

智造  
Empowering  
the **芯** Future  
未來



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# Definitions

In this interim report, unless the context otherwise requires, the following terms shall have the meanings set out below.

“Board”	the board of Directors of the Company;
“Company” or “our Company”	Hua Hong Semiconductor Limited, a company incorporated in Hong Kong with limited liability on 21 January 2005 and, except where the context otherwise requires, all of its subsidiaries, or where the context refers to the time before it became the holding company of its present subsidiaries, its present subsidiaries;
“Director(s)”	the director(s) of the Company;
“EPS”	earnings per share;
“Group”	our Company and our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries (or became such associated companies of our Company), the business operated by such subsidiaries or their predecessors (as the case may be);
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

# Corporate Information

## Board of Directors

### Executive Directors

Suxin Zhang (*Chairman*)  
Yu Wang (*President*)

### Non-Executive Directors

Jianbo Chen  
Yuchuan Ma  
Takayuki Morita  
Jun Ye

### Independent Non-Executive Directors

Stephen Tso Tung Chang  
Kwai Huen Wong, JP  
Long Fei Ye

### Company Secretary

Xiaojun Wang (*Solicitor*)

### Authorized Representatives

Yu Wang  
Xiaojun Wang (*Solicitor*)

### Audit Committee

Stephen Tso Tung Chang (*Chairman*)  
Long Fei Ye  
Jun Ye

### Remuneration Committee

Kwai Huen Wong, JP (*Chairman*)  
Long Fei Ye  
Jianbo Chen

### Nomination Committee

Suxin Zhang (*Chairman*)  
Kwai Huen Wong, JP  
Long Fei Ye

## Website

[www.huahonggrace.com](http://www.huahonggrace.com)

## Auditor

Ernst & Young  
*Certified Public Accountants*  
22nd Floor, CITIC Tower  
1 Tim Mei Avenue, Central  
Hong Kong

## Legal Advisor

Herbert Smith Freehills  
23/F, Gloucester Tower  
15 Queen's Road Central  
Hong Kong

## Principal Banks

Shanghai Pudong Development Bank Shanghai Branch  
No. 12, Zhongshan East 1st Road  
Shanghai, PRC

Industrial and Commercial Bank of China Shanghai Branch  
No. 9, Pudong Avenue  
Pudong New Area  
Shanghai, PRC

China Construction Bank Shanghai Branch  
No. 900, Lujiazui Ring Road  
Pudong New Area  
Shanghai, PRC

Bank of Communications Shanghai Branch  
No. 188, Yincheng Middle Road  
Shanghai, PRC

China Development Bank Shanghai Branch  
No. 68 Puming Road  
Shanghai, PRC

China Construction Bank Corporation Hong Kong Branch  
28/F, CCB Tower, 3 Connaught Road, Central  
Hong Kong

Bank of Communications Co., Ltd. Hong Kong Branch  
20 Pedder Street, Central  
Hong Kong

## Share Registrar

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

## Registered Office

Room 2212, Bank Of America Tower  
12 Harcourt Road, Central  
Hong Kong

## Principal Place of Business and Head Office in China

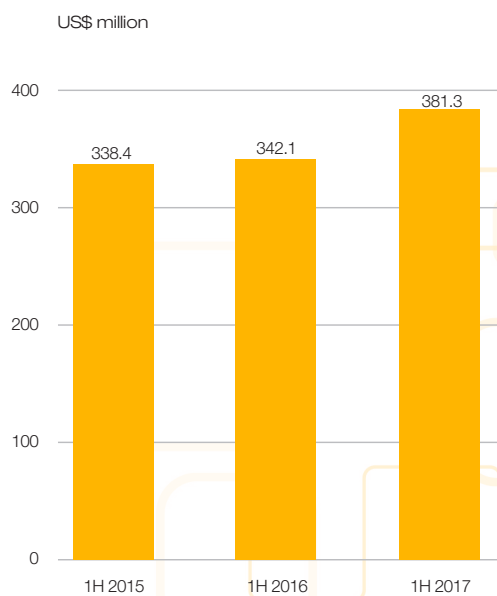
288 Halei Road  
Zhangjiang Hi-Tech Park  
Shanghai 201203, PRC

## Stock Code

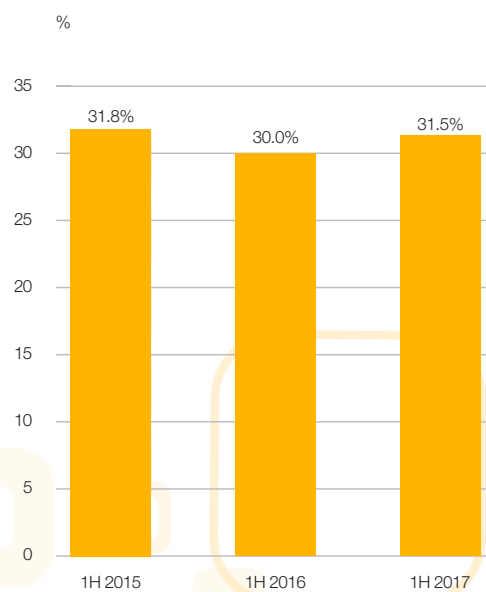
1347

# Key Financials

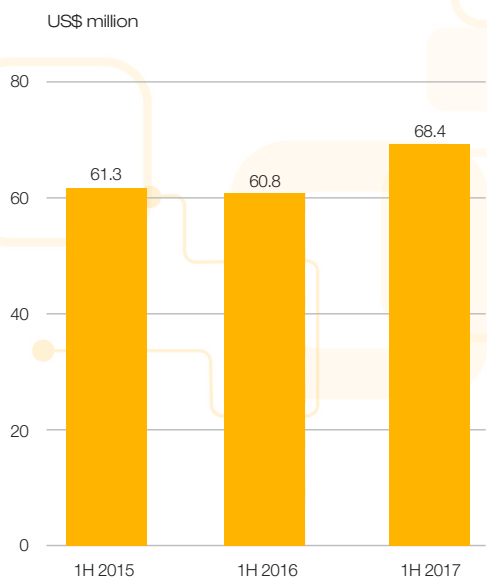
## Revenue



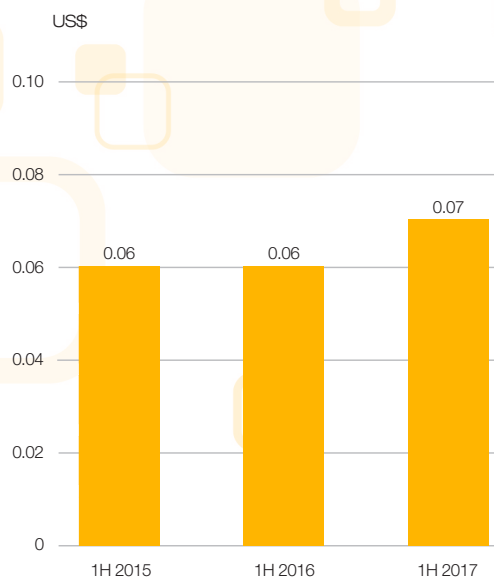
## Gross Profit Margin



## Net Profit



## EPS



# Management Discussion and Analysis

## Financial Performance

	<b>1H 2017</b> <b>US\$'000</b> <b>(Unaudited)</b>	1H 2016 US\$'000 (Unaudited)	Change
Revenue	<b>381,304</b>	342,118	11.5 %
Cost of sales	<b>(261,202)</b>	(239,385)	9.1 %
<b>Gross profit</b>	<b>120,102</b>	102,733	16.9 %
Other income and gains	<b>10,321</b>	17,130	(39.7)%
Selling and distribution expenses	<b>(3,253)</b>	(3,178)	2.4 %
Administrative expenses	<b>(46,543)</b>	(45,640)	2.0 %
Other expenses	<b>(4,554)</b>	(36)	12,550.0 %
Finance costs	<b>(1,049)</b>	(1,983)	(47.1)%
Share of (loss)/profits of an associate	<b>(141)</b>	3,003	(104.7)%
<b>Profit before tax</b>	<b>74,883</b>	72,029	4.0 %
Income tax expense	<b>(6,464)</b>	(11,214)	(42.4)%
<b>Profit for the period</b>	<b>68,419</b>	60,815	12.5 %

### Explanation on items with fluctuation over 5%

#### Revenue

Revenue reached an all-time high of US\$381.3 million, an increase of 11.5% compared to 1H 2016, primarily due to strong demand for smart card IC, MCU, super junction, analog and IGBT products.

#### Cost of sales

Cost of sales was US\$261.2 million, an increase of 9.1% compared to 1H 2016, primarily due to increased wafer shipments.

#### Gross profit

Gross profit was US\$120.1 million, an increase of 16.9% compared to 1H 2016, primarily due to increased revenue and improved product mix.

#### Other income and gains

Other income and gains were US\$10.3 million, a decrease of 39.7% compared to 1H 2016, primarily due to (i) lower general subsidies and (ii) nil foreign exchange gains.

#### Other expenses

Other expenses were US\$4.6 million, mainly due to foreign exchange loss.

#### Finance costs

Finance costs were US\$1.0 million, a decrease of 47.1% compared to 1H 2016, primarily due to decreased bank borrowings.

# Management Discussion and Analysis

## Share of (loss)/profits of an associate

Share of loss of an associate was US\$0.1 million, compared to profit of US\$3.0 million in 1H 2016, due to loss realized by the associate.

## Income tax expense

Income tax expense was US\$6.5 million, a decrease of 42.4% compared to 1H 2016, primarily due to a reversal of dividend withholding tax accrued for prior years, partially offset by increased income tax expense.

## Profit for the period

As a result of the cumulative effect of the above factors, profit for the period was \$68.4 million, an increase of 12.5% compared to 1H 2016. Net profit margin was 17.9%, an increase of 0.1 percentage point compared to 17.8% in 1H 2016.

## Financial Status

	30 June 2017 US\$'000 (Unaudited)	31 December 2016 US\$'000 (Audited)	Change
<b>Non-current assets</b>			
Property, plant and equipment	714,933	656,517	8.9 %
Investment property	173,132	169,074	2.4 %
Investment in an associate	46,059	45,121	2.1 %
Available-for-sale investments	208,210	203,330	2.4 %
Other non-current assets	41,041	37,828	8.5 %
<b>Total non-current assets</b>	<b>1,183,375</b>	<b>1,111,870</b>	<b>6.4 %</b>
<b>Current assets</b>			
Inventories	100,875	95,199	6.0 %
Trade and notes receivables	107,565	106,078	1.4 %
Other current assets	64,849	46,715	38.8 %
Restricted and time deposits	202,834	125,547	61.6 %
Cash and cash equivalents	241,437	341,255	(29.3)%
<b>Total current assets</b>	<b>717,560</b>	<b>714,794</b>	<b>0.4 %</b>
<b>Current liabilities</b>			
Trade payables	60,999	64,790	(5.9)%
Other current liabilities	187,836	171,281	9.7 %
Interest-bearing bank borrowings	4,133	1,874	120.5 %
<b>Total current liabilities</b>	<b>252,968</b>	<b>237,945</b>	<b>6.3 %</b>
<b>Net current assets</b>	<b>464,592</b>	<b>476,849</b>	<b>(2.6)%</b>
<b>Non-current liabilities</b>			
Interest-bearing bank borrowings	89,373	90,757	(1.5)%
Deferred tax liabilities	3,331	9,276	(64.1)%
<b>Total non-current liabilities</b>	<b>92,704</b>	<b>100,033</b>	<b>(7.3)%</b>
<b>Net assets</b>	<b>1,555,263</b>	<b>1,488,686</b>	<b>4.5 %</b>

# Management Discussion and Analysis

## Explanation on items with fluctuation over 5%

### Property, plant and equipment

Property, plant and equipment increased from US\$656.5 million to US\$714.9 million, as a result of capacity expansion.

### Other non-current assets

Other non-current assets increased from US\$37.8 million to US\$41.0 million, primarily due to increased prepayments for fixed assets and increased deferred tax assets.

### Inventories

Inventories increased from US\$95.2 million to US\$100.9 million, primarily due to increased wafer demand from customers.

### Other current assets

Other current assets increased from US\$46.7 million to US\$64.8 million, primarily due to increased trade receivables from our related parties resulting from higher revenue.

### Restricted and time deposits

Restricted and time deposits increased from US\$125.5 million to US\$202.8 million, primarily due to increased investment in time deposits.

### Cash and cash equivalents

Cash and cash equivalents decreased from US\$341.3 million to US\$241.4 million, mainly due to (i) capital investments of US\$84.3 million, (ii) investments of US\$77.5 million for time deposits, (iii) dividend payment of US\$39.7 million, and (iv) interest payments of US\$1.0 million, offset by (i) US\$94.6 million generated from operating activities, and (ii) US\$2.8 million of interest income. Additionally, there was a foreign exchange gain of US\$5.3 million due to RMB appreciation.

### Trade payables

Trade payables decreased from US\$64.8 million to US\$61.0 million, primarily due to increased payments.

### Other current liabilities

Other current liabilities increased from US\$171.3 million to US\$187.8 million, primarily due to increased payables for capital expenditures.

### Interest-bearing bank borrowings (current)

Interest-bearing bank borrowings (current) increased from US\$1.9 million to US\$4.1 million, due to increased borrowings due within one year.



# Management Discussion and Analysis

## Deferred tax liabilities

Deferred tax liabilities decreased from US\$9.3 million to US\$3.3 million, primarily due to a reversal of dividend withholding tax accrued for prior year.

## Cash Flow

	<b>1H 2017</b> <b>US\$'000</b> <b>(Unaudited)</b>	1H 2016 US\$'000 (Unaudited)	Change
Net cash flows generated from operating activities	<b>94,624</b>	81,896	15.5 %
Net cash flows used in investing activities	<b>(158,981)</b>	(85,924)	85.0 %
Net cash flows used in financing activities	<b>(40,748)</b>	(37,908)	7.5 %
<b>Net decrease in cash and cash equivalents</b>	<b>(105,105)</b>	(41,936)	150.6 %
Cash and cash equivalents at beginning of the period	<b>341,255</b>	510,441	(33.1)%
Effect of foreign exchange rate changes, net	<b>5,287</b>	(10,596)	(149.9)%
<b>Cash and cash equivalents at end of the period</b>	<b>241,437</b>	457,909	(47.3)%

### Explanation on items with fluctuation over 5%

#### Net cash flows generated from operating activities

Net cash flows generated from operating activities increased from US\$81.9 million to US\$94.6 million, primarily due to (i) enhanced account receivables collection, and (ii) a receipt of advanced rental payment from one of our related parties.

#### Net cash flows used in investing activities

Net cash flows used in investing activities were US\$159.0 million, primarily attributed to (i) US\$84.3 million for capital investments, and (ii) US\$77.5 million for time deposits, offset by receipts of US\$2.8 million of interest income.

#### Net cash flows used in financing activities

Net cash flows used in financing activities were US\$40.7 million, including (i) US\$39.7 million for dividend payment, and (ii) interest payments of US\$1.0 million.

#### Net decrease in cash and cash equivalents

As a result of the cumulative effect of the above factors, cash and cash equivalents decreased from US\$341.3 million as of 31 December 2016 to US\$241.4 million as of 30 June 2017.

# Management Discussion and Analysis

## Business Review

In the first half of 2017, the company reached historically high semi-annual revenue generated by the company's successful execution of its strategy of differentiated, value-added technologies. The growth was predominantly from increased demand for our embedded NVM and power discrete products. In particular, the company enhances and tailors its embedded NVM know-how towards high performance, reliability and competitive cost.

Due to the vigorous promotion of migration to Europay, Mastercard and Visa (EMV) globally, and the relevant PBOC 3.0 promoted by People's Bank of China in Mainland China, the demand for bank card integrated circuits continues to be very strong. More gain in market share is expected from the domestic local supply chain. With the successful migration to our 90nm embedded NVM technology, we continue to maintain muscle in smart card field. Further, the burgeoning IoT market with its billions of connected devices requires guaranteed security, leading to the new applications driving the growth of eNVM revenue for the company.

The demand of power discrete technologies continues to be very strong, especially for high voltage technologies like as DT (Deep Trench)-SJNFET and IGBT. As the first foundry in the industry delivering the SJNFET process platform, the company unremittingly pursues high performance while providing cost-effective solutions.

Regarding the key feature, on-resistance per unit of area (Rsp), our third generation SJNFET process platform reached world-class performance of 1.2ohm.mm<sup>2</sup>. Meanwhile, the company is the only foundry in Mainland China with a full range of wafer backside processing technologies, delivering FS IGBT with technical features comparable to those from international leaders.

In summary, differentiated technologies with optimization of product mix has been and will continue to be the key strategy of the company. With expanded capacity, the company will remain the most trusted foundry partner for both domestic and overseas customers.

# 釋義

於本中期報告內，除非文義另有所指，否則下列詞彙具有下文所載涵義。

「董事會」	本公司董事會；
「本公司」	華虹半導體有限公司，一家於二零零五年一月二十一日在香港註冊成立的有限公司，除非文義另有所指，否則包括其所有子公司，或如文義指其成為其現有子公司的控股公司之前期間，則指其現有子公司；
「董事」	本公司董事；
「EPS」	每股盈利；
「本集團」	本公司及我們的子公司，或如文義所指為本公司成為我們現有子公司的控股公司之前期間（或成為本公司的該等聯營公司），則指由該等子公司或其前身公司（視乎情況而定）所經營的業務；
「港元」	香港法定貨幣港元；
「香港」	中華人民共和國香港特別行政區；
「上市規則」	《香港聯合交易所有限公司證券上市規則》（經不時修訂或補充）；
「人民幣」	中國法定貨幣人民幣；
「證券及期貨條例」	香港法例第571章《證券及期貨條例》（經不時修訂或補充）；及
「聯交所」	香港聯合交易所有限公司。

## 董事會

### 執行董事

張素心 (主席)  
王煜 (總裁)

### 非執行董事

陳劍波  
馬玉川  
森田隆之  
葉峻

### 獨立非執行董事

張祖同  
王桂壘, 太平紳士  
葉龍蜚

### 公司秘書

王小軍 (律師)

### 授權代表

王煜  
王小軍 (律師)

### 審核委員會

張祖同 (主席)  
葉龍蜚  
葉峻

### 薪酬委員會

王桂壘, 太平紳士 (主席)  
葉龍蜚  
陳劍波

### 提名委員會

張素心 (主席)  
王桂壘, 太平紳士  
葉龍蜚

## 網址

[www.huahonggrace.com](http://www.huahonggrace.com)

## 核數師

安永會計師事務所  
執業會計師  
香港中環  
添美道1號  
中信大廈22樓

## 法律顧問

史密夫•斐爾律師事務所  
香港  
皇后大道中15號  
告羅士打大廈23樓

## 主要往來銀行

上海浦東發展銀行上海分行  
中國上海市  
中山東一路12號

中國工商銀行上海分行  
中國上海市  
浦東新區  
浦東大道9號

中國建設銀行上海市分行  
中國上海市  
浦東新區  
陸家嘴環路900號

交通銀行上海市分行  
中國上海市  
銀城中路188號

國家開發銀行上海分行  
中國上海市  
浦明路68號

中國建設銀行股份有限公司香港分行  
香港中環  
干諾道中3號中國建設銀行大廈28樓

交通銀行股份有限公司香港分行  
香港中環  
畢打街20號

## 股份過戶登記處

卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心22樓

## 註冊辦事處

香港中環  
夏慤道12號  
美國銀行中心2212室

## 主要營業地點及中國總部

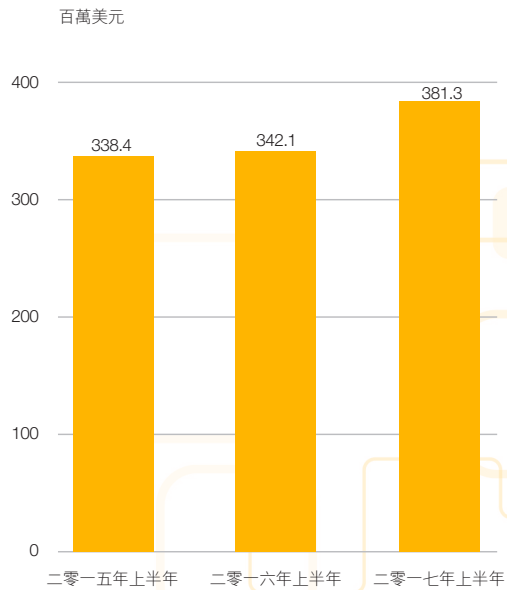
中國上海  
張江高科技園區  
哈雷路288號  
郵編：201203

## 股份代號

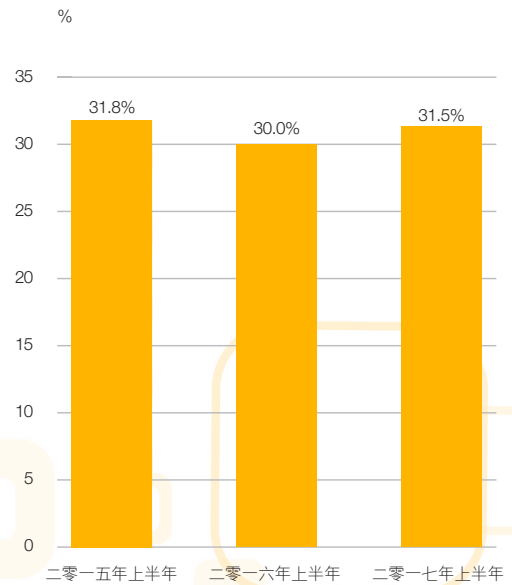
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# 主要財務指標

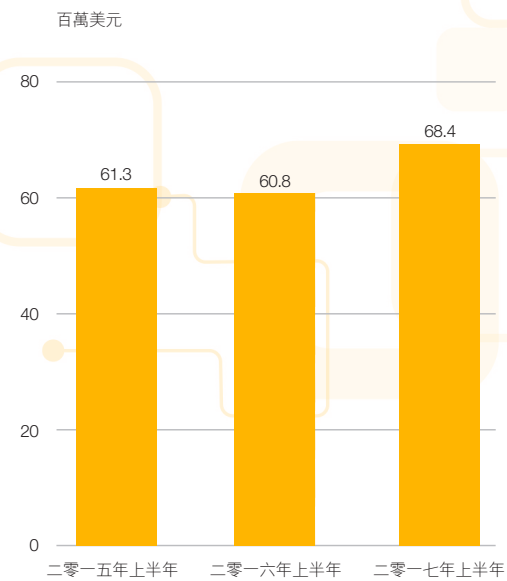
## 銷售收入



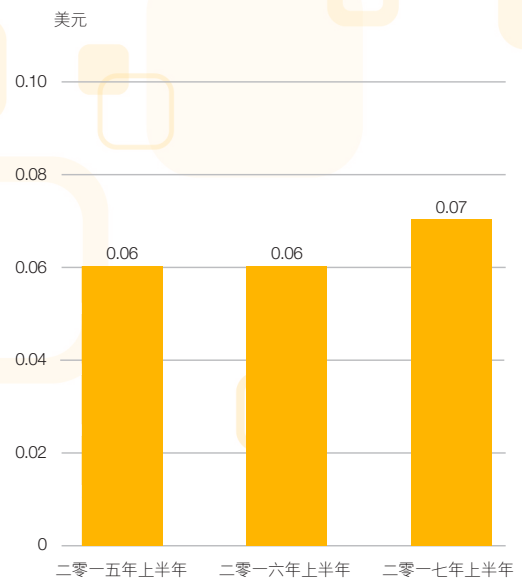
## 毛利率



## 淨利潤



## 每股盈利



# 管理層討論及分析

## 財務表現

	二零一七年 上半年 千美元 (未經審核)	二零一六年 上半年 千美元 (未經審核)	變動
銷售收入	381,304	342,118	11.5%
銷售成本	(261,202)	(239,385)	9.1%
毛利	120,102	102,733	16.9%
其他收入及收益	10,321	17,130	(39.7)%
銷售及分銷費用	(3,253)	(3,178)	2.4%
管理費用	(46,543)	(45,640)	2.0%
其他費用	(4,554)	(36)	12,550.0%
財務費用	(1,049)	(1,983)	(47.1)%
分佔一家聯營公司(虧損)/溢利	(141)	3,003	(104.7)%
稅前溢利	74,883	72,029	4.0%
所得稅開支	(6,464)	(11,214)	(42.4)%
期內溢利	68,419	60,815	12.5%

### 就變動超過5%項目的闡釋

#### 銷售收入

銷售收入3.813億美元，為記錄新高，較二零一六年上半年增加11.5%，主要由於智能卡芯片、MCU、超級結、模擬及IGBT產品需求強勁所致。

#### 銷售成本

銷售成本為2.612億美元，較二零一六年上半年增加9.1%，主要由於晶圓銷售量上升所致。

#### 毛利

毛利為1.201億美元，較二零一六年上半年增加16.9%，主要由於銷售收入增加及產品組合改善所致。

#### 其他收入及收益

其他收入及收益為1,030萬美元，較二零一六年上半年減少39.7%，主要由於(i)獲得的補助減少及(ii)並無獲得外匯匯兌收益所致。

#### 其他費用

其他費用為460萬美元，主要由於外匯匯兌虧損所致。

#### 財務費用

財務費用為100萬美元，較二零一六年上半年減少47.1%，主要因為銀行借款減少所致。

# 管理層討論及分析

## 分佔一家聯營公司（虧損）／溢利

分佔一家聯營公司虧損為10萬美元，而二零一六年上半年溢利為300萬美元，主要由於聯營公司發生虧損所致。

## 所得稅開支

所得稅開支為650萬美元，較二零一六年上半年減少42.4%，主要由於轉回以前年度計提的代扣代繳稅金所致，部分被所得稅開支增加所抵銷。

## 期內溢利

綜合考慮上述因素，期內溢利為6,840萬美元，較二零一六年上半年上升12.5%。淨利潤率由二零一六年上半年的17.8%上升0.1個百分點至17.9%。

## 財務狀況

	二零一七年 六月三十日 千美元 (未經審核)	二零一六年 十二月三十一日 千美元 (經審核)	變動
<b>非流動資產</b>			
物業、廠房及設備	714,933	656,517	8.9 %
投資物業	173,132	169,074	2.4 %
於聯營公司的投資	46,059	45,121	2.1 %
可供出售投資	208,210	203,330	2.4 %
其他非流動資產	41,041	37,828	8.5 %
<b>非流動資產總額</b>	<b>1,183,375</b>	<b>1,111,870</b>	<b>6.4 %</b>
<b>流動資產</b>			
存貨	100,875	95,199	6.0 %
貿易應收款項及應收票據	107,565	106,078	1.4 %
其他流動資產	64,849	46,715	38.8 %
已凍結及定期存款	202,834	125,547	61.6 %
現金及現金等價物	241,437	341,255	(29.3)%
<b>流動資產總額</b>	<b>717,560</b>	<b>714,794</b>	<b>0.4 %</b>
<b>流動負債</b>			
貿易應付款項	60,999	64,790	(5.9)%
其他流動負債	187,836	171,281	9.7 %
計息銀行借款	4,133	1,874	120.5 %
<b>流動負債總額</b>	<b>252,968</b>	<b>237,945</b>	<b>6.3 %</b>
<b>流動資產淨額</b>	<b>464,592</b>	<b>476,849</b>	<b>(2.6)%</b>
<b>非流動負債</b>			
計息銀行借款	89,373	90,757	(1.5)%
遞延稅項負債	3,331	9,276	(64.1)%
<b>非流動負債總額</b>	<b>92,704</b>	<b>100,033</b>	<b>(7.3)%</b>
<b>資產淨額</b>	<b>1,555,263</b>	<b>1,488,686</b>	<b>4.5 %</b>

# 管理層討論及分析

## 就變動超過5%項目的闡釋

### 物業、廠房及設備

物業、廠房及設備由6.565億美元增至7.149億美元，乃因擴產新增投資所致。

### 其他非流動資產

其他非流動資產由3,780萬美元增加至4,100萬美元，主要由於固定資產預付款項增加及遞延稅項資產增加所致。

### 存貨

存貨由9,520萬美元增加至1.009億美元，主要由於客戶訂單增加所致。

### 其他流動資產

其他流動資產由4,670萬美元增加至6,480萬美元，主要由於應收關聯方的貿易應收款項因銷售收入上升而增加所致。

### 已凍結及定期存款

已凍結及定期存款由1.255億美元增加至2.028億美元，主要由於定期存款投資增加所致。

### 現金及現金等價物

現金及現金等價物由3.413億美元減少至2.414億美元，主要由於(i)資本投資8,430萬美元；(ii)定期存款投資7,750萬美元；(iii)支付股息3,970萬美元；及(iv)利息開支100萬美元，被(i)經營活動所得9,460萬美元；及(ii)利息收入280萬美元所抵銷。此外，由於人民幣升值產生外匯匯兌收益530萬美元。

### 貿易應付款項

貿易應付款項由6,480萬美元減少至6,100萬美元，主要由於付款增加所致。

### 其他流動負債

其他流動負債由1.713億美元增至1.878億美元，主要由於資本開支應付款項增加所致。

### 計息銀行借款（流動）

計息銀行借款（流動）由190萬美元增加至410萬美元，乃由於一年內到期的借款增加所致。



# 管理層討論及分析

## 遞延稅項負債

遞延稅項負債由930萬美元減少至330萬美元，主要由於轉回上一年度計提的代扣代繳稅金所致。

## 現金流量

	二零一七年 上半年 千美元 (未經審核)	二零一六年 上半年 千美元 (未經審核)	變動
經營活動所得現金流量淨額	94,624	81,896	15.5 %
投資活動所用現金流量淨額	(158,981)	(85,924)	85.0 %
融資活動所用現金流量淨額	(40,748)	(37,908)	7.5 %
現金及現金等價物減少淨額	(105,105)	(41,936)	150.6 %
期初現金及現金等價物	341,255	510,441	(33.1)%
外匯匯率變動影響，淨額	5,287	(10,596)	(149.9)%
期末現金及現金等價物	241,437	457,909	(47.3)%

### 就變動超過5%項目的闡釋

#### 經營活動所得現金流量淨額

經營活動所得現金流量淨額由8,190萬美元增加至9,460萬美元，主要由於(i)應收賬款收賬加強；及(ii)收到來自一名關聯方的預付租金所致。

#### 投資活動所用現金流量淨額

投資活動所用現金流量淨額為1.590億美元，主要用於(i)資本投資8,430萬美元；及(ii)定期存款7,750萬美元，被收到利息收入280萬美元所抵銷。

#### 融資活動所用現金流量淨額

融資活動所用現金流量淨額為4,070萬美元，包括(i)支付股息3,970萬美元；及(ii)利息開支100萬美元。

#### 現金及現金等價物減少淨額

綜合考慮上述因素，現金及現金等價物淨額由二零一六年十二月三十一日的3.413億美元減少至二零一七年六月三十日的2.414億美元。

# 管理層討論及分析

## 業務回顧

於二零一七年上半年，由於本公司成功實施其差異化的增值技術策略，本公司的半年收入錄得歷史新高。收入增加乃主要由於嵌入式非易失性存儲器及功率器件產品的需求上升。特別是，本公司不斷提升及調整其嵌入式非易失性存儲器的技術，確保產品具備高性能、可靠性及成本競爭優勢。

由於EMV (Europay、Mastercard及Visa) 遷移在全球範圍內的大力推廣及中國人民銀行在中國內地推行相關PBOC 3.0規範，對銀行卡芯片的需求繼續保持強勁，預期國內本地供應鏈將獲得更多市場份額。隨著向90nm嵌入式非易失性存儲器技術的成功遷移，本公司將繼續於智能卡領域保持優勢。此外，隨著物聯網市場的蓬勃發展，數以億計連接設備需確保安全，導致該項新應用推動本公司嵌入式非易失性存儲器收入增加。

功率器件技術的需求繼續強勁，尤其是對於DT (深槽) -SJNFET及IGBT等高壓技術而言。作為業內首家提供SJNFET工藝平台的晶圓代工廠，本公司堅持不懈地追求提供高性能且具經濟效益的解決方案。

我們的第三代SJNFET工藝平台的關鍵參數，每單元區域導通電阻( $R_{sp}$ )為 $1.2\text{ohm}\cdot\text{mm}^2$ ，達到世界一流水平。同時，本公司乃中國大陸唯一一間擁有各種晶圓背面工藝技術的代工廠，可生產技術性能與國際領先者的產品相媲美的場截止型IGBT。

總之，差異化技術及優化產品組合一直並將繼續為本公司的主要策略。隨著產能增加，本公司將繼續為深受國內外客戶信賴的代工合作夥伴。

# Report on Review of Interim Condensed Consolidated Financial Statements

## 中期簡明綜合財務報表的審閱報告



**To the members of Hua Hong Semiconductor Limited**  
(Incorporated in Hong Kong with limited liability)

### Introduction

We have reviewed the accompanying interim condensed consolidated financial statements set out on pages 20 to 54 which comprise the interim condensed consolidated statement of financial position of Hua Hong Semiconductor Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as at 30 June 2017 and the related interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, changes in equity and cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim condensed consolidated financial statements to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants.

The directors are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

**致華虹半導體有限公司列位股東**  
(於香港註冊成立的有限公司)

### 引言

吾等已審閱隨附載於第20頁至第54頁的中期簡明綜合財務報表，其中包括華虹半導體有限公司（「貴公司」）及其子公司（統稱「貴集團」）於二零一七年六月三十日的中期簡明綜合財務狀況表及截至該日止六個月期間的相關中期簡明綜合損益表、中期簡明綜合全面收益表、權益變動表及現金流量表以及若干解釋附註。香港聯合交易所有限公司證券上市規則規定，須按照當中訂明的相關規定及香港會計師公會頒佈的香港會計準則第34號「中期財務報告」（「香港會計準則第34號」）的規定就中期簡明綜合財務報表編製報告。

董事須負責根據香港會計準則第34號編製及列報該等中期簡明綜合財務報表。吾等的責任是根據吾等的審閱對中期簡明綜合財務報表作出結論，並按照我們雙方協定的應聘條款，僅向全體董事會報告。除此以外，吾等的報告不可用作其他用途。吾等概不會就本報告的內容向任何其他人士負責或承擔法律責任。

# Report on Review of Interim Condensed Consolidated Financial Statements

## 中期簡明綜合財務報表的審閱報告

### Scope of Review

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

### Conclusion

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

**Ernst & Young**  
*Certified Public Accountants*

22/F, CITIC Tower  
1 Tim Mei Avenue  
Central, Hong Kong

8 August 2017

### 審閱範圍

吾等已根據香港會計師公會頒佈的香港審閱委聘準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。審閱中期簡明綜合財務報表包括主要向負責財務和會計事務的人員作出查詢，及應用分析性和其他審閱程序。審閱的範圍遠較根據香港審計準則進行審核的範圍為小，故不能令吾等保證吾等將知悉在審核中可能發現的所有重大事項。因此，吾等不會發表審核意見。

### 結論

按照吾等的審閱，吾等並無發現任何事項，令吾等相信中期簡明綜合財務報表在各重大方面未有根據香港會計準則第34號編製。

**安永會計師事務所**  
*執業會計師*

香港中環  
添美道1號  
中信大廈22樓

二零一七年八月八日

# Interim Condensed Consolidated Statement of Profit or Loss

## 中期簡明綜合損益表

For the six months ended 30 June 2017  
截至二零一七年六月三十日止六個月

		For the Six Months Ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)	2016 二零一六年 (Unaudited) (未經審核) (US\$'000) (千美元)
	Notes 附註		
Revenue	4	381,304	342,118
Cost of sales		(261,202)	(239,385)
Gross profit		120,102	102,733
Other income and gains	4	10,321	17,130
Selling and distribution expenses		(3,253)	(3,178)
Administrative expenses		(46,543)	(45,640)
Other expenses		(4,554)	(36)
Finance costs	6	(1,049)	(1,983)
Share of (loss)/profit of an associate		(141)	3,003
<b>PROFIT BEFORE TAX</b>	5	<b>74,883</b>	72,029
Income tax expense	7	(6,464)	(11,214)
<b>PROFIT FOR THE PERIOD</b>		<b>68,419</b>	60,815
Attributable to owners of the parent		68,419	60,815
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT:</b>	8		
Basic			
– For profit for the period		US\$0.07 0.07美元	US\$0.06 0.06美元
Diluted			
– For profit for the period		US\$0.07 0.07美元	US\$0.06 0.06美元

# Interim Condensed Consolidated Statement of Comprehensive Income

## 中期簡明綜合全面收益表

For the six months ended 30 June 2017  
截至二零一七年六月三十日止六個月

For the six months ended  
30 June  
截至六月三十日止六個月

		2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)	2016 二零一六年 (Unaudited) (未經審核) (US\$'000) (千美元)
<b>PROFIT FOR THE PERIOD</b>	期內溢利	<b>68,419</b>	60,815
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>	其他全面收益／(虧損)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:	於其後期間重新分類至損益的其他全面收益／(虧損)：		
Exchange differences on translation of foreign operations	換算海外業務產生的外匯差額	<b>36,159</b>	(31,420)
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	於其後期間重新分類至損益的其他全面收益／(虧損)淨額	<b>36,159</b>	(31,420)
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX</b>	期內其他全面收益／(虧損)，扣除稅項	<b>36,159</b>	(31,420)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	期內全面收益總額	<b>104,578</b>	29,395
Attributable to owners of the parent	母公司擁有人應佔	<b>104,578</b>	29,395

# Interim Condensed Consolidated Statement of Financial Position

## 中期簡明綜合財務狀況表

30 June 2017  
二零一七年六月三十日

			30 June 2017 二零一七年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2016 二零一六年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
	Notes 附註			
<b>NON-CURRENT ASSETS</b>		<b>非流動資產</b>		
Property, plant and equipment	10	物業、廠房及設備	714,933	656,517
Investment property	11	投資物業	173,132	169,074
Prepaid land lease payments		預付土地租賃款項	20,228	20,071
Intangible assets		無形資產	8,282	8,176
Investment in an associate		於聯營公司的投資	46,059	45,121
Available-for-sale investments	12	可供出售投資	208,210	203,330
Long term prepayments		長期預付款項	5,434	3,861
Deferred tax assets		遞延稅項資產	7,097	5,720
Total non-current assets		非流動資產總額	1,183,375	1,111,870
<b>CURRENT ASSETS</b>		<b>流動資產</b>		
Inventories	13	存貨	100,875	95,199
Trade and notes receivables	14	貿易應收款項及應收票據	107,565	106,078
Prepayments, deposits and other receivables		預付款項、按金及其他應收款項	11,836	8,963
Due from related parties	22(c)	應收關聯方款項	53,013	37,752
Restricted and time deposits	15	已凍結及定期存款	202,834	125,547
Cash and cash equivalents	15	現金及現金等價物	241,437	341,255
Total current assets		流動資產總額	717,560	714,794
<b>CURRENT LIABILITIES</b>		<b>流動負債</b>		
Trade payables	16	貿易應付款項	60,999	64,790
Other payables, advances from customers and accruals		其他應付款項、預收賬款及暫估費用	116,474	101,507
Interest-bearing bank borrowings	17	計息銀行借款	4,133	1,874
Government grants	18	政府補助	38,880	35,863
Due to related parties	22(c)	應付關聯方款項	16,223	9,689
Income tax payable		應付所得稅	16,259	24,222
Total current liabilities		流動負債總額	252,968	237,945
<b>NET CURRENT ASSETS</b>		<b>流動資產淨額</b>	464,592	476,849
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>資產總值減流動負債</b>	1,647,967	1,588,719

continued 續下頁/...

# Interim Condensed Consolidated Statement of Financial Position


## 中期簡明綜合財務狀況表

30 June 2017  
二零一七年六月三十日

			30 June 2017 二零一七年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2016 二零一六年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
		Notes 附註		
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>資產總值減流動負債</b>		<b>1,647,967</b>	1,588,719
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Interest-bearing bank borrowings	計息銀行借款	17	<b>89,373</b>	90,757
Deferred tax liabilities	遞延稅項負債		<b>3,331</b>	9,276
Total non-current liabilities	非流動負債總額		<b>92,704</b>	100,033
<b>Net assets</b>	<b>淨資產</b>		<b>1,555,263</b>	1,488,686
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to owners of the parent</b>	<b>母公司擁有人應佔權益</b>			
Share capital	股本	19	<b>1,550,164</b>	1,550,164
Reserves	儲備		<b>5,099</b>	(61,478)
<b>Total equity</b>	<b>權益總額</b>		<b>1,555,263</b>	1,488,686



**Suxin Zhang**  
張素心  
Director  
董事



**Jun Ye**  
葉峻  
Director  
董事



# Interim Condensed Consolidated Statement of Changes in Equity

## 中期簡明綜合權益變動表

For the six months ended 30 June 2017  
截至二零一七年六月三十日止六個月

		Attributable to owners of the parent 母公司擁有人應佔								
		Share capital	Merger reserve	Share option reserve	Reserve and contributed surplus	Asset revaluation Reserve#	Statutory reserve fund	Accumulated losses	Exchange fluctuation reserve	Total equity
		股本	合併儲備	購股權儲備	儲備及 供款盈餘	資產重估 儲備#	法定儲備 基金	累計虧損	外匯波動 儲備	權益總額
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元
		(note 19)		(note 20)						
		(附註19)		(附註20)						
At 1 January 2017	於二零一七年一月一日	1,550,164	645,494*	5,203*	45,097*	99,257*	37,010*	(912,580)*	19,041*	1,488,686
Profit for the period	期內溢利	-	-	-	-	-	-	68,419	-	68,419
Other comprehensive income for the period:	期內其他全面收益：									
Exchange differences on translation of foreign operations	換算海外業務產生的外匯差額	-	-	-	-	-	-	-	36,159	36,159
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	-	68,419	36,159	104,578
Equity-settled share option arrangements	以權益結算的購股權安排	-	-	1,805	-	-	-	-	-	1,805
Final 2016 dividend declared	最終宣派二零一六年股息	-	-	-	-	-	-	(39,806)	-	(39,806)
Transfer from retained profits generated by a subsidiary	轉撥自一間子公司產生的留存溢利	-	-	-	-	-	6,409	(6,409)	-	-
At 30 June 2017 (Unaudited)	於二零一七年六月三十日 (未經審核)	1,550,164	645,494*	7,008*	45,097*	99,257*	43,419*	(890,376)*	55,200*	1,555,263
At 1 January 2016	於二零一六年一月一日	1,550,164	645,494*	1,331*	45,097*	99,257*	23,531*	(992,003)*	117,819*	1,490,690
Profit for the period	期內溢利	-	-	-	-	-	-	60,815	-	60,815
Other comprehensive income for the period:	期內其他全面收益：									
Exchange differences on translation of foreign operations	換算海外業務產生的外匯差額	-	-	-	-	-	-	-	(31,420)	(31,420)
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	-	60,815	(31,420)	29,395
Equity-settled share option arrangements	以權益結算的購股權安排	-	-	1,992	-	-	-	-	-	1,992
Final 2015 dividend declared	最終宣派二零一五年股息	-	-	-	-	-	-	(35,930)	-	(35,930)
Transfer from retained profits generated by a subsidiary	轉撥自一間子公司產生的留存溢利	-	-	-	-	-	6,334	(6,334)	-	-
At 30 June 2016 (Unaudited)	於二零一六年六月三十日 (未經審核)	1,550,164	645,494*	3,323*	45,097*	99,257*	29,865*	(973,452)*	86,399*	1,486,147

# The asset revaluation reserve arose from a change in use from an owner-occupied property to an investment property carried at fair value.

# 資產重估儲備源於按公平值列賬之一項自用物業的用途更改為投資物業。

\* These reserve accounts comprise the consolidated reserves of US\$5,099,000 (31 December 2016: consolidated negative reserves of US\$61,478,000) in the interim condensed consolidated statement of financial position.

\* 該等儲備賬合計為中期簡明綜合財務狀況表中的綜合儲備5,099,000美元(二零一六年十二月三十一日：綜合負債儲備61,478,000美元)。

# Interim Condensed Consolidated Statement of Cash Flows

## 中期簡明綜合現金流量表

For the six months ended 30 June 2017  
截至二零一七年六月三十日止六個月

For the six months ended  
30 June  
截至六月三十日止六個月

			2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)	2016 二零一六年 (Unaudited) (未經審核) (US\$'000) (千美元)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>經營活動所得現金流量</b>			
Profit before tax	稅前溢利		<b>74,883</b>	72,029
Adjustments for:	就以下各項作出的調整：			
Finance costs	財務費用	6	<b>1,049</b>	1,983
Share of loss/(profit) of an associate	分佔一家聯營公司 虧損/(溢利)		<b>141</b>	(3,003)
Interest income	利息收入	4	<b>(2,978)</b>	(2,513)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及 設備項目所得虧損		<b>—</b>	33
Depreciation	折舊	10	<b>46,637</b>	37,423
Write-down/(reversal) of inventories to net realisable value	撇減/(撥回)存貨至 可變現淨值		<b>418</b>	(2,277)
Provision of impairment of other receivables	其他應收款項減值撥備		<b>—</b>	1
Impairment on items of property, plant and equipment	物業、廠房及設備項目減值	10	<b>—</b>	13
Amortisation of intangible assets	無形資產攤銷		<b>1,737</b>	2,639
Recognition of prepaid land lease payments	預付土地租賃款項確認		<b>320</b>	338
Equity-settled share option expense	以權益結算的購股權開支	20	<b>1,805</b>	1,992
			<b>124,012</b>	108,658
(Increase)/decrease in inventories	存貨(增加)/減少		<b>(6,340)</b>	8,315
(Increase)/decrease in trade and notes receivables	貿易應收款項及 應收票據(增加)/減少		<b>(1,518)</b>	328
Increase in prepayments, deposits and other receivables	預付款項、按金及 其他應收款項增加		<b>(2,662)</b>	(1,726)
Increase in amounts due from related parties	應收關聯方款項增加		<b>(15,261)</b>	(15,147)
Decrease in restricted and time deposits	已凍結及定期存款 減少		<b>93</b>	1,130
Decrease in trade payables	貿易應付款項減少		<b>(3,791)</b>	(7,838)
Increase in other payables, advances from customers and accruals	其他應付款項、預收賬款及 暫估費用增加		<b>11,143</b>	6,366
Increase/(decrease) in government grants	政府補助增加/(減少)		<b>2,123</b>	(1,034)
Increase in amounts due to related parties	應付關聯方款項增加		<b>6,534</b>	1,126
<b>Cash generated from operations</b>	<b>經營活動產生的現金</b>		<b>114,333</b>	100,178
Income tax paid	已付所得稅		<b>(19,709)</b>	(18,282)
<b>Net cash flows from operating activities</b>	<b>經營活動所得現金流量淨額</b>		<b>94,624</b>	81,896

continued 續下頁/...

# Interim Condensed Consolidated Statement of Cash Flows

## 中期簡明綜合現金流量表

For the six months ended 30 June 2017  
截至二零一七年六月三十日止六個月

		For the six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)	2016 二零一六年 (Unaudited) (未經審核) (US\$'000) (千美元)
	Notes 附註		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>投資活動所得現金流量</b>		
Interest received	已收利息	2,752	1,837
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(82,625)	(93,918)
Purchases of items of intangible assets	購買無形資產項目	(1,646)	(674)
Proceeds from disposal of items of property, plant and equipment and prepaid land lease payments	出售物業、廠房及設備項目以及預付土地租賃款項所得款項	—	3
Receipt of government grants	收到政府補助	—	6,828
Increase in restricted and time deposits	已凍結及定期存款增加	(77,462)	—
<b>Net cash flows used in investing activities</b>	<b>投資活動所用現金流量淨額</b>	<b>(158,981)</b>	<b>(85,924)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>融資活動所得現金流量</b>		
Dividends paid	已付股息	(39,673)	(15,401)
Increase in restricted and time deposits	已凍結及定期存款增加	(25)	(20,529)
Interest paid	已付利息	(1,050)	(1,978)
<b>Net cash flows used in financing activities</b>	<b>融資活動所用現金流量淨額</b>	<b>(40,748)</b>	<b>(37,908)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物減少淨額</b>	<b>(105,105)</b>	<b>(41,936)</b>
Cash and cash equivalents at beginning of period	期初現金及現金等價物	341,255	510,441
Effect of foreign exchange rate changes, net	外匯匯率變動影響，淨額	5,287	(10,596)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>期末現金及現金等價物</b>	<b>241,437</b>	<b>457,909</b>
	15		
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物結餘分析</b>		
Cash and bank balances	現金及銀行結餘	194,592	215,203
Unrestricted time deposits with original maturity of less than three months when acquired	於獲得時原到期日少於三個月的無凍結定期存款	46,845	242,706
Cash and cash equivalents as stated in the statement of financial position	財務狀況表中所列現金及現金等價物	241,437	457,909
Cash and cash equivalents as stated in the statement of cash flows	現金流量表中所列現金及現金等價物	241,437	457,909

# Notes to the Interim Condensed Consolidated Financial Statements

30 June 2017  
二零一七年六月三十日

## 中期簡明綜合財務報表附註

### 1. Corporate Information

Hua Hong Semiconductor Limited (the “Company”) is a limited liability company incorporated in Hong Kong on 21 January 2005. The registered office of the Company is located at Room 2212, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.

The principal activity of the Company is investment holding. During the period, the Company’s subsidiaries (collectively refer to as the “Group”) were principally engaged in the manufacture and trading of semiconductor products.

In the opinion of the directors, the parent and the ultimate parent of the Company are Shanghai Alliance Investment Ltd. (“SAIL”) and INESA (Group) Co., Ltd. (“INESA”), formerly known as INESA Holding Group, which are state-owned companies established in the People’s Republic of China (“PRC”), supervised by the State-owned Assets Supervision and Administration Commission (“SASAC”).

### 2.1 Basis of Preparation

The unaudited interim condensed consolidated financial statements, which comprise the interim condensed consolidated statement of financial position of the Group as at 30 June 2017 and the related interim condensed consolidated statement of profit or loss, the interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six months ended 30 June 2017, have been prepared in accordance with HKAS 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2016.

### 1. 公司資料

華虹半導體有限公司（「本公司」）為一家於二零零五年一月二十一日在香港註冊成立的有限公司。本公司的註冊辦事處為香港中環夏愨道12號美國銀行中心2212室。

本公司的主要活動為投資控股。於期內，本公司的子公司（統稱為「本集團」）主要從事半導體產品的生產及貿易。

董事認為，本公司的母公司及最終母公司分別為上海聯和投資有限公司（「上海聯和」）及上海儀電（集團）有限公司（「儀電集團」，前稱上海儀電控股（集團）有限公司），上海聯和及儀電集團均為於中華人民共和國（「中國」）成立並由國有資產監督管理委員會（「國資委」）監管的國有公司。

### 2.1 編製基準

未經審核中期簡明綜合財務報表包括本集團於二零一七年六月三十日的中期簡明綜合財務狀況表及截至二零一七年六月三十日止六個月的相關中期簡明綜合損益表、中期簡明綜合全面收益表、權益變動表及現金流量表，並根據香港會計師公會頒佈的香港會計準則第34號「中期財務報告」以及香港聯合交易所有限公司證券上市規則附錄十六的適用披露規定編製。

未經審核中期簡明綜合財務報表並不包括年度財務報表規定所需的全部資料及披露事宜，並應與本集團截至二零一六年十二月三十一日止年度的年度財務報表一併閱讀。

# Notes to the Interim Condensed Consolidated Financial Statements

## 中期簡明綜合財務報表附註

30 June 2017  
二零一七年六月三十日

### 2.2 Changes in Accounting Policies and Disclosures

### 2.2 會計政策的變動及披露

The accounting policies and basis of preparation adopted in the preparation of the interim condensed consolidated financial statements are the same as those used in the annual financial statements for the year ended 31 December 2016, except for the adoption of new standards, interpretations and amendments effective as of 1 January 2017 below:

編製中期簡明綜合財務報表所採納的會計政策及編製基準與編製截至二零一六年十二月三十一日止年度的年度財務報表所採用者相同，惟採納下列於二零一七年一月一日生效的新訂準則、詮釋及修訂除外：

The Group has adopted the following revised HKFRSs for the first time in these interim condensed consolidated financial statements.

本集團於本中期簡明綜合財務報表內首次採納下列經修訂香港財務報告準則。

Amendments to HKAS 7  
香港會計準則第7號(修訂本)  
Amendments to HKAS 12

香港會計準則第12號(修訂本)  
*Annual Improvements 2012-2014 Cycle*

二零一二年至二零一四年週期之  
年度改進

*Statement of Cash Flows: Disclosure Initiative*  
現金流量表：披露計劃

*Income Taxes: Recognition of Deferred Tax Assets for Unrecognised losses*

所得稅：就未確認虧損確認遞延稅項資產

Amendments to HKFRS 12 *Disclosure of Interests in Other Entities: clarification of the scope of disclosure requirements in HKFRS 12*

香港財務報告準則第12號(修訂本)披露於其他實體之權益：  
澄清香港財務報告準則第12號規定之披露範圍

The adoption of these new and revised HKFRSs has had no significant financial effect on the Group's interim condensed consolidated financial statements.

採納上述新訂及經修訂香港財務報告準則對本集團的中期簡明綜合財務報表概無重大財務影響。

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

本集團並無提早採納任何其他已頒佈但尚未生效的準則、詮釋或修訂。

# Notes to the Interim Condensed Consolidated Financial Statements

30 June 2017  
二零一七年六月三十日

## 中期簡明綜合財務報表附註

### 3. Operating Segment Information

For management purposes, the Group is organised into one single business unit that includes primarily the manufacture and sale of semiconductor products. Management reviews the consolidated results when making decisions about allocating resources and assessing the performance of the Group. Accordingly, no segment analysis is presented.

The principal assets employed by the Group are located in Shanghai, the PRC. Therefore, no segment information based on the geographical location of assets is presented for the period.

Revenues are attributed to geographic areas based on the location of customers. Revenues regarding geographical segments based on the location of customers for the period are presented as follows:

### 3. 經營分部資料

出於管理需要，本集團僅構組一個業務單元，主要包括製造及銷售半導體產品。管理層在作出分配資源的相關決策及評估本集團表現時審核綜合業績。因此，並無呈列分部分析。

本集團使用的主要資產位於中國上海，故並無按資產的地理位置於期內呈列分部資料。

地理區域應佔收入乃按客戶所在地劃分。期內按客戶所在地劃分的地區分部有關收入呈列如下：

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2017	2016
		二零一七年	二零一六年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		(US\$'000)	(US\$'000)
		(千美元)	(千美元)
China (including Hong Kong)	中國（包括香港）	207,759	172,608
United States of America	美利堅合眾國	62,336	72,029
Asia (excluding China and Japan)	亞洲（不包括中國及日本）	47,326	41,793
Europe	歐洲	34,638	34,507
Japan	日本	29,245	21,181
		<b>381,304</b>	<b>342,118</b>

#### Information about major customers

For six months ended 30 June 2017, no single customer accounted for more than 10% of the Group's total revenue (six months ended 30 June 2016: nil).

#### 有關主要客戶的資料

截至二零一七年六月三十日止六個月，概無單一客戶佔本集團銷售收入總額的10%以上（截至二零一六年六月三十日止六個月：無）。

# Notes to the Interim Condensed Consolidated Financial Statements

## 中期簡明綜合財務報表附註

30 June 2017  
二零一七年六月三十日

### 4. Revenue, Other Income and Gains

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts during the period.

An analysis of revenue, other income and gains is as follows:

### 4. 收入、其他收入及收益

收入指期內扣除退貨及貿易折扣後的已出售貨品發票淨值。

對收入、其他收入及收益的分析如下：

		For the six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)	2016 二零一六年 (Unaudited) (未經審核) (US\$'000) (千美元)
<b>Revenue</b>	<b>收入</b>		
Sale of goods	銷售貨品	381,304	342,118
<b>Other income</b>	<b>其他收入</b>		
Rental income	租金收入	6,348	6,271
Interest income	利息收入	2,978	2,513
Government subsidies	政府補貼	594	6,318
Rendering of service	提供服務	109	212
Others	其他	292	373
		10,321	15,687
<b>Gains</b>	<b>收益</b>		
Exchange gain	匯兌收益	-	1,443
		10,321	17,130

# Notes to the Interim Condensed Consolidated Financial Statements

30 June 2017  
二零一七年六月三十日

## 中期簡明綜合財務報表附註

### 5. Profit Before Tax

The Group's profit before tax is arrived at after charging/  
(crediting):

### 5. 稅前溢利

本集團的稅前溢利乃於扣除／(計入)  
下列各項後達致：

		For the six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)	2016 二零一六年 (Unaudited) (未經審核) (US\$'000) (千美元)
	Notes 附註		
Cost of inventories sold	已售存貨成本	261,202	239,385
Depreciation	折舊	46,637	37,423
Recognition of prepaid land lease payments	確認預付土地租賃款項	320	338
Amortisation of intangible assets	無形資產攤銷	1,737	2,639
Research and development costs	研發成本	22,809	22,036
Operating lease expenses	經營租賃開支	1,607	1,349
Auditor's remuneration	核數師薪酬	226	237
Employee benefit expense:	僱員福利開支：		
Wages, salaries and other benefits	工資、薪金及其他福利	65,226	62,842
Pension scheme contribution	退休金計劃供款	7,855	7,209
Equity-settled share option expense	以權益結算的 購股權開支	1,805	1,992
		74,886	72,043
Rental income on an investment property, net	投資物業的租金收入淨額	(6,348)	(6,271)
Government subsidies	政府補貼	(594)	(6,318)
Foreign exchange differences, net	外匯匯兌差額淨額	4,042	(1,443)
Impairment on items of property, plant and equipment	物業、廠房及 設備項目減值	-	13
Provision of impairment of other receivables	其他應收款項減值撥備	-	1
Write-down/(reversal) of inventories to net realisable value	撇減／(撥回)存貨 至可變現淨值	418	(2,277)

### 6. Finance Costs

### 6. 財務費用

		For the six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)	2016 二零一六年 (Unaudited) (未經審核) (US\$'000) (千美元)
Interest on bank loans	銀行貸款利息	1,049	1,983



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### 7. Income Tax

Hong Kong profits were subject to profits tax at the rate of 16.5% during the period (six months ended 30 June 2016: 16.5%). No provision for Hong Kong profits tax has been made as the Company and a subsidiary incorporated in Hong Kong had no assessable income during the period (six months ended 30 June 2016: nil).

The Company's subsidiary incorporated in the Cayman Islands is not subject to corporate income tax as it does not have a place of business (other than a registered office) or carry on any business in the Cayman Islands.

All of the Group's subsidiaries registered in the PRC and only having operations in Mainland China are subject to PRC enterprise income tax on the taxable income as reported in their PRC statutory accounts adjusted in accordance with relevant PRC income tax laws based on a statutory rate of 25%.

Pursuant to relevant laws and regulations in the PRC and with approval from the tax authorities in charge, one of the Group's subsidiaries, Shanghai Huahong Grace Semiconductor Manufacturing Corporation ("HHGrace"), is qualified as an enterprise producing integrated circuits less than 0.25  $\mu\text{m}$  in width and thus was entitled to a preferential tax rate of 15% from 2013 to 2017.

The Company's subsidiary incorporated and operating in Japan is subject to a corporation tax rate of 25.5% (six months ended 30 June 2016: 25.5%).

The Company's subsidiary incorporated and operating in the United States is subject to a federal corporation income tax rate of 34% during the period (six months ended 30 June 2016: 34%), as well as state tax at 8.84% (six months ended 30 June 2016: 8.84%).

### 7. 所得稅

於期內的香港溢利須按16.5%（截至二零一六年六月三十日止六個月：16.5%）的稅率繳納利得稅。由於本公司及一家在香港註冊成立的子公司於期內並無取得應評稅收入，故並無就香港利得稅作出撥備（截至二零一六年六月三十日止六個月：無）。

由於本公司在開曼群島註冊成立的子公司在開曼群島並無擁有營業地點（註冊辦事處除外）或經營任何業務，故有關子公司毋須繳納企業所得稅。

所有本集團在中國註冊且僅在中國內地營運的子公司，應就其根據相關中國所得稅法調整的中國法定賬目所呈報應課稅收入按25%的法定稅率繳納中國企業所得稅。

根據中國相關法律及法規及獲稅務主管機關批准，本集團一家子公司上海華虹宏力半導體製造有限公司（「華虹宏力」）符合資格成為生產工藝技術節點小於0.25 $\mu\text{m}$ 集成電路的企業，故有權於二零一三年至二零一七年期間按15%的優惠稅率繳稅。

本公司在日本註冊成立及營運的子公司應按25.5%（截至二零一六年六月三十日止六個月：25.5%）的企業稅率繳稅。

本公司在美國註冊成立及營運的子公司應按34%（截至二零一六年六月三十日止六個月：34%）的聯邦企業所得稅率及8.84%（截至二零一六年六月三十日止六個月：8.84%）的州稅稅率繳稅。

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## 中期簡明綜合財務報表附註

### 7. Income Tax (continued)

The major components of income tax expense of the Group are as follows:

### 7. 所得稅 (續)

本集團所得稅開支的主要組成部份如下：

		For the six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)	2016 二零一六年 (Unaudited) (未經審核) (US\$'000) (千美元)
Current income tax – PRC	當期所得稅 – 中國	11,142	9,650
Current income tax – elsewhere	當期所得稅 – 其他地區	241	(100)
Withholding tax on dividend declared	宣派股息預扣稅	2,260	2,017
Deferred tax	遞延稅項	(7,179)	(353)
		<b>6,464</b>	<b>11,214</b>

During the period, the directors of a subsidiary established in Mainland China approved that any undistributed profits of the subsidiary generated in 2015 and 2016 will not be paid as dividends to the Company. Accordingly, the Group reversed withholding taxes on dividends distributable by the subsidiary established in Mainland China of US\$6,580,000.

於期內，於中國內地成立的一間子公司董事批准不會就該子公司於二零一五年及二零一六年產生之任何未分配溢利向本公司支付股息。因此，本集團就於中國內地成立之子公司的可分派股息撥回預扣稅6,580,000美元。

### 8. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,033,871,656 in issue during the period (six months ended 30 June 2016: 1,033,871,656).

The calculation of the diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

### 8. 母公司普通股權持有人應佔每股盈利

每股基本盈利乃基於母公司普通股權持有人應佔期內溢利及於期內已發行1,033,871,656股(截至二零一六年六月三十日止六個月：1,033,871,656股)普通股的加權平均數計算。

每股已攤薄盈利金額乃根據母公司普通股權持有人應佔期內溢利計算。計算時採用之普通股加權平均數為計算每股基本盈利時採用之期內已發行普通股數目加上假設所有潛在攤薄普通股被視為行使或兌換為普通股時以零代價發行之普通股加權平均數。

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### 8. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent (continued)

### 8. 母公司普通股權持有人應佔每股盈利(續)

The calculations of basic and diluted earnings per share are based on:

每股基本及攤薄盈利的計算乃基於：

		For the six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)	2016 二零一六年 (Unaudited) (未經審核) (US\$'000) (千美元)
<b>Earnings</b>	<b>盈利</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	用於計算每股基本盈利的 母公司普通股權持有人 應佔溢利	68,419	60,815
		Number of shares 股份數目	
		For the six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 ('000) (千股)	2016 二零一六年 ('000) (千股)
<b>Shares</b>	<b>股份</b>		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	用於計算每股基本盈利的 期內已發行普通股 加權平均數	1,033,872	1,033,872
Effect of dilution-weighted average number of ordinary shares:	普通股攤薄加權平均數的影響：		
Share options	購股權	8,789	1,063
		<b>1,042,661</b>	<b>1,034,935</b>

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### 9. Dividend

### 9. 股息

		For the six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)	2016 二零一六年 (Unaudited) (未經審核) (US\$'000) (千美元)
Final – HK\$30 cents per ordinary share (2016: HK\$27 cents)	末期股息 – 每股普通股30港仙 (二零一六年：27港仙)	39,806	35,930

During the period, the Company's shareholders approved 2016 proposed final dividend with a total amount of HK\$310,161,497 (HK\$30 cents per ordinary share). The total 2016 final dividend amount presented in US\$ is slightly different from the proposed one disclosed in the Group's annual financial statements for the year ended 31 December 2016 due to the different rates of exchange used in the translation.

於期內，本公司股東批准派發二零一六年建議末期股息合共310,161,497港元（每股普通股30港仙）。由於換算所使用的匯率不同，以美元呈列的二零一六年末期股息總額與本集團截至二零一六年十二月三十一日止年度之年度財務報表所披露的建議末期股息略有不同。

### 10. Property, Plant and Equipment

During the six months ended on 30 June 2017, the Group acquired items of property, plant and equipment with a cost of US\$89,392,000 (six months ended 30 June 2016: US\$100,449,000). Depreciation for items of property, plant and equipment was US\$46,637,000 during the period (six months ended 30 June 2016: US\$37,423,000). Impairment on items of property, plant and equipment was nil during the period (six months ended 30 June 2016: US\$13,000).

No significant property, plant and equipment were disposed of for the six months ended 30 June 2017 and 2016, respectively.

As at 30 June 2017, certain of the Group's property, plant and equipment with a net carrying value of US\$598,340,000 (31 December 2016: US\$557,772,000) were pledged to banks to secure the Group's banking facilities (note 17).

### 10. 物業、廠房及設備

於截至二零一七年六月三十日止六個月，本集團購置物業、廠房及設備項目的成本為89,392,000美元（截至二零一六年六月三十日止六個月：100,449,000美元）。期內物業、廠房及設備項目的折舊為46,637,000美元（截至二零一六年六月三十日止六個月：37,423,000美元）。期內物業、廠房及設備項目的減值為零（截至二零一六年六月三十日止六個月：13,000美元）。

於截至二零一七年及二零一六年六月三十日止六個月均無物業、廠房及設備的重大出售。

於二零一七年六月三十日，本集團賬面淨值為598,340,000美元（二零一六年十二月三十一日：557,772,000美元）的若干物業、廠房及設備已抵押予銀行以取得本集團的銀行信貸融資（附註17）。

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### 11. Investment Property

### 11. 投資物業

		30 June 2017 二零一七年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)
Carrying amount at 1 January	於一月一日的賬面值	169,074
Net gains from a fair value adjustment	公平值調整的收益淨額	-
Exchange realignment	匯兌調整	4,058
Carrying amount at 30 June	於六月三十日的賬面值	173,132

The Group's investment property is situated in Shanghai, the PRC and is held under a medium term lease. The directors have determined that the investment property is an industrial property, based on the nature, characteristics and risks of the property.

本集團的投資物業位於中國上海，按中期租約持有。董事已基於物業的性質、特點及風險釐定投資物業為工業物業。

The investment property is leased to a related party under an operating lease (note 22 (b)).

投資物業根據經營租約出租予關聯方(附註22(b))。

As at 30 June 2017 and 31 December 2016, the Group's investment property was pledged to banks to secure the Group's banking facilities (note 17).

於二零一七年六月三十日及二零一六年十二月三十一日，本集團的投資物業已抵押予銀行以取得本集團的銀行信貸融資(附註17)。

### 12. Available-For-Sale Investments

### 12. 可供出售投資

		30 June 2017 二零一七年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2016 二零一六年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Unlisted equity investments, at cost	非上市股權投資，按成本值	208,210	203,330

As at 30 June 2017, the unlisted equity investments with a carrying amount of US\$208,210,000 (31 December 2016: US\$203,330,000) were stated at cost less impairment because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair value cannot be measured reliably. The Group does not intend to dispose of these investments in the near future.

由於合理公平值估計範圍太大，董事認為其公平值不能可靠計量，故於二零一七年六月三十日非上市股權投資(賬面值208,210,000美元(二零一六年十二月三十一日：203,330,000美元))乃按成本值扣除減值呈列。本集團近期無意出售該等投資。

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### 13. Inventories

### 13. 存貨

		30 June 2017 二零一七年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2016 二零一六年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Raw materials	原材料	51,592	49,571
Work in progress	在製品	38,541	40,117
Finished goods	製成品	21,364	15,470
		<b>111,497</b>	105,158
Less: provision for inventories	減：存貨撥備	<b>(10,622)</b>	(9,959)
		<b>100,875</b>	95,199

### 14. Trade and Notes Receivables

### 14. 貿易應收款項及應收票據

		30 June 2017 二零一七年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2016 二零一六年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Trade receivables	貿易應收款項	79,935	83,173
Notes receivable	應收票據	29,128	24,372
		<b>109,063</b>	107,545
Impairment of trade receivables	貿易應收款項減值	<b>(1,498)</b>	(1,467)
		<b>107,565</b>	106,078

The Group's trading terms with its customers are mainly on credit and the credit period is generally 30 to 45 days, extending up to 60 days for major customers. There is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

本集團與其客戶的貿易賬期以信貸為主，信貸期一般為30至45天，對大客戶的信貸期延長至最多60天。本集團並無重大集中信貸風險。本集團並無就其貿易應收款項餘額持有任何抵押品或採取其他加強信貸措施。貿易應收款項為免息。

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### 14. Trade and Notes Receivables (continued)

An aged analysis of the trade receivables, based on the invoice date and net of provisions, is as follows:

		<b>30 June 2017</b> 二零一七年 六月三十日 <b>(Unaudited)</b> (未經審核) <b>(US\$'000)</b> (千美元)	31 December 2016 二零一六年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Within 3 months	三個月以內	<b>78,399</b>	80,165
Over 3 and within 6 months	三個月以上及六個月以內	<b>1</b>	213
Over 6 months	六個月以上	<b>37</b>	1,328
		<b>78,437</b>	81,706

### 14. 貿易應收款項及應收票據 (續)

按發票日期計，貿易應收款項（扣除撥備）的賬齡分析如下：

### 15. Cash and Cash Equivalents and Restricted and Time Deposits

		<b>30 June 2017</b> 二零一七年 六月三十日 <b>(Unaudited)</b> (未經審核) <b>(US\$'000)</b> (千美元)	31 December 2016 二零一六年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Cash and bank balances	現金及銀行結餘	<b>194,592</b>	178,080
Restricted and time deposits	已凍結及定期存款	<b>249,679</b>	288,722
		<b>444,271</b>	466,802
Restricted and time deposits:	已凍結及定期存款：		
Pledged deposits for letters of credit	就信用證抵押存款	<b>(338)</b>	(539)
Other pledged deposits for payment of dividends	就支付股息之 其他已抵押存款	<b>(33)</b>	(8)
Time deposits with original maturity of more than three months	原定到期日為三個月以上的 定期存款	<b>(202,463)</b>	(125,000)
		<b>(202,834)</b>	(125,547)
Cash and bank equivalents	現金及現金等價物	<b>241,437</b>	341,255

### 15. 現金及現金等價物以及已凍結及定期存款

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### 15. Cash and Cash Equivalents and Restricted and Time Deposits (continued)

Pledged deposits with a carrying value of US\$338,000 as at 30 June 2017 (31 December 2016: US\$539,000) were pledged to secure the issuance of letters of credit.

Other pledged deposits with a carrying value of US\$33,000 as at 30 June 2017 (31 December 2016: US\$8,000) were pledged to secure the payment of dividends to shareholders.

Time deposits with original maturity of more than three months with a carrying value of US\$202,463,000 as at 30 June 2017 (31 December 2016: US\$125,000,000) will mature within six months.

### 16. Trade Payables

An aged analysis of the trade payables of the Group as at the end of the reporting period, based on the invoice date, is as follows:

		30 June 2017 二零一七年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2016 二零一六年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Within 1 month	1個月以內	36,359	38,999
Over 1 and within 3 months	1個月以上及3個月以內	11,416	13,284
Over 3 and within 6 months	3個月以上及6個月以內	4,644	4,093
Over 6 and within 12 months	6個月以上及12個月以內	814	506
Over 12 months	12個月以上	7,766	7,908
		<b>60,999</b>	<b>64,790</b>

The trade payables are unsecured, non-interest-bearing and normally settled on 30 to 60 day terms.

### 15. 現金及現金等價物以及已凍結及定期存款 (續)

已抵押於二零一七年六月三十日的賬面值為338,000美元(二零一六年十二月三十一日: 539,000美元)的已抵押存款, 以獲發行信用證。

於二零一七年六月三十日, 賬面值為33,000美元(二零一六年十二月三十一日: 8,000美元)的其他已抵押存款已獲抵押, 以向股東支付股息。

原定到期日超過三個月的定期存款於二零一七年六月三十日的賬面值是202,463,000美元(二零一六年十二月三十一日: 125,000,000美元), 將於六個月內到期。

### 16. 貿易應付款項

於報告期末按發票日期計, 本集團貿易應付款項的賬齡分析如下:

貿易應付款項為無抵押、不計息及一般於30天至60天內結清。



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## 中期簡明綜合財務報表附註

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### 17. Interest-Bearing Bank Borrowings

### 17. 計息銀行借款

		30 June 2017 二零一七年六月三十日			31 December 2016 二零一六年十二月三十一日		
		Effective interest rate (%) 實際利率 (%)	Maturity 到期	US\$'000 千美元 (Unaudited) (未經審核)	Effective interest rate (%) 實際利率 (%)	Maturity 到期	US\$'000 千美元 (Audited) (經審核)
<b>Current</b>	<b>流動</b>						
Current portion of long term bank loans – secured	長期銀行貸款的即期部份 – 有抵押	1.20	2017 – 2018 二零一七年至二零一八年	4,133	1.20	2017 二零一七年	1,874
<b>Non-current</b>	<b>非流動</b>						
Secured bank loans	有抵押銀行貸款	1.20 – 2.79	2018 – 2025 二零一八年至二零二五年	89,373	1.20 – 2.79	2018 – 2025 二零一八年至二零二五年	90,757
				<b>93,506</b>			<b>92,631</b>

		30 June 2017 二零一七年六月三十日 (Unaudited) (US\$'000) (千美元)	31 December 2016 二零一六年十二月三十一日 (Audited) (US\$'000) (千美元)
Analysed into:	分析為：		
Bank loans repayable:	應償還銀行貸款：		
Within one year	一年內	4,133	1,874
In the second year	第二年	60,588	60,485
Beyond third year, inclusive	超過第三年（包括首尾兩年）	28,785	30,272
		<b>93,506</b>	<b>92,631</b>

As at 30 June 2017 and 31 December 2016, the Group's bank loans were secured by the pledges of the Group's assets with carrying values as follows:

於二零一七年六月三十日及二零一六年十二月三十一日，本集團的銀行貸款由抵押本集團的資產作擔保，資產的賬面值如下：

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## 中期簡明綜合財務報表附註

### 17. Interest-Bearing Bank Borrowings (continued)

### 17. 計息銀行借款 (續)

			30 June 2017 二零一七年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2016 二零一六年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
		Notes 附註		
Property, plant and equipment	物業、廠房及設備	10	598,340	557,772
Investment property	投資物業	11	173,132	169,074
Prepaid land lease payments	預付土地租賃款項		20,878	20,703
Intangible assets	無形資產		6,228	6,757
			<b>798,578</b>	<b>754,306</b>

In addition to the assets pledged above, the Group's secured bank loans as at 30 June 2017 and 31 December 2016 were secured by the Company's 36.23% of equity interest in its subsidiary, HHGrace.

除以上已抵押資產外，本集團於二零一七年六月三十日及二零一六年十二月三十一日的有抵押銀行貸款乃以本公司於其子公司華虹宏力的36.23%股權作抵押。

### 18. Government Grants

### 18. 政府補助

		30 June 2017 二零一七年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)
At 1 January	於一月一日	35,863
Received during the period	期內收到	2,123
Exchange realignment	匯兌調整	894
At 30 June	於六月三十日	<b>38,880</b>

The Group received government funding for several government-sponsored projects focusing on the research and development of advanced technologies.

本集團的多個政府資助項目均獲得政府撥付資金資助，該等項目專注於開發先進技術。

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## 中期簡明綜合財務報表附註

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### 19. Share Capital

### 19. 股本

		Number of shares 股份數目		Amount 金額	
		30 June 2017 二零一七年 六月三十日 (’000) (千股)	31 December 2016 二零一六年 十二月三十一日 (’000) (千股)	30 June 2017 二零一七年 六月三十日 (Unaudited) (US\$’000) (千美元)	31 December 2016 二零一六年 十二月三十一日 (Audited) (US\$’000) (千美元)
<b>Issued and fully paid:</b>	<b>已發行及繳足：</b>				
1,033,871,656 ordinary shares	1,033,871,656股 普通股	<b>1,033,872</b>	1,033,872	<b>1,550,164</b>	1,550,164

### 20. Share Option Scheme

The Company operates a share option scheme (the “Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the Scheme include the Company’s directors, including a non-executive director and other employees of the Group. The Scheme became effective on 4 September 2015 and, unless otherwise cancelled or amended, will remain in force for 7 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company’s shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

### 20. 購股權計劃

本公司設有一項購股權計劃（「該計劃」），旨在為對本集團順利發展有所貢獻之符合資格參與者提供激勵及獎勵。該計劃之符合資格參與者包括本公司董事（包括非執行董事）及本集團其他僱員。該計劃由二零一五年九月四日起生效，除非另被取消或修訂，該計劃將由該日起計7年內有效。

現時可根據該計劃授出之未行使購股權數目不得超過該等購股權行使後本公司不時已發行股份之10%。於任何十二個月期間，該計劃各符合資格參與者根據購股權可獲發行之股份數目不得超過本公司任何時候已發行股份之1%。進一步授予超出此限額之購股權則須股東在股東大會上批准。

向各本公司董事、行政總裁或主要股東或彼等之任何聯繫人士授予購股權須事先取得獨立非執行董事批准。此外，倘若於任何十二個月期間，授予本公司主要股東或獨立非執行董事或彼等各自之任何聯繫人士之購股權超出本公司任何時候已發行股份之0.1%或總值（根據授出日期本公司股份價格計算）超逾500萬港元，則須事先在股東大會上取得股東批准。

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## 中期簡明綜合財務報表附註

### 20. Share Option Scheme (continued)

The offer of a grant of share options may be accepted within 28 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period of two to four years and ends on a date which is not later than the expiry date of the Scheme.

The exercise price of share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The scheme includes options granted to directors and key management personnel ("Tranche A") and options granted to other employees ("Tranche B"). The following share options were outstanding under the Scheme during the period:

### 20. 購股權計劃 (續)

承授人須於授出日期起計28日內決定是否接納獲授之購股權，並須於接納時繳交合共1港元之名義代價。購股權之行使期由董事決定，並於二至四年歸屬期後開始以及於該計劃屆滿之日前終止。

購股權之行使價為由董事釐定，惟不得少於以下兩者之最高者：(i)本公司股份於授予購股權日期在聯交所之收市價；及(ii)本公司股份於緊接授出日期前五個交易日在聯交所之平均收市價。

購股權並非附帶可令持有人獲得股息或於股東大會投票的權利。

計劃包括授予董事及主要管理人員的購股權（「第一批」）及授予其他僱員的購股權（「第二批」）。於期內以下購股權尚未根據該計劃行使：

		Tranche A 第一批		Tranche B 第二批	
		Weighted average exercise price HK\$ per share 每股加權平均行使價 (港元)	Number of options '000 購股權數目 (千份)	Weighted average exercise price HK\$ per share 每股加權平均行使價 (港元)	Number of options '000 購股權數目 (千份)
At 1 January 2017	於二零一七年一月一日	6.912	5,823	6.912	22,839
Forfeited during the period	期內沒收	6.912	-	6.912	(532)
At 30 June 2017	於二零一七年六月三十日	6.912	5,823	6.912	22,307

# Notes to the Interim Condensed Consolidated Financial Statements

## 中期簡明綜合財務報表附註

30 June 2017  
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### 20. Share Option Scheme (continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

### 20. 購股權計劃（續）

於報告期末尚未行使購股權的行使價及行使期如下：

30 June 2017 Number of options '000 二零一七年六月三十日 購股權數目 千份	Exercise price* HK\$ per share 行使價* 每股港元	Exercise period 行使期
9,376	6.912	4 September 2017 to 3 September 2022 二零一七年九月四日至二零二二年九月三日
9,377	6.912	4 September 2018 to 3 September 2022 二零一八年九月四日至二零二二年九月三日
9,377	6.912	4 September 2019 to 3 September 2022 二零一九年九月四日至二零二二年九月三日
28,130		

31 December 2016 Number of options '000 二零一六年十二月 三十一日 購股權數目 千份	Exercise price* HK\$ per share 行使價* 每股港元	Exercise period 行使期
9,554	6.912	4 September 2017 to 3 September 2022 二零一七年九月四日至二零二二年九月三日
9,554	6.912	4 September 2018 to 3 September 2022 二零一八年九月四日至二零二二年九月三日
9,554	6.912	4 September 2019 to 3 September 2022 二零一九年九月四日至二零二二年九月三日
28,662		

\* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

\* 倘若進行供股或紅股發行，或本公司之股本有其他類似改動，則購股權之行使價可予調整。

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## 中期簡明綜合財務報表附註

### 20. Share Option Scheme (continued)

At the end of the reporting period, the Company had 28,130,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 28,130,000 additional ordinary shares of the Company and additional share capital of US\$24,910,000 (before issue expenses).

At the date of approval of the interim condensed consolidated financial statements, the Company had 28,130,000 share options outstanding under the Scheme, which represented approximately 2.7% of the Company's shares in issue as at that date.

### 21. Commitments

The Group had the following capital commitments at the end of the reporting period:

	30 June 2017 二零一七年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2016 二零一六年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Contracted, but not provided for: Property, plant and equipment	44,256	44,693

### 20. 購股權計劃 (續)

於報告期末，本公司擁有28,130,000份購股權尚未根據該計劃行使。根據本公司現時的股本架構，悉數行使尚未行使購股權可能會導致額外發行28,130,000股本公司普通股及增加股本24,910,000美元（未扣除發行費用）。

於批准中期簡明綜合財務報表日期，本公司於購股權項下共有28,130,000份尚未行使購股權，相當於該日期本公司已發行股份約2.7%。

### 21. 承擔

本集團於報告期末擁有以下資本承擔：

# Notes to the Interim Condensed Consolidated Financial Statements

## 中期簡明綜合財務報表附註

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### 22. Related Party Transactions and Balances

### 22. 關聯方交易及結餘

#### (a) Name and relationship

#### (a) 名稱及關係

Name of related party 關聯方名稱	Relationship with the Group 與本集團的關係
<b>Huahong Group and its subsidiaries</b> 華虹集團及其子公司	
- Shanghai Huahong (Group) Co., Ltd. ("Huahong Group") - 上海華虹(集團)有限公司(「華虹集團」)	Holding company of Hua Hong International 華虹國際的控股公司
- Hua Hong International Inc., ("Huahong International") - 華虹國際有限公司(「華虹國際」)	Shareholder of the Company 本公司股東
- Shanghai Huahong Zealcore Electronics Co., Ltd. ("Huahong Zealcore") - 上海華虹摯芯科技有限公司(「華虹摯芯」)	Subsidiary of Huahong Group 華虹集團子公司
- Shanghai Hongri International Electronics Co., Ltd. ("Hongri") - 上海虹日國際電子有限公司(「虹日」)	Subsidiary of Huahong Group 華虹集團子公司
- Shanghai Integrated Circuit Research and Development Center ("ICRD") - 上海集成電路研發中心(「集成電路研發」)	Subsidiary of Huahong Group 華虹集團子公司
- Shanghai Hua Hong Jitong Smart System Co., Ltd. ("Jitong") - 上海華虹計通智能系統股份有限公司(「計通」)	Subsidiary of Huahong Group 華虹集團子公司
<b>NEC Corporation ("NEC")</b>	
- NEC Management Partner, Ltd. ("NEC Management")	Shareholder of the Company 本公司股東 Subsidiary of NEC NEC子公司
<b>SAIL and its subsidiaries</b> 上海聯和及其子公司	
- Sino-Alliance International Ltd. ("Sino-Alliance International")	Shareholder of the Company 本公司股東
- Shanghai Huali Microelectronics Co., Ltd. ("Shanghai Huali") - 上海華力微電子有限公司(「上海華力」)	Subsidiary of SAIL 上海聯和子公司
- QST Corporation ("QST") - 上海矽睿科技有限公司(「矽睿科技」)	Subsidiary of SAIL 上海聯和子公司

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## 中期簡明綜合財務報表附註

### 22. Related Party Transactions and Balances (continued)

### 22. 關聯方交易及結餘 (續)

#### (a) Name and relationship (continued)

#### (a) 名稱及關係 (續)

Name of related party 關聯方名稱	Relationship with the Group 與本集團的關係
<b>INESA and its subsidiaries</b> 儀電集團及其子公司	
– Shanghai INESA Intelligent Electronics Co., Ltd. (“Shanghai INESA”) – 上海儀電智能電子有限公司 (「上海儀電」)	Subsidiary of INESA 儀電集團子公司
– Shanghai Nanyang Software System Integration Co., Ltd. (“Nanyang Software”) – 上海南洋軟件系統集成有限公司 (「南洋軟件」)	Subsidiary of INESA 儀電集團子公司
<b>Huahong Technology Development</b> 華虹科技發展	Associate of the Group 本集團聯營公司
<b>Huahong Real Estate</b> 華虹置業	Subsidiary of Huahong Technology Development 華虹科技發展子公司
<b>Shanghai Huajin Property Management Co., Ltd. (“Huajin”)</b> 上海華錦物業管理有限公司 (「華錦」)	Subsidiary of Huahong Technology Development 華虹科技發展子公司
<b>CEC and its subsidiaries</b> 中國電子及其子公司	
– China Electronics Corporation (“CEC”) – 中國電子信息產業集團有限公司 (「中國電子」)	Shareholder of Huahong Group 華虹集團股東
– CEC Huada Electronic Design Co., Ltd. (“Huada”) – 北京中電華大電子設計有限責任公司 (「華大」)	Subsidiary of CEC 中國電子子公司
– Shanghai Huahong Integrated Circuit Co., Ltd. (“Shanghai Huahong IC”) – 上海華虹集成電路有限責任公司 (「上海華虹集成電路」)	Subsidiary of CEC 中國電子子公司
– Shanghai Belling Co., Ltd. (“Shanghai Belling”) – 上海貝嶺股份有限公司 (「上海貝嶺」)	Subsidiary of CEC 中國電子子公司
– Hylintek Limited (“Hylintek”) – 香港海華有限公司 (「香港海華」)	Subsidiary of CEC 中國電子子公司



# Notes to the Interim Condensed Consolidated Financial Statements

## 中期簡明綜合財務報表附註

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### 22. Related Party Transactions and Balances (continued)

### 22. 關聯方交易及結餘 (續)

#### (b) Related party transactions

In addition to the transactions and balances disclosed elsewhere in the interim condensed consolidated financial statements, the Group had the following material transactions with related parties during the period:

#### (b) 關聯方交易

除中期簡明綜合財務報表其他部份所披露交易及結餘外，本集團於期內已與關聯方進行以下重大交易：

		For the six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)	2016 二零一六年 (Unaudited) (未經審核) (US\$'000) (千美元)
Sales of goods to related parties (note (i))	向關聯方出售貨品 (附註(i))		
Huada	華大	23,075	10,343
Shanghai Huahong IC	上海華虹集成電路	7,477	5,428
ICRD	集成電路研發	4,844	2,820
Huahong Zealcore	華虹摺芯	2,967	4,292
Shanghai Belling	上海貝嶺	2,226	3,634
QST	矽睿科技	1,616	492
Hongri	虹日	35	212
Purchases of goods from related parties (note (ii))	自關聯方購買貨品 (附註(ii))		
Hylintek	香港海華	6,299	3,922
Hongri	虹日	2,856	2,788
Huahong Zealcore	華虹摺芯	354	205
NEC Management	NEC Management	243	327
Service fees income from related parties (note (iii))	來自關聯方的服務費收入 (附註(iii))		
QST	矽睿科技	109	212
Service fee charged by related parties (note (iv))	關聯方收取的服務費 (附註(iv))		
Shanghai INESA	上海儀電	133	57
Huajin	華錦	109	96
Nanyang Software	南洋軟件	105	176
Huahong Real Estate	華虹置業	49	53
Rental income from a related party (note (iii))	來自關聯方的租金收入 (附註(iii))		
Shanghai Huali	上海華力	6,176	6,082
Rental expense charged by a related party (note (iv))	關聯方收取的租金開支 (附註(iv))		
Huahong Real Estate	華虹置業	809	773
Expense paid on behalf of a related party (note (v))	代關聯方支付的開支 (附註(v))		
Shanghai Huali	上海華力	12,528	12,254

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## 中期簡明綜合財務報表附註

### 22. Related Party Transactions and Balances (continued)

### 22. 關聯方交易及結餘 (續)

#### (b) Related party transactions (Continued)

Note (i): *The sales of goods to the related parties were made according to the prices and terms agreed between the related parties.*

Note (ii): *The purchases of goods from the related parties were made according to the prices and terms offered by the related parties.*

Note (iii): *The rental income and service fee income from related parties were received according to the prices and terms agreed between the related parties.*

Note (iv): *The rental expense and service fees charged by related parties were paid according to the prices and terms agreed between the related parties.*

Note (v): *The expense paid on behalf of the related party is interest-free and repayable on demand.*

#### (b) 關聯方交易 (續)

附註(i): 向關聯方出售的貨品乃根據與關聯方協定的價格及條款作出。

附註(ii): 自關聯方購買的貨品乃根據關聯方提供的價格及條款作出。

附註(iii): 來自關聯方的租金收入及服務費收入乃根據與關聯方協定的價格及條款收取。

附註(iv): 關聯方收取的租金開支及服務費乃根據與關聯方協定的價格及條款支付。

附註(v): 代關聯方支付的開支為不計息，及須按要求償還。

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### 22. Related Party Transactions and Balances (continued)

### 22. 關聯方交易及結餘 (續)

#### (c) Outstanding balances with related parties

#### (c) 與關聯方之間的未結清餘額

		30 June 2017 二零一七年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2016 二零一六年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Amounts due from related parties	應收關聯方款項		
Huada	華大	26,722	16,107
Shanghai Huali	上海華力	14,337	13,735
Shanghai Huahong IC	上海華虹集成電路	7,543	4,430
QST	矽睿科技	1,283	482
Huahong Zealcore	華虹摺芯	1,033	1,820
Shanghai Belling	上海貝嶺	996	1,099
Huahong Real Estate	華虹置業	900	4
ICRD	集成電路研發	177	33
Jitong	計通	22	-
Hongri	虹日	-	41
Shanghai INESA	上海儀電	-	1
		<b>53,013</b>	<b>37,752</b>
Amounts due to related parties	應付關聯方款項		
Shanghai Huali	上海華力	11,036	4,773
Hylintek	香港海華	2,118	2,239
ICRD	集成電路研發	1,303	1,315
Hongri	虹日	1,054	904
Huahong Zealcore	華虹摺芯	234	106
QST	矽睿科技	190	106
NEC management	NEC management	118	108
Shanghai INESA	上海儀電	81	18
Nanyang Software	南洋軟件	32	-
Huahong Real Estate	華虹置業	28	90
Huajin	華錦	19	20
Jitong	計通	10	10
		<b>16,223</b>	<b>9,689</b>

Balances with the related parties or subsidiaries were unsecured, non-interest-bearing and had no fixed repayment terms.

與關聯方或子公司之間的結餘為無抵押、不計息及無固定還款期限。

# Notes to the Interim Condensed Consolidated Financial Statements

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## 中期簡明綜合財務報表附註

### 22. Related Party Transactions and Balances (continued)

### 22. 關聯方交易及結餘 (續)

#### (d) Compensation of key management personnel of the Group

#### (d) 本集團主要管理人員的酬金

		For the six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)	2016 二零一六年 (Unaudited) (未經審核) (US\$'000) (千美元)
Short term employee benefits	短期僱員福利	1,186	1,048
Pension scheme contributions	退休金計劃供款	27	22
Equity-settled share option expense	以權益結算的購股權開支	298	306
Total compensation paid to key management personnel	支付予主要管理人員的酬金總額	1,511	1,376

### 23. Financial Instruments by Category

### 23. 按類別劃分的金融工具

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

各類金融工具於報告期末的賬面值如下：

#### Financial assets – loans and receivables

#### 金融資產 – 貸款及應收款項

		30 June 2017 二零一七年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2016 二零一六年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Trade and notes receivables	貿易應收款項及應收票據	107,565	106,078
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產	5,682	4,268
Due from related parties	應收關聯方款項	53,013	37,752
Restricted and time deposits	已凍結及定期存款	202,834	125,547
Cash and cash equivalents	現金及現金等價物	241,437	341,255
		610,531	614,900

# Notes to the Interim Condensed Consolidated Financial Statements

## 中期簡明綜合財務報表附註

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### 23. Financial Instruments by Category (continued)

### 23. 按類別劃分的金融工具 (續)

#### Financial assets – available-for-sale financial assets

#### 金融資產 – 可供出售金融資產

		30 June 2017 二零一七年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2016 二零一六年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Available-for-sale investments	可供出售投資	208,210	203,330

#### Financial liabilities – at amortised cost

#### 金融負債 – 按攤銷成本

		30 June 2017 二零一七年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2016 二零一六年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Trade payables	貿易應付款項	60,999	64,790
Financial liabilities included in other payables, advances from customers and accruals	計入其他應付款項、預收賬款及暫估費用的金融負債	67,639	50,491
Interest-bearing bank borrowings	計息銀行借款	93,506	92,631
Due to related parties	應付關聯方款項	16,223	9,689
		<b>238,367</b>	<b>217,601</b>

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## 中期簡明綜合財務報表附註

### 24. Fair Value and Fair Value Hierarchy of Financial Instruments

The carrying amounts and fair values of the Group's financial instrument, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts 賬面值		Fair values 公平值		
	30 June 2017 二零一七年 六月三十日 (US\$'000) (千美元)	31 December 2016 二零一六年 十二月三十一日 (US\$'000) (千美元)	30 June 2017 二零一七年 六月三十日 (US\$'000) (千美元)	31 December 2016 二零一六年 十二月三十一日 (US\$'000) (千美元)	
<b>Financial liability</b> Interest-bearing bank borrowing	<b>金融負債</b> 計息銀行借款	<b>37,346</b>	<b>36,471</b>	<b>31,921</b>	<b>30,637</b>

Management has assessed that the fair values of cash and cash equivalents, restricted and time deposits, trade and notes receivables, trade payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables, advances from customers and accruals, amounts due from/to related parties and the current portion of interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair value of the non-current portion of interest-bearing bank borrowings has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank borrowings as at 30 June 2017 and 31 December 2016 was assessed to be insignificant. Management has assessed that the fair value of the non-current interest-bearing bank borrowings of the Group approximates to carrying amount due to their floating interest rates, expect for the loan disclosed above.

### 24. 金融工具的公平值及公平值層級

本集團金融工具（不包括賬面值與公平值大致相若的金融工具）的賬面值及公平值載列如下：

管理層已評估現金及現金等價物、已凍結及定期存款、貿易應收款項及應收票據、貿易應付款項、計入預付款項、按金及其他應收款項的金融資產、計入其他應付款項、預收賬款及暫估費用的金融負債、應收／應付關聯方款項，以及計息銀行借款的即期部份的公平值，彼等均與其賬面值相若，主要是由於該等工具均於短期內到期。

本集團旗下以財務經理為首的財務部負責釐定金融工具公平值計量的政策及程序。財務部直接向財務總監報告。於各報告日期，財務部分析金融工具的價值變動並釐定估值中適用的主要輸入數據。估值由財務總監審核及批准。

計息銀行借貸非即期部份的公平值乃透過使用具有類似條款、信貸風險及剩餘到期時間的工具按目前適用之比率貼現預期未來現金流量計算。本集團本身於二零一七年六月三十日及二零一六年十二月三十一日的計息銀行借款的不履約風險被評定為並不重大。由於按浮動利率計，管理層評估後認為本集團的非流動計息銀行借款的公平值與賬面值相若，惟上述貸款除外。

# Notes to the Interim Condensed Consolidated Financial Statements

## 中期簡明綜合財務報表附註

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### 25. Event after the Reporting Period

There is no material subsequent event undertaken by the Group after 30 June 2017.

### 26. Approval of the Interim Condensed Consolidated Financial Statements

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 8 August 2017.

### 25. 報告期後重大事項

本集團於二零一七年六月三十日後概無發生任何重大期後事項。

### 26. 批准中期簡明綜合財務報表

中期簡明綜合財務報表已於二零一七年八月八日獲董事會批准及授權刊發。

# Other Disclosures

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## SHARE OPTION SCHEME

The Company adopted a share option scheme which became effective on 4 September 2015 and, unless otherwise cancelled or amended, will remain in force for 7 years from that date. As at 30 June 2017, the Company had 28,130,000 share options outstanding under the share option scheme, which represented approximately 2.7% of the Company's shares in issue as at that date. The table below sets out details of the outstanding options granted to the Directors and other grantees under the share option scheme and movements during the 6 months ended 30 June 2017:

## 購股權計劃

本公司採納一項購股權計劃，由二零一五年九月四日起生效，除非被註銷或修訂，否則購股權計劃將由該日期起七年內有效。於二零一七年六月三十日，本公司於購股權計劃項下共有28,130,000份未行使購股權，相當於該日期本公司已發行股份約2.7%。下表載列截至二零一七年六月三十日止六個月期間根據購股權計劃授予董事及其他承授人的尚未行使的購股權的詳情及變動情況：

Name or category of participants	Granted at 04.09.2015	At 31.12.2016	Number of share options			At 30.06.2017	Exercise period of share options	Exercise price of share options
			Exercised during the period	Cancelled during the period	Lapsed during the period			
	於二零一五年九月四日授出	於二零一六年十二月三十一日	期內行使	期內註銷	期內失效	於二零一七年六月三十日	購股權之行使期	購股權之行使價
<b>Directors</b>								
<b>董事</b>								
Mr. Yu Wang 王煜先生	869,000	869,000	-	-	-	869,000	04.09.2017-03.09.2022 二零一七年九月四日至 二零二二年九月三日	HK\$6.912 6.912港元
Mr. Takayuki Morita 森田隆之先生	119,000	119,000	-	-	-	119,000	04.09.2017-03.09.2022 二零一七年九月四日至 二零二二年九月三日	HK\$6.912 6.912港元
<b>Other employees</b>	29,262,000	27,674,000	-	(532,000)	-	27,142,000	04.09.2017-03.09.2022 二零一七年九月四日至 二零二二年九月三日	HK\$6.912 6.912港元
<b>其他僱員</b>								
<b>In aggregate</b>	30,250,000	28,662,000	-	(532,000)	-	28,130,000		
<b>總數</b>								

Please refer to pages 42 to 45 of the Notes to the Interim Condensed Consolidated Financial Statements for further details.

進一步詳情請參閱中期簡明綜合財務報表附註第42頁至45頁。



# Other Disclosures

## 其他披露資料

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### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2017, save as disclosed below, none of the Directors nor the chief executive of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of SFO), as recorded in the register kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Listing Rules.

### 董事及最高行政人員於本公司股份及相關股份的權益

於二零一七年六月三十日，除下文披露者外，概無本公司董事及最高行政人員於本公司或任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中擁有載入根據證券及期貨條例第352條須予存置的登記冊內的任何權益及淡倉，或須按照上市規則所載的上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的任何權益及淡倉。

Name of Director	Capacity	Number of underlying shares held in long position (Note 1) 以好倉持有的相關股份數目 (附註1)	Approximate percentage of interests 概約權益百分比
董事姓名	身份		
Mr. Yu Wang 王煜先生	Beneficial owner 實益擁有人	869,000	0.08%
Mr. Takayuki Morita 森田隆之先生	Beneficial owner 實益擁有人	119,000	0.01%

Note:

(1) Long position in the underlying shares of the Company under share options granted pursuant to the Share Option Scheme

附註：

(1) 按購股權計劃授出的購股權項下於本公司相關股份的好倉

# Other Disclosures

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## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

## 主要股東及其他人士於本公司股份和相關股份的權益

As at 30 June 2017, persons other than a Director or chief executive of the Company, having interests of 5% or more or short positions in the shares and underlying shares of the Group, were as follows:

於二零一七年六月三十日，除本公司董事或最高行政人員外，於本集團股份及相關股份中擁有5%或以上權益或淡倉的人士如下：

Substantial shareholders	Capacity and nature of interest	Number of shares held	Approximate percentage of aggregate interests in issued share capital* 佔已發行股本權益總額的概約百分比*
主要股東	身份及權益性質	持有股份數目	
Shanghai Hua Hong International, Inc. (Hua Hong International) <sup>(2)</sup> 上海華虹國際有限公司(華虹國際) <sup>(2)</sup>	Legal and Beneficial owner 法定及實益擁有人	350,401,100 <sup>(1)</sup>	33.89%
Shanghai Huahong (Group) Co., Ltd. (Huahong Group) <sup>(2)</sup> 上海華虹(集團)有限公司(華虹集團) <sup>(2)</sup>	Interest in a controlled corporation 受控制法團權益	350,401,100 <sup>(1)</sup>	33.89%
China Electronics Corporation (CEC) <sup>(2)</sup> 中國電子信息產業集團有限公司(中國電子) <sup>(2)</sup>	Interest in a controlled corporation 受控制法團權益	350,401,100 <sup>(1)</sup>	33.89%
INESA (Group) Co., Ltd. (INESA) <sup>(2)</sup> 上海儀電(集團)有限公司(儀電集團) <sup>(2)</sup>	Interest in a controlled corporation 受控制法團權益	350,401,100 <sup>(1)</sup>	33.89%
Sino-Alliance International, Ltd. (Sino-Alliance International)	Legal and Beneficial owner 法定及實益擁有人	191,664,476 <sup>(1)(3)(5)</sup>	18.54%
Sino-Alliance International, Ltd. (Sino-Alliance International)	Interest in a controlled corporation 受控制法團權益	34,919,354 <sup>(1)</sup>	3.37%
Shanghai Alliance Investment Ltd. (SAIL) 上海聯和投資有限公司(上海聯和)	Interest in a controlled corporation 受控制法團權益	576,984,930 <sup>(1)(4)(5)</sup>	55.81%
NEC Corporation	Legal and Beneficial owner 法定及實益擁有人	99,038,800 <sup>(1)</sup>	9.57%

# Other Disclosures

## 其他披露資料

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### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (continued)

Notes:

- (1) Long positions in the shares of the Company.
  - (2) Hua Hong International is a wholly-owned subsidiary of Huahong Group. As at 30 June 2017, Huahong Group was 47.08% owned by CEC, and 47.08% owned by SAIL. In addition, SAIL controlled 51.83% of the voting rights of Huahong Group by virtue of its 47.08% equity interest in Huahong Group and an additional 4.75% voting rights pursuant to a voting bloc from INESA to SAIL. Therefore CEC, SAIL and INESA were deemed to be interested in all the Shares in which Huahong Group is interested in by virtue of Part XV of the SFO.
  - (3) Including 3,084 shares held in escrow by Sino-Alliance International pursuant to an escrow arrangement.
  - (4) In addition to the 350,401,100 Shares (33.89%) it indirectly held through Hua Hong International, SAIL indirectly held interests in the Company through four wholly-owned subsidiaries, including Sino-Alliance International.
  - (5) On 28 June 2017, Sino-Alliance International entered into a placing agreement for the placing of 44,000,000 Shares of the Company through a secondary share placing. Completion of such placing took place on 3 July 2017.
- \* The percentages are calculated based on the total number of shares of the Company in issue as at 30 June 2017, i.e., 1,033,871,656 shares.

Save as disclosed above, so far as is known to any of the Directors and chief executive of the Company, as at 30 June 2017, no other person or corporation had any interests or short positions in any shares or underlying shares of the Company which was recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

### PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2017.

### 主要股東及其他人士於本公司股份和相關股份的權益 (續)

附註：

- (1) 於本公司股份中的好倉。
  - (2) 華虹國際為華虹集團的全資子公司。於二零一七年六月三十日，華虹集團由中國電子及上海聯和各擁有47.08%股權。此外，上海聯和因其擁有華虹集團的47.08%股權及根據儀電集團與上海聯和的投票集團取得另外4.75%投票權而控制華虹集團51.83%的投票權。因此，根據證券及期貨條例第XV部，中國電子、上海聯和及儀電集團被視為於華虹集團擁有權益的所有股份中擁有權益。
  - (3) Sino-Alliance International股數包含因託管安排而代為持有3,084股股份。
  - (4) 除透過華虹國際間接持有350,401,100股股份(33.89%)外，上海聯和透過四家全資子公司(包括Sino-Alliance International)間接持有本公司權益。
  - (5) Sino-Alliance International於二零一七年六月二十八日訂立配售協議，透過第二股份配售配售本公司44,000,000股股份。該配售於二零一七年七月三日完成。
- \* 百分比乃按本公司於二零一七年六月三十日已發行的股份總數(即1,033,871,656股股份)計算。

除上文披露者外，就本公司董事及最高行政人員所知，於二零一七年六月三十日，概無本公司董事或最高行政人員以外的其他人士或法團於本公司任何股份或相關股份中有任何權益或淡倉並已記入根據證券及期貨條例第336條本公司須予存置的記錄冊內。

### 買賣或贖回本公司上市股份

於截至二零一七年六月三十日止六個月期間，本公司或其任何子公司概無買賣或贖回本公司任何上市證券。

# Other Disclosures

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## DEED OF NON-COMPETITION AND DEED OF RIGHT OF FIRST REFUSAL

Huahong Group, SAIL and INESA, being controlling shareholders of the Company, entered into a deed of non-competition (the “Deed of Non-competition”) dated 23 September 2014, details of which have been set out in the paragraph headed “Deed of Noncompetition” in the section headed “Relationship with Controlling Shareholders” of the Company’s Prospectus dated 3 October 2014 (the “Prospectus”). In addition, Huahong Group and SAIL also entered into a deed of right of first refusal (the “Deed of Right of First Refusal”) dated 10 June 2014, details of which have been set out in the paragraph headed “Deed of Right of First Refusal” in the section headed “Relationship with Controlling Shareholders” of the Prospectus.

The Company has reviewed the written declaration from each of the controlling shareholders mentioned above on their compliance with their undertaking under the Deed of Non-Competition and the Deed of Right of First Refusal (as the case may be). The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-Competition and the Deed of Right of First Refusal (as the case may be) have been complied with by the relevant parties.

## CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance with a view to safeguarding the interests of its shareholders and enhancing corporate value. The Board is of the view that the Company has complied with the code provisions set out in the Corporate Governance Code as contained in Appendix 14 of the Listing Rules during the six months ended 30 June 2017.

## 不競爭契據及優先購買權契據

本公司的控股股東華虹集團、上海聯和及儀電集團曾訂立日期為二零一四年九月二十三日的「不競爭契據」(「不競爭契據」)，詳情載於日期為二零一四年十月三日的本公司招股章程(「招股章程」)「與控股股東的關係」一節中「不競爭承諾」一段。另外，華虹集團和上海聯和亦曾訂立日期為二零一四年六月十日的「優先購買權契據」(「優先購買權契據」)，詳情載於招股章程「與控股股東的關係」一節中「優先購買權契據」一段。

本公司已覆核上述各控股股東有關他們遵守不競爭契據及優先購買權契據(視情況而定)內承諾的書面聲明。獨立非執行董事已覆核遵守情況，並確認不競爭契據及優先購買權契據(視情況而定)下的全部承諾均獲有關訂約方遵守。

## 企業管治

本公司致力保持企業管治在高水平，以保障股東權益及提升企業價值。董事會認為，本公司於截至二零一七年六月三十日止六個月期間一直遵守上市規則附錄十四所載的企業管治守則內的守則條文。

# Other Disclosures

## 其他披露資料

30 June 2017  
二零一七年六月三十日

### CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Code"). Having made specific enquiries of all Directors, the Company has received their written confirmations that they have complied with the required standard as set out in the Code throughout the six months ended 30 June 2017.

### AUDIT COMMITTEE

The Audit Committee, comprising one non-executive director and two independent non-executive directors of the Company, has reviewed and approved the unaudited results of the Group for the six months ended 30 June 2017 and has discussed with the management on the accounting principles and practices adopted by the Group, internal controls and financial reporting matters.

### PUBLICATION OF INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The interim report for the six months ended 30 June 2017 containing information required by Appendix 16 of the Listing Rules will be dispatched to shareholders and published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.huahonggrace.com](http://www.huahonggrace.com)) in due course.

By Order of the Board  
**Hua Hong Semiconductor Limited**  
**Mr. Suxin Zhang**  
*Chairman and Executive Director*

### 董事進行證券交易之行為守則

本公司已採納董事進行證券交易之行為守則（「該守則」），而該守則的有關條款不低於上市規則附錄十所載上市發行人董事進行證券交易的標準守則所規定的標準。本公司已向所有董事作特定查詢，每位董事均已書面確認其於截至二零一七年六月三十日止六個月期間遵守該守則所載的必守標準。

### 審核委員會

由本公司一位非執行董事及兩位獨立非執行董事組成之審核委員會已審閱本集團截至二零一七年六月三十日止六個月的未經審核業績，並已與管理層就本集團採納的會計政策及常規、內部監控及財務報告相關事宜進行討論。

### 於聯交所及本公司網站刊發中期 報告

載有上市規則附錄十六所規定資料的截至二零一七年六月三十日止六個月的中期報告，將於適當時候寄發予股東及於聯交所網站([www.hkexnews.hk](http://www.hkexnews.hk))和本公司網站([www.huahonggrace.com](http://www.huahonggrace.com))刊載。

承董事會命  
**華虹半導體有限公司**  
**張素心先生**  
*主席兼執行董事*



HUA HONG SEMICONDUCTOR LIMITED

華虹半導體有限公司