

## 1 GENERAL INFORMATION

CSMC Technologies Corporation (the “Company”) was incorporated in Cayman Islands on 28 January 2003. It is principally engaged in investment holding. Pursuant to a restructuring completed on 5 August 2003, the Company became the holding company of the subsidiaries now comprising the Group. The principal activities of the Company’s subsidiaries (together with the Company hereinafter collectively referred to as the “Group”) are set out in Note 22.

The Company’s shares have been listed on The Stock Exchange of Hong Kong Limited since 13 August 2004.

## 2 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these accounts are set out below:

### (a) Basis of preparation

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). They have been prepared under the historical cost convention.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (“new HKFRSs”) which are effective for accounting periods beginning on or after 1 January 2005.

## 1 一般資料

華潤上華科技有限公司(「本公司」)於二零零三年一月二十八日在開曼群島註冊成立。其主要業務是投資控股。根據於二零零三年八月五日完成的重組，本公司成為現時組成本集團各附屬公司的控股公司。本公司的附屬公司(連同本公司統稱為「本集團」)的主要業務載於附註22。

本公司的股份自二零零四年八月十三日起便在香港聯合交易所有限公司上市。

## 2 主要會計政策

編製該等賬目時所採用的主要會計政策如下：

### (a) 編製基準

賬目乃根據香港公認會計原則編製，並符合由香港會計師公會發出之會計準則。賬目按歷史成本常規法編製。

香港會計師公會已頒佈多項新及修訂香港財務報告準則及香港會計準則(「新香港財務報告準則」)，於二零零五年一月一日或之後開始之會計期間生效。

## 2 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

### (a) Basis of preparation (Cont'd)

The Group has not early adopted these new HKFRSs in the accounts for the year ended 31 December 2004. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

### (b) Group accounting

#### (i) Consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31st December.

Subsidiaries are those entities in which the Company, directly or indirectly, controls more than one half of the voting power; has the power to govern the financial and operating policies; to appoint or remove the majority of the members of the board of directors; or to cast majority of votes at the meetings of the board of directors.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate.

## 2 主要會計政策 (續)

### (a) 編製基準 (續)

本集團並無於截至二零零四年十二月三十一日止年度之賬目提早採用該等新香港財務報告準則。本集團已開始評估該等新香港財務報告準則之影響，但仍未得出該等新香港財務報告準則是否會對本集團經營業績及財務狀況造成重大影響。

### (b) 集團會計

#### (i) 綜合賬目

綜合賬目包括本公司及其附屬公司直至十二月三十一日為止的賬目。

附屬公司指本公司直接或間接控制其超過半數表決權、有權監管其財務及經營政策、任免其董事會大多數成員、或在其董事會會議上具過半數表決權的實體。

年內收購或出售的附屬公司的業績由其有效收購日期起或計至有效出售日期止(如適用)，計入綜合損益賬。

## 2 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

### (b) Group accounting (Cont'd)

#### (i) Consolidation (Cont'd)

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any unamortised goodwill or negative goodwill or goodwill/negative goodwill taken to reserves and which was not previously charged or recognised in the consolidated profit and loss account and any related accumulated foreign currency translation reserve.

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

## 2 主要會計政策 (續)

### (b) 集團會計 (續)

#### (i) 綜合賬目 (續)

本集團內公司間的所有重大交易及結餘於綜合賬目時對銷。

出售附屬公司的盈虧，指出售所得款項與本集團應佔該附屬公司的淨資產（連同先前沒有在綜合損益賬中扣除或確認的任何未攤銷商譽或負商譽，或計入儲備的商譽／負商譽以及任何相關的累計外幣換算儲備）的差額。

在本公司的資產負債表內，於附屬公司的投資乃按成本值減減值虧損撥備列賬。本公司按已收及應收股息的基準將附屬公司業績入賬。

## 2 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

### (b) Group accounting (Cont'd)

#### (ii) Translation of foreign currencies

A substantial portion of the Group's sales and purchases are in United States dollar. The directors believe that using the United States dollar as the Group's reporting currency will enable financial results and relationships to be measured with more relevance and reliability.

In the accounts of the individual companies, transactions in currencies other than the reporting currency of the respective company are translated into the respective reporting currencies at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in currencies other than the reporting currency of the respective company at the balance sheet date are translated into the respective reporting currencies at exchange rates ruling at the balance sheet date. All exchange differences arising in these cases are dealt with in the respective companies' profit and loss accounts.

The Group prepares consolidated accounts in United States dollar. For consolidation purposes, the balance sheet of subsidiaries with reporting currencies other than United States dollar are translated into United States dollar at the exchange rates ruling at the balance sheet date whilst the profit and loss account is translated at an average rate. Exchange differences arising from such translation are dealt with as movements in reserves.

## 2 主要會計政策(續)

### (b) 集團會計(續)

#### (ii) 外幣換算

本集團大部份買賣均以美元進行。董事相信，本集團以美元為申報貨幣，將可更有效及可靠地計算財務業績及關係。

於個別公司的賬目內，以各公司的申報貨幣以外其他貨幣進行的交易，按交易日適用匯率換算為相關申報貨幣。於結算日，以各公司申報貨幣以外其他貨幣計值的貨幣資產及負債按結算日適用匯率換算為相關申報貨幣。該等情況所產生的滙兌差額計入相關公司的損益賬。

本集團編製綜合賬目時以美元計值。就綜合賬目而言，其申報貨幣並非美元的附屬公司的資產負債表按結算日的適用匯率換算為美元，而損益賬則按平均匯率換算。由該等換算所產生的滙兌差額當作儲備變動處理。

## 2 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

### (c) Intangibles

#### (i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition.

Goodwill on acquisitions is included in intangible assets and is amortised using the straight-line method over its estimated useful life of 10 years.

#### (ii) Computer software

Expenditure on acquired computer software is capitalised and amortised using the straight-line method over their economic useful life of 5 years.

## 2 主要會計政策 (續)

### (c) 無形資產

#### (i) 商譽

商譽指於收購日期獲收購附屬公司的收購成本超逾本集團應佔獲收購附屬公司資產淨額的公允價值。

收購時的商譽列入無形資產內，並於其經濟耐用年期十年內按直線法攤銷。

#### (ii) 電腦軟件

收購電腦軟件的支出撥充資本，並於其經濟耐用年期五年內按直線法攤銷。

## 2 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

### (c) Intangibles (Cont'd)

#### (iii) Research and development costs

Research costs are expensed as incurred. Costs incurred on development projects relating to the design and testing of new or improved products are recognised as an intangible asset where the technical feasibility and intention of completing the product under development has been demonstrated and the resources are available to do so, costs are identifiable and there is an ability to sell or use the asset that will generate probable future economic benefits. Such development costs are recognised as an asset and amortised on a straight-line basis over a period of not more than 5 years to reflect the pattern in which the related economic benefits are recognised. Development costs that do not meet the above criteria are expensed as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

#### (iv) Impairment of intangible assets

Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount.

## 2 主要會計政策(續)

### (c) 無形資產(續)

#### (iii) 研究及開發成本

研究成本即時列作開支。倘若開發產品為技術可行並具完成產品的意向和資源，可確定成本且可以出售或使用可能獲未來經濟利益的資產，則設計和測試新產品或改良產品所涉及的開發項目成本確認為無形資產。該等開發成本確認為資產，以直線法在不超過五年期間攤銷，以反映所確認相關經濟利益的模式。不符合上述準則的開發成本即時列作開支。已確認為開支的開發成本日後不再確認為資產。

#### (iv) 無形資產減值

倘有減值的跡象，則會重估任何無形資產的賬面值，並隨即撇減至可收回數額。

2 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

(d) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after the fixed asset has been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the profit and loss account in the year in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the asset beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of the asset.

Depreciation is calculated on a straight-line basis at annual rates estimated to write off the cost of each asset, after taking into account the estimated residual value, over its expected useful life. The expected useful lives and estimated residual values are as follows:

Land use right	土地使用權
Machinery and equipment	機器及設備
Motors vehicles	汽車
Furniture, fixtures and office equipment	傢俱、裝置及辦公室設備

2 主要會計政策 (續)

(d) 固定資產

固定資產乃按成本減累計折舊及累計減值虧損列賬。一項資產的成本包括其購買價及使該資產達至營運狀況及地點作擬定用途的任何直接應佔成本。

固定資產投產後產生的支出(如維修保養及修理成本)一般於其產生年內自損益賬扣除。倘有關支出明顯可提高運用該項固定資產(原先評估表現水平以外)預期獲得的未來經濟效益,則該項支出將撥充資本,作為該項資產的額外成本。

折舊按撇銷各資產成本的估計年率(經計及估計殘值後),於其預期可使用年期內按直線法計算。預期可使用年期及估計殘值如下:

Expected useful lives 估計可使用年期	Estimated residual value 估計殘值
50 years	—
5 years	10%
6 years	10%
5 years	—

## 2 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

### (d) Fixed assets (Cont'd)

The useful lives of assets and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefit from items of fixed assets.

Construction-in-progress represents buildings, plant and machinery under construction and pending installation and is stated at cost. Cost includes the costs of construction of buildings, the costs of plant and machinery and other direct costs. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for their intended use.

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account.

The gain or loss on disposal of a fixed asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account.

## 2 主要會計政策 (續)

### (d) 固定資產 (續)

資產的可使用年期及折舊方法會定期檢討，以確保折舊方法及年期與固定資產項目的預期經濟利益模式一致。

在建工程指正在興建或安裝的樓宇、廠房及機器，並按成本列值。成本包括興建樓宇的成本、廠房及機器的成本及其他直接成本。概無就在建工程的折舊提撥準備，直至有關資產已完工及可供使用為止。

於各結算日，均會考慮內部和外部資料以評估固定資產內的資產有否出現減值跡象。如出現此等跡象，則資產的可收回數額將予評估，和(如適用)確認減值虧損以將資產減至其可收回金額。該減值虧損於損益賬確認。

出售固定資產的盈虧指有關資產的銷售所得款項淨額與有關資產的賬面值的差額，並於損益賬內確認。



## 2 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

### (e) Government grant

A government grant is recognised, when there is a reasonable assurance that the Group will comply with the conditions attaching with it and that the grant will be received.

Grants relating to income are deferred and recognised in the profit and loss account over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to the purchase of fixed assets are included in non-current liabilities as deferred income and are credited to the profit and loss account on a straight-line basis over the expected lives of the related assets.

### (f) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Payments made under operating leases net of any incentives received from the lessor are charged to the profit and loss account on a straight-line basis over the lease periods.

## 2 主要會計政策 (續)

### (e) 政府補貼

政府資助於可合理確保本集團將符合資助附帶條件和將會收到有關補貼時確認。

與收入有關的補貼按擬補償的成本，於所需期間內在損益賬遞延及確認。

有關購置固定資產的政府補貼，均作為遞延收入列入非流動負債，並於有關資產的預期可使用年期，按直線法計入損益賬內。

### (f) 經營租約

經營租約是指資產擁有權的絕大部份風險和回報歸於出租人的租約。根據經營租約支付的款項在扣除出租人提供的任何優惠後，於租約期內以直線法在損益賬中扣除。

## 2 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

### (g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, calculated on a weighted average basis, comprises materials, direct labour and an appropriate proportion of all production overhead expenditure. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

The Group carries out an inventory review at each year-end and makes 100% provision for spare parts aged over 3 years and 100% provision for raw materials aged over the related quality assurance period.

### (h) Trade receivables

Provision is made against trade receivables to the extent they are considered to be doubtful. Trade receivables in the balance sheet are stated net of such provision.

### (i) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks.

## 2 主要會計政策 (續)

### (g) 存貨

存貨按成本和可變現淨值的較低者列賬。成本以加權平均基準計算，包括材料、直接工資和按適當比例計算的一切間接生產開支。可變現淨值按估計銷售所得款項減估計銷售開支釐定。

本集團於各年終進行存貨檢討，並就貨齡超過三年的零部件提供悉數撥備，及就貨齡超出相關保質期的原材料提供悉數撥備。

### (h) 應收貿易賬款

應收貿易賬款於認為會出現呆賬時作出撥備。應收貿易賬款於扣除上述撥備後在資產負債表列賬。

### (i) 現金及現金等值項目

現金及現金等值項目按成本計入資產負債表。就現金流量表而言，現金及現金等值項目包括手頭現金及銀行活期存款。

**2 PRINCIPAL ACCOUNTING POLICIES (Cont'd)****(j) Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

**(k) Employee benefits****(i) Employee leaves entitlement**

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

**2 主要會計政策 (續)****(j) 撥備**

當本集團因過往事件而須負有法定或推定責任，並且可能須流出資源以履行責任，及於可作出可靠估計數額時確認撥備。倘本集團預期撥備可獲退還(如根據保險合約)，則在具體肯定獲得退還時將退還數額當作資產另行確認。

**(k) 僱員福利****(i) 僱員休假的權利**

當僱員應享有年假及長期服務假的權利時，該等權利便予以確認。本公司就直至結算日為止因僱員放年假及長期服務假而產生的估計負債提取撥備。

僱員享有病假及產假，均於休假時才予以確認。

## 2 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

### (k) Employee benefits (Cont'd)

#### (ii) Employee retirement benefits

The Group operates defined contribution plans in the PRC and Hong Kong. The pension plans are generally funded by payments from employees and by the relevant group companies. Details of the Group's employee retirement benefits are set out in Note 29.

The Group's contribution to defined contribution pension plans are charged to the profit and loss account in the period to which the contributions relate.

### (l) Deferred taxation

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

## 2 主要會計政策(續)

### (k) 僱員福利(續)

#### (ii) 僱員退休福利

本集團在中國及香港設有界定供款計劃。該等退休金計劃一般由僱員及有關集團成員公司支付。有關本集團的僱員退休福利詳情，載於附註29。

本集團於界定供款退休金計劃的供款，均於作出供款的有關期間，在損益賬中扣除。

### (l) 遞延稅項

遞延稅項乃由於資產和負債的稅基與賬目中的賬面值出現暫時差額而採用負債法作出的全數撥備。遞延稅項按結算日已頒佈或實質頒佈的稅率釐定。

遞延稅項資產將於日後應課稅溢利可用作撇銷暫時差額時確認。

除非暫時差額的撥回時間可受控制，而該暫時差額不大可能會在可見將來撥回，否則將就於附屬公司、聯營公司及合營企業的投資所產生的暫時差額作出遞延稅項撥備。

**2 PRINCIPAL ACCOUNTING POLICIES (Cont'd)****(m) Contingent liabilities and contingent assets**

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

**(n) Revenue recognition**

Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

**2 主要會計政策 (續)****(m) 或然負債及資產**

或然負債乃因過去事件而可能出現的責任，而僅視乎日後會否出現一項或多項非貴集團可完全控制的事件而確實。因過去事件而產生的現有責任，由於未必需要流出經濟利益或不能就該責任的數額作可靠估計而未有確認。

雖然或然負債不予確認，但須於賬目中披露。倘情況有變可能導致經濟資源流出時，則或然負債確認為撥備。

或然資產乃因過去事件而可能出現的資產，而僅視乎會否出現一項或多項非貴集團可完全控制的事件而確實。

或然資產不予確認，惟當有可能流入經濟利益時，須於賬目附註中披露。當確定出現流入時，資產可予確認。

**(n) 收益確認**

銷售貨品的收益在轉讓擁有權風險和回報時確認，一般在貨品交付予客戶和所有權轉移時進行。

利息收入經計及未償還本金額和適用利率，按時間比例確認。

## 2 PRINCIPAL ACCOUNTING POLICIES (Cont'd)

### (o) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset.

All other borrowing costs are charged to the profit and loss account in the year in which they are incurred.

### (p) Segment reporting

In accordance with the Group's internal financial reporting, the Group has determined that geographical segment by locations of its ultimate customers be presented as the primary and the only reporting format as the Group has only one business segment.

No segment assets and liabilities are presented as over 90% of the Group's assets are located in the PRC.

## 2 主要會計政策(續)

### (o) 借貸成本

直接與收購、建造或生產資產有關而需花長時間以準備作擬定用途或銷售的借貸成本將撥充資本，作為該資產的部份成本。

所有其他借貸成本將於產生年內自損益賬扣除。

### (p) 分類呈報

根據本集團的內部財務呈報，由於本集團只有一個業務分類，故釐定主要及唯一的呈列形式為按其最終客戶所在地呈列地區分類。

由於本集團超過90%以上資產位於中國，故並無呈列分類資產及負債。

### 3 TURNOVER, REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the manufacturing of integrated circuits (“IC”) and related products. Revenues recognised during the year are as follows:

Turnover	營業額
6-inch wafer	6 英寸晶圓
Mask making	光罩製造
Other revenue	其他收益
Interest income	利息收入
Subsidy income	補貼收入
- Financial subsidy (a)	- 財務補貼(a)
- Refund of value-added tax (Note 6(b))	- 增值稅退稅 (附註 6(b))
Others	其他
Total revenue	收益總額

(a) According to relevant regulation promulgated by the Finance Bureau of Wuxi New Area Management Committee (the “Finance Bureau”), the Group is eligible for a subsidy from the Finance Bureau for encouraging research and development of new processing techniques involved in the manufacturing of wafers. The subsidy ceased in the current year.

### 3 營業額、收益及分類資料

本集團主要從事製造集成電路（「IC」）及相關產品。於年內確認的收益如下：

2004	2003
US\$'000	US\$'000
千美元	千美元
76,520	40,629
3,340	1,448
79,860	42,077
187	108
—	198
3,751	1,068
82	74
4,020	1,448
83,880	43,525

(a) 根據無錫新區管理委員會財政局（「財政局」）頒佈的有關規定，本集團合資格向財政局申領財務補貼，以鼓勵研究及開發製造晶圓所涉及的新加工技術。該補貼於本年度終止。

### 3 TURNOVER, REVENUE AND SEGMENT INFORMATION (Cont'd) 3 營業額、收益及分類資料 (續)

#### Primary reporting format – geographical segments

#### 主要呈列形式—地區分類

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

按最終客戶所在地釐定的地區分類分析如下：

The PRC	中國
Asia, other than the PRC	亞洲 (中國以外)
United States	美國
Europe	歐洲

2004		
Turnover	Cost of sales	Gross profit
營業額	銷售成本	毛利
US\$'000	US\$'000	US\$'000
千美元	千美元	千美元
46,854	(31,973)	14,881
20,900	(16,029)	4,871
5,571	(4,360)	1,211
6,535	(4,068)	2,467
<b>79,860</b>	<b>(56,430)</b>	<b>23,430</b>

The PRC	中國
Asia, other than the PRC	亞洲 (中國以外)
United States	美國

2003		
Turnover	Cost of sales	Gross profit
營業額	銷售成本	毛利
US\$'000	US\$'000	US\$'000
千美元	千美元	千美元
32,289	(24,865)	7,424
7,596	(5,927)	1,669
2,192	(1,688)	504
<b>42,077</b>	<b>(32,480)</b>	<b>9,597</b>



# Notes to the Financial Statements 財務報表附註

## 4 OPERATING PROFIT

Operating profit is stated after crediting and charging the following:

## 4 經營溢利

經營溢利經計入及扣除以下項目後列賬：

		2004	2003
		千美元 US\$'000	千美元 US\$'000
<b>Crediting</b>	<b>經計入</b>		
Gain on disposal of fixed assets	出售固定資產的收益	7	—
Reversal of write down of inventories to net realisable value	將存貨撇減至可變現淨值的撥回金額	17	—
<b>Charging</b>	<b>經扣除</b>		
Cost of inventories	存貨成本	35,053	20,108
Staff costs (excluding directors' emoluments)	員工成本 (不包括董事酬金)		
- Wages and salaries	- 工資及薪金	9,199	4,287
- Pension cost – defined contribution	- 退休金成本 – 界定供款	1,295	555
Provision for employees' welfare	僱員福利撥備	773	499
Directors' emoluments (Note 10)	董事酬金 (附註 10)	1,131	415
Depreciation of fixed assets	固定資產折舊	14,827	9,076
Amortisation of intangible assets	無形資產攤銷	85	40
Loss on disposal of fixed assets	出售固定資產虧損	—	13
Impairment of fixed assets	固定資產減值	1,630	—
Write down of inventories to net realisable value	將存貨撇減至可變現淨值	—	81
Write down of receivables to net realisable value	將應收款項撇減至可變現淨值	182	71
Net exchange losses	滙兌虧損淨額	163	33
Operating lease expenses on buildings and machinery	樓宇及機器的經營租約開支	1,327	1,207
Auditors' remuneration	核數師酬金	96	76
Research and development expenses (including staff cost of approximately US\$624,000 (2003: US\$321,000))	研究及開發費用 (包括員工成本約 624,000 美元 (二零零三年：321,000 美元))	3,140	1,080

## 5 FINANCE COSTS

Finance costs represent interest on bank loans wholly repayable within five years.

## 6 TAXATION

### (a) Income tax

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

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

## 5 融資成本

融資成本指須於五年內悉數償還的銀行貸款利息。

## 6 稅項

### (a) 所得稅

本公司根據開曼群島公司法（二零零三年修訂本）註冊成立，並不受開曼群島稅項規限。

由於本公司並無於香港賺取或產生自香港的應課稅溢利，故並無就香港利得稅撥備。

**6 TAXATION (Cont'd)****(a) Income tax (Cont'd)**

The Company's subsidiaries registered in the PRC are subject to Enterprise Income Tax ("EIT") on the taxation income as reported in their PRC statutory accounts adjusted in accordance with relevant PRC income tax laws. The general applicable EIT rate is 33%. However, being located in the "Old Urban Area of Costal Open Economic Zone" (沿海經濟開發區的老市區), CSMC Technologies Fab 1 Co., Ltd. ("Fab 1"), the only operating subsidiary of the Group in the PRC, is entitled to a preferential EIT rate of 24%. Furthermore, in accordance with the PRC "Law of Enterprise Income Tax for Enterprise with Foreign Investment", Fab 1 is also entitled to full exemption from EIT for the first two years and a 50% reduction in EIT for the next three years, commencing from the first profitable year after offsetting all tax losses carried forward from previous five years. Moreover, since Fab 1 also qualifies as an "advanced-technology enterprise", it is further entitled to a 50% reduction in EIT for an additional three years. The first profitable year of Fab 1 was 1999.

**6 稅項 (續)****(a) 所得稅 (續)**

本公司於中國註冊的附屬公司須就他們的中國法定賬目所呈報的應課稅收入(根據有關中國所得稅法作出調整)繳付企業所得稅。一般適用企業所得稅率為33%。然而，由於本集團於中國的唯一經營附屬公司無錫華潤上華半導體有限公司(「一廠」)位於「沿海經濟開發區的老市區」，故可按優惠企業所得稅率24%繳稅。此外，根據中國「外商投資企業所得稅法」，一廠亦可自首個獲利年度(經抵銷過往五年結轉的所有稅項虧損後)起計的首兩年全數豁免繳付企業所得稅，及於隨後三年減免50%企業所得稅。此外，自一廠符合「先進技術企業」的資格起，它亦進一步享有額外三年的企業所得稅減半優惠。一廠的首個獲利年度為一九九九年。

## 6 TAXATION (Cont'd)

### (a) Income tax (Cont'd)

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

Current taxation	即期稅項
- PRC taxation	- 中國稅項
Deferred taxation relating to origination of temporary differences (Note 6(c))	有關產生暫時差異的遞延稅項 (附註 6(c))
Taxation charges	稅項支出

## 6 稅項 (續)

### (a) 所得稅 (續)

自綜合損益賬扣除的稅項款額指：

2004	2003
US\$'000 千美元	US\$'000 千美元
1,673	551
(278)	—
<u>1,395</u>	<u>551</u>

6 TAXATION (Cont'd)

(a) Income tax (Cont'd)

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

Profit before taxation	除稅前溢利
Calculated at a taxation rate of 0% (2003: 0%)	按稅率 0% (二零零三年：0%) 計算
Effect of different taxation rates in other countries	其他國家不同稅率的影響
Income not subject to taxation	毋須繳付稅項的收入
Expenses not deductible for taxation purposes	不可扣稅開支
Taxation charge	稅務開支

6 稅項 (續)

(a) 所得稅 (續)

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

2004	2003
US\$'000	US\$'000
千美元	千美元
<b>12,737</b>	4,566
—	—
<b>1,966</b>	749
<b>(571)</b>	(206)
—	8
<b>1,395</b>	551

## 6 TAXATION (Cont'd)

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

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

According to relevant PRC rules and regulations, CSMC Technologies Fab 1 Co., Ltd. ("Fab 1"), the Company's only operating subsidiary in the PRC, being a qualified manufacturer of micro-electronics products, is entitled to refund of VAT from 1 July 2000 to 31 March 2005. Since 1 January 2002, the net VAT payables related to domestic sales were firstly paid to the tax bureau and any portion in excess of 3% of domestic sales would be refunded. The Group's VAT refund for the year ended 31 December 2004 amounted to approximately US\$3,751,000 (2003: approximately US\$1,068,000). Such VAT refund has been recorded on cash basis.

## 6 稅項 (續)

### (b) 增值稅

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

根據有關中國法例及法規，本公司於中國唯一的經營附屬公司無錫華潤上華半導體有限公司（「一廠」）為合資格的微電子產品製造商，可由二零零零年七月一日起至二零零五年三月三十一日止獲退回增值稅。自二零零二年一月一日起，一廠首先向稅務局支付有關內銷額的應付增值稅淨額，隨後獲退回內銷額3%以外的任何餘額。截至二零零四年十二月三十一日止年度，本集團的增值稅退款約達3,751,000美元（二零零三年：約1,068,000美元）。該筆增值稅退款已按現金基準記錄在案。

6 TAXATION (Cont'd)

(c) Deferred taxation

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 12%.

The movement on the deferred tax assets account is as follows:

As at 1 January	於一月一日
Deferred taxation credited to profit and loss account	計入損益賬的遞延稅項
As at 31 December	於十二月三十一日

The movement in deferred tax assets (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

As at 1 January	於一月一日
Credited to profit and loss account	計入損益賬
As at 31 December	於十二月三十一日

6 稅項 (續)

(c) 遞延稅項

遞延稅項按主要稅率12%根據負債法就暫時差異悉數計算。

遞延稅項資產賬的變動如下：

2004	2003
US\$'000	US\$'000
千美元	千美元
—	—
278	—
278	—

年內，遞延稅項資產（抵銷相同課稅司法權區內的結餘前）的變動如下：

Provisions 撥備		Impairment of assets 資產減值	
2004	2003	2004	2003
US\$'000	US\$'000	US\$'000	US\$'000
千美元	千美元	千美元	千美元
—	—	—	—
123	—	155	—
123	—	155	—

## 6 TAXATION (Cont'd)

### (c) Deferred taxation (Cont'd)

The amount shown in the balance sheet include the following

Deferred tax assets to be recovered after more than 12 months	將於超過十二個月後 收回的遞延 稅項資產
---	----------------------------

## 7 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders is dealt with in the accounts of the Company to the extent of approximately US\$5,067,000 (2003: loss of approximately US\$501,000).

## 8 PROFIT APPROPRIATION

### (a) Statutory reserve funds

The laws and regulations of the PRC require CSMC Technologies Fab 1 Co., Ltd. ("Fab 1"), the Company's only operating subsidiary in the PRC, to provide for certain statutory funds which are appropriated from profit for the year (based on its statutory accounts) after offsetting any prior years' losses but before dividend distribution.

Fab 1 was established as an equity joint venture until 22 July 2003 when the Company acquired all of the remaining equity interest in Fab 1 from its Chinese joint venture partner. From then on, it is a wholly-owned foreign enterprise ("WFOE").

## 6 稅項 (續)

### (c) 遞延稅項 (續)

資產負債表所呈列的金額包括以下項目

2004	2003
US\$'000	US\$'000
千美元	千美元
<b>278</b>	—

## 7 股東應佔溢利

股東應佔溢利約5,067,000美元(二零零三年：約501,000美元虧損)於本公司的賬目內處理。

## 8 溢利分配

### (a) 法定公積金

中國法律及法規規定本公司於中國唯一的經營附屬公司無錫華潤上華半導體有限公司(「一廠」)提供若干法定基金，該等基金自年內已扣除任何往年虧損但未扣除股息分派的溢利分配(根據其法定賬目)。

一廠過往成立為合資企業，直至二零零三年七月二十二日，本公司向其中國合營企業夥伴收購於一廠的全部餘下股權，自此以後，一廠為一家外商獨資企業(「外商獨資企業」)。



## 8 PROFIT APPROPRIATION (Cont'd)

### (a) Statutory reserve funds (Cont'd)

According to relevant laws and regulations of the PRC, Fab 1, being a WOFE, is required to provide for (i) “reserve fund” and (ii) “staff and workers’ bonus and welfare fund”. It is required to allocate at least 10% of its net profit after tax to the “reserve fund” until the balance of such fund has reached 50% of its registered capital while the appropriation to the “staff and workers’ bonus and welfare fund” is at the discretion of Fab 1’s board of directors.

These funds are created for specific purposes. The reserve fund can only be used, upon approval by the relevant authority, to offset accumulated losses or increase capital. The staff and workers’ bonus and welfare fund can only be used for collective welfare of the subsidiaries’ employees and assets acquired through this fund shall not be taken as Fab 1’s assets.

Under generally accepted accounting principles in Hong Kong, appropriations to the staff and workers’ bonus and welfare fund have been included as expenses and the balance of the fund has been accounted for as a liability of the Group.

## 8 溢利分配 (續)

### (a) 法定公積金 (續)

根據中國有關法例及規例，一廠作為外商獨資企業，須就(i)「儲備基金」及(ii)「職工獎勵及福利基金」撥備，並須將其除稅後純利的至少10%分配至「儲備基金」內，直至該基金結餘達其註冊資本的50%為止，而分配至「職工獎勵及福利基金」的部份則由一廠的董事會酌情決定。

該等基金為特別用途而設定。儲備基金僅可在取得有關當局的批准後，用於抵銷累計虧損或增加資本。職工獎勵及福利基金僅可用作為附屬公司僱員的共同福利，由此基金所得的資產不應當作一廠的資產。

向職工獎勵及福利基金所作的分配，已根據香港一般公認會計原則列賬為開支，而基金的結餘則列賬為本集團的負債。

## 8 PROFIT APPROPRIATION (Cont'd)

### (b) Dividends

Pre-listing dividends (i)	上市前股息(i)
Final, proposed, of HK\$0.005 per ordinary share (ii)	建議末期股息每股普通股 0.005 港元(ii)

- (i) Dividends paid in 2003 represented dividends declared by the companies now comprising the Group to their then shareholders prior to a restructuring completed on 5 August 2003 in preparing for the Group's listing.

In March 2004, the Company declared a dividend of US\$1,338,000 satisfied by a bonus issue pursuant to which a total of 1,338,000 ordinary shares of US\$0.0001 each of the Company were allotted and issued, credited as fully paid, to members of the Company whose names appeared on the register of members of the Company as at 31 December 2003 in proportion to their respective shareholdings, by the capitalisation of the sum of US\$133.80 then standing to the credit of the share premium account of the Company.

- (ii) At a meeting held on 15 March 2005, the directors proposed a final dividend of HK\$0.005 (equivalent to approximately US\$0.00064) per ordinary share. This proposed dividend is not reflected as a dividend payable in these accounts, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2005.

## 8 溢利分配 (續)

### (b) 股息

2004	2003
US\$'000 千美元	US\$'000 千美元
<b>1,338</b>	13,000
<b>1,677</b>	—
<b>3,015</b>	13,000

- (i) 於二零零三年支付的股息為現時組成本集團的各公司在二零零三年八月五月完成為籌備本集團上市而進行的重組前，向彼等當時的股東宣派的股息。

於二零零四年三月，本公司宣派股息1,338,000美元，以紅利發行形式償付，據此，本公司藉著把本公司當時的股份溢價賬項133.80美元資本化，配發及發行本公司每股面值0.0001美元入賬列作繳足的普通股1,338,000股，給名列本公司於二零零三年十二月三十一日的股東名冊的股東，有關配發及發行按該等股東各自的持股量進行。

- (ii) 於二零零五年三月十五日舉行的會議上，董事建議派付末期股息每股普通股0.005港元（相等於約0.00064美元）。該項建議股息不會於該等賬目中反映為應付股息，而將會反映為截至二零零五年十二月三十一日止年度的保留盈利分派。

## 9 EARNINGS PER SHARE

The calculations of basic and diluted earnings per share are based on the Group's profit attributable to shareholders of approximately US\$11,342,000 (2003: approximately US\$4,015,000).

The basic earnings per share is calculated based on the weighted average number of 2,023,855,494 (2003: 1,157,130,000) ordinary shares in issue during the year. The diluted earnings per share for the year ended 31 December 2004 is based on 2,169,854,297 ordinary shares which is the weighted average numbers of ordinary shares in issue during the year plus the weighted average number of 145,998,803 ordinary shares deemed to be issued at no consideration if all outstanding shares granted under the equity incentive plan (Note 28) had been exercised.

The weighted average number of share for the year ended 31 December 2003 has been restated to take into account of the repurchase and currency re-denomination of the share capital effected during the year 2004 (Note 19(i)).

Diluted earnings per share for the year ended 31 December 2003 is not presented because there has been no potentially dilutive ordinary shares in existence during the year.

## 9 每股盈利

每股基本及攤薄盈利是根據本集團的股東應佔溢利約11,342,000美元(二零零三年：約4,015,000美元)計算。

每股基本盈利乃按年內已發行普通股的加權平均數2,023,855,494股(二零零三年：1,157,130,000股)計算。截至二零零四年十二月三十一日止年度的每股攤薄盈利乃按年內已發行普通股的加權平均數2,169,854,297股，再加上在所有根據股份獎勵計劃(附註28)已受出的股份已被悉數行使的情況下，被視為將按零代價發行的普通股的加權平均數145,998,803股計算。

截至二零零三年十二月三十一日止年度的加權平均股數已經重列，以計入於二零零四年間股本購回及貨幣重列的影響(附註19(i))。

於年內概無任何具潛在攤薄作用的普通股，故並無呈列截至二零零三年十二月三十一日止年度的每股攤薄盈利。

## 10 DIRECTORS' AND MANAGEMENT'S EMOLUMENTS

## 10 董事及高級管理層酬金

### (a) Directors' emoluments

The aggregate amounts of emoluments payable to directors of the Company during the year are as follow:

Fees	袍金
Other emoluments:	其他酬金
Basic salaries and allowances	基本薪金及補貼
Discretionary bonuses	酌情花紅
Consultancy fee	顧問費

Directors' fee disclosed above include approximately US\$45,000 (2003: US\$ Nil) paid to independent non-executive directors.

During the year, none of the directors waived any emoluments or has agreed to waive 2004 emoluments.

### (a) 董事酬金

年內應付本公司董事的酬金總額如下：

2004	2003
US\$'000 千美元	US\$'000 千美元
<b>87</b>	—
<b>501</b>	182
<b>376</b>	—
<b>167</b>	233
<b>1,131</b>	415

於上文披露的董事袍金包括向獨立非執行董事支付的約45,000美元(二零零三年：零美元)。

年內，概無任何董事放棄任何酬金或同意放棄二零零四年酬金。

10 DIRECTORS' AND MANAGEMENT'S EMOLUMENTS (Cont'd) 10 董事及高級管理層酬金 (續)

(a) Directors' emoluments (Cont'd)

The emoluments of the directors fell within the following bands:

Emolument bands	酬金範圍
Nil to HK\$1,000,000 (equivalent to approximately US\$128,000)	零至 1,000,000 港元 (約等於 128,000 美元)
HK\$1,000,001 to HK\$1,500,000 (equivalent to approximately US\$192,000)	1,000,001 港元至 1,500,000 港元 (約等於 192,000 美元)
HK\$1,500,001 to HK\$2,000,000 (equivalent to approximately US\$256,410)	1,500,001 港元至 2,000,000 港元 (約等於 256,410 美元)
HK\$2,000,001 to HK\$2,500,000 (equivalent to approximately US\$320,513)	2,000,001 港元至 2,500,000 港元 (約等於 320,513 美元)
HK\$2,500,001 to HK\$3,000,000 (equivalent to approximately US\$384,615)	2,500,001 港元至 3,000,000 港元 (約等於 384,615 美元)
HK\$3,000,001 to HK\$3,500,000 (equivalent to approximately US\$448,718)	3,000,001 港元至 3,500,000 港元 (約等於 448,718 美元)

(a) 董事酬金 (續)

董事酬金介乎以下範圍：

Number of directors 董事數目	
2004	2003
6	7
—	2
—	—
—	—
2	—
1	—
<b>9</b>	<b>9</b>

## 10 DIRECTORS' AND MANAGEMENT'S EMOLUMENTS (Cont'd)

### (a) Directors' emoluments (Cont'd)

During the year 2004, approximately 18,003,000 shares of the Company were allocated to the directors under the "Equity Incentive Plan" (Note 28). Among these shares allocated, approximately 3,341,000 shares have been vested (but not allotted and issued) as at 31 December 2004.

### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2003: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2003: two) individuals during the year are as follows:

Basic salaries and allowances	基本薪金及補貼
Bonuses	花紅
Consultancy fee	顧問費

## 10 董事及高級管理層酬金 (續)

### (a) 董事酬金 (續)

於二零零四年，本公司根據「股份獎勵計劃」(附註28)向董事分配約18,003,000股股票。在該等分配的股份當中，其中約3,341,000股股票已於二零零四年十二月三十一日已達成歸屬條件(但尚未發放和發行)。

### (b) 五名最高薪酬人士

年內，本集團的五名最高薪酬人士包括三名(二零零三年：三名)董事，其酬金於上文所呈列的分析反映出來。應付年內餘下兩名(二零零三年：兩名)最高薪酬人士的酬金如下：

2004	2003
US\$'000	US\$'000
千美元	千美元
<b>343</b>	102
<b>217</b>	—
<b>97</b>	165
<b>657</b>	267

10 DIRECTORS' AND MANAGEMENT'S EMOLUMENTS (Cont'd) 10 董事及高級管理層酬金 (續)

(b) Five highest paid individuals (Cont'd)

The emoluments fell within the following bands:

(b) 五名最高薪酬人士 (續)

酬金介乎以下範圍：

		Number of individuals 人數	
		2004	2003
Emolument bands	酬金範圍		
Nil to HK\$1,000,000 (equivalent to approximately US\$128,000)	零至 1,000,000 港元 (約等於 128,000 美元)	—	1
HK\$1,000,001 to HK\$1,500,000 (equivalent to approximately US\$192,000)	1,000,001 港元至 1,500,000 港元 (約等於 192,000 美元)	—	1
HK\$1,500,001 to HK\$2,000,000 (equivalent to approximately US\$256,410)	1,500,001 港元至 2,000,000 港元 (約等於 256,410 美元)	1	—
HK\$2,000,001 to HK\$2,500,000 (equivalent to approximately US\$320,513)	2,000,001 港元至 2,500,000 港元 (約等於 320,513 美元)	—	—
HK\$2,500,001 to HK\$3,000,000 (equivalent to approximately US\$384,615)	2,500,001 港元至 3,000,000 港元 (約等於 384,615 美元)	—	—
HK\$3,000,001 to HK\$3,500,000 (equivalent to approximately US\$448,718)	3,000,001 港元至 3,500,000 港元 (約等於 448,718 美元)	1	—
		<b>2</b>	<b>2</b>

## 11 INTANGIBLE ASSETS

## 11 無形資產

		Computer		Total
		Goodwill	software	
		商譽	電腦軟件	總額
		US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元
<b>Cost</b>	<b>成本</b>			
As at 1 January 2003	於二零零三年一月一日	—	67	67
Additions	添置	264	130	394
As at 31 December 2003	於二零零三年十二月三十一日	264	197	461
Additions	添置	—	527	527
As at 31 December 2004	於二零零四年十二月三十一日	264	724	988
<b>Accumulated amortisation</b>	<b>累計攤銷</b>			
As at 1 January 2003	於二零零三年一月一日	—	26	26
Charge for the year	年內支出	26	14	40
At 31 December 2003	於二零零三年十二月三十一日	26	40	66
Charge for the year	年內支出	27	58	85
At 31 December 2004	於二零零四年十二月三十一日	53	98	151
<b>Net book value</b>	<b>賬面淨值</b>			
At 31 December 2004	於二零零四年十二月三十一日	211	626	837
At 31 December 2003	於二零零三年十二月三十一日	238	157	395



# Notes to the Financial Statements 財務報表附註

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

## 12 FIXED ASSETS

### Group

		Land use right	Machinery and equipment	Motor vehicles	Furniture, fixtures and office equipment	Construction -in-progress	Total
		土地 使用權	機器及 設備	汽車	傢俱、 裝置及 辦公室設備	在建工程	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
<b>Cost</b>	<b>成本</b>						
At 31 December 2003	於二零零三年十二月三十一日	590	55,233	359	1,684	37,437	95,303
Additions	添置	—	104	255	496	70,749	71,604
Transfers	重分類	—	61,020	—	—	(61,020)	—
Disposals	出售	—	(650)	(12)	(147)	—	(809)
As at 31 December 2004	於二零零四年十二月三十一日	590	115,707	602	2,033	47,166	166,098
<b>Accumulated depreciation and impairment</b>	<b>累計折舊及減值</b>						
At 31 December 2003	於二零零三年十二月三十一日	23	11,249	113	521	—	11,906
Charge for the year	年內支出	13	14,413	74	327	—	14,827
Impairment charge	減值支出	—	1,630	—	—	—	1,630
Disposals	出售	—	(694)	(1)	(89)	—	(784)
As at 31 December 2004	於二零零四年十二月三十一日	36	26,598	186	759	—	27,579
<b>Net book value</b>	<b>賬面淨值</b>						
At 31 December 2004	於二零零四年十二月三十一日	554	89,109	416	1,274	47,166	138,519
At 31 December 2003	於二零零三年十二月三十一日	567	43,984	246	1,163	37,437	83,397

## 12 固定資產

### 本集團

## 12 FIXED ASSETS (Cont'd)

Land use right comprises land use fee paid for the right to use the land where the Group's factory buildings in Wuxi, the PRC, are located. As at 31 December 2004, the remaining period of the land use right was approximately 48 years.

Construction-in-progress mainly comprises building under construction and machinery pending installation.

### Company

<b>Cost</b>	<b>成本</b>
As at 31 December 2003	於二零零三年十二月三十一日
Additions	添置
Disposals	出售
As at 31 December 2004	於二零零四年十二月三十一日
<b>Accumulated depreciation and impairment</b>	<b>累計折舊及減值</b>
At 31 December 2003	於二零零三年十二月三十一日
Charge for the year	年內支出
As at 31 December 2004	於二零零四年十二月三十一日
<b>Net book value</b>	<b>賬面淨值</b>
At 31 December 2004	於二零零四年十二月三十一日
At 31 December 2003	於二零零三年十二月三十一日

## 12 固定資產 (續)

土地使用權包括就本集團於中國無錫的工廠大樓所佔土地的使用權利而支付的土地使用費。於二零零四年十二月三十一日，土地使用權的餘下年期約為48年。

在建工程主要包括興建中的樓宇及尚待安裝的機械。

### 本公司

<b>Construction-in-progress</b>
在建工程
US\$'000
千美元
128
22,505
(14,200)
8,433
—
—
—
8,433
128

## 12 FIXED ASSETS (Cont'd)

Construction-in-progress mainly comprises equipment imported for the Company's PRC subsidiaries pending installation.

## 13 INVENTORIES

Raw materials	原材料
Work-in-progress	在製品
Finished goods	製成品
Spare parts	零部件

## 14 TRADE AND NOTES RECEIVABLES

As at 31 December 2004, the aging analysis of trade and notes receivables were as follows:

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

The Group would generally grant a credit term from 0 to 90 days to its customers. In addition, a predetermined maximum credit term has been set for each customer.

## 12 固定資產 (續)

在建工程主要包括本公司各中國附屬公司尚待安裝的進口設備。

## 13 存貨

2004	2003
US\$'000	US\$'000
千美元	千美元
5,699	1,683
4,453	903
1,353	418
5,048	1,992
<b>16,553</b>	<b>4,996</b>

## 14 應收貿易賬款及應收票據

於二零零四年十二月三十一日，應收貿易賬款及應收票據的賬齡分析如下：

2004	2003
US\$'000	US\$'000
千美元	千美元
5,872	4,144
4,352	1,045
789	—
—	11
<b>11,013</b>	<b>5,200</b>

本集團一般給予客戶0至90日信貸期。此外，本集團已就各名客戶預訂了最長信貸期。

## 15 RESTRICTED BANK DEPOSITS

Restricted bank deposits represent pledged deposits placed with banks as security for certain letters of credit issued by those banks on behalf of the Group (Note 25) and employee mortgage loans (Note 30).

## 16 CASH AND BANK BALANCES

<u>Group</u>	<u>本集團</u>
Cash and bank deposits	按下列貨幣計值的
denominated in:	現金及銀行存款：
Renminbi	人民幣
US\$	美元
Others	其他貨幣

<u>Company</u>	<u>本公司</u>
Cash and bank deposits	按以下貨幣計值的
denominated in:	現金及銀行存款：
US\$	美元
Others	其他貨幣

Renminbi is not a freely convertible currency in the PRC and the remittance of funds out of the PRC is subject to foreign exchange restrictions imposed by the PRC government.

## 15 有限制銀行存款

有限制銀行存款為存放於銀行的有抵押存款，作為該等銀行代表本集團發出的若干信用證(附註25)及僱員按揭貸款(附註30)的抵押品。

## 16 現金及銀行結餘

	<u>2004</u>	<u>2003</u>
	US\$'000	US\$'000
	千美元	千美元
	<b>6,936</b>	3,402
	<b>16,417</b>	35,518
	<b>1,110</b>	218
	<b>24,463</b>	39,138
	<b>1,540</b>	22,710
	<b>435</b>	47
	<b>1,975</b>	22,757

人民幣於中國並非自由兌換貨幣，而中國向外匯款須受中國政府施加的外匯限制所規管。

### 17 TRADE AND NOTES PAYABLES

As at 31 December 2004, the aging analysis of trade and notes payables were as follows:

0 to 30 days	0 至 30 日
30 to 180 days	30 至 180 日
Over 180 days	超過 180 日

### 18 SHORT-TERM BANK LOANS

Secured	有抵押
Un-secured	無抵押

As at 31 December 2004, short-term bank loans bore interest at rates ranging from 3% to 3.60% (2003: 3.31% to 5.31%).

### 17 應付貿易賬款及應付票據

於二零零四年十二月三十一日，應付貿易賬款及應付票據的賬齡分析如下：

2004	2003
US\$'000	US\$'000
千美元	千美元
13,213	10,622
1,168	58
21	36
<b>14,402</b>	<b>10,716</b>

### 18 短期銀行貸款

2004	2003
US\$'000	US\$'000
千美元	千美元
—	4,229
17,500	16,121
<b>17,500</b>	<b>20,350</b>

於二零零四年十二月三十一日，短期銀行貸款的息率介乎3厘至3.60厘（二零零三年：介乎3.31厘至5.31厘）。

## 19 SHARE CAPITAL

Authorised	法定
500,000,000 ordinary shares of US\$0.0001 each	500,000,000 股每股面值 0.0001 美元的普通股
500,000,000 redeemable convertible preferred shares of US\$0.0001 each	500,000,000 股每股面值 0.0001 美元的可贖回可換股優先股
10,000,000,000 ordinary shares of HK\$0.1 each	10,000,000,000 股每股面值 0.1 港元的普通股
Issued and fully paid	已發行及繳足
113,829,109 ordinary shares of US\$0.0001 each	113,829,109 股每股面值 0.0001 美元的普通股
52,200,000 redeemable convertible preferred shares of US\$0.0001 each	52,200,000 股每股面值 0.0001 美元的可贖回可換股優先股
2,616,146,090 ordinary shares of HK\$0.1 each	2,616,146,090 股每股面值 0.1 港元的普通股

By a shareholders' resolution passed on 8 May 2004, the authorised share capital of the Company was increased from US\$100,000 to US\$100,000 and HK\$1,000,000,000 by the creation of 10,000,000,000 ordinary shares of HK\$0.1 each.

## 19 股本

2004	2003
US\$'000	US\$'000
千美元	千美元
—	50
—	50
<b>128,205</b>	—
<b>128,205</b>	100
—	11
—	5
<b>33,540</b>	—
<b>33,540</b>	16

根據股東於二零零四年五月八日通過的決議案，透過增設 10,000,000,000 股每股面值 0.1 港元的普通股，本公司的法定股本由 100,000 美元增至 100,000 美元及 1,000,000,000 港元。

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## 19 SHARE CAPITAL (Cont'd)

By the same shareholders' resolution passed on 8 May 2004, the authorised share capital of the Company was reduced by US\$100,000 by cancelling 500,000,000 ordinary shares and 500,000,000 redeemable convertible preferred share of US\$0.0001 each.

Movement in share capital during the year was as follows:

	US\$ denominated ordinary share 以美元列值的 普通股		US\$ denominated preferred shares 以美元列值的 優先股		HK\$ denominated ordinary share 以港元列值的 普通股	
	Number of shares 股份數目	Amount 金額	Number of shares 股份數目	Amount 金額	Number of shares 股份數目	Amount 金額
	'000 千股	US\$'000 千美元	'000 千股	US\$'000 千美元	'000 千股	US\$'000 千美元
As at 1 January 2004 於二零零四年 一月一日	111,800	11	52,200	5	—	—
Dividends satisfied by shares (Note 8(b)(ii)) 以股代息 (附註 8(b)(iii))	1,338	—	—	—	—	—
Issuance of shares 發行股份	691	—	—	—	—	—
Effect of repurchase and currency re-denomination of share capital (i) 股本購回及 貨幣重列 的影響(i)	(113,829)	(11)	(52,200)	(5)	1,660,291	21,286
Exercise of warrants (Note 27) 行使認股權證 (附註 27)	—	—	—	—	271,440	3,480
Issuance of shares upon listing (ii) 就上市發行 股份(ii)	—	—	—	—	684,415	8,774
As at 31 December 2004 於二零零四年 十二月三十一日	—	—	—	—	2,616,146	33,540

## 19 股本 (續)

根據股東於二零零四年五月八日通過的同一項決議案，透過註銷 500,000,000 股每股面值 0.0001 美元的普通股及 500,000,000 股每股面值 0.0001 美元的可贖回可換股優先股，本公司的法定股本減少 100,000 美元。

股本於年內的變動如下：

## 19 SHARE CAPITAL (Cont'd)

- (i) On 8 May 2004, 113,829,109 ordinary shares and 52,200,000 preferred shares of US\$0.0001 each were repurchased and 1,660,291,090 ordinary shares of HK\$0.1 (equivalent to approximately US\$0.064) each were allotted and issued, credited as fully paid, to the former holders of such ordinary and preferred shares in exchange therefore on a pro rata basis.
- (ii) 684,415,000 ordinary shares of HK\$0.1 (equivalent to approximately US\$0.0128) each were issued upon the Company's initial public offering of shares at an issue price of HK\$0.5 (equivalent to approximately US\$0.064) each on 13 August 2004, resulting in a share premium of approximately US\$35,098,000.

## 19 股本 (續)

- (i) 於二零零四年五月八日，本公司已購回113,829,109股每股面值0.0001美元的普通股及52,200,000股每股面值0.0001美元的優先股，並已向之前持有該等普通股及優先股的人士配發及發行1,660,291,090股每股面值0.1港元（約等於0.064美元）的繳足普通股，以按比例交換上述購回股份。
- (ii) 本公司就首次公開發售股份而於二零零四年八月十三日按發售價每股0.5港元（約等於0.064美元）發行了684,415,000股每股面值0.1港元（約等於0.0128美元）的普通股，導致產生股份溢價約35,098,000美元。



# Notes to the Financial Statements 財務報表附註

## 20 RESERVES

## 20 儲備

		Share premium 股份溢價	Merger reserve 合併儲備	Warrant reserve 權證儲備	Accumulated losses 累計虧損	Total 總計
		US\$'000 千美元	US\$'000 千美元 (Note 21) (附註 21)	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元
As at 1 January 2003	於二零零三年一月一日					
Issuance of shares	發行股份	54,695	—	—	—	54,695
Merger reserve arising from the restructuring	因重組而產生的 合併儲備	—	34,518	—	—	34,518
Share issuance expenses	股份發行開支	(1,448)	—	—	—	(1,448)
Loss for the period	期內虧損	—	—	—	(501)	(501)
As at 31 December 2003	於二零零三年十二月三十一日	53,247	34,518	—	(501)	87,264
Issuance of warrants (Note 27)	發行認股權證 (附註 27)	—	—	17,400	—	17,400
Repurchase and currency re-denomination of share capital (Note 19)	購回股本及重定股本 貨幣單位 (附註 19)	(21,270)	—	—	—	(21,270)
Share issuance expenses	股份發行	(7,433)	—	—	—	(7,433)
Exercise of warrants (Note 27)	行使認股權證 (附註 27)	13,920	—	(17,400)	—	(3,480)
Issuance of shares upon listing (Note 19)	於上市時 發行股份 (附註 19)	35,098	—	—	—	35,098
Profit for the year	年內溢利	—	—	—	5,067	5,067
As at 31 December 2004	於二零零四年十二月三十一日	73,562	34,518	—	4,566	112,646

## 21 MERGER RESERVES

## 21 合併儲備

Merger reserve of the Group and the Company represent the difference between the nominal value of the subsidiaries' registered capital acquired pursuant to a restructuring, completed on 5 August 2003 in preparing for the Group's listing, and the nominal value of the share capital of the Company issued in exchange thereof.

本集團及本公司的合併儲備指按照為籌備本集團上市而於二零零三年八月五日完成的重組所收購的附屬公司註冊資本面值，與用作收購該等附屬公司而發行的本公司股本面值兩者之差。

## 22 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries of the Company comprised:

Unlisted shares, at cost                      非上市股份，按成本

The directors are of the opinion that the underlying value of the subsidiaries was not less than the carrying value.

Details of the Company's subsidiaries are as follows:

Name 名稱	Country/place of incorporation/ Establishment and kind of legal entity 註冊成立／成立國家／ 地點及法律實體類別	Issued and fully paid up share capital 已發行和 繳足股本	Attributable equity interest 應佔 股本權益		Principal activities and place of operations 主要業務及 經營地點
			Directly held 直接持有	Indirectly held 間接持有	
CSMC Manufacturing Company Limited ("CSMC-BVI") 上華半導體製造有限公司 (「上華半導體製造」)	British Virgin Islands ("BVI") Limited liability company 英屬處女群島 有限責任公司	US\$2 2 美元	100%	—	Trading of integrated circuit and related products in Hong Kong 於香港買賣集成 電路及相關產品
Advanced Microelectronics Limited ("AML") 華進微電子有限公司 (「華進微電子」)	BVI Limited liability company 英屬處女群島 有限責任公司	US\$1 1 美元	100%	—	Investment holding in BVI 於英屬處女群島 投資控股

## 22 於該等附屬公司的投資

本公司於該等附屬公司的投資包括：

2004	2003
US\$'000	US\$'000
千美元	千美元
<b>34,527</b>	<b>34,527</b>

董事認為，該等附屬公司的相關價值並不低於賬面值。

本公司的附屬公司詳情如下：

22 INVESTMENTS IN SUBSIDIARIES (Cont'd)

22 於該等附屬公司的投資(續)

Name 名稱	Country/ place of incorporation/ Establishment and kind of legal entity 註冊成立/成立國家/ 地點及法律實體類別	Issued and fully paid up share capital 已發行和 繳足股本	Attributable equity interest 應佔 股本權益		Principal activities and place of operations 主要業務及 經營地點
			Directly held 直接持有	Indirectly held 間接持有	
Qualibest Enterprises Limited ("QEL") 極品實業有限公司 (「極品實業」)	BVI Limited liability company 英屬處女群島 有限責任公司	US\$1 1 美元	100%	—	Investment holding in BVI 於英屬處女群島 投資控股
CSMC Technologies Fab 1 Co., Ltd. ("Fab 1") 無錫華潤上華 半導體有限公司 (「一廠」)	The PRC Wholly-owned foreign enterprise 中國 外商獨資企業	US\$57,974,286 57,974,286 美元	—	100%	Manufacture of integrated circuit and related products in the PRC 於中國製造集成電路及 相關產品
CSMC Technologies Fab 2 Co., Ltd. ("Fab 2") 無錫華潤上華科技有限公司 (「二廠」)	The PRC Wholly-owned foreign enterprise 中國 外商獨資企業	US\$35,000,000 35,000,000 美元	—	100%	Manufacture of integrated circuit and related products in the PRC (pre-operating as at 31 December 2004) (於二零零四年十二月 三十一日預備經營 階段)於中國製造集成 電路及相關產品

## 23 CONSOLIDATED CASH FLOW STATEMENT

## (a) Reconciliation of profit before taxation to net cash inflow generated from operations

Profit before taxation	除稅前溢利
Adjustment for:	作出以下項目調整：
Provision for doubtful receivables	應收呆賬撥備
(Reversal of provision) provision for inventories obsolescence	(撥備撥回) 過時存貨撥備
Depreciation	折舊
Amortisation of intangible assets	無形資產攤銷
(Gain) loss on disposal of fixed assets	出售固定資產 (收益) 虧損
Impairment of fixed assets	固定資產減值
Interest expenses	利息開支
Interest income from bank deposits	銀行存款的利息收入

## 23 綜合現金流量表

## (a) 除稅前溢利及經營業務所產生的現金流入淨額對賬

2004	2003
US\$'000 千美元	US\$'000 千美元
<b>12,737</b>	4,566
<b>1,113</b>	71
<b>(17)</b>	81
<b>14,827</b>	9,076
<b>85</b>	40
<b>(7)</b>	13
<b>1,630</b>	—
<b>992</b>	709
<b>(187)</b>	(108)

23 CONSOLIDATED CASH FLOW STATEMENT (Cont'd)

23 綜合現金流量表 (續)

(a) Reconciliation of profit before taxation to net cash inflow generated from operations (Cont'd)

(a) 除稅前溢利及經營業務所產生的現金流入淨額對賬 (續)

		2004	2003
		US\$'000	US\$'000
		千美元	千美元
Operating cash flows before working capital changes	營運資金變動前的經營現金流量	31,173	14,448
Increase in inventories	存貨增加	(11,540)	(546)
Increase in trade and notes receivables	應收貿易賬款及應收票據增加	(5,993)	(1,870)
(Increase) decrease in amount due from related parties and a shareholder	應收關連人士及一名股東款項 (增加) 減少	(3,320)	1,427
(Increase) decrease in prepayments, other receivables and restricted bank deposits	預付款項、其他應收款項及有限制銀行存款 (增加) 減少	(1,309)	1,484
Increase (decrease) in advances from customers, accruals and other payables	客戶預付款項、應計項目及其他應付款項增加 (減少)	3,403	(1,643)
Increase (decrease) in amount due to related parties	應付關連人士款項增加 (減少)	101	(1,330)
Increase (decrease) in trade and notes payables	應付貿易賬款及應付票據增加 (減少)	9,751	(1,676)
Net cash inflow generated from operations	經營所產生的現金流入淨額	<b>22,266</b>	10,294

## 23 CONSOLIDATED CASH FLOW STATEMENT (Cont'd) 23 綜合現金流量表 (續)

### (b) Analysis of changes in financing

### (b) 融資變動分析：

		Share capital including share premium and warrant reserve 股本 (包括股份 溢價及認股 權證儲備)	Bank loans 銀行貸款	Dividend payable 應付股息	Accrued share issuance expense (included in other payable) 應計股份 發行開支 (計入其他 應付款項內)	Total 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
At 1 January 2003	於二零零三年一月一日	9	11,336	—	—	11,345
Dividends	股息	—	—	13,000	—	13,000
Net cash inflow (outflow) from financing	融資現金流入 (流出) 淨額	53,254	11,314	(6,454)	—	58,114
At 31 December 2003	於二零零三年十二月三十一日	53,263	22,650	6,546	—	82,459
Net cash inflow (outflow) from financing	融資現金流入 (流出) 淨額	53,839	(5,150)	(6,546)	1,290	43,433
At 31 December 2004	於二零零四年三月三十一日	107,102	17,500	—	1,290	125,892

23 CONSOLIDATED CASH FLOW STATEMENT (Cont'd)

(c) Acquisition of a subsidiary

In August 2003, the Group acquired 100% of the equity interest in Qualibest Enterprises Limited ("QEL") and CSMC Technologies Fab 2 Co., Ltd. ("Fab 2"), QEL's wholly-owned subsidiary for a consideration of US\$1. The fair value of net assets acquired is as follows:

Net assets acquired	已收購資產淨額
Fixed assets	固定資產
Intangible assets	無形資產
Other current assets	其他流動資產
Cash and bank balances	現金及銀行結餘
Due to a related party	應付一名關連人士款項
Other current liabilities	其他流動負債
Goodwill (Note 11)	商譽 (附註 11)
Cash consideration	現金代價
Less: Cash and bank balances acquired	減：已收購現金及銀行結餘
Net cash inflow in respect of the purchase of QEL and Fab 2	就購買 QEL 及二廠的現金流入淨額

23 綜合現金流量表 (續)

(c) 收購一家附屬公司：

於二零零三年八月，本集團以代價 1 美元收購 Qualibest Enterprises Limited (「QEL」) 及其全資附屬公司無錫華潤上華科技有限公司 (「二廠」) 的全部股權。已收購資產淨額的公允價值如下：

2004	2003
US\$	US\$
美元	美元
—	554,144
—	2,267
—	491,072
—	117,230
—	(1,001,805)
—	(427,167)
—	(264,259)
—	264,260
—	1
—	(117,230)
—	(117,229)

## 23 CONSOLIDATED CASH FLOW STATEMENT 23 綜合現金流量表(續)

(Cont'd)

### (d) Major non-cash transactions

In March 2003, fixed assets amounting to approximately US\$22,527,400 were contributed to the Group by Wuxi China Resources Microelectronics Co., Ltd., the then joint venture partner of CSMC Technologies Fab 1 Co., Ltd. (now a wholly-owned subsidiary of the Company after a restructuring of the Group completed on 5 August 2003).

### (d) 主要非現金交易

於二零零三年三月，無錫華潤微電子有限公司(為無錫華潤上華半導體有限公司當時的合營企業夥伴，於本集團在二零零三年八月五日完成重組後，現為本公司的全資附屬公司)向本集團投入約達22,527,400美元的固定資產。



## 24 COMMITMENTS

### (a) Capital commitments

As at 31 December 2004, the Group had the following significant capital commitments which were not provided for in the consolidated balance sheet of the Group:

Contracted but not provided for:	已訂約但未撥備：
- Acquisition of plant and machinery	— 購置廠房及機器
Authorised but not contracted for:	已批准但未訂約：
- Acquisition of plant and machinery	— 購置廠房及機器
- Acquisition of information technology system	— 購置資訊科技系統

## 24 承擔

### (a) 資本承擔

於二零零四年十二月三十一日，本集團有下列未於本集團綜合資產負債表內撥備的重大資本承擔：

2004	2003
US\$'000	US\$'000
千美元	千美元
<b>25,549</b>	15,000
<b>114,220</b>	75,708
<b>2,863</b>	1,686
<b>142,632</b>	92,394

## 24 COMMITMENTS (Cont'd)

### (b) Operating lease commitments

As at 31 December 2004, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

Factory premises and machinery	廠房及機器
- Within 1 year	— 一年內
- After 1 year but within 5 years	— 超過一年但不超過五年
- Later than 5 years	— 超過五年

## 24 承擔 (續)

### (b) 經營租約承擔

於二零零四年十二月三十一日，本集團根據不可撤銷經營租約有以下未來最低租金總額：

2004	2003
US\$'000 千美元	US\$'000 千美元
1,631	1,418
5,015	1,940
—	105
<b>6,646</b>	<b>3,463</b>

## 25 BANKING FACILITIES

As at 31 December 2004, the Group had aggregate banking facilities as follows:

Loan facilities	貸款融資
Letters of credit	信用證
Total facilities	融資總額
Less: amount utilized	減：已動用金額
Loan facilities	貸款融資
Letters of credit	信用證
Unused facilities	未動用融資

As at 31 December 2004, the amount of utilized letter of credit was guaranteed by certain of the Group's pledge deposit amounted to approximately US\$111,000 (2003: US\$32,000) (Note 15).

## 25 銀行融資

於二零零四年十二月三十一日，本集團的銀行融資總額如下：

2004	2003
US\$'000	US\$'000
千美元	千美元
<b>137,658</b>	34,155
<b>2,613</b>	10,000
<b>140,271</b>	44,155
<b>(17,500)</b>	(22,650)
<b>(781)</b>	—
<b>121,990</b>	21,505

於二零零四年十二月三十一日，已動用信用證的金額由本集團為數約111,000美元(二零零三年：32,000美元)的若干有抵押存款作擔保(附註15)。

## 26 RELATED PARTY TRANSACTIONS

## (a) Name and relationship

Name 名稱
Faithway Resources Limited (“Faithway”) Faithway Resources Limited (「Faithway」)
Stockside Limited (“Stockside”) Stockside Limited (「Stockside」)
Central Semiconductor Manufacturing Corporation (“CSMC Cayman”) Central Semiconductor Manufacturing Corporation (「上華半導體」)
China Resources Microelectronics (Holdings) Limited (“CR Microelectronics”) 華潤微電子(控股)有限公司 (「華潤微電子」)
Central Semiconductor Manufacturing Co., Ltd. (“CSMC-HK”) Central Semiconductor Manufacturing Co., Ltd. (「上華香港」)
Wuxi China Resources Microelectronics Co., Ltd (“Wuxi CR”) 無錫華潤微電子有限公司 (「無錫華潤」)
Wuxi China Resources Semico Co., Ltd. (“Wuxi CR Semico”) 無錫華潤矽科微電子有限公司 (「無錫華潤矽科」)

## 26 關連人士交易

## (a) 名稱及關係

Relationship 關係
A substantial shareholder of the Company 本公司的主要股東
A substantial shareholder of the Company 本公司的主要股東
Parent company of Stockside Stockside 的母公司
Parent company of Faithway Faithway 的母公司
Wholly-owned subsidiary of CSMC Cayman 上華半導體的全資附屬公司
Wholly-owned subsidiary of CR Microelectronics 華潤微電子的全資附屬公司
A subsidiary of CR Microelectronics as to 99.5% of its issued shares 華潤微電子擁有其已發行股份99.5% 的附屬公司

26 RELATED PARTY TRANSACTIONS (Cont'd)

26 關連人士交易 (續)

(a) Name and relationship (Cont'd)

(a) 名稱及關係 (續)

Name 名稱	Relationship 關係
Wuxi Huajing Multi-Services Co., Ltd. (“Wuxi Services”) 無錫華晶綜合服務有限公司 (「無錫服務」)	A subsidiary of Wuxi CR as to 95% and Wuxi CR Semico as to 5% 無錫華潤持有95%及無錫華潤矽科持有5%的附屬公司
IPCore Technologies Corporation (“IPCore”) IPCore Technologies Corporation (「智芯科技」)	Controlled by Directors and shareholders of the Company 由本公司的董事及股東控制
IPCore Technologies (Shanghai) Co., Ltd. (“IPCore SH”) 智芯科技(上海)有限公司(「智芯科技(上海)」)	Wholly-owned subsidiary of IPCore IPCore的全資附屬公司
Wiston Management Limited (“Wiston”) Wiston Management Limited (「Wiston」)	Controlled by Directors of the Company 由本公司的董事控制
Wuxi China Resources Huajing Microelectronics Co., Ltd. (“Wuxi Huajing”) 無錫華潤華晶微電子有限公司 (「無錫華晶」)	A subsidiary of Wuxi CR as to 75% and CR Microelectronics as to 25% of its share capital 無錫華潤及華潤微電子分別擁有其75%及25%股本的附屬公司
Shenzhen China Resources Semico Co., Ltd. (“Shenzhen CR Semico”) 深圳華潤矽科微電子有限公司 (「深圳華潤矽科」)	A subsidiary of Wuxi CR Semico as to 75% and CR Microelectronics as to 25% of its share capital 無錫華潤矽科及華潤微電子分別擁有其75%及25%股本的附屬公司

## 26 RELATED PARTY TRANSACTIONS (Cont'd)

### (b) Related party transactions

During the year ended 31 December 2004, the Company had the following significant transactions with related parties:

Sales of goods	銷售商品
- Wuxi CR Semico	—無錫華潤矽科
- IPCore SH	—智芯科技（上海）
- IPCore	—智芯科技
- Shenzhen CR Semico	—深圳華潤矽科
Utilities fee paid to Wuxi CR	向無錫華潤支付公用事業費用
Operating lease paid to Wuxi CR	向無錫華潤支付經營租約租金
Consulting fee paid to Wiston	向Wiston 支付顧問費用
Wafer milling services fee paid to Wuxi CR and its subsidiary	向無錫華潤及其附屬公司支付晶圓打磨服務費用
Storage and transportation fee paid to Wuxi CR and Wuxi Services	向無錫華潤及無錫服務支付儲存及運輸費用
Purchase of mask from Wuxi CR	向無錫華潤購買光罩
Rental of staff quarters paid to Wuxi CR and Wuxi Services	向無錫華潤及無錫服務支付員工宿舍租金
Design and technical service fees paid to IPCore	向智芯科技支付設計及技術服務費用
Purchase of fixed assets from CSMC Cayman (i)	向上華半導體購買固定資產(i)

## 26 關連人士交易 (續)

### (b) 關連人士交易

於截至二零零四年十二月三十一日止年度內，本公司與關連人士的重大交易如下：

2004	2003
US\$'000	US\$'000
千美元	千美元
<b>13,737</b>	8,471
<b>3,310</b>	2,175
<b>1,296</b>	901
<b>642</b>	—
<b>8,940</b>	5,131
<b>1,102</b>	1,050
<b>465</b>	688
<b>360</b>	329
<b>130</b>	51
<b>21</b>	14
<b>20</b>	26
<b>1,363</b>	—
<b>—</b>	19,510

## 26 RELATED PARTY TRANSACTIONS (Cont'd)

### (b) Related party transactions (Cont'd)

- (i) CSMC Cayman acted as a “middleman” in the purchase of a 6” wafer production line from Agere System Inc., the machinery supplier, on behalf of Fab 1. The machinery was sold to Fab 1 by CSMC Cayman at the purchase cost plus other purchase related costs.

## 26 關連人士交易 (續)

### (b) 關連人士交易 (續)

- (i) 上華半導體代表一廠作為向機器供應商Agere System Inc.購買6英寸晶圓生產線的「中間人」。上華半導體按購買價加上其他購買相關費用將機器售予一廠。

## 26 RELATED PARTY TRANSACTIONS (Cont'd)

## (c) Related party balances

As at 31 December 2004, the Company had the following significant balances with related parties:

<b>Group</b>	<b>集團</b>
Due from related parties:	應收關連人士款項：
- Wuxi CR Semico	— 無錫華潤矽科
- IPCore SH	— 智芯科技（上海）
- Shenzhen CR Semico	— 深圳華潤矽科
- CSMC Cayman	— 上華半導體
- CSMC-HK	— 上華香港
- Grandmate	— Grandmate
- IPCore	— 智芯科技
Due from a shareholder	應收一名股東款項：
- Stockside	— Stockside
Due to related parties:	應付關連人士款項：
- Wuxi CR	— 無錫華潤
- IPCore	— 智芯科技
- Wuxi Services	— 無錫服務
- Wiston	— Wiston
- Wuxi Huajing	— 無錫華晶
- CSMC-HK	— 上華香港
- CSMC Cayman	— 上華半導體

## 26 關連人士交易 (續)

## (c) 關連人士結餘

於二零零四年十二月三十一日，本公司的重大關連人士結餘如下：

<b>2004</b>	<b>2003</b>
<b>US\$'000</b>	<b>US\$'000</b>
<b>千美元</b>	<b>千美元</b>
<b>3,041</b>	1,532
<b>1,816</b>	923
<b>433</b>	—
<b>193</b>	—
<b>188</b>	—
<b>2</b>	—
<b>—</b>	150
<b>5,673</b>	2,605
<b>6</b>	6
<b>570</b>	3,164
<b>320</b>	—
<b>43</b>	—
<b>16</b>	60
<b>2</b>	—
<b>—</b>	3,856
<b>—</b>	316
<b>951</b>	7,396



26 RELATED PARTY TRANSACTIONS (Cont'd)

(c) Related party balances (Cont'd)

<u>Company</u>	<u>公司</u>
Due from related parties:	應收關連人士款項：
- Subsidiaries of the Company	— 本公司的附屬公司
Due from a shareholder:	應收一名股東款項：
- Stockside	— Stockside
Due to related parties:	應付關連人士款項：
- IPCore SH	— 智芯科技（上海）
- Wiston	— Wiston
- Subsidiaries of the Company	— 本公司的附屬公司
- CSMC Cayman	— 上華半導體
- CSMC-HK	— 上華香港
- Other subsidiaries of CSMC Cayman	— 上華半導體的其他附屬公司

As at 31 December 2004, all balances with related parties were unsecured, non-interest bearing and without fixed repayment terms.

26 關連人士交易 (續)

(c) 關連人士結餘 (續)

<u>2004</u>	<u>2003</u>
US\$'000	US\$'000
千美元	千美元
<b>103,453</b>	30,271
<b>5</b>	5
<b>19</b>	—
<b>16</b>	—
—	81
—	268
—	27
—	7
<b>35</b>	383

於二零零四年十二月三十一日，所有關連人士結餘為無抵押、免息及無固定還款期。

## 27 WARRANTS

On 27 February 2004, the Company issued 17,400,000 unlisted warrants at US\$1 each with total proceeds of US\$17,400,000.

Subscription monies paid by a holder of the warrants upon exercise of the relevant warrants will be applied in paying up any ordinary shares issued pursuant to such exercise. Such warrants are exercisable on the date of the Company's listing on 13 August 2004 and shall lapse on the date immediately following the first anniversary of such date.

Pursuant to a supplement agreement dated 28 June 2004, the Company and the holders of the warrants agreed that the price per share payable for the subscription of shares upon the exercise of a warrant shall be HK\$0.5 (equivalent to approximately US\$0.064) per share, being the final offer price upon the listing of the Company's share, and a total of 271,440,000 shares would fall to be issued should all the warrants be exercised.

Upon listing, all of the 17,400,000 warrants were exercised and consequently 271,440,000 ordinary shares with a par value of HK\$0.1 (equivalent to approximately US\$0.013) each were issued at HK\$0.5 (equivalent to approximately US\$0.064) each according to the terms of the warrants resulting in a share premium of approximately US\$13,920,000.

## 27 認股權證

於二零零四年二月二十七日，本公司按每份認股權證1美元的價格發行了17,400,000份非上市認股權證，所得款項總額為17,400,000美元。

認股權證持有人於行使有關認股權證所支付的認購金額，將用作繳足因行使認股權證而發行的任何普通股。該等認股權證可於本公司股份在二零零四年八月十三日上市時行使，並將於緊隨該日起計第一週年的翌日失效。

根據日期為二零零四年六月二十八日的補充協議，本公司及認股權證持有人同意，就認購因行使認股權證而發行的股份應付的每股價格將為每股0.5港元（約等於0.064美元），相等於本公司股份上市時的最終發售價。倘若認股權證獲悉數行使，則會發行合共271,440,000股股份。

於上市後，17,400,000份認股權證已獲悉數行使，因此，根據認股權證的條款，已按每股0.5港元（約等於0.064美元）發行271,440,000股每股面值0.1港元（約等於0.013美元）的普通股，導致產生約13,920,000美元的股份溢價。

## 28 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 (including executive directors, non-executive directors and independent non-executive 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 10 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 and, when aggregated with the number of shares which may be issued under any other employee incentive schemes (if any), must not exceed 30% of the shares of the Company in issue from time to time. Further, the total number of shares which may be issued pursuant to the Plan in any financial year must not exceed 3% of the total number of shares in issue at the close of business on the last business day of the preceding financial year.

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 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.

## 28 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（包括執行董事、非執行董事及獨立非執行董事）（「參與者」）分配本公司的股票。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，可能將予發行的股票總數不得超過本公司不時已發行股票的15%，而於計入因任何其他僱獎勵計劃（如有）而可能發行的股票數目後，不得超過本公司已發行股票的30%。此外，於任何財政年度就計劃可能發行的股票總數，不得超過上一個財政年度的最後一個營業日營業時間結束時已發行的股票總數的30%。

總括而言，根據計劃分配的股票將自發出日期起計的四年內按相同份額逐次撥歸參與者名下。已分配的股票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可會予以發行。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票將以紅股方式授予參與者。

## 28 EQUITY INCENTIVE PLAN (Cont'd)

Details of the shares under the Plan are as follows:

Name 姓名	Total number of shares under the Plan as at 1 January 2004 於二零零四年一月一日計劃項下 的股份總數			Total number of shares under the Plan as at 31 December 2004 於二零零四年十二月三十一日計劃項下 的股份總數					
	Allocated but not vested		Vested Total	Allocated during the year	Vested during the year	Issued during the year	Allocated but not vested		Vested Total
	已分配 但未歸屬	已歸屬					已分配 但未歸屬	已歸屬	
	'000	'000	'000	'000	'000	'000	'000	'000	'000
千股	千股	千股	千股	千股	千股	千股	千股	千股	
Directors	董事								
— Peter Chen	—	—	—	7,817	1,402	—	6,415	1,402	7,817
— Robert Lee	—	—	—	5,850	1,268	—	4,582	1,268	5,850
— Gene Tsai	—	—	—	4,336	671	—	3,665	671	4,336
Employees	僱員			126,482	15,980	—	110,502	15,980	126,482
	—	—	—	144,485	19,321	—	125,164	19,321	144,485

## 29 PENSIONS – DEFINED CONTRIBUTION PLANS

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (“the MPF Scheme”), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, the Group and its Hong Kong employees make monthly contributions to the scheme at 5% of the employees’ earnings as defined under the Mandatory Provident Fund legislation, subject to a cap of Hong Kong dollar 1,000 (equivalent to approximately US\$128) per person per month and thereafter contributions are voluntary. When employees leave before the funds vest, contributions from the Group are forfeited and available to reduce future contribution of the Group. There was no forfeited contributions available at the year end to reduce future contributions (2003: Nil).

## 28 股份獎勵計劃(續)

計劃項下的股票詳情如下：

## 29 退休金—界定供款計劃

本集團已安排其香港僱員參加強制性公積金計劃(「強積金計劃」)，該計劃為一界定供款計劃，由一名獨立受託人管理。根據強積金計劃，本集團及其香港僱員須根據強制性公積金計劃條例所規定，按僱員入息的5%每月對計劃作出供款，供款上限為每人每月1,000港元(相等於約128美元)，就此金額以外的供款均屬自願性質。倘若僱員於基金歸屬其名下前離職，本集團將沒收由集團作出的供款，並用作抵扣本集團日後的供款。於年終時，本集團概無沒收任何供款以抵扣未來供款(二零零三年：零)。

**29 PENSIONS – DEFINED CONTRIBUTION PLANS**

(Cont'd)

Pursuant to PRC laws and regulations, contributions to the basic old age insurance for local staff of the Company's subsidiaries operating in the PRC are made monthly to a government agency based on 29% of the standard salary set by the provincial government, of which 22% is borne by the subsidiaries and the remainder is borne by the staff. The government agency is responsible for the pension liabilities relating to such staff on their retirement.

Contribution totalling US\$69,000 (2003: US\$69,000) were payable to the funds at year end.

**30 CONTINGENT LIABILITIES**

During the year, the Group has provided corporate guarantee to a third party bank for the down payment mortgage loan, in addition to the pledged bank deposit as set out in Note 15, of its employees amounting to approximately US\$62,000 (2003: Nil). Management anticipate that no material liabilities will arise from the above guarantees.

**31 COMPARATIVES**

Certain comparative figures were reclassified to conform to the current year presentation.

**32 APPROVAL OF ACCOUNTS**

The accounts were approved by the board of directors on 15 March 2005.

**29 退休金—界定供款計劃 (續)**

根據中國法律及法規規定，本公司於中國經營的附屬公司須為當地員工每月向政府有關部門繳納基本養老保險補助金。基本養老保險補助金乃按地方政府規定的標準工資29%繳納，附屬公司承擔其中22%，餘額則由員工承擔。退休員工的退休金由政府有關部門負責支付。

於年終，應付基金的供款合共達69,000美元(二零零三年：69,000美元)。

**30 或有負債**

年內，本集團已就其僱員的一筆預付訂金按揭貸款及附註15所載的有抵押銀行存款，向一家第三方銀行提供公司擔保約62,000美元(二零零三年：零)。管理層預期，上述擔保將不會產生任何重大負債。

**31 比較數字**

若干比較數字已經重列，以符合本年度的呈報方式。

**32 批准賬目**

該等賬目已由董事會於二零零五年三月十五日批准通過。