月一日，一廠與無錫華潤矽料(華潤勵致的附屬公司)就關於一廠向無錫華潤矽科晶圓代工服務簽訂協議，該協議由二零零七年一月十七日至二零零九年十二月三十一日生效，構成本公司一項持續關連交易。

根據該等協議，本公司同意就無錫華潤矽科所要求的不同產品類別，按市價向無錫華潤矽科提供晶圓代工服務。無錫華潤矽科應向本公司支付的費用，是根據當時經考慮本公司所代工的晶圓的大小及數量後所協定的價格而計算。

本集團繼續監察其持續關連交易的總額，並內部審核及估計無錫華潤矽科對本集團的晶圓代工服務的需求量。截至二零零九年十二月三十一日止三個年度，年度上限分別為人民幣220,000,000元(28,959,181美元)、人民幣230,000,000元(30,275,507美元)及人民幣250,000,000元(32,908,160元)。

截至二零零七年十二月三十一日止年度，上述交易總額為人民幣111,417,994元(14,666,245美元)。

CONNECTED TRANSACTIONS (Cont'd)

8. Wafer Processing Agreement with Shenzhen China Resources Semico Microelectronics Co., Ltd. ("Shenzhen CR Semico")

On 1 July 2006, Fab 1 entered into an agreement with Shenzhen CR Semico, which is a subsidiary of CR Logic for wafer processing services provided by Fab 1 to Shenzhen CR Semico. The agreement took effective from 6 December 2006 to 31 December 2009, and the agreement constituted a continuing connected transaction of the Company.

Under the agreement, the Company agreed to provide wafer processing services to Shenzhen CR Semico at market price for different types of products required by Shenzhen CR Semico. The fee payable by Shenzhen CR Semico to the Company is calculated in accordance with the then agreed rates having regard to the size and number of wafers processed by the Company.

The annual caps for the three years ending 31 December 2009 are RMB32,000,000 (US\$4,212,244), RMB40,000,000 (US\$5,265,306) and RMB45,000,000 (US\$5,923,469) respectively.

For the year ended 31 December 2007, the aggregate transaction amount for the above amounted to RMB4,585,912 (US\$603,656).

關連交易 (續)

8. 與深圳華潤矽科微電子有限公司(「深圳華潤矽科」)訂立的交易

二零零六年七月一日，一廠與深圳華潤矽科(華潤勵致的附屬公司)就一廠向深圳華潤矽科(華潤勵致的附屬公司)提供晶圓代工服務達成協議，該協議構成本公司一項持續關連交易。

根據該等協議，本公司同意就深圳華潤矽科所要求的不同產品類別，按市價向深圳華潤矽科提供晶圓代工服務。深圳華潤矽科應向本公司支付的費用，是根據當時經考慮本公司所代工的晶圓大小及數量後所協定的價格而計算。

截至二零零九年十二月三十一日止三個年度的年度上限分別為人民幣32,000,000元(4,212,244美元)、人民幣40,000,000元(5,265,306美元)及人民幣45,000,000元(5,923,469美元)。

截至二零零七年十二月三十一日止年度，上述交易總額為人民幣4,585,912元(603,656美元)。

CONNECTED TRANSACTIONS (Cont'd)

9. IC packaging & testing service

Subsequent to the listing of the Company, the Group has received orders from certain customer, an independent third party, for wafer processing and upon their request, the Group engaged China Resources Semiconductor Co., Ltd. ("HK Semico"), a subsidiary of CR Logic for IC packaging and testing. In order to formalize the arrangement, Fab 1 and HK Semico entered into an agreement dated 1 July 2006, which took effect from 1 January 2006 to 31 December 2008. The agreement constituted a continuing connected transaction of the Company. Under the agreement, the Group agreed to pay HK Semico at a price fixed in the agreement which is subject to adjustment according to market price and subject to further negotiation by both parties.

The Group continued to monitor the aggregate amount for its continuing connected transactions and based on its internal review and estimate of the demand for the Group's packing and testing services by HK Semico. The annual caps for the above transactions for each of the two years ending 31 December 2008 is RMB5,500,000 (US\$723,980).

For the year ended 31 December 2007, the aggregate transaction amount for the above amounted to nil.

關連交易 (續)

9. 集成電路封裝及測試服務

於本公司上市後，本集團收到某客戶(一名獨立第三方)對晶圓代工的訂單，而根據他們的要求，本集團聘用華潤勵致的附屬公司華潤半導體有限公司(「華潤半導體」)作集成電路封裝及測試。為使安排正式化，一廠及華潤半導體於二零零六年七月一日簽訂協議，由二零零六年一月一日生效，至二零零八年十二月三十一日止。該協議構成本公司一項持續關連交易。根據協議，本集團同意向華潤半導體支付固定價格，該價格可根據市價予以調整，及可由雙方進一步商議。

本集團繼續監察其持續關連交易的總額，並內部審核及估計本集團對華潤半導體的集成電路封裝及測試服務的需求量。截至二零零八年十二月三十一日止兩個年度各年，年度上限為人民幣5,500,000元(723,980美元)。

截至二零零七年十二月三十一日止年度，上述交易總額為零。

CONNECTED TRANSACTIONS (Cont'd)

10. Wafer Processing agreement with CR PowTech

The Group had been receiving orders from CR PowTech (Shanghai) Co., Limited ("CR PowTech"), which is a subsidiary of CR Logic for wafer processing since 2006. In order to formalize the arrangement, Fab 1 and CR PowTech, a subsidiary of CR Logic, entered into an agreement dated 1 July 2006, which took effect from 1 July 2006 to 30 June 2009. The agreement constituted a continuing connected transaction of the Company. Under the agreement, CR PowTech engaged Fab 1 wafer processing for a term of three years, which may be terminated by either party on 90 days' written notice. The agreement provides the basis on which wafer processing services are to be provided by Fab 1 to CR PowTech subject to the parties' confirmation on the terms and conditions of each purchase which are negotiated on a case by case basis.

The annual caps for the above transactions for the three years ending 31 December 2009 are RMB35,500,000 (US\$4,672,959), RMB42,000,000 (US\$5,528,571) and RMB50,500,000 (US\$6,647,448), respectively.

For the year ended 31 December 2007, the aggregate transaction amount for the above amounted to RMB14,099,336 (US\$1,855,937).

關連交易 (續)

10. 與華潤矽威 訂立的晶圓代工協議

本集團自二零零六年起接受華潤矽威科技(上海)有限公司(「華潤矽威」)，華潤勵致的附屬公司的晶圓代工訂單。為了使安排正式，一廠及華潤矽威(華潤勵致的附屬公司)於二零零六年七月一日簽訂一份協議，由二零零六年七月一日生效至二零零九年六月三十日止。該協議構成本公司一項持續關連交易。根據協議，華潤矽威委托一廠提供晶圓代工服務，為期三年，可由雙方任何一方以九十日書面通知終止協議。協議提供一廠向華潤矽威提供晶圓代工服務的基準，而該基準須按每次購買的訂約方確認的條款及條件(按個別情況磋商)釐定。

截至二零零九年十二月三十一日止三個年度，年度上限分別為人民幣35,500,000元(4,672,959美元)、人民幣42,000,000元(5,528,571美元)及人民幣50,500,000元(6,647,448美元)。

截至二零零七年十二月三十一日止年度，上述交易總額為人民幣14,099,336元(1,855,937美元)。

CONNECTED TRANSACTIONS (Cont'd)

11. Wafer foundry services agreement with HK Semico

CSMC-BVI has been receiving orders from HK Semico in relation to assistance on preparing for mass production of wafers and the production of such wafers. In order to formalise the arrangement, CSMC-BVI entered into wafer foundry services agreement dated 1 July 2006 and with HK Semico, which took effect from 1 July 2006 to 30 June 2009. The agreement constituted a continuing connected transaction of the Company. The pricing for production of the wafers is to be reviewed from time to time and subject to amendments.

The annual caps for the above transactions for the two years ending 31 December 2008 are RMB15,817,000 (US\$2,082,033) and RMB21,789,000 (US\$2,868,144), respectively.

For the year ended 31 December 2007, the aggregate transaction amount for the above amounted to RMB8,941,500 (US\$1,176,993).

關連交易 (續)

11. 與華潤半導體簽訂的晶圓代工服務協議

上華半導體製造已接受華潤半導體的訂單，協助其準備大量生產晶圓及生產該等晶圓。為使安排正式化，上華半導體製造與華潤半導體於二零零六年七月一日簽訂晶圓代工服務協議，由二零零六年七月一日生效，至二零零九年六月三十日止。該協議構成本公司一項持續關連交易。晶圓生產的定價會不時審閱及可予調整。

截至二零零八年十二月三十一日止兩個年度，年度上限分別為人民幣15,817,000元(2,082,033美元)及人民幣21,789,000元(2,868,144美元)。

截至二零零七年十二月三十一日止年度，上述交易總額為人民幣8,941,500元(1,176,993美元)。

CONNECTED TRANSACTIONS (Cont'd)

12. Wafer foundry services agreement with InPower (Wuxi)

Fab 1 has been providing wafer processing services to InPower (Wuxi) for mass production of wafers and the production of such wafers since January 2007. In order to formalise the arrangement, Fab 1 entered into a wafer foundry services agreement dated 28 March 2007 with InPower Semiconductor (Wuxi) Company Limited (the "InPower (Wuxi)"), an indirect wholly-owned subsidiary of CR Logic. The agreement took effect from 29 May 2007 to 31 December 2009. The agreement constituted a continuing connected transaction of the Company. The pricing for the production of the wafer is to be agreed by the parties each time when order is being placed.

The annual caps for the above transactions for the 3 years ending 31 December 2009 are RMB2,000,000 (US\$263,265); RMB2,300,000 (US\$302,755) and RMB3,500,000 (US\$460,714), respectively.

For the year ended 31 December 2007, the aggregate transaction amount for the above amounted to RMB961,327 (US\$126,542).

關連交易 (續)

12. 與無錫華潤芯功率的晶圓代工服務協議

一廠自二零零七年一月起一直向無錫華潤芯功率提供晶圓加工服務，以大規模生產晶圓。為使該項安排規範化，一廠於二零零七年三月二十八日與華潤勵致的間接全資附屬公司無錫華潤芯功率半導體設計有限公司（「無錫華潤芯功率」）訂立晶圓代工服務協議。該協議由二零零七年五月二十九日起生效，至二零零九年十二月三十一日止。該協議構成本集團一項持續關連交易。生產晶圓的定價於每次發出訂單時由雙方協定。

截至二零零九年十二月三十一日止三個年度，上述交易的年度上限分別為人民幣2,000,000元（263,265美元）、人民幣2,300,000元（302,755美元）及人民幣3,500,000元（460,714美元）。

截至二零零七年十二月三十一日止年度，上述交易總額為人民幣961,327元（126,542美元）。

CONNECTED TRANSACTIONS (Cont'd)

13. Wafer foundry services agreement with InPower (HK)

CSMC-BVI entered into wafer foundry services agreement dated 28 March 2007 with InPower (HK) for the provision of wafer processing services to InPower Semiconductor Company Limited (the "InPower (HK)"), an indirect wholly-owned subsidiary of CR Logic, for mass production of wafers and the production of such wafers, which took effect from 29 May 2007 to 31 December 2009. The agreement constituted a continuing connected transaction of the Company. The pricing for the production of the wafer is to be agreed by the parties each time when order is being placed.

The annual caps for the above transactions for the three years ending 31 December 2009 are RMB14,110,000 (US\$1,857,337); RMB58,340,000 (US\$7,679,448) and RMB111,180,000 (US\$14,634,917), respectively.

For the year ended 31 December 2007, the aggregate transaction amount for the above amounted to nil.

關連交易 (續)

13. 與InPower (HK)的晶圓代工服務協議

上華半導體製造於二零零七年三月二十八日與InPower (HK)訂立晶圓代工服務協議，以向華潤勵致之間接全資附屬公司InPower Semiconductor Company Limited (「InPower (HK)」)提供晶圓加工服務，以大規模生產晶圓，協議由二零零七年五月二十九日起生效，至二零零九年十二月三十一日止。該協議構成本集團的一項持續關連交易。生產晶圓的定價於每次發出訂單時由雙方協定。

截至二零零九年十二月三十一日止三個年度，上述交易的年度上限分別為人民幣14,110,000元(1,857,337美元)、人民幣58,340,000元(7,679,448美元)及人民幣111,180,000元(14,634,917美元)。

截至二零零七年十二月三十一日止年度，上述交易總額為零。

CONNECTED TRANSACTIONS (Cont'd)

The Board engaged the Auditor of the Company to perform certain agreed upon procedures in respect of the on-going connected transactions to assist the Board to evaluate if the on-going connected transactions are in accordance with the requirements of rule 14A.38 of the Listing Rules. The Auditor has reported the factual findings on these procedures to the Board. The Independent Non-Executive Directors of the Company have reviewed the on-going connected transactions and confirmed that the on-going connected transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties and on arm's length basis;
- (iii) in accordance with the relevant agreement governing them;
- (iv) on terms that are fair and reasonable and in the interest of the shareholders as a whole; and
- (v) without exceeding the relevant cap disclosed in previous relevant announcements.

The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules for the year ended 31 December 2007.

After the amalgamation with CR Logic's semiconductor business, which was completed on 5 March 2008, the afore-mentioned transactions, except for consultancy agreement with Wiston Management Company, IC packaging & testing service provided by HK Semico, and wafer foundry services agreement with HK Semico will not be continuing connected transaction of the Company.

關連交易 (續)

董事會已委任本公司核數師就持續關連交易進行若干協定程序，以協助董事會評估持續關連交易是否遵照上市規則第14A.38條的規定進行。核數師已將有關該等程序的實際結果向董事會報告。本公司獨立非執行董事已審閱持續關連交易，並確認該等持續關連交易乃：

- (i) 於本集團一般和日常業務中進行；
- (ii) 一般商業條款進行，如無足夠可資比較交易以判斷該等交易是否按一般商業條款進行，則以不遜於本集團提供或獲自（如適用）獨立第三方的條款及按公平原則進行；
- (iii) 遵照監管有關交易的協議進行；
- (iv) 按公平合理並符合股東整體利益的條款進行；及
- (v) 不超過先前有關公告披露的有關金額上限進行。

本公司確認，截至二零零七年十二月三十一日止年度，其已遵守上市規則第14A章的披露規定。

於合併華潤勵致半導體業務（於二零零八年三月五日完成）後，前述之交易，除與Wiston Management Limited訂立顧問協議，聘用華潤半導體作集成電路封裝及測試服務，及與華潤半導體訂立的晶圓代工服務協議外，將不再構成本公司之持續關連交易。

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

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

CORPORATE GOVERNANCE

Details of corporate governance are set out in the section headed "Corporate Governance Report" on pages 32 to 44 of this Annual Report.

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 year the amount of public float as required under the Listing Rules.

DIRECTORS' INTEREST IN COMPETING BUSINESS

Each of the Directors and their respective associates (as defined in the Listing Rules) has confirmed that none of them had any business or interest in companies that competes, or is likely to compete, either directly or indirectly with the business of the Group.

遵守上市規則的企業管治常規守則

董事認為，本集團於整個財政年度已遵守香港聯合交易所有限公司證券上市規則的企業管治常規守則。董事會確認其負責本集團監控系統，並已透過規範的集團財務及法律程序、本集團核數師及審核委員會而承擔其責任。

公司管治

公司管治的詳情載於本年報第32至第44頁「公司管治報告」一節。

足夠的公眾持股量

根據本公司可獲得的公開資料，以及據本公司董事所知，董事確認，本公司於年內一直維持上市規則規定的公眾持股量。

董事於競爭業務的權益

本公司各董事及他們各自的聯繫人(定義見上市規則)已確認，彼等概無於任何公司(其業務對本集團的業務構成競爭或可能與之直接或間接構成競爭)中擁有任何業務或權益。

SUBSEQUENT EVENTS

Amalgamation of Semiconductor Business with CR Logic

On 4 December 2007, CR Logic and the Company jointly announced the amalgamation of both companies' semiconductor businesses under the Group. The Group was to acquire the semiconductor businesses of CR Logic, being all its semiconductor operations other than China Resources Semiconductor Company Limited which operates a 4-inch fab in Tai Po, Hong Kong, by issue of consideration shares at an aggregate issue price equal to approximately HK\$1,448.9 million, representing the net asset value of the companies being acquired based on the management accounts of such companies as at 30 June 2007 net of any dividend payable. As a part of the transaction, the existing option holders of CR Logic were offered shares in the Company in consideration for the cancellation of their share options.

On 13 February 2008, ordinary resolutions were duly passed at the extraordinary general meeting of the Company in relation to (i) the acquisition of the semiconductor businesses from CR Logic by the Company; (ii) the continuing connected transaction arising out of such acquisition; and (iii) the allotment of CSMC shares to certain directors of the Company or such other connected persons who are holders of share options granted by CR Logic in respect of cancellation of their share options, and a special resolution was also duly passed at the same meeting in relation to the change of name of the Company.

On 5 March 2008, 3,153,640,010 shares of the Company were issued as consideration for the aforementioned amalgamation proposal and option cancellation.

結算日後事項

合併華潤勵致半導體業務

華潤勵致及本公司於二零零七年十二月四日共同宣佈將兩間公司的半導體業務合併由本集團經營。本集團將收購華潤勵致的半導體業務(即其所有半導體業務(於香港大埔經營4英寸晶圓廠的華潤半導體有限公司除外))，代價為總發行價約1,448,900,000港元的等值股份，相當於被收購公司於二零零七年六月三十日的管理賬目所列的資產淨值(除待付股息)。作為該方案的一部分，華潤勵致現有購股權持有人已獲配發本公司股份，作為撤銷彼等購股權的代價。

於二零零八年二月十三日，本公司的股東特別大會已正式通過有關(i)本公司收購華潤勵致半導體業務；(ii)由該收購產生的持續關連交易；及(iii)配發華潤上華股份予若干本公司董事或該等其他關連人士(為華潤勵致就註銷其購股權授出的購股權的持有人)的普通決議案及有關更改本公司名稱的特別決議案。

於二零零八年三月五日，本公司已發行3,153,640,010股股份，作為落實上述合併建議及撤銷購股權的代價。

SUBSEQUENT EVENTS (Cont'd)

Joint Venture with CR Holdings

On 19 March, 2008, the Company has entered into an agreement for the formation of a joint venture with CR Holdings under which the Company will participate in the joint venture for the operation of the 8 inch wafer fabrication line by holding an indirect 19% shareholding in the joint venture company. The balance of 81% interest will be held by a wholly-owned subsidiary of CR Holdings. The total commitment under this joint venture will be US\$500 million of which the Company's total commitment will be US\$95 million and the balance of US\$405 million will be borne by CR Holdings. The joint venture will then acquire from the Company its entire interest in Qualibest Enterprises Limited, a wholly-owned indirect subsidiary, which has been valued at approximately US\$58.44 million, being its unaudited net asset value as at 29 February 2008 adjusted for the market value of a site in the Wuxi Hi-Tech Development Zone plus the shareholder's loans of US\$58.7 million up to 29 February 2008. The joint venture will also acquire from CR Holdings its equity interest in China Fast Limited, a wholly-owned indirect subsidiary of CR Holdings, at nominal value of US\$1 and the shareholder's loan of US\$200 million up to 29 February 2008 at face value. The Group will also enter into a services agreement with the joint venture to provide sales, marketing, purchasing and a variety of other technical and administrative support services for the 8 inch wafer operation upon completion of the joint venture agreement. The joint venture agreement and the services agreement are conditional upon the approval of independent shareholders of the Company to be convened.

結算日後事項(續)


與華潤(集團)成立合資公司

於二零零八年三月十九日本公司與華潤(集團)就成立一間合營公司訂立協議，據此，本公司將透過持有合營公司19%的間接股權，參與經營該8英寸晶圓生產線。其餘81%的股權將由華潤(集團)的一間全資附屬公司持有。合營公司項下的總承擔將為5億美元其中本公司的總承擔將為9,500萬美元，而其餘4.05億美元將由華潤(集團)承擔。合營公司其後將向本公司收購於極品實業有限公司(本公司的一間全資附屬公司)的全部股份，其估值約為5844萬美元，即按照其於二零零八年二月二十九日未經審核淨資產(並根據其在無錫高新技術開發區擁有的一塊土地的市值作出調整)加上截至二零零八年二月二十九日的為數5,870萬美元的股東貸款。合營公司亦將向華潤(集團)按1美元的面值收購其於中迅有限公司(華潤(集團)的一間全資附屬公司)的股權及按面額收購其授予中迅有限公司的截至股東貸款二零零八年二月二十九日為數2億美元的股東貸款。本集團亦將與合營公司訂立服務協議，以於合營協議完成後向8英寸晶圓業務提供銷售、市場推廣、採購及多種其他技術支援及管理支援服務。合營協議及服務協議均須待本公司的獨立股東批准後，方可作實。

AUDITORS

The consolidated financial statements have been audited by Deloitte Touche Tohmatsu who will retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board,



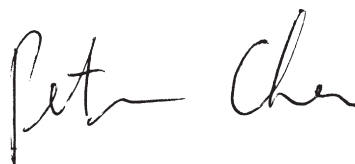
Peter CHEN Cheng-yu
Chairman

Hong Kong, 20 March, 2008

核數師

德勤•關黃陳方會計師行已審核該等綜合財務報表，其將退任，但合資格膺選連任。

代表董事會



主席
陳正宇

香港，二零零八年三月二十日

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHINA RESOURCES MICROELECTRONICS LIMITED (FORMERLY NAMED AS CSMC TECHNOLOGIES CORPORATION)

(incorporated in Cayman Islands with limited liability)

We have audited the consolidated financial statements of China Resources Microelectronics Limited ("CRMICRO" or the "Company", formerly named as CSMC Technologies Corporation) and its subsidiaries (collectively referred to as the "Group") set out on pages 98 to 171, which comprise the consolidated balance sheet as at 31 December 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

獨立核數師報告

致華潤微電子有限公司股東(前稱華潤上華科技有限公司)

(於開曼群島註冊成立之有限公司)

本核數師已審核列載於第98至第171頁的華潤微電子有限公司(「華潤微電子」或「公司」,前稱華潤上華科技有限公司)及其附屬公司(統稱為「集團」)的綜合財務報表。此財務報表包括於二零零七年十二月三十一日的綜合資產負債表與截至該日止年度的綜合收益表、綜合權益變動表和綜合現金流量表,以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔的 責任

公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製及公平地列報該等財務報表。這責任包括設計、實施及維護與編製及公平地列報綜合財務報表相關的內部控制,以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當的會計政策;及按情況作出合理的會計估計。

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見並僅向整體股東報告，除此之外本報告別無其他目的。本核數師不會就本報告的內容向任何其他人士負上或承擔任何責任。我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執行程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及公平地列報綜合財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

20 March 2008

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映集團於二零零七年十二月三十一日的事務狀況及集團截至該日止年度的利潤及現金流量，並已按照香港公司條例的披露規定適當編製。

德勤•關黃陳方會計師行

執業會計師

香港

二零零八年三月二十日

Consolidated Income Statement 綜合收益表

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

		Notes	2007	2006
		附註	US\$'000 千美元	US\$'000 千美元
Revenue	收入	8	142,563	114,302
Cost of sales	銷售成本		(104,270)	(87,368)
Gross profit	毛利		38,293	26,934
Other income	其他收入	9	4,761	4,965
Selling and distribution costs	銷售及分銷成本		(2,815)	(3,162)
Administrative expenses	行政費用		(13,530)	(14,108)
Research and development expenses	研究及開發費用		(4,908)	(3,100)
Other operating expenses	其他經營支出		(706)	(511)
Finance costs	融資成本	10	(3,557)	(3,531)
Profit before taxation	除稅前溢利		17,538	7,487
Taxation	稅項	12	(4,064)	(1,121)
Profit for the year attributable to equity holders of the Company	本公司股本持有人應佔年度溢利	13	13,474	6,366
Dividend declared and paid	已宣派及支付股息	14	—	—
Earnings per share	每股盈利	15		
Basic (US cents)	基本 (美仙)		0.49	0.24
Diluted (US cents)	攤薄 (美仙)		0.49	0.23

CONSOLIDATED INCOME STATEMENT 綜合收益表

Consolidated Balance Sheet 綜合資產負債表

At 31 December 2007 於二零零七年十二月三十一日

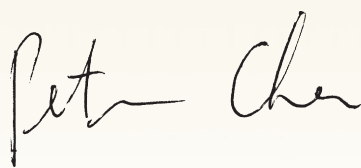
CONSOLIDATED BALANCE SHEET 綜合資產負債表

		Notes	2007	2006
		附註	US\$'000	US\$'000
			千美元	千美元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	220,877	175,310
Prepaid lease payments on land use rights	土地使用權預付租金	17	586	561
Intangible assets	無形資產	18	7,308	6,976
Deferred tax assets	遞延稅項資產	26	837	717
			229,608	183,564
Current assets	流動資產			
Inventories	存貨	19	30,724	27,230
Debtors, deposits and prepayments	應收賬款、按金及預付款項	20	29,205	20,403
Pledged bank deposits	有抵押銀行存款	21	193	982
Bank balances and cash	銀行結餘及現金	21	20,712	21,101
			80,834	69,716
Current liabilities	流動負債			
Creditors and accrued charges	應付賬款及應計費用	22	43,124	30,229
Taxation	稅項		763	643
Borrowings - due within one year	借貸—於一年內到期	23	58,645	35,785
			102,532	66,657
Net current (liabilities) assets	流動（負債）資產淨值		(21,698)	3,059
Total assets less current liabilities	資產總額減流動負債		207,910	186,623

		Notes	2007	2006
		附註	US\$'000 千美元	US\$'000 千美元
Capital and reserves	股本及備儲			
Share capital	股本	24	35,145	34,947
Share premium and reserves	股份溢價及儲備		162,381	136,188
Total equity	權益總額		197,526	171,135
Non-current liabilities	非流動負債			
Borrowings - due after one year	借貸—於一年後到期	23	—	7,000
Government grants	政府補助金	29	1,917	—
Long-term payable	長期應付賬款	25	8,467	8,488
			10,384	15,488
			207,910	186,623

The consolidated financial statements on pages 98 to 171 were approved and authorised for issue by the board of directors on 20 March, 2008 and are signed on its behalf by:

載於第98頁至171頁的綜合財務報表已於二零零八年三月二十日獲董事會批准及授權公佈，並由下列董事代表簽署：



董事
Director



董事
Director

Consolidated Statement of Changes in Equity 綜合權益變動表

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

		Attributable to equity holders of the Company 本公司股本持有人應佔							
		Share						Total equity 權益總額	
		Share capital 股本	Share premium 股份溢價	Merger reserve 合併儲備	Translation reserve 兌換儲備	option reserve 購股權儲備	Other reserves 其他儲備		Retained profits 保留溢利
		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	
					(Note a) (附註 a)		(Note b) (附註 b)		
At 1 January 2006	於二零零六年一月一日	34,327	74,634	34,518	3,294	1,171	7,107	1,953	157,004
Exchange differences recognised directly in equity (Note a)	在權益中直接確認的匯兌 差額 (附註 a)	—	—	—	4,906	—	—	—	4,906
Profit for the year	年度溢利	—	—	—	—	—	—	6,366	6,366
Total recognised income and expenses for the year	年度確認收益及支出總額	—	—	—	4,906	—	—	6,366	11,272
Repurchase of shares	股份回購	(47)	(137)	—	—	—	—	—	(184)
Recognition of equity-settled share-based payment	確認股本結算的股份付款	—	—	—	—	2,488	—	—	2,488
Share issue upon exercise of Equity Incentive Plan	於行使股份獎勵計劃時 發行股份	667	2,395	—	—	(2,507)	—	—	555
At 31 December 2006	於二零零六年 十二月三十一日	34,947	76,892	34,518	8,200	1,152	7,107	8,319	171,135

Attributable to equity holders of the Companies

本公司股本持有人應佔

		Share							
		Share capital	Share premium	Merger reserve	Translation reserve	Share option reserve	Other reserves	Retained profits	Total 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)		(Note b) (附註 b)		
At 1 January 2007	於二零零七年 一月一日	34,947	76,892	34,518	8,200	1,152	7,107	8,319	171,135
Exchange differences recognised directly in equity (Note a)	在權益中直接確認的 匯兌差額 (附註 a)	—	—	—	11,794	—	—	—	11,794
Profit for the year	年度溢利	—	—	—	—	—	—	13,474	13,474
Total recognised income for the year	年度確認 收益總額	—	—	—	11,794	—	—	13,474	25,268
Recognition of equity-settled share-based payment	確認股本結算 的股份付款	—	—	—	—	892	—	—	892
Share issue upon exercise of Equity Incentive Plan	於行使股份獎勵 計劃時發行股份	170	604	—	—	(643)	—	—	131
Share issue upon exercise of Share Option Scheme	於行使購股權計劃時 發行股份	28	83	—	—	(11)	—	—	100
Transfer to other reserve	轉入其他儲備	—	—	—	—	—	1,196	(1,196)	—
At 31 December 2007	於二零零七年 十二月三十一日	35,145	77,579	34,518	19,994	1,390	8,303	20,597	197,526

Notes:

附註:

- (a) The exchange differences arose from translation of assets and liabilities of the group entities in PRC into the presentation currency. (a) 中國集團實體的資產及負債換算為呈報貨幣引起的匯兌差額。
- (b) Other reserves comprise statutory surplus reserve, statutory public welfare fund and discretionary surplus reserve of subsidiaries established in mainland China. (b) 其他儲備包括在中國大陸成立的附屬公司的法定公積金、法定公益金及任意公積金。

Consolidated Cash Flow Statements 綜合現金流量表

For the year ended 31 December 2007 截至二零零七年十二月三十一日止年度

CONSOLIDATED CASH FLOW STATEMENTS 綜合現金流量表

		2007	2006
		US\$'000	US\$'000
		千美元	千美元
OPERATING ACTIVITIES	經營活動		
Profit before taxation	除稅前溢利	17,538	7,487
Adjustments for:	調整以下項：		
Finance costs	融資成本	3,557	3,531
Depreciation of property, plant and equipment	物業、廠房及 設備折舊	21,063	22,633
Amortisation of prepaid lease payments on land use rights	土地使用權預付 租金攤銷	13	12
Amortisation of intangible assets	無形資產攤銷	954	630
Impairment of property, plant and equipment	物業、廠房及 設備減值	365	1,820
Gain on disposal of property, plant and equipment	出售物業、廠房及 設備收益	(786)	(529)
Costs of equity incentive plan and share option scheme	股份獎勵計劃及 購股權計劃成本	892	2,488
Impairment loss (reversal of impairment) on debtors	應收賬款減值虧損 (撥回減值)	208	(10)
Write down of inventories to net realizable value	存貨撇減至 可變現淨值	726	2,002
Interest income	利息收入	(244)	(339)
Operating cash flows before movements in working capital	營運資金變動前的 經營現金流量	44,286	39,725
Increase in inventories	存貨增加	(4,220)	(11,360)
Increase in debtors, deposits and prepayments	應收賬款、按金及 預付款項增加	(9,027)	(246)
Increase in creditors and accrued charges	應付賬款及應計 費用增加	13,259	3,874
Cash generated from operations	經營產生的現金	44,298	31,993
Income tax paid	已付所得稅	(4,014)	(563)
NET CASH FROM OPERATING ACTIVITIES	經營業務產生的 現金淨額	40,284	31,430

		2007	2006
		US\$'000	US\$'000
		千美元	千美元
INVESTING ACTIVITIES	投資活動		
Purchase of property, plant and equipment	購置物業、廠房及設備	(55,452)	(31,846)
Purchase of intangible assets	購置無形資產	(806)	(560)
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備所得款項	1,314	683
Decrease in pledged bank deposit	有抵押銀行存款減少	789	—
Interest received	已收利息	244	339
NET CASH USED IN INVESTING ACTIVITIES	投資活動動用的現金淨額	(53,911)	(31,384)
FINANCING ACTIVITIES	融資活動		
New bank loans raised	新籌措銀行貸款	68,641	47,073
Repayment of borrowings	償還借貸	(54,062)	(46,953)
Interest paid on borrowings	借貸已付利息	(2,532)	(2,992)
Repurchase of shares	股份回購	—	(184)
Proceeds from issue of new shares	發行新股份所得款項	231	—
NET CASH FROM (USED IN) FINANCING ACTIVITIES	融資活動產生(動用)的現金淨額	12,278	(3,056)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額	(1,349)	(3,010)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等價物	21,101	24,778
Effect of foreign exchange rate changes	外幣匯率變動的影響	960	(667)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	年終現金及現金等價物	20,712	21,101
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS	現金及現金等價物的結餘分析		
Bank balances and cash	銀行結餘及現金	20,712	21,101

1. GENERAL

China Resources Microelectronics Limited (“CRMicro” or the “Company”, formerly named as CSMC Technologies Corporation) and its subsidiaries (the “Group”) manufacture and sell 6 inch wafer 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 Island and its shares are listed on The Stock Exchange of Hong Kong Limited. Its parent is China Resources Logic Limited (“CR Logic”) (incorporated in Bermuda) and its ultimate holding company is China Resources National Corp. (“CRNC”), a company established in the People's Republic of China. The addresses of the registered office of the Company is Scotia Centre, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands, British West Indies and the principal place of business is 14 Liangxi Road, Wuxi, Jiangsu, 214061, China.

2. BASIS OF PRESENTATION

At 31 December 2007, the Group has net current liabilities of US\$21,698,000. 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. Accordingly, the financial statements has been prepared on a going concern basis.

1 一般資料

華潤微電子有限公司(「華潤微電子」或「本公司」，前稱華潤上華科技有限公司)及其附屬公司(「本集團」)製造及銷售6英寸晶圓及相關產品。本集團的生產設施位於中華人民共和國(「中國」)。

本公司為於開曼群島註冊成立的有限公司，其股份於香港聯合交易所有限公司上市。其母公司為華潤勵致有限公司(「華潤勵致」)(於百慕達註冊成立)，其最終控股公司為中國華潤總公司(「中國華潤」)(一間於中華人民共和國註冊成立的公司)。本公司註冊辦事處的地址為Scotia Centre, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands, British West Indies，而其主要業務地點為中國江蘇省無錫市梁溪路14號，郵編：214061。

2. 編製基準

本集團於二零零七年十二月三十一日錄得淨流動負債21,698,000美元。按目前可供使用的財務資源，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滿足其未來十二個月的現有需求。據此，財務報表已按持續經營基準編製。

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

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

HKAS 1 (Amendment)	Capital Disclosures	香港會計準則第1號（經修訂）	資本披露
HKFRS 7	Financial Instruments: Disclosures	香港財務報告準則第7號	金融工具：披露
HK(IFRIC) – Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies	香港（國際財務報告詮釋委員會）— 詮釋第7號	應用香港會計準則第29號「惡性通貨膨脹經濟體系中的財務報告」重列法
HK(IFRIC) – Int 8	Scope of HKFRS 2	香港（國際財務報告詮釋委員會）— 詮釋第8號	香港財務報告準則第2號的範圍
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives	香港（國際財務報告詮釋委員會）— 詮釋第9號	重新評估既有內置衍生工具
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment	香港（國際財務報告詮釋委員會）— 詮釋第10號	中期財務報告及減值

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has applied the disclosure requirement under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

於本年度，本集團首次應用以下由香港會計師公會（「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」）新香港財務報告準則已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編製及呈報本期或過往會計期間的業績或財政狀況並無重大影響。因此毋須作出過往期間調整。

本集團已追溯應用香港會計準則第1號（經修訂）及香港財務報告準則第7號的披露規定。上一年度根據香港會計準則第32號呈列的若干資料已移除，而本年度首次呈列根據香港會計準則第1號（經修訂）及香港財務報告準則第7號的有關比較資料。

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(Cont'd)

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements ¹	香港會計準則第 1 號 (經修訂)	呈報財務報表 ¹
HKAS 23 (Revised)	Borrowing Costs ¹	香港會計準則第 23 號 (經修訂)	借貸成本 ¹
HKFRS 8	Operating Segments ¹	香港財務報告準則第 8 號	經營分部 ¹
HK(IFRIC)-Int 11	HKFRS 2 - Group and Treasury Share Transactions ²	香港 (國際財務報告詮釋委員會) — 詮釋第 11 號	香港財務報告準則第 2 號 — 集團及庫存股份交易 ²
HK(IFRIC)-Int 12	Service Concession Arrangements ³	香港 (國際財務報告詮釋委員會) — 詮釋第 12 號	服務特許權安排 ³
HK(IFRIC)-Int 13	Customer Loyalty Programmes ⁴	香港 (國際財務報告詮釋委員會) — 詮釋第 13 號	客戶忠誠計劃 ⁴
HK(IFRIC)-Int 14	HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ³	香港 (國際財務報告詮釋委員會) — 詮釋第 14 號	香港會計準則第 19 號 — 定額福利資產的限制、 最低撥款規定及 其相互關係 ³

¹ Effective for annual periods beginning on or after 1 January 2009

² Effective for annual periods beginning on or after 1 March 2007

³ Effective for annual periods beginning on or after 1 January 2008

⁴ Effective for annual periods beginning on or after 1 July 2008

The management is assessing the impact on the results and the financial position of the Group upon application of these standards or interpretations.

3. 應用新訂及經修訂香港財務報告準則 (續)

本集團尚未提早採納以下已頒佈但尚未生效的新訂及修訂準則或詮釋。

¹ 於二零零九年一月一日或其後開始的年度期間生效

² 於二零零七年三月一日或其後開始的年度期間生效

³ 於二零零八年一月一日或其後開始的年度期間生效

⁴ 於二零零八年七月一日或其後開始的年度期間生效

管理層正評估應用該等準則或詮釋後對本集團業績及財務狀況的影響。

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from sales of goods is recognised when goods are delivered and title has passed.

4. 主要會計政策

如以下會計政策所詮釋，綜合財務報表已按歷史成本基準編製。

綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則及香港公司條例規定的適用披露。

綜合基準

綜合財務報表包括本公司及本公司所控制實體的財務報表。倘本公司有權監管一間實體的財務及經營政策以自其業務中取得利益時，控制權獲得。

所有集團內公司間交易、結餘、收入及支出於綜合時予以對銷。

收入確認

收入按已收或應收代價的公平值計算並代表日常業務過程中銷售貨物及服務的應收款項，經扣除折扣及銷售相關稅項。

銷售貨物所得收入於貨物已運送及所有權發生轉移時予以確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**Revenue recognition (Cont'd)**

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Tax refund is recognised when the Group's right to receive the refund is established.

Property, plant and equipment

Property, plant and equipment (other than construction in progress) are stated at cost less accumulated depreciation and impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment, other than construction in progress, over their estimated useful lives and after taking into account their estimated residual values, ranging from zero to 10%, using the straight-line method, as follows:

Leasehold improvement	租賃資產改良工程
Furniture and fixtures	傢俱及裝置
Machinery	機器
Facility equipment	設施設備
Motor vehicles	汽車

4. 主要會計政策 (續)**收入確認 (續)**

金融資產所得利息收入按時間基準進行累計，並參考未償付本金額及實際適用利率（為透過金融資產的預期年期將估計未來現金收入貼現至該項資產賬面淨值的利率）計算。

當本集團收到退回的權利時方確認稅收的退回。

物業、廠房及設備

物業、廠房及設備（在建工程除外）乃按成本減去累計折舊及減值虧損列賬。

折舊撥備乃以直線法於物業、廠房及設備項目（在建工程除外）的估計可用年期內，並經考慮其估計剩餘價值後按零至10%的年率範圍撇銷其成本，如下：

5 years or over the relevant lease terms, whichever is shorter	5年或於有關租期內（以較短者為準）
5 years	5年
5 to 8 years	5年至8年
5 to 10 years	5年至10年
6 years	6年

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, plant and equipment (Cont'd)

Construction in progress represents property, plant and equipment in the course of construction for production or for own use purposes. Construction in progress is carried at cost less any impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

Prepaid lease payments on land use rights

Prepaid lease payments are stated at cost less accumulated amortisation and any impairment losses. The costs of prepaid lease payments on land use rights are amortised on a straight-line basis over the contractual period of the land use rights.

4. 主要會計政策(續)

物業、廠房及設備(續)

在建工程指為生產或自我用途而處於建設過程中的物業、廠房及設備。在建工程以成本減任何減值虧損列賬。在建工程於落成並為可使用時分類為適當物業、廠房及設備類別。該等資產的折舊(與其他物業、廠房及設備具相同基準)於資產可使用時開始。

一項物業、廠房及設備於出售或並無預期來自持續使用該項資產的進一步經濟利益時解除確認。解除確認該項資產產生的任何盈虧(計算為出售收入淨額與該項目賬面值之間的差額)計入該項目解除確認年度的綜合收益表。

土地使用權預付租金

預付租金是按成本減累計的攤銷額及任何減值虧損呈列。土地使用權預付租金成本是以直線法基準於土地使用權合約期內攤銷。

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**Intangible assets****(i) Computer software**

Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of five to eight years.

Costs associated with developing or maintaining computer software programmes are recognized as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Costs include the employee costs incurred as a result of developing software and an appropriate portion of relevant overheads.

(ii) Technology knowhow

Acquired technology knowhow is initially recognised at cost. Where payment is deferred beyond normal credit terms, its cost is the cash price equivalent. Technology knowhow has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of technology knowhow over their estimated useful lives of twelve years.

4. 主要會計政策 (續)**無形資產****(i) 電腦軟件**

所獲得的電腦軟件特許已按獲得及使用有關軟件所產生的成本為基準撥充資本。該等成本乃按其五至八年估計可用年期內攤銷。

與開發及維護電腦軟件程式有關的成本於產生時確認為開支。由本集團控制、與生產有關可識別及獨有的電腦軟件產品有關的成本，並有可能產生一年以上超出成本的經濟利益，則會確認為無形資產。成本包括軟件開發員工成本及適當份額的有關費用。

(ii) 技術知識

購入的技術知識初始會按成本確認。倘超逾一般的信貸期付款，則有關成本等同於現金價。技術知識有規定的使用年期，並按成本減累計攤銷入賬。攤銷是以直線法將技術知識成本在估計的十二年可用期內作分配。

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are recognised as income over the periods necessary to match them with the related costs. Grants related to depreciable assets are presented as deferred income and are released to income over the useful lives of the assets. Grants related to expense items are recognised in the same period as those expenses are charged in the consolidated income statement and are reported separately as 'other income'.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

4. 主要會計政策 (續)**借貸成本**

收購、建設或生產合資格資產的直接應佔借貸成本資本化為該等資產成本的一部分。該等借貸成本於資產的可完全按用途使用或銷售時停止資本化。待用於合資格資產的特定貸款臨時投資賺取的投資收入自合資格資本化的借貸成本中扣除。

所有其他借貸成本於其產生期間的損益表內確認。

政府補助金

政府補助金於與有關成本配對的期間內確認為收入。有關易折舊資產的補助呈列為遞延收入並於資產的可用年期內解除為收入。有關開支項目的補助金列於該等開支自綜合收益表中扣除的同一期間確認並單獨報告為「其他收入」。

退休福利成本

界定供款退休福利計劃的支付款項於僱員提供令其有權享有供款的服務時計為一項開支。

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

4. 主要會計政策 (續)**稅項**

所得稅開支指現時應付稅項及遞延稅項的總額。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合收益表所報的溢利不同，乃由於前者不包括其他年度的應課稅收入或可扣稅開支，亦不包括毋須課稅或不得扣稅的項目。本集團的流動稅項負債以結算日前已一直採用或實際採用的稅率計算。

綜合財務報表的資產及負債賬面值與計算應課稅溢利的相應稅基兩者間的差額，以資產負債表負債法確認為遞延稅項。遞延稅項負債一般就所有應課稅臨時差額確認，而遞延稅項資產乃就有可能將應課稅溢利扣減臨時差額而確認。倘臨時差額來自因首次確認不影響應課稅溢利或會計溢利的交易中的其他資產與負債（業務合併除外），則不會確認有關遞延稅項資產及負債。

遞延稅項資產的賬面值於每個結算日作檢討，並在不大可能有足夠應課稅溢利以收回全部或部分資產時作調減。

遞延稅項乃按預期於負債清償或資產變現期間適用的稅率計算。遞延稅項於損益表中扣除或計入，惟倘與遞延稅項有關的項目直接在股本中扣除或計入，則該遞延稅項亦會在股本中處理。

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. The costs of finished goods and work in progress comprise raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

Financial instruments***Financial assets***

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

4. 主要會計政策 (續)**存貨**

存貨按成本及可變現淨值兩者中較低者列賬。成本採用加權平均法計算。製成品及在製品的成本包括原材料、直接人工、其他直接成本及相關生產經常費用。可變現淨值指於日常業務過程中的估計售價，減適用的銷售開支。

金融工具***金融資產***

金融資產及金融負債乃於集團實體成為工具合約條文的訂約方時，在資產負債表中確認。金融資產及金融負債初步按公平值計量。

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**Financial instruments (Cont'd)****Financial assets (Cont'd)**

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including debtors, pledged bank deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any impairment losses.

The effective interest method is a method of calculating the amortised cost and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life, or, where appropriate, a shorter period.

4. 主要會計政策 (續)**金融工具 (續)****金融資產 (續)**

貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款的非衍生金融資產，而其在活躍市場並無報價。於初始確認後的各個結算日，貸款及應收款項(包括應收賬款、有抵押銀行存款及銀行存款及現金)使用實際利息法以攤銷成本減任何減值虧損列賬。

實際利息法為計算攤銷成本以及分配在有關期間內所發生的利息收入的方法。實際利率是可準確透過預計可用年期或(倘適用)在較短期間內對估計未來現金收入(包括所有構成實際利率部分的已付或已收點數費用、交易成本及其他溢價或折扣)進行折算的利率。

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of loans and receivables

Loans and receivable are assessed for indicators of impairment at each balance sheet date. Loans and receivables are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the loans and receivable have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of counterparty; or
- default or delinquency in settlement of receivables; or
- it becoming probable that the debtors will enter bankruptcy or financial re-organisation.

For debtors, they are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

4. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項的減值

貸款及應收款項會於每個結算日評定有否減值跡象。貸款及應收款項於有客觀證據顯示貸款及應收款項的估計未來現金流量因於初步確認後發生的一項或多項事件而受到影響時作出減值。

減值的客觀證據可包括：

- 發行人或對手方出現重大財政困難；或
- 未能繳付或延遲償還應收款項；或
- 債務人有可能面臨破產或財務重組。

就應收賬款而言，不會單獨作出減值的資產會於其後匯集一併評估減值。應收賬款組合出現減值的客觀證據包括本集團過往收款記錄、組合內逾期超過平均信貸期的還款數目上升以及國家或地區經濟狀況出現明顯變動導致應收賬款未能償還。

當有客觀證據證明資產已減值，減值虧損於損益中確認，並按資產賬面值與按原實際利率貼現的估計日後現金流量現值的差額計算。

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**Financial instruments (Cont'd)*****Financial assets*** (Cont'd)

Impairment of loans and receivables

The carrying amount of the loans and receivables is reduced by the impairment loss directly for all loans and receivables with the exception of debtors, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

4. 主要會計政策 (續)**金融工具 (續)*****金融資產 (續)***

貸款及應收款項的減值 (續)

所有貸款及應收款項的減值虧損會直接於貸款及應收款項的賬面值中扣減，惟應收賬款除外，其賬面值會透過撥備賬扣減。撥備賬內的賬面值變動會於損益賬中確認。當應收賬款被視為不可收回，其將於撥備賬內撇銷。先前已撇銷的款項如其後收回，將撥回損益賬內。

如在隨後期間，減值虧損金額減少，而有關減少在客觀上與確認減值後發生的事件有關，則先前已確認的減值虧損將透過損益予以撥回，惟該投資於減值被撥回當日的賬面值不得超過未確認減值時的已攤銷成本。

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Financial liabilities, including creditors, borrowings and long-term payable, are subsequently measured at amortised cost, using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds receivable net of direct issued costs.

4. 主要會計政策(續)

金融工具(續)

金融負債及權益

集團實體發行的金融負債及權益工具乃根據所訂立合約安排的內容與金融負債及權益工具的定義分類。

權益工具乃指本集團於扣減其所有負債的資產中擁有剩餘權益的任何合約。

金融負債，包括應付賬款、貸款及長期應付款項，可乃於其後使用實際利息法按攤銷成本計量。

實際利息法為計算金融負債的攤銷成本以及在有關期間內分配所發生的利息支出的方法。實際利率是可準確透過金融負債的預計可用年期或(倘適用)在較短期間內對估計未來現金付款進行折算的利率。

權益工具

本公司發行的權益工具乃按應收款項(扣除直接發行成本)入賬。

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**Financial instruments (Cont'd)*****Derecognition***

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as Lessee

Rental payable under operating leases is charged to the consolidated income statement on a straight-line basis over the relevant lease term. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

4. 主要會計政策 (續)**金融工具 (續)****解除確認**

當從金融資產收取現金流量的權利屆滿，或金融資產被轉讓及本集團已轉讓該項金融資產擁有權的絕大部分風險及回報時，有關金融資產將被解除確認。於解除確認金融資產時，該項資產的賬面值與已收及應收代價及直接於權益確認的累計盈虧的總和間的差額，於損益中確認。

當有關合約所訂明責任獲解除、註銷或屆滿時，金融負債將被解除確認。解除確認的金融負債的賬面值與已付或應付代價間的差額於損益中確認。

租賃

當租賃條款將擁有權的絕大部分風險及回報轉移往承租人時，租賃乃分類為融資租賃。所有其他租賃均分類為經營租賃。

本集團作為承租人

經營租賃的應付租金乃按有關租賃年期以直線法於綜合收益表中扣除。因訂立經營租賃作為獎勵的已收及應收利益，按租賃年期以直線法確認為租金開支減額。

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases.

Foreign currencies

The functional currency of the subsidiaries of the Company in the PRC is Renminbi. The consolidated financial statements are presented in the currency of US dollars because the management considers US dollars are more appropriate in evaluating and controlling the performance of their business.

In preparing the consolidated financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

4. 主要會計政策(續)

租賃土地及樓宇

土地及樓宇租約中的土地及樓宇部分就租賃分類而言獨立處理，除非租賃款項無法於土地與樓宇部分間可靠分配，則在此情況下，整份租約整體視作融資租約處理，列作物業、機器及設備。倘能夠可靠分配租賃款項，則土地租賃權益列作經營租約。

外幣

本公司的中國附屬公司的功能貨幣為人民幣。綜合財務報表的貨幣以美元呈列，因管理層認為以美元評估及監控其業務表現較為適合。

於編製各個別集團實體的綜合財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行的交易均按交易日期的適用匯率換算為功能貨幣(即該實體經營所在主要經濟地區的貨幣)記賬。於各結算日，以外幣為定值的貨幣項目均按結算日的適用匯率重新換算。以外幣的歷史成本計量的非貨幣項目無須重新換算。

於結算及換算貨幣項目時產生的匯兌差額均於彼等產生期間內於損益賬中確認。

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**Foreign currencies (Cont'd)**

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Impairment losses of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. In addition, intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

4. 主要會計政策 (續)**外幣 (續)**

就呈列綜合財務報表而言，本集團海外業務的資產及負債乃按於結算日的適用匯率換算為呈列貨幣，而其收入及支出乃按該年度的平均匯率進行換算。所產生的匯兌差額（如有）乃確認為權益的獨立部分（匯兌儲備）。該等匯兌差額乃於海外業務被出售期間內於損益賬內確認。

有形及無形資產的減值虧損

於各結算日，本集團對其有形及無形資產進行評估，以確認是否存有該等資產存在減值虧損的跡像。此外，擁有永久可使用年期的無形資產不論有否出現減值跡象，均會每年進行減值測試。倘估計資產的可收回金額低於賬面值，則會將有關資產的賬面值調減至其可收回金額。減值虧損即時確認為支出。

倘於其後撥回減值虧損，則該項資產的賬面值將增加至經修訂的估計可收回金額，惟增加後的賬面值不會超逾該項資產倘於過往年度並無確認減值虧損應有的賬面值。減值虧損撥回即時確認為收入。

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees after 7 November 2002 and vested on or after 1 January 2005.

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates, if any, is recognised in profit or loss, with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will continue to be held in share options reserve.

Share options granted to employees after 7 November 2002 and vested before 1 January 2005.

The financial impact of share options granted is not recorded in the consolidated financial statements until such time as the options are exercised, and no charge is recognised in the consolidated income statement in respect of the value of options granted. Upon the exercise of the share options, the resulting shares issued are recorded as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded as share premium. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

4. 主要會計政策 (續)

以股份支付的交易

以股權結算股份付款的交易

於二零零二年十一月七日後授予僱員且於二零零五年一月一日或之後歸屬的購股權。

所獲服務的公平值乃按所授出購股權於授出日期的公平值釐定，並以直線法於歸屬期間列作開支，並相應增加權益(購股權儲備)。

於各結算日，本集團會修訂其對預期可予行使的認股權數目的估計，在損益表確認對原估算修訂(如有)的影響，並對購股權儲備作相應調整。

於購股權獲行使時，先前於購股權儲備中確認的金額將轉撥至股份溢價。當購股權於歸屬日期後被收回或於屆滿日仍未獲行使，則先前於購股權儲備中確認的金額將繼續列入購股權儲備。

二零零二年十一月七日之後後授予僱員且於二零零五年一月一日後歸屬的購股權

直至已授出購股權獲行使之前，已授出購股權的財務影響並無於綜合財務報表記錄，且並無在綜合收益表就已授出購股權的價值確認支出。於行使購股權後，由此已發行的股份乃按股份面值記賬為額外股本，而每股行使價超出股份面值的差額乃記賬為股份溢價。於其行使日期前失效或註銷的購股權，乃自尚未行使購股權登記冊中刪除。

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group makes estimates and assumptions concerning the future in preparing accounting estimates. The resulting accounting estimates may not be equal to the actual results. The key estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimation of useful lives of property, plant and equipment

Management estimates the useful lives of property, plant and equipment. The estimated useful lives are based on the expected lifespan of those property, plant and equipment. The useful lives of property, plant and equipment could change significantly as a result of technical obsolescence. When the actual useful lives of property, plant and equipment due to the change of commercial and technological environment are different from their estimated useful lives, such difference will impact the depreciation charges and the amounts of assets written down for future periods.

Allowance for inventories

The Group makes allowance for inventories based on an assessment of the net realisable value of inventories. Allowances are applied to inventories where events or changes in circumstances indicate that the net realisable value is lower than the cost of inventories. The identification of obsolete inventories requires the use of judgment and estimates on the conditions and usefulness of the inventories.

5. 估計不明朗因素的主要來源

本集團編製會計估計時會作出有關未來的估計及假設，而所得的會計估計未必等於實際業績。下文論述或有重大風險導致調整下一財政年度的資產及負債賬面值的主要估計及假設。

物業、廠房及設備的可使用年期估計

管理層估計物業、廠房及設備的可使用年期。估計可使用年期以該等物業、廠房及設備的預計可使用年限為基準。物業、廠房及設備的可使用年期可能因技術上過時而出現重大變動。倘物業、廠房及設備的實際可使用年期因商業及技術環境變動而有別於估計可使用年期，有關差異則會影響未來期間的折舊費用及所撇減的資產數額。

存貨撥備

本集團根據存貨可變現淨值的估計作出存貨撥備。倘出現事件或情況變動顯示可變現淨值低於存貨成本，則會對存貨作出撥備。陳舊存貨的確定要求對存貨狀況及用途作出判斷及估計。

6. CAPITAL RISK MANAGEMENT

The Group manages its capital to maintain a balance between continuity of funding and the flexibility through the use of bank borrowings. The Group also monitors the current and expected liquidity requirements and its compliance with lending covenants regularly to ensure it maintains sufficient working capital and adequate committed lines of funding to meet its liquidity requirement, and adjust the Group's capital structure by considering the cost of capital and the associated risk with each class of capital.

The capital structure of the Group consists of debts, which includes the borrowings disclosed in Note 23, net of bank balances and equity attributable to equity shareholders of the Company, comprising issued share capital, reserves and retained profits.

7. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's major financial instruments include debtors, pledged bank deposits, bank balances and cash, creditors, borrowings and long-term payable. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

The risk arising from the Group's financial instruments are mainly market risk (foreign currency risk and cash flow interest rate risk), liquidity risk and credit risk. The directors review policies for managing each of these risks and they are summarised below.

6. 資本風險管理

本集團透過利用銀行借款管理其資本，以維持融資的持續性與靈活性之間的平衡。本集團亦定期監察即期及預期流動性需求及信貸合約的合規性，確保維持充足的運營資本及承諾資金額度，以滿足其流動性需求，管理層斟酌資本成本及與各類別資本相關的風險，以調整本集團的資本架構。

本集團的資本架構包括負債（包括附註23所披露借款）、銀行結存及本公司股東應佔權益（包括已發行股本、儲備及保留溢利）。

7. 金融工具

財務風險管理目標及政策

本集團的主要金融工具包括應收賬款、有抵押銀行存款、銀行結存及現金、應付賬款、借款及長期應付賬款。有關該等金融工具的詳情載於各附註內。有關該等金融工具的風險及如何減低該等風險的政策載於下文。本集團管理及監察該等風險，確保能按時及有效採取相應措施。

本集團金融工具的主要風險為市場風險（外匯風險及現金流量利率風險）、流動資金風險及信貸風險。董事審核管理各該等風險的政策並摘要如下。

7. FINANCIAL INSTRUMENTS (Cont'd)

Categories of financial instruments

Financial assets	金融資產
Loans and receivables (including debtors, pledged bank deposits, and bank balances and cash)	貸款及應收賬款 (包括應收賬款、抵押銀行存款以及銀行結存及現金)
Financial liabilities	金融負債
Amortised cost (including creditors, bank borrowings and long term payable)	攤銷成本 (包括應付賬款、銀行貸款及長期應付款)

Foreign currency risk

Several subsidiaries of the Group have sales and purchases transactions denominated in foreign currencies, hence exposures to exchange rate fluctuation arises. The Group matches its assets and liabilities in the same currency as far as possible.

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in foreign currency, that is currency other than the functional currency of the respective group entities at balance sheet date are as follow:

Assets	資產
United States dollars	美元
Liabilities	負債
United States dollars	美元

7. 金融工具 (續)

金融工具種類

2007	2006
US\$'000	US\$'000
千美元	千美元
43,274	38,020
99,679	72,468

外匯風險

本集團的若干附屬公司進行以外匯列值的若干買賣交易，因此面臨匯率波動的風險。本集團盡可能匹配其資產與負債於同種貨幣。

於結算日，本集團以外幣(即各個集團實體功能貨幣以外的貨幣)列值的貨幣資產及貨幣負債的賬面值如下：

2007	2006
US\$'000	US\$'000
千美元	千美元
8,537	7,620
42,902	30,520

7. FINANCIAL INSTRUMENTS (Cont'd)

Foreign currency risk (Cont'd)

The respective subsidiaries are mainly exposed to currency fluctuation of United States dollars.

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in Renminbi, the functional currency of the relevant subsidiaries, against US dollars. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for 5% change in foreign currency rates. A positive number below indicates an increase in profit for the year where Renminbi strengthens 5% against the relevant foreign currencies. For a 5% weakening of Renminbi against the relevant currency, there would be an equal but opposite impact on the profit for the year and the balances below would be negative.

US dollars	美元
Profit for the year	年度溢利

7. 金融工具 (續)

外匯風險 (續)

各附屬公司主要面臨美元匯率波動的風險。

外匯敏感度分析

下表詳列本集團在人民幣(有關附屬公司的功能貨幣)兌美元每上升或下跌5%的敏感度。敏感度分析僅包括尚未兌換的以外幣列值的貨幣項目並於年終按5%的匯率波動調整其匯兌。倘人民幣兌有關外幣上升5%，則如下正數表示年度溢利增加。倘人民幣兌有關貨幣下跌5%，則會對年度溢利產生相等但相反的影響，且以下結餘將為負數。

2007	2006
US\$'000	US\$'000
千美元	千美元
1,460	1,031

7. FINANCIAL INSTRUMENTS (Cont'd)

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of LIBOR, and People's Bank of China lending rate arising from the Group's floating rate borrowings denominated in US dollars and Renminbi (see Note 23 for details of these borrowings). The management monitors and manages its exposure to fluctuation in interest rates.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the borrowings at the balance sheet date which carry interest at floating rates: The analysis is prepared assuming the amount of the borrowings outstanding at the balance sheet date was outstanding for the whole year.

At the balance sheet date, if LIBOR and People's Bank of China lending rate had been increased by 200 basis points and all other variables were held constant, the Group's profit would decrease by approximately US\$844,000 for the year ended 31 December 2007(2006: US\$644,000). If LIBOR and People's Bank of China lending rate had been decreased by 200 basis points, there would be equal but opposite impact on the profit for the year.

7. 金融工具 (續)

現金流量利率風險

現金流量利率風險乃由於市場利率波動而導致金融工具現金流量波動的風險。本集團的現金流利率風險主要集中於源自本集團以美元及人民幣為單位的浮息借貸的倫敦銀行同業拆息及中國人民銀行借貸利率波動。管理層監察及管理利率波動風險。

利率敏感度分析

以下敏感度分析乃基於結算日貸款利率風險而釐定，該等貸款以浮動利率計息。編製該分析乃假設於結算日尚未償還貸款金額於整個年內均未償還。

於各結算日，倘倫敦銀行同業拆息及中國人民銀行借貸利率上升200個基點而所有其他變量維持不變，則本集團截至二零零七年十二月三十一日止年度的溢利將減少約844,000美元(二零零六年：644,000美元)。倘倫敦銀行同業拆息及中國人民銀行借貸利率下跌200個基點，則會對年度溢利產生相等但相反的影響。

7. FINANCIAL INSTRUMENTS (Cont'd)

Credit risk

As at 31 December 2007, the Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheets and the amount of contingent liabilities in relation to the financial guarantee issued by the Group as disclosed in Note 34.

In order to minimise the credit risk, the Group has policies in place for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

Before accepting any new customer, the Group carries out research on the creditability of the new customer and assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed when necessary.

In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date on a monthly basis to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the company consider that the Group's credit risk is significantly reduced.

The credit risk on bank deposits is limited because the counterparties are financial institutions with good credit standing.

Other than concentration of credit risk on bank deposits, which are deposited with several banks with good credit ratings, the Group has no significant concentration of credit risk, with exposure spread over a number of counterparties. Other than the subsidiaries of CR Logic, the parent company, who represents 17% (2006:21%) of the total balance of trade debtors, there is no customers with balance of trade debtors more than 5% of the total balance of trade debtors.

7. 金融工具 (續)

信貸風險

倘交易對手未能履行彼等有關各類已確認金融資產的責任，則本集團於二零零七年十二月三十一日的信貸風險將以綜合資產負債表所列的該等資產賬面值及有關本集團所發出財務擔保的或然負債金額(按附註34所披露)為限。

為減低信貸風險，本集團已有釐定信貸限額、批核信貸額及其他監管程序的政策，以確保能跟進追討有關逾期債務的事宜。

於接納任何新客戶前，本集團就新客戶的信譽度進行調查、評估潛在客戶的信貸質量，並界定客戶的信貸限額。賦予客戶的信貸限額於必要時進行檢討。

此外，本集團會於各月的結算日檢討各項個別貿易債務的可收回金額，以確保就不可收回款項作出足夠減值虧損。就此，本公司董事認為，本集團的信貸風險已大幅減少。

由於交易對手為信貸評級良好的金融機構，故此須承擔的銀行存款信貸風險有限。

除有關銀行存款(儲存於若干信譽良好的銀行)的信貸集中風險外，本集團的信貸風險分散於多個交易對手，並無重大信貸集中風險。除母公司華潤勵致的附屬公司佔貿易應收賬款總結餘17%(二零零六年：21%)外，概無客戶佔貿易應收賬款總結餘超過5%。

7. FINANCIAL INSTRUMENTS (Cont'd)

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. As at 31 December 2007, the Group has available unutilised overdraft and short-term bank loan facilities of approximately US\$21,881,000 (2006: US\$120,544,000) and US\$19,632,000 (2006: US\$9,037,000) respectively.

The financial assets, mainly bank balances and cash and debtors, have maturity of 0 to 90 days.

7. 金融工具 (續)

流動資金風險

為管理本集團的短期、中期及長期資金及符合流動資金管理的要求，董事會已建立一套合適的流動資金風險管理制度，並對流動資金風險管理負上最終責任。本集團透過維持充足的儲備、銀行信貸及儲備借貸，同時持續監控未來及實際現金流量並保持金融資產與負債的到期均衡，藉此管理流動資金風險。於二零零七年十二月三十一日，本集團可動用的未動用透支及短期銀行借貸分別約為21,881,000美元(二零零六年：120,544,000美元)及19,632,000美元(二零零六年：9,037,000美元)。

金融資產主要為銀行結餘及現金以及應收賬款，到期日介乎於0至90天之間。

7. FINANCIAL INSTRUMENTS (Cont'd)

Liquidity risk (Cont'd)

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

		0- 180	181 - 365	1 - 2	2 - 3	Over	Total	
		days	days	years	years	3 years	undiscounted	Carrying
		0至	181至	1至	2至	3年	cash flows	amounts
		180日	365日	2年	3年	以上	未折讓現金	賬面值
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	流量總計	US\$'000
		千美元	千美元	千美元	千美元	千美元	千美元	千美元
As at 31 December 2007	於二零零七年 十二月三十一日							
Non-interest bearing	免息							
Creditors	應付賬款	31,825	—	—	—	—	31,825	31,825
Long-term payable	長期應付賬款	603	603	1,277	1,277	8,147	11,907	9,209
Variable interest rate instruments	浮動利率工具							
Borrowings	借款	43,807	16,231	—	—	—	60,038	58,645
		<u>76,235</u>	<u>16,834</u>	<u>1,277</u>	<u>1,277</u>	<u>8,147</u>	<u>103,770</u>	<u>99,679</u>
As at 31 December 2006	於二零零六年 十二月三十一日							
Non-interest bearing	免息							
Creditors	應付賬款	20,551	—	—	—	—	20,551	20,551
Long-term payable	長期應付賬款	484	484	1,194	1,194	8,822	12,178	9,132
Variable interest rate instruments	浮動利率工具							
Borrowings	借款	18,077	19,205	7,383	—	—	44,665	42,785
		<u>39,112</u>	<u>19,689</u>	<u>8,577</u>	<u>1,194</u>	<u>8,822</u>	<u>77,394</u>	<u>72,468</u>

7. 金融工具 (續)

流動資金風險 (續)

下表詳細載列本集團非衍生金融負債的餘下合約的到期日。下表乃基於本集團於須償還金融負債的最早日期的未折讓現金流量而編製。下表包括利息及本金的現金流量。

7. FINANCIAL INSTRUMENTS (Cont'd)**Liquidity risk (Cont'd)**

At 31 December 2007 and 2006, it was not probable that the counterparty to the financial guarantee contract will claim under the contract. Consequently, the carrying amount of financial guarantee contract of US\$481,000 (2006: US\$515,000) has not been presented above.

Fair value

The fair value of financial assets and financial liabilities at amortised cost are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

8. REVENUE AND SEGMENTAL INFORMATION

Revenue represents revenue arising from sale of 6 inch wafer, and related products, net of discounts and sales related taxes, for the year.

Geographical segment

The Group's primary format for reporting segment information is geographical segment as determined by location of its assets. The Group is operating in mainland China and significant assets, liabilities and capital expenditures are located in mainland China.

7. 金融工具 (續)**流動資金風險 (續)**

於二零零六年及二零零七年十二月三十一日，金融擔保合約的交易對手不會根據該合約提出申索。因此，並無於上文呈列金融擔保合約的賬面值481,000美元(二零零六年：515,000美元)

公允值

金融資產及金融負債(按攤銷成本值)的公允值根據基於折讓現金流量分析的公認定價模式釐定。

董事認為，綜合財務報表中按攤銷成本值列賬的金融資產及金融負債的賬面值與其公允值相若。

8. 收入及分類資料

收入乃於年內銷售6英寸晶圓及相關產品的收入減折讓及與銷售有關的稅項的金額。

地區分類

本集團分類資料的主要呈報形式為按其資產所在地點所作的地區分類。本集團主要在中國大陸經營業務，其主要資產、負債及資本開支均在中國大陸。

8. REVENUE AND SEGMENTAL INFORMATION (Cont'd)

The analysis by geographical segments by location of customers is as follows:

Revenue	收入
Mainland China	中國大陸
Asia, other than the mainland China	中國大陸以外的 亞洲地區
United States	美國
Europe	歐洲

Business segment

The Group has only one business segment which is the manufacturing of 6-inch wafer and related products.

8. 收入及分類資料 (續)

根據客戶地點劃分的地域分類分析如下：

2007	2006
US\$'000	US\$'000
千美元	千美元
101,350	77,413
25,976	21,989
11,737	10,852
3,500	4,048
142,563	114,302

業務分類

本集團僅擁有一項業務分類，即6英寸晶圓及其相關產品的製造。

9. OTHER INCOME

Included in other income are:	計入其他收入的項目為：
Interest on bank deposits	銀行存款利息
Tax refund for re-investment of profit distributed by subsidiaries	附屬公司利潤再投資的退稅
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益
Net foreign exchange gain	匯兌收益淨額

10. FINANCE COSTS

Interest on bank borrowings wholly repayable within five years	須於五年內全部償還的銀行借款利息
Imputed interest expense on long-term payable	長期應付賬款的應計利息支出

9. 其他收入

2007	2006
US\$'000	US\$'000
千美元	千美元
244	339
1,226	2,145
786	529
1,343	1,011

10. 融資成本

2007	2006
US\$'000	US\$'000
千美元	千美元
3,020	3,002
537	529
3,557	3,531

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS 11. 董事及僱員酬金

(a) Directors' emoluments

The emoluments paid or payable to each of the directors for the year ended 31 December 2007 were set out below:

(a) 董事酬金

已付或應付各董事截至二零零七年十二月三十一日止年度的酬金載列如下：

Notes	Fees	Salary	Discretionary bonuses	Inducement fees	Employer's Compensation			Total emoluments
					Other benefits (Note 1)	contribution to pension scheme	for loss of office as director	
附註	袍金	薪金	酌情花紅	加盟酬金	其他福利 (附註1)	僱主養老金計劃供款	董事離職補償	酬金總額
	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
Executive directors:								
Dr. Peter CHEN Cheng-yu								
陳正宇博士	53	163	—	40	22	—	—	278
Mr. Robert LEE Naii	2	13	—	38	15	—	—	260
李乃義先生								
Mr. Elvis DENG Mao-song	3	33	—	35	128	—	—	343
鄧茂松先生								
Non-executive directors:								
Mr. ZHU Jinkun	4	—	—	—	—	—	—	4
朱金坤先生								
Mr. WANG Guoping	4	—	—	—	—	—	—	4
王國平先生								
Mr. Ken ONG Thiam Kin	4	—	—	—	—	—	—	4
王添根先生								
Mr. YU Yu	4	—	—	—	—	—	—	4
俞宇先生								
Mr. CHEN Nanxiang	4	—	—	—	—	—	—	4
陳南翔先生								
Mrs. Kum Loon OON	28	—	—	—	—	—	—	28
溫金鸞女士								
Mr. Mark HSUE Chi Nan	26	—	—	—	—	—	—	26
許奇楠先生								
Mr. Ralph Sytze YBEMA								
Ralph Sytze YBEMA 先生	32	—	—	—	—	—	—	32
	205	504	—	113	165	—	—	987

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(Cont'd)

(a) Directors' emoluments (Cont'd)

The emoluments paid or payable to each of the directors for the year ended 31 December 2006 were set out below:

Notes	Fees	Salary	Discretionary bonuses	Inducement fees	Employer's Compensation			Total emoluments
					Other benefits (Note 1)	contribution to pension scheme	for loss of office as director	
附註	袍金	薪金	酌情花紅	加盟酬金	其他福利 (附註1)	僱主養老金計劃供款	董事離職補償	酬金總額
	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
Executive directors:								
執行董事:								
Dr. Peter CHEN Cheng-yu		100	66	—	24	163	—	353
陳正宇博士								
Mr. Robert LEE Naii	2	69	136	—	31	122	—	358
李乃義先生								
Mr. TSAI Nein Nan	4	6	113	—	24	138	—	281
蔡聯南先生								
Non-executive directors:								
非執行董事:								
Mr. ZHU Jinkun	5	1	—	—	—	—	—	1
朱金坤先生								
Mr. WANG Guoping	5	1	—	—	—	—	—	1
王國平先生								
Mr. Ken ONG Thiam Kin		9	—	—	—	—	—	9
王添根先生								
Mr. YU Yu		8	—	—	—	—	—	8
俞宇先生								
Dr. CHEN Nan-xiang		8	—	—	—	—	—	8
陳南翔先生								
Mr. Paul P. WANG	4	6	—	—	—	—	—	6
王伯元先生								
Mrs. Kum Loon OON		28	—	—	—	—	—	28
溫金鸞女士								
Mr. Mark HSUE Chi Nan		26	—	—	—	—	—	26
許奇楠先生								
Mr. Ralph Sytze YBEMA								
Ralph Sytze YBEMA 先生		33	—	—	—	—	—	33
		295	315	—	79	423	—	1,112

11. 董事及僱員酬金 (續)

(a) 董事酬金 (續)

已付或應付各董事截至二零零六年十二月三十一日止年度的酬金載列如下：

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS 11. 董事及僱員酬金 (續)

(Cont'd)

(a) Directors' emoluments (Cont'd)

Notes:

- (1) Other benefits include share-based payment, housing and other allowances.
- (2) The director was resigned on 1 July 2007.
- (3) The director was appointed on 1 July 2007.
- (4) The directors were resigned on 1 September 2006.
- (5) The directors were appointed on 1 September 2006.

During the year ended 31 December 2007, none of the directors waived any emoluments or has agreed to waive any emoluments (2006: None).

(a) 董事酬金 (續)

附註：

- (1) 其他福利包括基於股份的付款、住房及其他津貼。
- (2) 於二零零七年七月一日辭任的董事。
- (3) 於二零零七年七月一日委任的董事。
- (4) 於二零零六年九月一日辭任的董事。
- (5) 於二零零六年九月一日委任的董事。

於截至二零零七年十二月三十一日止年度，概無董事放棄或同意放棄任何酬金(二零零六年：無)。

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(Cont'd)

(b) Employees' emoluments

The five individuals whose emoluments were the highest in the Group for the year include three (2006: three) directors (including the executive director who ceased to be an executive director during the year) whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2006: two) individuals during the year were as follows:

Basic salaries and allowances	基本薪金及津貼
Bonuses	花紅
Consultancy fee	顧問費用

The emoluments were within the following bands:

HK\$1,000,001 to HK\$2,000,000 (equivalent to approximately US\$128,200 to US\$256,400)	1,000,001 港元至 2,000,000 港元 (相當於約 128,200 美元 至 256,400 美元)
HK\$2,000,001 to HK\$3,000,000 (equivalent to approximately US\$256,400 to US\$384,615)	2,000,001 港元至 3,000,000 港元 (相當於約 256,400 美元至 384,615 美元)

11. 董事及僱員酬金 (續)

(b) 僱員酬金

本集團年內五位最高薪人士包括三位(二零零六年:三位)董事(包括已於年內不再擔任執行董事的人士),其酬金已於上文呈列的分析中予以反映。年內應付餘下兩位人士(二零零六年:兩位)的酬金如下:

2007	2006
US\$'000	US\$'000
千美元	千美元
471	251
83	49
42	96
596	396

酬金分為如下區間:

Number of employees

僱員數目

2007	2006
1	2
1	—
2	2

12. TAXATION

The tax charge comprises:	稅項支出包括：
Current taxation	即期稅項
Hong Kong	香港
PRC Enterprise Income Tax	中國企業所得稅
Deferred taxation (Note 26)	遞延稅項（附註 26）

Hong Kong Profits Tax is calculated at 17.5% on the estimated assessable profits for the year ended 31 December 2007. No provision for Hong Kong Profits Tax has been made for the year ended 31 December 2006 as the Group did not generate any assessable profit arising in Hong Kong during that year.

PRC Enterprise Income Tax (“EIT”) is calculated based on the applicable tax rates on assessable profits. Certain subsidiaries operating in the PRC which are regarded as encouraged technology intensive foreign investment enterprises with foreign investment in excess of US\$30,000,000 have been granted tax concessions by tax authorities and are entitled to PRC Enterprise Income Tax at preferential rate of 15% in 2007. In 2006, a subsidiary of the Company was also further entitled to a 50% reduction in EIT.

12. 稅項

2007	2006
US\$'000	US\$'000
千美元	千美元
91	—
4,041	1,459
(68)	(338)
4,064	1,121

香港利得稅按截至二零零七年十二月三十一日止年度的估計應課稅溢利的17.5%計算。由於本集團於上年內並無源自香港的任何應課稅溢利，故並無就截至二零零六年十二月三十一日止年度的香港利得稅作出撥備。

中國企業所得稅（「企業所得稅」）乃按應課稅溢利適用稅率計算。若干在中國經營的附屬公司為投資超過3,000萬美元的受鼓勵技術密集型外商投資企業，獲稅務當局授予稅收優惠，可於二零零七年享有15%的中國企業所得稅優惠稅率。於二零零六年，本公司一家附屬公司亦進一步享有50%企業所得稅減免。

12. TAXATION (Cont'd)

On 16 March 2007, the People's Republic of China promulgated the Law of the People's Republic of China on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the People's Republic of China. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will unify the tax rate to 25% from 1 January 2008.

With effect from 1 January 2008, if the subsidiaries are qualified as High and New Technology Enterprise (under the new PRC Enterprise Income Tax Law), the subsidiaries will be entitled a rate of 15%.

Details of the deferred taxation are set out in Note 26.

The tax charge for the year can be reconciled to the profit before taxation per the consolidated income statement as follows:

Profit before taxation	除稅前溢利
Tax at the applicable tax rate of 15%	15% 的適用稅率計算的稅項
Tax effect of expenses not deductible for tax purpose	不能為稅項目的扣減的開支的稅務影響
Tax effect of income not taxable for tax purpose	不能為稅項目的課稅的收入稅務影響
Tax effect of tax losses not recognised	未經確認的稅項虧損的稅務影響
Utilisation of tax losses previously not recognised	動用以前未經確認的稅項虧損
Increase in deferred tax liability resulting from an increase in applicable tax rate	因適用稅率增加導致的遞延稅項負債增加
Tax effect of 50% relief on income tax	50% 所得稅減免影響
Effect of different tax rates of subsidiaries	各附屬公司適用不同稅率的影響
Others	其他
Tax charge for the year	年度稅項支出

12. 稅項 (續)

於二零零七年三月十六日，中華人民共和國頒佈《中華人民共和國企業所得稅法》(「新稅法」)(中華人民共和國主席令第63號)。於二零零七年十二月六日，中國國務院發佈新稅法實施條例。新稅法及實施條例將統一稅率至25%，自二零零八年一月一日起生效。

自二零零八年一月一日起，倘附屬公司根據新稅法符合資格成為高新技術企業，則該等附屬公司將享有15%稅率。

有關遞延稅項的詳情載於附註26。

年度稅項支出可與綜合收益表的除稅前溢利對賬如下：

2007	2006
US\$'000	US\$'000
千美元	千美元
17,538	7,487
2,631	1,123
35	17
(292)	(323)
2,667	1,424
(47)	(187)
—	(281)
—	(781)
(909)	131
(21)	(2)
4,064	1,121

13. PROFIT FOR THE YEAR

13. 年度溢利

		2007	2006
		US\$'000	US\$'000
		千美元	千美元
Profit for the year has been arrived at after charging (crediting):	於扣除（計入）以下項目後達致的年度溢利：		
Auditors' remuneration	核數師酬金	223	220
Depreciation of property, plant and equipment	物業、廠房及設備折舊	21,063	22,633
Amortisation of prepaid lease payments on land use rights	土地使用權預付租金攤銷	13	12
Amortisation of intangible assets	無形資產攤銷	954	630
Staff costs	僱員成本		
Directors' emoluments	董事酬金	987	1,112
Other staff	其他僱員		
– Salaries and other benefits	– 薪金及其他福利	19,976	12,722
– Retirement benefits scheme contribution	– 退休福利計劃供款	2,163	1,310
Impairment loss recognised in respect of property, plant and equipment	物業、廠房及設備的已確認減值虧損	365	1,820
Impairment losses on (reversal of impairment) on debtors	應收賬款減值虧損（撥回虧損）	208	(10)
Operating lease rental paid in respect of rental premises	就租賃物業已付的經營租賃租金	1,873	1,828
Write down of inventories to net realisable value	存貨撇減至可變現淨值	726	2,002

14. DIVIDENDS

The directors do not recommend the payment of a dividend for the year ended 31 December 2007 (2006:Nil)

15. 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:

14. 股息

董事不建議派付截至二零零七年十二月三十一日止年度的股息(二零零六年：無)。

15. 每股盈利

本公司普通股持有人應佔每股基本及攤薄盈利乃基於下列數據計算：

		2007	2006
		US\$'000	US\$'000
		千美元	千美元
Earnings	盈利		
Earnings for the purpose of basic and diluted earnings per share	就每股基本及攤薄盈利而言的盈利	13,474	6,366
Number of shares	股份數目	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	就每股基本盈利而言的普通股加權平均數	2,731,704	2,701,158
Effect of dilutive potential ordinary shares:	普通股攤薄潛在影響：		
Share options – Equity Incentive Plan	購股權 – 股份獎勵計劃	30,822	36,454
Share options – Share Option Scheme	購股權 – 購股權計劃	5,627	1,099
Weighted average number of ordinary shares for the purpose of diluted earnings per share	就每股攤薄盈利而言的普通股加權平均數	2,768,153	2,738,711

16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Leasehold improvements 租賃資產 改良工程	Furniture and fixtures 傢俱及裝置	Machinery 機器	Facility equipment 設施設備	Motor vehicles 汽車	Construction in progress 在建工程	Total 總計
		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
2006	二零零六年							
AT COST	按成本值							
At 1 January 2006	於二零零六年 一月一日	1,951	4,371	140,495	14,553	598	46,683	208,651
Exchange adjustments	匯兌調整	86	139	4,865	492	20	2,460	8,062
Additions	添置	—	884	841	54	173	34,558	36,510
Disposals	出售	—	(405)	(28)	—	(53)	—	(486)
Transfers between categories	分類間轉撥	273	123	8,836	4,876	84	(14,192)	—
At 31 December 2006	於二零零六年 十二月三十一日	2,310	5,112	155,009	19,975	822	69,509	252,737
DEPRECIATION AND IMPAIRMENT	折舊及減值							
At 1 January 2006	於二零零六年 一月一日	(148)	(1,380)	(45,798)	(3,524)	(275)	—	(51,125)
Exchange adjustments	匯兌調整	(35)	(45)	(1,969)	(121)	(11)	—	(2,181)
Provided for the year	年度撥備	(448)	(660)	(19,696)	(1,731)	(98)	—	(22,633)
Eliminated on disposals	於出售時撇銷	—	287	12	—	33	—	332
Impairment loss recognised in the income statement	已於收益表確認 的減值虧損	—	—	(1,820)	—	—	—	(1,820)
At 31 December 2006	於二零零六年 十二月三十一日	(631)	(1,798)	(69,271)	(5,376)	(351)	—	(77,427)
CARRYING VALUES	賬面值							
At 31 December 2006	於二零零六年 十二月三十一日	1,679	3,314	85,738	14,599	471	69,509	175,310

16. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

16. 物業、廠房及設備 (續)

		Leasehold improvements 租賃資產 改良工程	Furniture and fixtures 傢俱及裝置	Machinery 機器	Facility equipment 設施設備	Motor vehicles 汽車	Construction in progress 在建工程	Total 總計
		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
2007	二零零七年							
AT COST	按成本值							
At 1 January 2007	於二零零七年 一月一日	2,310	5,112	155,009	19,975	822	69,509	252,737
Exchange adjustments	匯兌調整	138	352	10,664	1,421	57	4,790	17,422
Additions	添置	313	247	10,170	54	10	44,658	55,452
Disposals	出售	—	(121)	(811)	—	—	—	(932)
Transfers between categories	分類間轉撥	—	1,001	30,869	2,210	43	(34,123)	—
At 31 December 2007	於二零零七年 十二月三十一日	2,761	6,591	205,901	23,660	932	84,834	324,679
DEPRECIATION AND IMPAIRMENT	折舊及減值							
At 1 January 2007	於二零零七年 一月一日	(631)	(1,798)	(69,271)	(5,376)	(351)	—	(77,427)
Exchange adjustments	匯兌調整	(22)	(124)	(3,303)	(1,878)	(24)	—	(5,351)
Provided for the year	年度撥備	(561)	(1,028)	(16,938)	(2,421)	(115)	—	(21,063)
Eliminated on disposals	於出售時撇銷	—	89	315	—	—	—	404
Impairment loss recognised in the income statement	已於收益表確認 的減值虧損	—	—	(365)	—	—	—	(365)
At 31 December 2007	於二零零七年 十二月三十一日	(1,214)	(2,861)	(89,562)	(9,675)	(490)	—	(103,802)
CARRYING VALUES	賬面值							
At 31 December 2007	於二零零七年 十二月三十一日	1,547	3,730	116,339	13,985	442	84,834	220,877

17. PREPAID LEASE PAYMENTS ON LAND USE RIGHTS 17. 土地使用權預付租金

		2007	2006
		US\$'000	US\$'000
		千美元	千美元
At beginning of year	年初	561	554
Amortisation of prepaid lease payment on land use rights	土地使用權預付租金攤銷		
		(13)	(12)
Exchange adjustments	匯兌調整	38	19
At end of year	年終	586	561

The Group's prepaid lease payments on land use rights comprise leasehold land in the mainland China under medium-term lease.

本集團的土地使用權預付租金包括於中國大陸以中期租約持有的租賃土地。

The Group's interests in land use rights have been pledged to secure certain banking facilities granted to the Group.

本集團已將於土地使用權的權益抵押，以擔保本集團若干銀行信貸。

18. INTANGIBLE ASSETS

18. 無形資產

		Technology knowhow 技術知識	Computer software 電腦軟件	Total 總計
		US\$'000 千美元	US\$'000 千美元	US\$'000 千美元
COST				
At 1 January 2006	於二零零六年一月一日	—	2,770	2,770
Exchange adjustments	匯兌調整	109	106	215
Additions	添置	4,468	560	5,028
At 31 December 2006	於二零零六年十二月三十一日	4,577	3,436	8,013
AMORTISATION				
At 1 January 2006	於二零零六年一月一日	—	(379)	(379)
Exchange adjustments	匯兌調整	(4)	(24)	(28)
Charge for the year	年度支出	(187)	(443)	(630)
At 31 December 2006	於二零零六年十二月三十一日	(191)	(846)	(1,037)
CARRYING VALUES				
At 31 December 2006	於二零零六年十二月三十一日	4,386	2,590	6,976
COST				
At 1 January 2007	於二零零七年一月一日	4,577	3,436	8,013
Exchange adjustments	匯兌調整	319	237	556
Additions	添置	—	806	806
At 31 December 2007	於二零零七年十二月三十一日	4,896	4,479	9,375
AMORTISATION				
At 1 January 2007	於二零零七年一月一日	(191)	(846)	(1,037)
Exchange adjustments	匯兌調整	(17)	(59)	(76)
Charge for the year	年度支出	(408)	(546)	(954)
At 31 December 2007	於二零零七年十二月三十一日	(616)	(1,451)	(2,067)
CARRYING VALUES				
At 31 December 2007	於二零零七年十二月三十一日	4,280	3,028	7,308

18. INTANGIBLE ASSETS (Cont'd)

Technology knowhow comprises the acquired rights to use certain technologies for the manufacturing of wafer products. The amortization period adopted for licensed technology knowhow is 12 years.

19. INVENTORIES

Raw materials	原材料
Work-in-progress	在製品
Finished goods	製成品
Spare parts	備件

18. 無形資產 (續)

技術知識包括購入的某些製造晶圓產品技術使用權利。特許技術知識採用的攤銷期為十二年。

19. 存貨

2007	2006
US\$'000	US\$'000
千美元	千美元
7,500	6,966
9,888	10,372
6,026	3,808
7,310	6,084
30,724	27,230

20. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group generally allows credit periods ranging from 0 to 90 days to its trade customers. The aged analysis of debtors, including notes receivable with maturity period of 180 days, net of allowance for doubtful debts, 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 debtors was US\$3,729,000 (2006: US\$3,298,000) due from subsidiaries of China Resources Logic Limited, the parent of the Group, arising from transactions carried out in the ordinary course of business of the Group. These amounts are unsecured, interest free and repayable within the credit periods similar to those offered by the Group to its major customers.

20. 應收賬款、按金及預付款項

本集團一般授予顧客0-90天的信貸期。包括於180內到期的應收票據之應收賬款(減去呆賬撥備後)的賬齡分析如下：

2007	2006
US\$'000	US\$'000
千美元	千美元
17,630	13,759
1,118	1,527
3,425	215
196	—
22,369	15,501

應收賬款包括3,729,000美元(二零零六年：3,298,000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本集團母公司華潤勵致有限公司的附屬公司的款項。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。

20. DEBTORS, DEPOSITS AND PREPAYMENTS

(Cont'd)

Included in the Group's debtors are debtors with a carrying amount of US\$2,057,000 (2006: US\$1,637,000) which denominated in US (that is the currency other than the functional currencies of the respective group entities.)

Ageing of debtors which are past due but not impaired

0-60 days	0-60 天
61-90 days	61-90 天
91-180 days	91-180 天
Over 180 days	超過 180 天

The Group has not provided impairment as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Other debtors that are neither past due nor impaired have been subsequently settled or have active business relationship with the Group.

Included in the allowance for doubtful debts are individually impaired trade receivables with balance of US\$510,000 (2006: US\$436,000) which have either been placed under liquidation or have been long outstanding without settlement nor having any business relationship with the Group. The Group does not hold any collateral over these balances.

20. 應收賬款、按金及預付款項 (續)

本集團的應收賬款包括賬面值為 2,057,000 美元 (二零零六年：1,637,000 美元) 的應收賬款，以美元為單位 (即各個集團實體的功能貨幣以外的貨幣)。

到期但未減值的應收賬款賬齡

2007	2006
US\$'000	US\$'000
千美元	千美元
—	—
425	512
318	215
196	—
939	727

由於信貸質素無重大變動且該等款項仍認為可收回，故本集團並未就該等賬款作出撥備。本集團並未就該等結餘持有任何抵押品。

其他未逾期或減值的應收賬款已於期後償付或與本集團有著活躍業務關係。

呆賬撥備包括結餘為 510,000 美元 (二零零六年：436,000 美元)，已被列入清盤範圍或欠負已久並未償還，與本集團亦無業務關係的個別減值應收貿易賬款。本集團並未就該等結餘持有任何抵押品。

20. DEBTORS, DEPOSITS AND PREPAYMENTS

(Cont'd)

Movement in the allowance for doubtful debts

Balance at beginning of the year	年初結餘	436	446
Exchange adjustments	匯兌調整	17	—
Amounts written off as uncollectible	撇銷為呆賬的金額	(151)	—
Impairment losses recognised on receivables	就應收款項撥回的減值虧損	208	—
Impairment losses reversed	撥回減值虧損	—	(10)
		510	436

21. BANK BALANCES/PLEGDED BANK DEPOSITS

Bank balances and pledged bank deposits carry interest at market rates ranging from 0.72% to 1.53%.

Pledged bank deposits represents deposits pledged to banks to secure bank facilities granted to the Group.

Included in the Group's bank balances are bank balances with a carrying amount of US\$ 6,480,000 (2006: US\$ 5,983,000) which are denominated in US dollars (that is the currency other than the functional currencies of the respective group entities).

20. 應收賬款、按金及預付款項 (續)

呆賬撥備變動

2007	2006
US\$'000	US\$'000
千美元	千美元
436	446
17	—
(151)	—
208	—
—	(10)
510	436

21. 銀行結餘／有抵押銀行存款

銀行結餘及有抵押銀行存款按市場利率介乎0.72厘至1.53厘計息。

有抵押銀行存款指抵押予銀行以擔保授予本集團的銀行融資。

本集團的銀行結餘包括賬面值6,480,000美元(二零零六年: 5,983,000美元)的銀行結餘,以美元為單位(即各個集團實體的功能貨幣以外的貨幣)。

22. CREDITORS AND ACCRUED CHARGES

The aged analysis of creditors, including notes payable, 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 trade creditors was US\$6,252,000 (2006: US\$1,271,000) due to subsidiaries of China Resources Logic Limited, the parent of the Group, arising from transactions carried out in the ordinary course of business of the Group. These amounts are unsecured, interest free and repayable within the credit periods similar to those offered by the Group by its major suppliers.

The average credit period on purchases of goods is 60 days. The notes payable have maturity period of 180 days.

Included in the Group's creditors are creditors with a carrying amount of US\$8,487,000 (2006: US\$4,520,000) which denominated in US dollars (that is the currency other than the functional currencies of the respective group entities).

22. 應付賬款及應計費用

計入應付賬款及應計費用的應付賬款(包括應付票據)的賬齡分析如下:

2007	2006
US\$'000	US\$'000
千美元	千美元
22,826	18,977
3,226	393
5,075	24
698	1,157
31,825	20,551

應付貿易賬款包括6,252,000美元(二零零六年: 1,271,000美元)因本集團於日常業務過程中產生欠負本集團母公司華潤勵致有限公司的附屬公司的款項。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。

購買商品的平均信貸期為60天。應付票據於180天內到期。

本集團的應付賬款包括賬面值8,487,000美元(二零零六年: 4,520,000美元)的應付賬款,以美元為單位(即各個集團實體的功能貨幣以外的貨幣)。

23. BORROWINGS

Secured bank loans	已抵押銀行貸款
Unsecured bank loans	無抵押銀行貸款
Less: Amount due within one year shown under current liabilities	減：流動負債項下一年內到期的款項
Amount due after one year shown as non-current liabilities	非流動負債項下一年後到期的款項

The balances of the bank loans comprises of LIBOR plus margin bank borrowing, People's Bank of China lending rate plus margin and fixed interest rate bank loans amounting to US\$ 41,368,000 (2006: US\$ 25,537,000), US\$ 8,276,000 (2006: US\$10,248,000) and US\$ 9,001,000 (2006: US\$ 7,000,000) respectively, with effective interest rate of 5.74% (2006: 6.14%) per annum.

23. 借貸

2007	2006
US\$'000	US\$'000
千美元	千美元
9,800	15,306
48,845	27,479
58,645	42,785
(58,645)	(35,785)
—	7,000

銀行貸款結餘包括倫敦銀行同業拆息再加息銀行借貸、中國人民銀行借貸利率再加息銀行貸款及固定利率銀行貸款，分別達41,368,000美元（二零零六年：25,537,000美元）、8,276,000美元（二零零六年：10,248,000美元）及9,001,000美元（二零零六年：7,000,000美元），實際年率為5.74厘（二零零六年：6.14厘）。

23. BORROWINGS (Cont'd)

The Group's borrowings that are denominated in the currency other than the functional currencies of the respective group entities are set out below:

United States Dollars 美元

Included in the borrowings was a US\$2,800,000 short term loan secured by machineries and facility equipment with an aggregate net book value of US\$1,969,000 (2006: US\$25,644,000) and another US\$7,000,000 current portion long term loan secured by land use right with a net book value of US\$586,000 (2006:US\$561,000).

23. 借貸 (續)

以各個集團實體的功能貨幣以外的貨幣為單位的本集團借貸如下：

2007	2006
US\$'000	US\$'000
千美元	千美元
34,415	26,000

借貸包括短期貸款2,800,000美元，以合計賬面淨值1,969,000美元（2006：25,644,000美元）的機器及設施設備作抵押，另外長期貸款的即期部分7,000,000美元則以賬面淨值586,000美元（2006：561,000美元）的土地使用權作抵押。

24. SHARE CAPITAL OF THE COMPANY

24. 本公司股本

		Number of shares 股份數目	Amount 款項
		'000 千股	US\$'000 千美元
At 1 January 2006	於二零零六年一月一日	2,677,534	34,327
Shares issued under Equity Incentive Plan	根據股份獎勵計劃發行的股份	51,965	667
Repurchase of shares	購回股份	(3,655)	(47)
		<u>2,725,844</u>	<u>34,947</u>
At 31 December 2006	於二零零六年十二月三十一日	<u>2,725,844</u>	<u>34,947</u>
Shares issued under Equity Incentive Plan	根據股份獎勵計劃發行的股份	13,297	170
Shares issued under Share Option Scheme	根據購股權計劃發行的股份	2,150	28
		<u>2,741,291</u>	<u>35,145</u>
At 31 December 2007	於二零零七年十二月三十一日	<u>2,741,291</u>	<u>35,145</u>

The total authorised number of ordinary shares is 10 billion shares (2006: 10 billion shares) with a par value of HK\$0.1 per share (2006: HK\$0.1 per share).

普通股的法定總數目為10,000,000,000股(二零零六年：10,000,000,000股)，其票面值為每股0.1港元(二零零六年：每股0.1港元)。

Details of the Group's Equity Incentive Plan and Share Options Scheme are set out in Note 27.

本集團的股份獎勵計劃及購股權計劃詳情載於附註27。

25. LONG TERM PAYABLE

The Group entered into an agreement to acquire certain machinery and equipment and technical know-how related to the manufacturing of wafers in 2006. At the balance sheet date, the amounts payable are as follows:

Gross long-term payable - minimum payments:

Within one year	一年之內	1,206	967
In the second to fifth year inclusive	第二至第五年（包括首尾兩年）	5,106	4,777
After five years	五年以上	5,595	6,434

Future finance charges on long-term payable 長期應付款的未來財務成本

11,907

12,178

(2,698)

(3,046)

Present value of long-term payable 長期應付款現值

9,209

9,132

The present value of long-term payable is as follows:

Within one year	一年以內	742	644
In the second to fifth year inclusive	第二至第五年（包括首尾兩年）	3,707	3,015
After five years	五年以上	4,760	5,473

9,209

9,132

Less: Amount due to settlement within 12 months (included in creditors and accrued charges)

減：須於 12 個月內結算的款項（已計入應付賬款及應計費用）

(742)

(644)

Amount due for settlement after 12 months

須於 12 個月後結算的款項

8,467

8,488

The present values are based on cash flows discounted using a rate of 5.85%. (2006:5.85%)

25. 長期應付賬項

本集團已訂立一份於二零零六年購置若干有關製造晶圓的機器及設備和技術知識的協議。於結算日，應付賬款如下：

2007	2006
US\$'000 千美元	US\$'000 千美元
長期應付款總額－最低付款：	
1,206	967
5,106	4,777
5,595	6,434
11,907	12,178
(2,698)	(3,046)
9,209	9,132
長期應付款的現值如下：	
742	644
3,707	3,015
4,760	5,473
9,209	9,132
(742)	(644)
8,467	8,488

現值乃根據將現金流量按5.85%（二零零六年5.85%）為基礎的比率貼現計算。

26. DEFERRED TAXATION

The following are the deferred tax assets recognised and movements thereon during the current and prior years:

		Impairment		
		on assets	Tax losses	Total
		資產減值	稅項虧損	總計
		US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元
At 1 January 2006	於二零零六年一月一日	291	88	379
Credited (charged) to consolidated income statement for the year	於本年度綜合收益表內計入(扣除)	426	(88)	338
At 31 December 2006	於二零零六年十二月三十一日	717	—	717
Exchange differences	匯兌調整	52	—	52
Credited to consolidated income statement for the year	於本年度綜合收益表內計入	68	—	68
At 31 December 2007	於二零零七年十二月三十一日	837	—	837

At balance sheet date, the Group had unused tax losses of US\$19,107,000 (2006: US\$9,469,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to unpredictability of future profit streams.

26. 遞延稅項

以下為本年度及過往年度已確認遞延稅項資產及其變動：

		Impairment		
		on assets	Tax losses	Total
		資產減值	稅項虧損	總計
		US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元
At 1 January 2006	於二零零六年一月一日	291	88	379
Credited (charged) to consolidated income statement for the year	於本年度綜合收益表內計入(扣除)	426	(88)	338
At 31 December 2006	於二零零六年十二月三十一日	717	—	717
Exchange differences	匯兌調整	52	—	52
Credited to consolidated income statement for the year	於本年度綜合收益表內計入	68	—	68
At 31 December 2007	於二零零七年十二月三十一日	837	—	837

於結算日，本集團有19,107,000美元（二零零六年：9,469,000美元）的未動用稅項虧損可抵銷未來溢利。由於未來溢利無法預測，故並無就有關虧損確認遞延稅項資產。

27. SHARE-BASED COMPENSATION

(a) Equity Incentive Plan

The Company, as approved by its shareholders by way of ordinary resolution, adopted an “Equity Incentive Plan” (the “Plan”) on 8 May 2004. Under the Plan the Company may allocate the Company’s shares to full time employees of the Company and its subsidiaries, and the directors (the “participants”). The objective of the Plan is to share the pride of ownership among the executives and employees of the Group and to reward their performance and contribution. The term of the Plan is ten years from the date of adoption.

Under the Plan, the total number of shares which may fall to be issued must not exceed 15% of the shares of the Company in issue from time to time. The initial total plan amount, as approved by the shareholders on 8 May 2004 by way of ordinary resolution, is fixed at 246,900,000 shares. Furthermore, the total number of Shares issued and to be issued to any Selected Employee in any twelve (12) month period pursuant to any Awards shall not exceed one (1) per cent. of the total number of Shares in issue.

27. 以股份支付的報酬

(a) 股份獎勵計劃

本公司股東於二零零四年五月八日通過普通決議案，批准採納「股份獎勵計劃」（「計劃」）。根據計劃，本公司可向本公司及其附屬公司的全職僱員及董事（「參與者」）分配本公司的股份。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。計劃自採納日期起計為期十年。

根據計劃，可能將予發行的股份總數不得超過本公司不時已發行股份的15%。初步計劃總數目經股東於二零零四年五月八日透過普通決議案批准固定為246,900,000股。此外，根據任何獎勵於任何十二(12)個月期間已發行及將予發行予任何經選定僱員的股份總數，不得超過已發行股份總數的百分之一(1)。

27. SHARE-BASED COMPENSATION (Cont'd)**(a) Equity Incentive Plan (Cont'd)**

In general, the shares allocated under the Plan will vest in equal portions over a period of four years commencing from the date of the grant or in such other proportions as the Remuneration Committee may otherwise specify at the time of the allocation of shares at intervals of every twelve calendar months to the participants. Shares allocated will only be issued once they vest and formal applications from the respective participants are received. An administration fee of US\$0.01 per share is payable by the participant upon application. Such vested and applied for shares will be issued to the participants as bonus shares.

No shares were allocated under the Plan in the year 2007. The fair value of the shares granted under the Plan in 2006 determined using the binomial model were HK\$0.30 (granted in January 2006) and HK\$0.33 (granted in May 2006). The significant inputs into the model were share price at the grant date of HK\$0.38 (granted in January 2006) and HK\$0.41 (granted in May 2006), exercise price of HK\$0.078, expected dividend pay out rate of 0%, annual risk-free interest rate for shares vested 1, 2, 3 and 4 years after grant date are 1.08%, 1.38%, 1.69% and 1.99% respectively and volatility rate of 27.7%. The volatility is measured based on the volatility return on Hang Seng Index for the past ten years.

27. 以股份支付的報酬(續)**(a) 股份獎勵計劃(續)**

總括而言，根據計劃分配的股份將自發出日期起計的四年內按相同份額或薪酬委員會在股份分配時指定的比例每十二個月撥歸參與者名下。已分配的股份將僅於該等股票已歸屬有關人士名下及已收取有關參與者的正式申請後方可予以發行。參與者於提出申請時應付每股0.01美元的行政費用。該等已被歸屬及提出申請的股份將以紅股方式授予參與者。

於二零零七年度，並無根據計劃配發任何股份。於二零零六年，利用二項式模式釐定按計劃所授出股份的公平值為0.30港元（於二零零六年一月授出）及0.33港元（於二零零六年五月授出）。該模式所用的重要數據為授出日期的股價0.38港元（於二零零六年一月授出）及0.41港元（於二零零六年五月授出）、行使價0.078港元、預期派發的股息率0%及於授出日期後1、2、3及4年歸屬的股份的無風險年利率分別為1.08%、1.38%、1.69%及1.99%、波幅率為27.7%。波幅率乃根據過去十年恒生指數的波幅率回報計量。

27. SHARE-BASED COMPENSATION (Cont'd)

27. 以股份支付的報酬 (續)

(a) Equity Incentive Plan (Cont'd)

(a) 股份獎勵計劃 (續)

Details of the shares under the Plan are as follows:

計劃項下的股票詳情如下：

		Outstanding at 1 January 2007 於二零零七年 一月一日 尚未歸屬	Allocated during the year 已於年內 分配	Exercised during the year 已於年內 行使	Cancelled during the year 已於年內 註銷	Outstanding at 31 December 2007 於二零零七年 十二月三十一日 尚未歸屬	Exercise price (in HK\$) 行使價 (港元)	Grant date 授出日	Exercisable until 可行使終止日
		'000 千元	'000 千元	'000 千元	'000 千元	'000 千元			
Directors	董事								
— Peter CHEN Cheng-yu	— 陳正宇	2,330	—	—	—	2,330	0.078	1 October 2003 二零零三年 十月一日	7 May 2013 二零一三年 五月七日
— Robert LEE Nai*	— 李乃義*	1,665	—	—	—	1,665	0.078	1 October 2003 二零零三年 十月一日	7 May 2013 二零一三年 五月七日
— Elvis DENG Mao-song**	— 鄧茂松**	1,330	—	1,330	—	—	0.078	1 October 2003 二零零三年 十月一日	7 May 2013 二零一三年 五月七日
		26,149	—	6,968	993	18,188	0.078	1 October 2003 二零零三年 十月一日	7 May 2013 二零一三年 五月七日
Managements and employees	管理人員及僱員	6,737	—	3,829	599	2,309	0.078	26 January 2005 二零零五年 一月二十六日	7 May 2013 二零一三年 五月七日
		5,632	—	1,575	1,513	2,544	0.078	2 January 2006 二零零六年 一月二日	7 May 2013 二零一三年 五月七日
		2,040	—	260	578	1,202	0.078	16 May 2006 二零零六年 五月十六日	7 May 2013 二零一三年 五月七日
Total	總數	45,883	—	13,962	3,683	28,238			
Exercisable at the end of the year	年底可行權股數					23,634			
Weighted average exercise price (HK\$)	加權平均行權 價格(HK\$)	0.078	0.078	0.078	0.078	0.078			

27. SHARE-BASED COMPENSATION (Cont'd)

27. 以股份支付的報酬(續)

(a) Equity Incentive Plan (Cont'd)

(a) 股份獎勵計劃(續)

		Outstanding Outstanding at 1 January 2006 於二零零六年 一月一日 尚未歸屬	Allocated during the year 已於年內 分配	Exercised during the year 已於年內 行使	Cancelled during the year 已於年內 註銷	Outstanding Outstanding at 31 December 2006 於二零零六年 十二月三十一日 尚未歸屬	Exercise price (in HK\$) 行使價 (港元)	Grant date 授出日	Exercisable until 可行使終止日
		'000	'000	'000	'000	'000			
Directors	董事								
— Peter CHEN Cheng-yu	陳正宇	4,665	—	2,335	—	2,330	0.078	1 October 2003 二零零三年 十月一日	7 May 2013 二零一三年 五月七日
— Robert LEE Naii*	李乃義*	3,332	—	1,667	—	1,665	0.078	1 October 2003 二零零三年 十月一日	7 May 2013 二零一三年 五月七日
— TSAI Nein-nan ***	蔡聯南***	2,665	—	1,335	—	1,330	0.078	1 October 2003 二零零三年 十月一日	7 May 2013 二零一三年 五月七日
		52,633	—	20,998	5,486	26,149	0.078	1 October 2003 二零零三年 十月一日	7 May 2013 二零一三年 五月七日
Managements and employees	管理人員及僱員	19,124	—	8,066	4,321	6,737	0.078	26 January 2005 二零零五年 一月二十六日	7 May 2013 二零一三年 五月七日
		—	12,300	6,668	—	5,632	0.078	2 January 2006 二零零六年 一月二日	7 May 2013 二零一三年 五月七日
		—	15,599	10,896	2,663	2,040	0.078	16 May 2006 二零零六年 五月十六日	7 May 2013 二零一三年 五月七日
Total	總數	82,419	27,899	51,965	12,470	45,883			
Exercisable at the end of the year	年底可行權股數					18,034			
Weighted average exercise price (HK\$)	加權平均行權 價格(HK\$)	0.078	0.078	0.078	0.078	0.078			

Note:

- * 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.
- *** Mr. TSAI Nein-nan resigned as an Executive Director of the Company from 1 September 2006.

附註：

- * 李乃義先生由二零零七年七月一日起辭任本公司執行董事及總裁。
- ** 鄧茂松先生由二零零七年七月一日起獲委任為本公司執行董事及總裁。
- *** 蔡聯南先生由二零零六年九月一日起辭任本公司執行董事。

27. SHARE-BASED COMPENSATION (Cont'd)

(b) Share Options Scheme

The Company, as approved by its shareholders by way of ordinary resolution, adopted a "Share Option Scheme" (the "Scheme") on 27 May 2005. Under the Scheme, the Company may issue options to the directors and employees of the Company and its subsidiaries and any advisors, consultants, distributors, contractors, contract manufacturers, suppliers, agents, customers, business partners, joint venture business partners, service providers of the Company and its subsidiaries (the "Scheme participants"). The objective of the Scheme is to provide the Scheme participants with the opportunity to acquire proprietary interests in the Company and to encourage the Scheme participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. The term of the Scheme is 10 years from the date of adoption.

The exercise price is determined by the Remuneration Committee, a committee of the Board comprising two independent non-executive Directors and a non-executive Director as established by the Board, from time to time, at its absolute discretion and notified to the participant in the offer and shall not be less than the higher of :

- the closing price of the shares as stated in the daily quotations sheet issued by The Stock Exchange of Hong Kong Limited on the date of grant;

27. 以股份支付的報酬(續)

(b) 購股權計劃

經本公司股東以普通決議案方式批准，本公司於二零零五年五月二十七日採納一項「購股權計劃」。根據購股權計劃，本公司可向本公司及其附屬公司的董事及僱員，以及任何本公司及其附屬公司的專業顧問、顧問、分銷商、承包商、承包生產商、供應商代理、客戶、商業夥伴、合營企業夥伴（「計劃參與者」）授出購股權。購股權計劃的目的是讓計劃參與者有機會收購本公司的所有權權益，並鼓勵計劃參與者致力為本公司及其股東的整體利益提升本公司及其股份的價值。購股權計劃的年期由採納日期起計為期十年。

行使價須由董事會屬下的薪酬委員會（由兩名獨立非執行董事及非執行董事組成）不時酌情決定並知會獲要約的參與者，行使價不得低於以下各項中的較高者：

- 於授出日期香港聯合交易所有限公司發出的日報表所列的股份收市價；

27. SHARE-BASED COMPENSATION (Cont'd)**(b) Share Options Scheme**

- the average closing price of the Shares as stated in the daily quotations sheets issued by The Stock Exchange of Hong Kong Limited for the five business days immediately preceding the date of grant; and
- the nominal value of a Share on the date of grant.

Based on the approval of Remuneration Committee, the share options allocated under the Scheme during the year will vest in equal portions over a period of four years commencing from the commencement of the "Vesting Date" as approved by the Remuneration Committee.

Share options granted under the scheme in 28 May 2007 subject to one-year vesting period from the participant's employment starting date as approved by Remuneration Committee.

The fair value of the options granted during the year determined using the binomial model were HK\$0.094 (2006: HK\$0.0414). The significant inputs into the model were share price at the grant date of HK\$0.75 (2006: HK\$0.36), expected dividend paid out rate of 0% (2006: 0%), annual risk-free interest rate for the shares vested 1, 2, 3 and 4 years after the grant date are 1.08%, 1.38%, 1.69% and 1.99% respectively and volatility rate of 27.43% (2006: 27.7%). The volatility is measured based on the volatility return on Hang Seng Index for the past ten years.

27. 以股份支付的報酬(續)**(b) 購股權計劃(續)**

- 在緊接授出日期前五個營業日聯合交易所有限公司發出的日報表所列的股份平均收市價；及
- 一股股份於授出日期的面值。

根據薪酬委員會的批准，年內根據計劃分配的股權將自薪酬委員會批准的「歸屬日期」起計的四年內按相同比例歸屬。

於二零零七年五月二十八日，根據購股權計劃授出的購股權受限於由如薪酬委員會所批准的參與者受僱日期開始計算的一年歸屬期。

年內授出的股權的公平值採用二項式模式釐定為0.094港元（二零零六年：0.0414港元）。該模式採用的重要數據是授出日期的股價0.75港元（二零零六年：0.36港元）、預期派發的股息率0%（二零零六年：0%）、於授出日期後1、2、3及4年歸屬的股份的無風險年利率分別為1.08%、1.38%、1.69%及1.99%及波幅率27.43%（二零零六年：27.7%）。波幅率乃根據過去十年恆生指數的波幅率回報計量。

27. SHARE-BASED COMPENSATION (Cont'd)

(b) Share Options Scheme (Cont'd)

Movement in the number of share options outstanding and related exercise price are as follows:

		At 1 January 2007 於二零零七年 一月一日	Granted during the year 已於年內授出	Exercised during the year 已於年內行使	Cancelled during the year 已於年內註銷	At 31 December 2007 於二零零七年 十二月三十一日	Exercise price (in HK\$) 行使價 (港元)	Grant date 授出日	Exercisable until 可行使終止日
		'000	'000	'000	'000				
Managements and employees	管理人員及僱員	21,291	—	2,150	800	18,341	0.36	8 September 2006 二零零六年九月八日	26 May 2014 二零一四年五月二十六日
		—	1,987	—	400	1,587	0.75	28 May 2007 二零零七年五月二十八日	26 May 2014 二零一四年五月二十六日
Total	總數	21,291	1,987	2,150	1,200	19,928			
Exercisable at the end of the year	可於年底行使					5,333			
Weighted average exercise price (HK\$)	加權平均行使價 (港元)	0.36	0.75	0.36	0.49	0.39			

		At 1 January 2006 於二零零六年 一月一日	Granted during the year 已於年內授出	Exercised during the year 已於年內行使	Cancelled during the year 已於年內註銷	At 31 December 2006 於二零零六年 十二月三十一日	Exercise price (in HK\$) 行使價 (港元)	Grant date 授出日	Exercisable until 可行使終止日
		'000 千元	'000 千元	'000 千元	'000 千元				
Managements and employees	管理人員及僱員	—	21,291	—	—	21,291	0.36	8 September 2006 二零零六年九月八日	26 May 2014 二零一四年五月二十六日
Total	總數	—	21,291	—	—	21,291			
Exercisable at the end of the year	可於年底行使					1,673			
Weighted average exercise price (HK\$)	加權平均行使價 (港元)	—	0.36	—	—	0.36			

27. 以股份支付的報酬 (續)

(b) 購股權計劃 (續)

尚未歸屬的購股權數量及相關行使價的變動如下：

		At 1 January 2007 於二零零七年 一月一日	Granted during the year 已於年內授出	Exercised during the year 已於年內行使	Cancelled during the year 已於年內註銷	At 31 December 2007 於二零零七年 十二月三十一日	Exercise price (in HK\$) 行使價 (港元)	Grant date 授出日	Exercisable until 可行使終止日
		'000	'000	'000	'000				
Managements and employees	管理人員及僱員	21,291	—	2,150	800	18,341	0.36	8 September 2006 二零零六年九月八日	26 May 2014 二零一四年五月二十六日
		—	1,987	—	400	1,587	0.75	28 May 2007 二零零七年五月二十八日	26 May 2014 二零一四年五月二十六日
Total	總數	21,291	1,987	2,150	1,200	19,928			
Exercisable at the end of the year	可於年底行使					5,333			
Weighted average exercise price (HK\$)	加權平均行使價 (港元)	0.36	0.75	0.36	0.49	0.39			

		At 1 January 2006 於二零零六年 一月一日	Granted during the year 已於年內授出	Exercised during the year 已於年內行使	Cancelled during the year 已於年內註銷	At 31 December 2006 於二零零六年 十二月三十一日	Exercise price (in HK\$) 行使價 (港元)	Grant date 授出日	Exercisable until 可行使終止日
		'000 千元	'000 千元	'000 千元	'000 千元				
Managements and employees	管理人員及僱員	—	21,291	—	—	21,291	0.36	8 September 2006 二零零六年九月八日	26 May 2014 二零一四年五月二十六日
Total	總數	—	21,291	—	—	21,291			
Exercisable at the end of the year	可於年底行使					1,673			
Weighted average exercise price (HK\$)	加權平均行使價 (港元)	—	0.36	—	—	0.36			

27. SHARE-BASED COMPENSATION (Cont'd)**(b) Share Options Scheme (Cont'd)**

For the year ended 31 December 2007, the Group recognised the total expense of US\$892,000 (2006: US\$2,488,000) relating to equity-settled share-based payment transactions in respect of the share options granted by the Company.

28. RETIREMENT BENEFIT SCHEMES**Mainland China**

The employees of the Group in the mainland China are members of state-managed retirement benefit schemes operated by the respective local government in the mainland China. The Group is required to contribute a specified percentage of the payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the specific contributions.

Hong Kong

The Group participates a defined contribution scheme which is registered under a Mandatory Provident Fund Scheme established under the Mandatory Provident Fund Ordinance.

The Group contributes 5% of relevant payroll costs to the scheme, subject to a cap of HK\$1,000 (equivalent to approximately US\$128) per person per month which contribution is matched by the employees.

At the balance sheet date, there was no significant amount of forfeited contributions to reduce the contributions payable in the future years.

27. 以股份支付的報酬(續)**(b) 購股權計劃(續)**

截至二零零七年十二月三十一日止年度，本集團就本公司授出的購股權確認與股權結算以股份為基礎支出交易的總支出892,000美元(二零零六年：2,488,000美元)。

28. 退休福利計劃**中國大陸**

本集團的中國大陸僱員為中國大陸各地方政府營運的國家管理退休福利計劃的成員。本集團須按薪金成本的指定百分比向退休福利計劃作出供款，從而提供退休福利。本集團對於該等退休福利計劃的唯一責任是作出指定的供款。

香港

本集團參加根據強制性公積金計劃(乃根據強制性公積金條例成立)登記的定額供款計劃。

本集團會就有關薪金成本的5%向該計劃作出供款，其上限為每人每月1,000港元(相當於約128美元)，而有關僱員亦會同時作出5%的供款。

於結算日，並無任何重大沒收供款可用作扣減未來年度的應付供款。

29. GOVERNMENT GRANTS

Government grants of US\$ 1,917,000 (2006: Nil) under non-current liabilities are deferred income in relation to government grants provided by the relevant government authorities for the purpose of financing the purchases of machinery and facility equipment and relevant expenses for new products. The amounts will be recognised as income in accordance with the relevant accounting policy.

30. CAPITAL COMMITMENTS

As at the balance sheet date, the Group had the following commitments:

Capital expenditure in respect of acquisition of property, plant and equipment	購置物業、廠房及設備的資本開支
Authorised but not contracted for	已批准但未訂約
Contracted for but not provided	已訂約但未撥備

29. 政府補助金

計入非流動負債內的與政府補助金有關的遞延收入為1,917,000美元(二零零六年：無)，乃由相關政府部門提供，以為購置機器及設施設備及開發新產品的有關開支提供資金。有關金額將根據有關會計政策確認為收入。

30. 資本承擔

於結算日，本集團擁有以下承擔：

2007	2006
US\$'000	US\$'000
千美元	千美元
336,507	51,835
89,815	49,714

31. OPERATING LEASES

The Group as lessee:

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Within one year	一年內
In the second to fifth year inclusive	第二至第五年（包括首尾兩年在內）
After five years	五年後

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated and rentals are fixed for an average term of one to ten years.

31. 經營租約

本集團作為承租人：

於結算日，本集團有不可撤銷經營租約承擔，該等承擔於以下期間的未來最低租金付款為：

2007	2006
US\$'000	US\$'000
千美元	千美元
2,012	1,997
6,838	7,359
365	1,323
9,215	10,679

經營租約付款乃指本集團就若干辦公室物業的應付租金。租約乃就平均一至十年期及固定租金平均為一至十年期進行磋商。

32. RELATED PARTY TRANSACTIONS

During the year ended 31 December 2007, the Group had the following significant transactions with related parties.

Sales of goods to subsidiaries of CR Logic	銷售商品予華潤勵致的附屬公司	18,433	15,412
Rental, utilities and other services paid to the subsidiaries of CR Logic	向華潤勵致的附屬公司支付租金、公用事業費用及其他服務的費用	14,752	14,771
Purchase from the subsidiaries of CR Logic	向華潤勵致的附屬公司採購	69	34
Consultancy fee paid to a company controlled by a director of the Company	向一家由本公司某個董事控制的公司支付顧問費用	197	385

The amount due from / to the subsidiaries of CR Logic as included in Notes 20 & 22 are unsecured, interest-free and repayable with the credit periods ranged from 0-60 days.

32. 關連人士交易

於截至二零零七年十二月三十一日止年度內，本集團與關連人士的重大交易如下。

2007	2006
US\$'000	US\$'000
千美元	千美元
18,433	15,412
14,752	14,771
69	34
197	385

附註20及22所載的應收／應付華潤勵致的附屬公司款項乃無抵押、免息，且須於0-60天的信用期內償還。

32. RELATED PARTY TRANSACTIONS (Cont'd)

Key management compensation

Short term employee benefits	短期僱員福利
Share-based payments	以股份為基礎的償付

The remunerations of the Group's key management personnel include the directors of the Company only, which are determined with reference to the terms of the remuneration committee, are disclosed in Note 11.

32. 關連人士交易 (續)

主要管理層報酬

2007	2006
US\$'000	US\$'000
千美元	千美元
791	671
90	321
881	992

本集團主要管理人員(僅包括本公司董事)酬金乃參考薪酬委員會的條款釐定，於附註11披露。

33. PARTICULARS OF SUBSIDIARIES

Details of the Company's subsidiaries at 31 December 2007 are as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation / establishment 註冊成立/ 成立地點	Issued and fully paid share capital / registered capital 已發行及 繳足股本/ 註冊資本	Proportion of ownership interest held by the Company		Principal activities and place of operation 主要業務及 生產經營地
			Directly 直接	Indirectly 間接	
Advanced Microelectronics Limited 華進微電子有限公司	British Virgin Islands 英屬處女群島	Ordinary US\$1 普通股 1 美元	100		Investment holding in BVI 投資控股，英屬處女群島
CSMC Manufacturing Co., Ltd. 上華半導體製造有限公司	British Virgin Islands 英屬處女群島	Ordinary US\$2 普通股 2 美元	100		Trade and investment holding in Hong Kong 買賣及投資控股，香港
CSMC Technologies Fab1 Co., Ltd.* 無錫華潤上華 半導體有限公司*	Mainland China 中國大陸	US\$87,436,849 87,436,849 美元		100	Manufacture and sale of integrated circuit and related products in PRC 製造及銷售集成 電路及相關產品，中國
Qualibest Enterprises Limited 極品實業有限公司	British Virgin Islands 英屬處女群島	Ordinary US\$1 普通股 1 美元	100		Investment holding in BVI 投資控股，英屬處女群島
CSMC Technologies Fab2 Co., Ltd.* 無錫華潤上華 科技有限公司*	Mainland China 中國大陸	US\$50,000,000 50,000,000 美元		100	Manufacture and sale of integrated circuit and related products in PRC 製造及銷售集成 電路及相關產品，中國

33. 附屬公司資料

於二零零七年十二月三十一日，本公司附屬公司的詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation / establishment 註冊成立/ 成立地點	Issued and fully paid share capital / registered capital 已發行及 繳足股本/ 註冊資本	Proportion of ownership interest held by the Company		Principal activities and place of operation 主要業務及 生產經營地
			Directly 直接	Indirectly 間接	
Advanced Microelectronics Limited 華進微電子有限公司	British Virgin Islands 英屬處女群島	Ordinary US\$1 普通股 1 美元	100		Investment holding in BVI 投資控股，英屬處女群島
CSMC Manufacturing Co., Ltd. 上華半導體製造有限公司	British Virgin Islands 英屬處女群島	Ordinary US\$2 普通股 2 美元	100		Trade and investment holding in Hong Kong 買賣及投資控股，香港
CSMC Technologies Fab1 Co., Ltd.* 無錫華潤上華 半導體有限公司*	Mainland China 中國大陸	US\$87,436,849 87,436,849 美元		100	Manufacture and sale of integrated circuit and related products in PRC 製造及銷售集成 電路及相關產品，中國
Qualibest Enterprises Limited 極品實業有限公司	British Virgin Islands 英屬處女群島	Ordinary US\$1 普通股 1 美元	100		Investment holding in BVI 投資控股，英屬處女群島
CSMC Technologies Fab2 Co., Ltd.* 無錫華潤上華 科技有限公司*	Mainland China 中國大陸	US\$50,000,000 50,000,000 美元		100	Manufacture and sale of integrated circuit and related products in PRC 製造及銷售集成 電路及相關產品，中國

33. PARTICULARS OF SUBSIDIARIES (Cont'd)

33. 附屬公司資料(續)

Name of subsidiary 附屬公司名稱	Place of incorporation / establishment 註冊成立/ 成立地點	Issued and fully paid share capital / registered capital 已發行及 繳足股本/ 註冊資本	Proportion of ownership interest held by the Company		Principal activities and place of operation 主要業務及 生產經營地
			本公司 所持有擁 有權權益 百分比	本公司 間接	
Rightbest Limited 極致實業有限公司	British Virgin Islands 英屬處女群島	Ordinary US\$1 普通股 1 美元	100	—	Investment holding in BVI 投資控股，英屬處女群島
CSMC Technologies Fab3 Co., Ltd.* 北京華潤上華半導體 有限公司*	Mainland China 中國大陸	US\$18,800,000 18,800,000 美元	—	100	Manufacture and sale of integrated circuit and related products in PRC 製造及銷售集成 電路及相關產品，中國
Good Reach Enerprises Limited#	British Virgin Islands 英屬處女群島	Ordinary US\$50,000 普通股 50,000 美元	100	—	Investment holding in BVI 投資控股，英屬處女群島
CSMC Technologies Corporation # 華潤上華科技有限公司#	British Virgin Islands 英屬處女群島	Ordinary US\$50,000 普通股 50,000 美元	100	—	Investment holding in BVI 投資控股，英屬處女群島

None of the subsidiaries had any debt securities outstanding at 31 December 2007 or at any time during the year.

於二零零七年十二月三十一日及年內任何時間，概無附屬公司有任何發行在外的債務證券。

* *Wholly Foreign Owned enterprise*

* 外商獨資企業

Newly incorporated in 2007

於二零零七年新註冊成立

34. CONTINGENT LIABILITIES

During the year, a subsidiary has provided corporate guarantees to a bank for the down payment of mortgage loans of its employees amounting to approximately US\$481,000 (2006: US\$515,000). The management anticipates that no material liabilities will arise from the above guarantees.

35. SUBSEQUENT EVENTS

Amalgamation of Semiconductor Business with CR Logic

On 4 December 2007, CR Logic and the Company jointly announced a proposal which would result in the amalgamation of both companies' semiconductor businesses under the Group. The Group will acquire the semiconductor businesses of CR Logic, being all its semiconductor operations other than China Resources Semiconductor Company Limited which operates a 4-inch fab in Tai Po, Hong Kong, by issue of consideration shares at an aggregate issue price equal to approximately HK\$1,448.9 million, representing the net asset value of the companies being acquired based on the management accounts of such companies as at 30 June 2007 net of any dividend payable. It is also proposed that existing option holders of CR Logic will be offered shares in the Company in consideration for the cancellation of their share options.

On 13 February 2008, ordinary resolutions were duly passed at the extraordinary general meeting of the Company in relation to (i) the acquisition of the semiconductor businesses from CR Logic by the Company; (ii) the continuing connected transaction arising out of such acquisition; and (iii) the allotment of CSMC shares to certain directors of the Company or such other connected persons who are holders of share options granted by CR Logic in respect of cancellation of their share options, and a special resolution was also duly passed at the same meeting in relation to the change of name of the Company.

On 5 March 2008, 3,153,640,010 shares of the Company were issued as consideration for the aforementioned amalgamation proposal and option cancellation.

34. 或然負債

年內，一家附屬公司為其員工的抵押貸款金額合計約481,000美元（二零零六年：515,000美元）向一家銀行提供公司擔保。管理層預計以上擔保不會產生重大負債。

35. 結算日後事項

合併華潤勵致半導體業務

華潤勵致及本公司於二零零七年十二月四日共同宣佈一項建議導致兩間公司的半導體業務合併由本集團經營。本集團將收購華潤勵致的半導體業務（即其所有半導體業務（於香港大埔經營4英寸晶圓廠的華潤半導體有限公司除外）），代價為總發行價約1,448,900,000港元的等值股份，相當於被收購公司於二零零七年六月三十日的管理賬目所列的資產淨值（除待付股息）。現時亦擬向華潤勵致現有購股權持有人提呈發售本公司股份，作為撤銷彼等的購股權的代價。

於二零零八年二月十三日，本公司的股東特別大會已正式通過有關(i)本公司收購華潤勵致半導體業務；(ii)由該收購產生的持續關連交易；及(iii)配發華潤上華股份若干本公司董事或該等其他關連人士（為華潤勵致就註銷其購股權授出的購股權的持有人）的普通決議案及有關更改本公司名稱的特別決議案。

於二零零八年三月五日，本公司已發行3,153,640,010股股份作為落實上述合併建議及撤銷購股權的代價。

35. SUBSEQUENT EVENTS (Cont'd)**Joint Venture with CR Holdings**

On 19 March 2008, the Company has entered into an agreement for the formation of a joint venture with CR Holdings under which the Company will participate in the joint venture for the operation of the 8 inch wafer fabrication line by holding an indirect 19% shareholding in the joint venture company. The balance of 81% interest will be held by a wholly-owned subsidiary of CR Holdings. The total commitment under this joint venture will be US\$500,000,000 of which the Company's total commitment will be US\$95,000,000 and the balance of US\$405,000,000 will be borne by CR Holdings. The joint venture will then acquire from the Company its entire interest in Qualibest Enterprises Limited, a wholly-owned indirect subsidiary, which has been valued at approximately US\$58,440,000, being its unaudited net asset value as at 29 February 2008 adjusted for the market value of a site in the Wuxi Hi-Tech Development Zone plus the shareholder's loans of US\$58,700,000 up to 29 February 2008. The joint venture will also acquire from CR Holdings its equity interest in China Fast Limited, a wholly-owned indirect subsidiary of CR Holdings, at nominal value of US\$1 and the shareholder's loan of US\$200,000,000 up to 29 February 2008 at face value. The Group will also enter into a services agreement with the joint venture to provide sales, marketing, purchasing and a variety of other technical and administrative support services for the 8 inch wafer operation upon completion of the joint venture agreement. The joint venture agreement and the services agreement are conditional upon the approval of independent shareholders of the Company to be concerned.

35. 結算日後事項 (續)**與華潤(集團)成立合資公司**

於二零零八年三月十九日，本公司與華潤(集團)就成立一間合營公司訂立協議，據此，本公司將透過持有合營公司19%的間接股權，參與經營該8英寸晶圓生產線。其餘81%的股權將由華潤(集團)的一間全資附屬公司持有。合營公司項下的總承擔將為500,000,000美元其中本公司的總承擔將為95,000,000美元，而其餘405,000,000美元將由華潤(集團)承擔。合營公司其後將向本公司收購於極品實業有限公司(本公司的一間全資附屬公司)的全部股份，其估值約為58,440,000美元，即按照其於二零零八年二月二十九日未經審核淨資產(並根據其在無錫高新技術開發區擁有的一塊土地的市值作出調整)加上截至二零零八年二月二十九日的為數58,700,000美元的股東貸款。合營公司亦將向華潤(集團)按1美元的面值收購其於中迅有限公司(華潤(集團)的一間全資附屬公司)的股權及按面額收購其授予中迅有限公司的截至股東貸款二零零八年二月二十九日為數200,000,000美元的股東貸款。本集團亦將與合營公司訂立服務協議，以於合營協議完成後向8英寸晶圓業務提供銷售、市場推廣、採購及多種其他技術支援及管理支援服務。合營協議及服務協議均須待本公司的獨立股東批准後，方可作實。

INVESTOR RELATIONS

Shareholders can obtain copies of Annual 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:

China Resources Microelectronics Limited
(formerly named as CSMC Technologies Corporation)
14 Liangxi Road
Wuxi, Jiangsu
214061, China
Attn: IR Department

This annual 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

投資者關係

股東可投寄信件到以下地址以取得年報副本：

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

倘閣下並非股東，請寄往以下地址：

華潤微電子有限公司
(前稱：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
致：投資者關係部

本年度報告亦可於以下網址找到：
<http://www.csmc.com.cn>

股東查詢

本公司的查詢熱線於一般辦公時間服務：

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



華潤微電子有限公司
China Resources Microelectronics Limited