



HUA HONG SEMICONDUCTOR LIMITED

華虹半導體有限公司

(Incorporated in Hong Kong with limited liability)

(於香港註冊成立之有限公司)

Stock Code 股份代號 : 1347

2018

INTERIM REPORT

中期報告

A central graphic featuring the Chinese characters "新時代" (New Era) in purple, "芯" (Chip) in a large, golden, textured font, and "征程" (Journey) in purple. Below "芯" is the English phrase "Full Speed Ahead" in a red, italicized font. The graphic is set against a background of a long, straight road paved with square tiles, each containing a different icon related to technology and industry, such as a smartphone, a car, a server, and a Wi-Fi symbol. The road stretches into the distance under a bright blue sky with scattered white clouds.

新時代
芯 征程
Full Speed Ahead

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

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

China Development Bank Jiangsu Branch
No. 232, Middle Jiangdong Road
Nanjing, Jiangsu, PRC

Agricultural Bank of China Wuxi Xinwu Branch
No. 26, Hefeng Road
Xinwu District
Wuxi, Jiangsu, PRC

Corporate Information



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

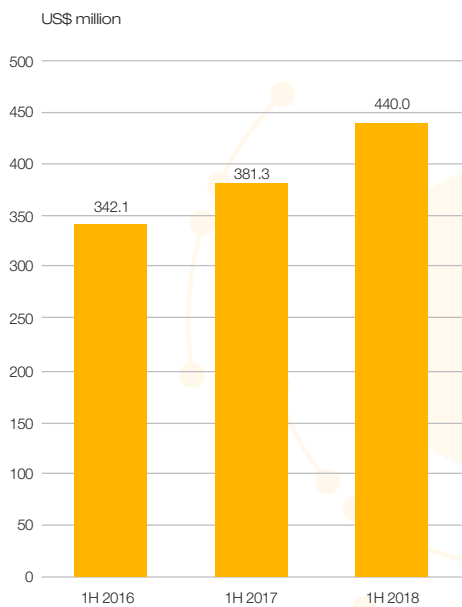
288 Halei Road
Zhangjiang Hi-Tech Park
Shanghai 201203, PRC

Stock Code

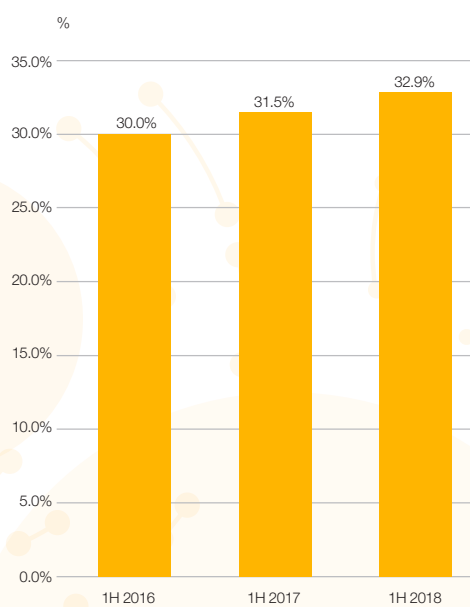
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Key Financials

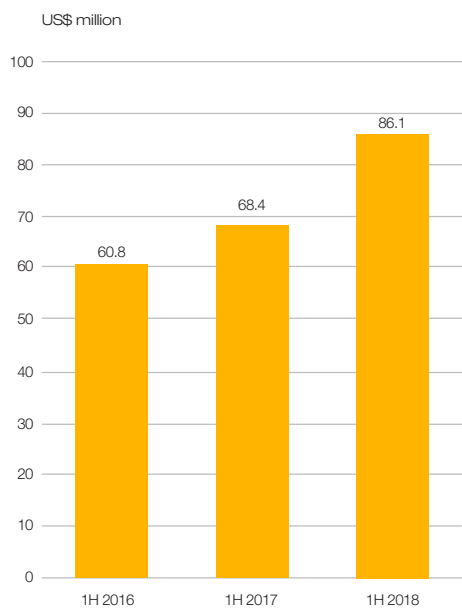
Revenue



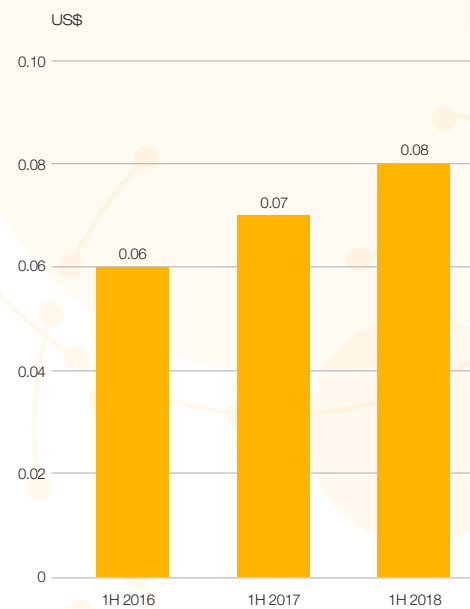
Gross Profit Margin



Net Profit



EPS



Management Discussion and Analysis

Financial Performance

	1H 2018 US\$'000 Unaudited	1H 2017 US\$'000 Unaudited	Change
Revenue	439,961	381,304	15.4 %
Cost of sales	(295,330)	(261,202)	13.1 %
Gross profit	144,631	120,102	20.4 %
Other income and gains	17,064	10,321	65.3 %
Selling and distribution expenses	(3,712)	(3,253)	14.1 %
Administrative expenses	(55,765)	(46,543)	19.8 %
Other expenses	(6,884)	(4,554)	51.2 %
Finance costs	(1,284)	(1,049)	22.4 %
Share of profits/(loss) of an associate	5,161	(141)	(3,760.3)%
Profit before tax	99,211	74,883	32.5 %
Income tax expense	(13,083)	(6,464)	102.4 %
Profit for the period	86,128	68,419	25.9 %
Attributable to:			
Owners of the parent	85,888	68,419	25.5 %
Non-controlling interests	240	-	-

Explanation of items with fluctuation over 5% in 1H 2018

Revenue

Revenue reached another all-time high of US\$440.0 million, an increase of 15.4% compared to 1H 2017, primarily due to increased average selling price and strong demand for MCU, Deep-TrenchSuper-Junction MOSFET (DT-SJNFET), smart card IC, IGBT and other PMIC products.

Cost of sales

Cost of sales was US\$295.3 million, an increase of 13.1% compared to 1H 2017, primarily due to increased wafer shipments and depreciation expenses.

Gross profit

Gross profit was US\$144.6 million, an increase of 20.4% compared to 1H 2017, primarily due to increased average selling price, wafer shipments and high utilization.

Other income and gains

Other income and gains were US\$17.1 million, an increase of 65.3% compared to 1H 2017, primarily due to increased general subsidies, interest income and fair value gains on financial assets at fair value through profit or loss.

Selling and distribution expenses

Selling and distribution expenses were US\$3.7 million, an increase of 14.1% compared to 1H 2017, primarily due to increased labor expenses.

Management Discussion and Analysis

Administrative expenses

Administrative expenses were US\$55.8 million, an increase of 19.8% compared to 1H 2017, primarily due to an impairment provision, increased labor expense and professional services expenses.

Other expenses

Other expenses were US\$6.9 million, an increase of 51.2% compared to 1H 2017, mainly due to increased foreign exchange loss.

Finance costs

Finance costs were US\$1.3 million, an increase of 22.4% compared to 1H 2017, primarily due to increased interest rate.

Share of profits/(loss) of an associate

Share of profit of an associate was US\$5.2 million, compared to loss of US\$0.1 million in 1H 2017, due to profit realized by the associate.

Income tax expense

Income tax expense was US\$13.1 million, an increase of 102.4% compared to 1H 2017, primarily due to increased taxable profit.

Profit for the period

As a result of the cumulative effect of the above factors, profit for the period was US\$86.1 million, an increase of 25.9% compared to 1H 2017. Net profit margin was 19.6%, an increase of 1.7 percentage points compared to 17.9% in 1H 2017.

Management Discussion and Analysis

Financial Status

	30 June 2018 US\$'000 Unaudited	31 December 2017 US\$'000 Audited	Change
Non-current assets			
Property, plant and equipment	727,636	733,462	(0.8)%
Investment property	177,349	179,586	(1.2)%
Investment in an associate	61,928	57,577	7.6 %
Available-for-sale investments	—	215,864	(100.0)%
Equity instruments at fair value through other comprehensive income	216,177	—	100.0 %
Other non-current assets	84,062	38,385	119.0 %
Total non-current assets	1,267,152	1,224,874	3.5 %
Current assets			
Inventories	127,997	115,578	10.7 %
Trade and notes receivables	121,528	112,372	8.1 %
Other current assets	62,842	57,062	10.1 %
Financial assets at fair value through profit or loss	190,134	—	-
Restricted and time deposits	64,069	193,530	(66.9)%
Cash and cash equivalents	836,722	374,890	123.2 %
Total current assets	1,403,292	853,432	64.4 %
Current liabilities			
Trade payables	66,561	68,124	(2.3)%
Other current liabilities	223,593	207,964	7.5 %
Interest-bearing bank borrowings	60,694	60,751	(0.1)%
Total current liabilities	350,848	336,839	4.2 %
Net current assets	1,052,444	516,593	103.7 %
Non-current liabilities			
Interest-bearing bank borrowings	29,471	32,139	(8.3)%
Deferred tax liabilities	8,855	14,123	(37.3)%
Total non-current liabilities	38,326	46,262	(17.2)%
Net assets	2,281,270	1,695,205	34.6 %

Explanation of items with fluctuation over 5% from 31 December 2017 to 30 June 2018

Investment in an associate

Investment in an associate increased from US\$57.6 million to US\$61.9 million, primarily due to profit shared from the associate in the period.

Available-for-sale investments

Available-for-sale investments under HKAS 39 were transferred to equity instruments at fair value through other comprehensive income under HKFRS 9 after 1 January 2018.

Other non-current assets

Other non-current assets increased from US\$38.4 million to US\$84.1 million, primarily due to increased prepaid land lease payments.

Management Discussion and Analysis

Inventories

Inventories increased from US\$115.6 million to US\$128.0 million, primarily due to increased materials and finished goods for increased wafer demand from customers.

Trade and notes receivables

Trade and notes receivables increased from US\$112.4 million to US\$121.5 million, primarily due to higher revenue.

Other current assets

Other current assets increased from US\$57.1 million to US\$62.8 million, primarily due to increased trade receivables from related parties resulting from higher revenue and increased advanced payments to suppliers.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss was US\$190.1 million, representing financial products purchased from banks.

Restricted and time deposits

Restricted and time deposits decreased from US\$193.5 million to US\$64.1 million, due to payout from investment in time deposits.

Cash and cash equivalents

Cash and cash equivalents increased from US\$374.9 million to US\$836.7 million, mainly due to (i) US\$565.0 million of equity injection to Hua Hong Semiconductor (Wuxi) Limited, our JV subsidiary, (ii) payout of US\$139.6 million from investment in time deposits, (iii) US\$109.5 million generated from operating activities, (iv) US\$6.4 million of interest income, and (v) US\$2.8 million proceeds from share option exercise. This was offset by (i) investment in financial assets at fair value through profit or loss of US\$197.8 million, (ii) capital investments of US\$115.6 million, (iii) dividend payments of US\$41.1 million, (iv) a repayment of bank borrowings of US\$2.3 million, and (v) interest payments of US\$1.2 million. Additionally, there was a negative adjustment of US\$3.5 million due to RMB depreciation.

Other current liabilities

Other current liabilities increased from US\$208.0 million to US\$223.6 million, primarily due to increased dividend payables and advances from customers, partially offset by payments of taxations and year-end bonus for 2017.

Interest-bearing bank borrowings (non-current)

Interest-bearing bank borrowings (non-current) decreased from US\$32.1 million to US\$29.5 million, due to a repayment of bank borrowings.

Deferred tax liabilities

Deferred tax liabilities decreased from US\$14.1 million to US\$8.9 million, primarily due to a reversal of dividend withholding tax accrued for 2017.

Management Discussion and Analysis

Cash Flow

	1H 2018 US\$'000 Unaudited	1H 2017 US\$'000 Unaudited	Change
Net cash flows generated from operating activities	109,495	94,624	15.7 %
Net cash flows used in investing activities	(167,369)	(158,981)	5.3 %
Net cash flows generated from/(used in) financing activities	523,168	(40,748)	(1,383.9)%
Net increase/(decrease) in cash and cash equivalents	465,294	(105,105)	(542.7)%
Cash and cash equivalents at beginning of the period	374,890	341,255	9.9 %
Effect of foreign exchange rate changes, net	(3,462)	5,287	(165.5)%
Cash and cash equivalents at end of the period	836,722	241,437	246.6 %

Net cash generated flows from operating activities

Net cash flows generated from operating activities increased from US\$94.6 million to US\$109.5 million, primarily due to higher revenue.

Net cash flows used in investing activities

Net cash flows used in investing activities were US\$167.4 million, primarily attributed to (i) US\$197.8 million for investment in financial assets at fair value through profit or loss, and (ii) US\$115.6 million for capital investments, offset by (i) payout of US\$139.6 million from investment in time deposits, and (ii) receipts of US\$6.4 million of interest income.

Net cash flows generated from/(used in) financing activities

Net cash flows generated from financing activities were US\$523.2 million, including (i) US\$565.0 million of equity injection to Hua Hong Semiconductor (Wuxi) Limited, our JV subsidiary and (ii) US\$2.8 million proceeds from share option exercise, partially offset by (i) dividend payments of US\$41.1 million, (ii) a repayment of bank borrowings of US\$2.3 million, and (iii) interest payments of US\$1.2 million.

Net increase in cash and cash equivalents

As a result of the cumulative effect of the above factors, cash and cash equivalents increased from US\$374.9 million as of 31 December 2017 to US\$836.7 million as of 30 June 2018.

Management Discussion and Analysis

Business Review

The overall semiconductor market continued to be very strong in the first half year of 2018, driven by automotive, IoT and emerging applications that require more electronic devices.

Keeping pace with the overall market, the Company reached historically high semi-annual revenue in the first six months of 2018, propelled by successful execution of the Company's strategy of differentiated, value-added technologies.

The utilization rate remains close to 100% due to strong market demand. We continue to expand capacity and optimize the product mix. For example, more power discrete capacity was allocated to high voltage technologies, such as split-gate trench MOSFET, DT (Deep Trench)-SJNFET and IGBT, resulting in higher ASPs and gross margin.

Wafer shipments for financial IC cards have been growing rapidly due to the strong penetration of Chinese design houses into China's domestic financial IC card market.

Meanwhile, increased demand from emerging market applications such as wireless charging coupled with a supply shortage in the MCU market have driven the strong demand for eNVM technologies.

The share of Company revenue by China-region customers has been growing continuously, fueled by strong demand from the mainland market as well as stimulation by a series of industrial policies.

Construction of Huahong Wuxi commenced in March, 2018, and technology development for this 300mm wafer fabrication facility has been started by a focused R&D team. Looking forward, we will continue to prudently implement the successful corporate strategy of differentiated technologies. We will also be able to serve our customers even better thanks to expanded capacity on both 200mm and 300mm wafers.

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。

公司資料

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

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核數師

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執業會計師
香港中環
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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

國家開發銀行江蘇分行
中國江蘇省南京市
江東中路232號

中國農業銀行股份有限公司無錫新吳支行
中國江蘇省無錫市
新吳區和風路26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

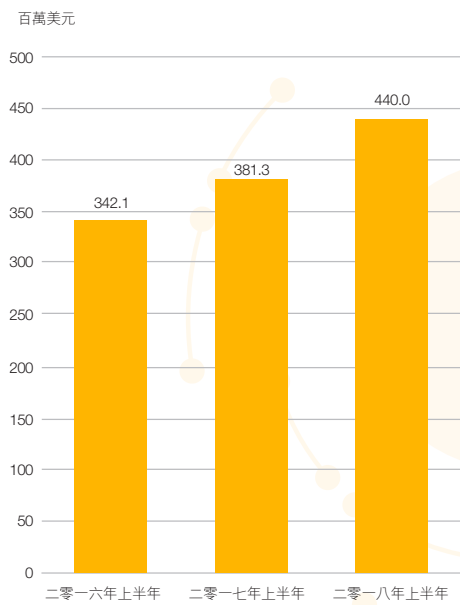
中國上海
張江高科技園區
哈雷路288號
郵編：201203

股份代號

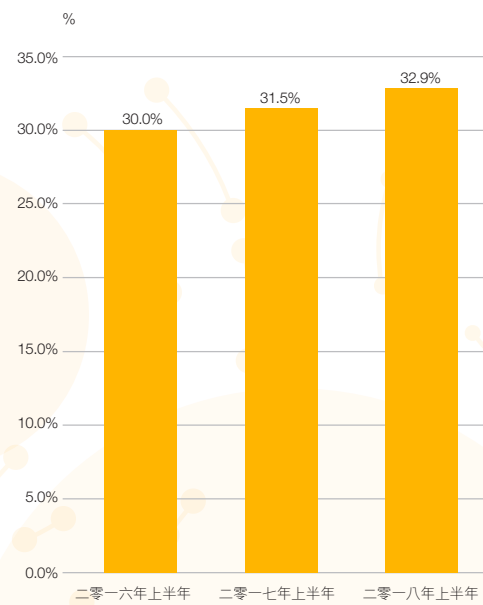
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主要財務指標

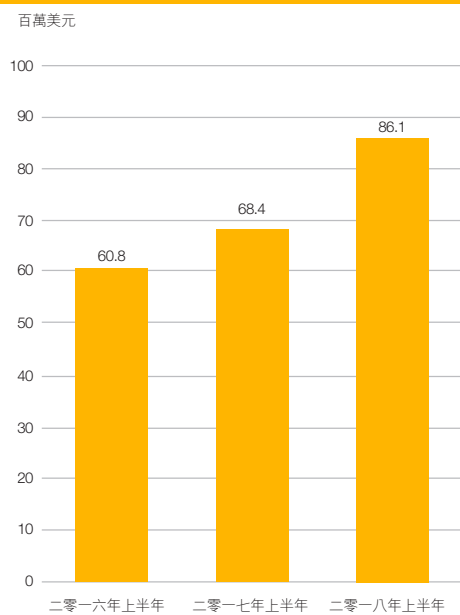
銷售收入



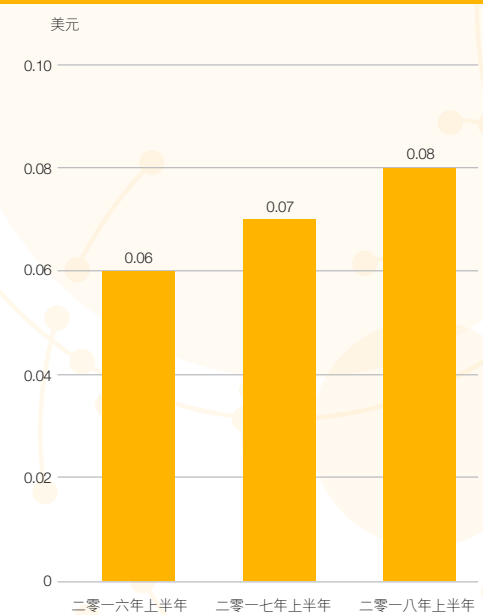
毛利率



淨利潤



每股盈利



管理層討論及分析

財務表現

	二零一八年 上半年 千美元 未經審核	二零一七年 上半年 千美元 未經審核	變動
銷售收入	439,961	381,304	15.4 %
銷售成本	(295,330)	(261,202)	13.1 %
毛利	144,631	120,102	20.4 %
其他收入及收益	17,064	10,321	65.3 %
銷售及分銷費用	(3,712)	(3,253)	14.1 %
管理費用	(55,765)	(46,543)	19.8 %
其他費用	(6,884)	(4,554)	51.2 %
財務費用	(1,284)	(1,049)	22.4 %
分佔一家聯營公司溢利／(虧損)	5,161	(141)	(3,760.3)%
稅前溢利	99,211	74,883	32.5 %
所得稅開支	(13,083)	(6,464)	102.4 %
期內溢利	86,128	68,419	25.9 %
以下各項應佔：			
母公司擁有人	85,888	68,419	25.5 %
非控股權益	240	-	-

就二零一八年上半年同比變動超過5%項目的闡釋

銷售收入

銷售收入4.400億美元，再創歷史新高，較二零一七年上半年增加15.4%，主要得益於平均售價上升及MCU、深溝槽MOSFET、智能卡芯片、IGBT及其他電源管理產品的強勁需求。

銷售成本

銷售成本為2.953億美元，較二零一七年上半年增加13.1%，主要由於晶圓銷售量上升及折舊成本增加所致。

毛利

毛利為1.446億美元，較二零一七年上半年增加20.4%，主要得益於平均售價提升、晶圓銷售量上升及產能利用率提升。

其他收入及收益

其他收入及收益為1,710萬美元，較二零一七年上半年增加65.3%，主要得益於獲得的補貼、利息收入增加及按公允價值計入損益的金融資產取得公允價值變動收益。

銷售及分銷費用

銷售及分銷費用為370萬美元，較二零一七年上半年增加14.1%，主要由於人工費用增加所致。

管理層討論及分析

管理費用

管理費用為5,580萬美元，較二零一七年上半年增加19.8%，主要由於計提設備減值準備，和人工費用及專業服務費用增加所致。

其他費用

其他費用為690萬美元，較二零一七年上半年增加51.2%，主要由於外匯匯兌虧損增加所致。

財務費用

財務費用為130萬美元，較二零一七年上半年增加22.4%，主要由於借款利率上升所致。

分佔一家聯營公司溢利／(虧損)

分佔一家聯營公司溢利為520萬美元，而二零一七年上半年虧損為10萬美元，乃由於該聯營公司實現溢利。

所得稅開支

所得稅開支為1,310萬美元，較二零一七年上半年增加102.4%，主要由於應課稅溢利增加所致。

期內溢利

綜合考慮上述因素，期內溢利為8,610萬美元，較二零一七年上半年上升25.9%。淨利潤率由二零一七年上半年的17.9%上升1.7個百分點至19.6%。

管理層討論及分析

財務狀況

	二零一八年 六月三十日 千美元 未經審核	二零一七年 十二月三十一日 千美元 經審核	變動
非流動資產			
物業、廠房及設備	727,636	733,462	(0.8)%
投資物業	177,349	179,586	(1.2)%
於一間聯營公司的投資	61,928	57,577	7.6 %
可供出售投資	—	215,864	(100.0)%
按公允價值計入其他全面收益的權益工具	216,177	—	100.0 %
其他非流動資產	84,062	38,385	119.0 %
非流動資產總額	1,267,152	1,224,874	3.5 %
流動資產			
存貨	127,997	115,578	10.7 %
貿易應收款項及應收票據	121,528	112,372	8.1 %
其他流動資產	62,842	57,062	10.1 %
按公允價值計入損益的金融資產	190,134	—	—
已凍結及定期存款	64,069	193,530	(66.9)%
現金及現金等價物	836,722	374,890	123.2 %
流動資產總額	1,403,292	853,432	64.4 %
流動負債			
貿易應付款項	66,561	68,124	(2.3)%
其他流動負債	223,593	207,964	7.5 %
計息銀行借款	60,694	60,751	(0.1)%
流動負債總額	350,848	336,839	4.2 %
流動資產淨額	1,052,444	516,593	103.7 %
非流動負債			
計息銀行借款	29,471	32,139	(8.3)%
遞延稅項負債	8,855	14,123	(37.3)%
非流動負債總額	38,326	46,262	(17.2)%
資產淨額	2,281,270	1,695,205	34.6 %

就自二零一七年十二月三十一日至二零一八年六月三十日變動超過5%項目的闡釋

於一間聯營公司的投資

於一間聯營公司的投資由5,760萬美元增加至6,190萬美元，主要由於分佔該聯營公司於期內的溢利所致。

可供出售投資

香港會計準則第39號項下的可供出售投資已於二零一八年一月一日後轉為香港財務報告準則第9號項下按公允價值計入其他全面收益的權益工具。

其他非流動資產

其他非流動資產由3,840萬美元增加至8,410萬美元，主要由於預付土地租賃款項增加所致。

管理層討論及分析

存貨

存貨由1.156億美元增加至1.280億美元，主要由於客戶對晶圓的需求增加致材料及製成品增加所致。

貿易應收款項及應收票據

貿易應收款項及應收票據由1.124億美元增加至1.215億美元，主要由於銷售收入增加所致。

其他流動資產

其他流動資產由5,710萬美元上升至6,280萬美元，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及向供應商支付的預付款項增加所致。

按公允價值計入損益的金融資產

按公允價值計入損益的金融資產為1.901億美元，系從銀行購買的理財產品。

已凍結及定期存款

已凍結及定期存款由1.935億美元減少至6,410萬美元，主要由於收回定期存款投資所致。

現金及現金等價物

現金及現金等價物由3.749億美元增加至8.367億美元，主要由於(i)控股子公司華虹半導體（無錫）有限公司收到資本金5.650億美元；(ii)收回定期存款投資1.396億美元；(iii)經營活動所得1.095億美元；(iv)利息收入640萬美元；及(v)因股票期權行權而增發股份收到投資款280萬美元。該款項被(i)按公允價值計入損益的金融資產投資支出1.978億美元；(ii)資本投資1.156億美元；(iii)支付股息4,110萬美元；(iv)償還銀行借款230萬美元；及(v)利息開支120萬美元所抵銷。此外，由於人民幣貶值所致的調減為350萬美元。

其他流動負債

其他流動負債由2.080億美元增加至2.236億美元，主要由於應付股息及客戶預付款增加，部分被支付二零一七年度所得稅及年終獎金所抵銷。

計息銀行借款（非即期）

計息銀行借款（非即期）由3,210萬美元減少至2,950萬美元，乃由於償還銀行借款所致。

遞延稅項負債

遞延稅項負債由1,410萬美元減少至890萬美元，主要由於轉回二零一七年計提的代扣代繳稅金所致。

管理層討論及分析

現金流量

	二零一八年 上半年 千美元 未經審核	二零一七年 上半年 千美元 未經審核	變動
經營活動所得現金流量淨額	109,495	94,624	15.7 %
投資活動所用現金流量淨額	(167,369)	(158,981)	5.3 %
融資活動所得／(所用) 現金流量淨額	523,168	(40,748)	(1,383.9)%
現金及現金等價物增加／(減少) 淨額	465,294	(105,105)	(542.7)%
期初現金及現金等價物	374,890	341,255	9.9 %
外匯匯率變動影響，淨額	(3,462)	5,287	(165.5)%
期末現金及現金等價物	836,722	241,437	246.6 %

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9,460萬美元上升至1.095億美元，主要由於銷售收入增加所致。

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1.674億美元，主要用於(i)按公允價值計入損益之金融資產投資1.978億美元；及(ii)資本投資1.156億美元，部分被(i)收回定期存款投資1.396億美元；及(ii)收到利息收入640萬美元所抵銷。

融資活動所得／(所用) 現金流量淨額

融資活動所得現金流量淨額為5.232億美元，包括(i)控股子公司華虹半導體(無錫)有限公司收到資本金5.650億美元及(ii)因股票期權行權而增發股份收到的投資款280萬美元，部分被(i)支付股息4,110萬美元；(ii)償還銀行借款230萬美元；及(iii)利息開支120萬美元所抵銷。

現金及現金等價物增加淨額

在上述因素的累計影響下，現金及現金等價物由截至二零一七年十二月三十一日的3.749億美元增加至截至二零一八年六月三十日的8.367億美元。

管理層討論及分析

業務回顧

在汽車、物聯網及需要更多電子設備的新興應用的推動下，二零一八年上半年整體半導體市場持續保持強勁勢頭。

於二零一八年上半年，由於本公司成功實施其差異化的增值技術策略，本公司的半年銷售收入錄得歷史新高，與整體市場保持同步。

由於市場需求強勁，產能利用率仍接近100%。我們將持續擴大產能並優化產品結構。例如，更多的高壓功率分立器件被引入，如分離柵溝槽MOSFET、DT（深槽）-SJNFET及IGBT，使得平均售價及毛利率增加。

由於中國設計公司在國內金融IC卡市場的強勢滲透，金融IC卡的晶圓銷售量一直保持快速增長。

同時，無線充電等新興市場應用需求的增加，加上MCU市場的供應短缺，推動對嵌入式非易失性存儲器技術的強勁需求。

由於大陸市場的強勁需求及一系列產業政策的刺激，中國區域客戶佔本公司的銷售收入份額不斷增長。

華虹無錫已於二零一八年三月開始動工，該300mm晶圓製造工廠的研發技術由專業的研發團隊已啟動。展望未來，我們將繼續審慎實施差異化技術的成功企業策略。由於200mm及300mm晶圓的產能增加，我們將能夠為客戶提供更優質的服務。

Report On Review Of Interim Condensed Consolidated Financial Information

中期簡明綜合財務資料的審閱報告

To the board of directors of Hua Hong Semiconductor Limited
(Incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the accompanying interim condensed consolidated financial information set out on pages 22 to 62 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 2018 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-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 information 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 of the company are responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim condensed consolidated financial information 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.

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 information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Ernst & Young
Certified Public Accountants

7 August 2018

致華虹半導體有限公司的董事會
(於香港註冊成立的有限公司)

引言

吾等已審閱隨附載於第22頁至第62頁的中期簡明綜合財務資料，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」）於二零一八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資料編製報告。

貴公司的董事須負責根據香港會計準則第34號編製及列報本中期簡明綜合財務資料。吾等的責任是根據吾等的審閱對本中期簡明綜合財務資料作出結論，並按照吾等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。

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資料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資料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

二零一八年八月七日

Interim Condensed Consolidated Statement Of Profit Or Loss

中期簡明綜合損益表

For The Six Months Ended 30 June 2018
截至二零一八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	
		2018 二零一八年 (Unaudited) (未經審核) (US\$'000) (千美元)	2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)
	Notes 附註		
Revenue	4	439,961	381,304
Cost of sales		(295,330)	(261,202)
Gross profit		144,631	120,102
Other income and gains	4	17,064	10,321
Selling and distribution expenses		(3,712)	(3,253)
Administrative expenses		(55,765)	(46,543)
Other expenses		(6,884)	(4,554)
Finance costs	6	(1,284)	(1,049)
Share of profit/(loss) of an associate		5,161	(141)
PROFIT BEFORE TAX	5	99,211	74,883
Income tax expense	7	(13,083)	(6,464)
PROFIT FOR THE PERIOD		86,128	68,419
Attributable to:			
Owners of the parent		85,888	68,419
Non-controlling interests		240	-
		86,128	68,419
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT:	8		
Basic			
– For profit for the period		0.08美元	0.07美元
Diluted			
– For profit for the period		0.08美元	0.07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 2018
截至二零一八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

		2018 二零一八年 (Unaudited) (未經審核) (US\$'000) (千美元)	2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)
PROFIT FOR THE PERIOD	期內溢利	86,128	68,419
OTHER COMPREHENSIVE (LOSS)/INCOME	其他全面(虧損)/收益		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:	於其後期間不會重新分類至損益的其他全面收益：		
Net gain on equity instruments at fair value through other comprehensive income, net of tax	按公允價值計入其他全面收益的權益工具淨收益，扣除稅項	1,545	-
Other comprehensive income 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：		
Exchange differences on translation of foreign operations	換算海外業務產生的外匯差額	(30,446)	36,159
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	期內其他全面(虧損)/收益，扣除稅項	(28,901)	36,159
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	期內全面收益總額	57,227	104,578
Attributable to:	以下各項應佔：		
Owners of the parent	母公司擁有人	65,362	104,578
Non-controlling interests	非控股權益	(8,135)	-
		57,227	104,578

Interim Condensed Consolidated Statement Of Financial Position

中期簡明綜合財務狀況表

30 June 2018
二零一八年六月三十日

			30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2017 二零一七年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
	Notes 附註			
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment	10	物業、廠房及設備	727,636	733,462
Investment property	11	投資物業	177,349	179,586
Prepaid land lease payments		預付土地租賃款項	61,521	20,634
Intangible assets		無形資產	6,693	7,411
Investment in an associate		於一間聯營公司的投資	61,928	57,577
Available-for-sale investments	12	可供出售投資	—	215,864
Equity instruments at fair value through other comprehensive income	12	按公允價值計入其他全面收益的權益工具	216,177	—
Long term prepayments		長期預付款項	8,016	3,266
Deferred tax assets		遞延稅項資產	7,832	7,074
Total non-current assets		非流動資產總額	1,267,152	1,224,874
CURRENT ASSETS		流動資產		
Inventories	13	存貨	127,997	115,578
Trade and notes receivables	14	貿易應收款項及應收票據	121,528	112,372
Prepayments, deposits and other receivables		預付款項、按金及其他應收款項	11,346	10,074
Due from related parties	23(c)	應收關聯方款項	51,496	46,988
Financial assets at fair value through profit or loss	12	按公允價值計入損益的金融資產	190,134	—
Restricted and time deposits	15	已凍結及定期存款	64,069	193,530
Cash and cash equivalents	15	現金及現金等價物	836,722	374,890
Total current assets		流動資產總額	1,403,292	853,432
CURRENT LIABILITIES		流動負債		
Trade payables	16	貿易應付款項	66,561	68,124
Other payables, advances from customers and accruals	17	其他應付款項、預收賬款及暫估費用	143,445	129,908
Interest-bearing bank borrowings	18	計息銀行借款	60,694	60,751
Government grants	19	政府補助	42,205	40,523
Due to related parties	23(c)	應付關聯方款項	19,055	10,885
Income tax payable		應付所得稅	18,888	26,648
Total current liabilities		流動負債總額	350,848	336,839
NET CURRENT ASSETS		流動資產淨額	1,052,444	516,593
TOTAL ASSETS LESS CURRENT LIABILITIES		資產總值減流動負債	2,319,596	1,741,467

continued 續/...

Interim Condensed Consolidated Statement Of Financial Position

中期簡明綜合財務狀況表

30 June 2018
二零一八年六月三十日

			30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2017 二零一七年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
		Notes 附註		
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank borrowings	計息銀行借款	18	29,471	32,139
Deferred tax liabilities	遞延稅項負債		8,855	14,123
Total non-current liabilities	非流動負債總額		38,326	46,262
Net assets	資產淨額		2,281,270	1,695,205
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	20	1,558,999	1,554,870
Reserves	儲備		165,406	140,335
			1,724,405	1,695,205
Non-controlling interests	非控股權益		556,865	-
Total equity	權益總額		2,281,270	1,695,205

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 2018
截至二零一八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	Other reserve and contributed surplus	Fair value reserve	Asset revaluation reserve#	Statutory reserve fund	Exchange fluctuation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		股本 US\$'000 千美元 (note 20) (附註20)	合併儲備 US\$'000 千美元	購股權儲備 US\$'000 千美元	其他儲備及供款盈餘 US\$'000 千美元	公允價值儲備 US\$'000 千美元	資產重估儲備# US\$'000 千美元	法定儲備基金 US\$'000 千美元	匯兌波動儲備 US\$'000 千美元	累計虧損 US\$'000 千美元	合計 US\$'000 千美元	非控股權益 US\$'000 千美元	權益總額 US\$'000 千美元
At 1 January 2018 as previously report	於二零一八年一月一日 (如過往報告)	1,554,870	645,494*	7,083*	45,097*	-	99,257*	52,173*	113,518*	(822,287)*	1,695,205	-	1,695,205
Impact of adopting HKFRS 9 (note 2.2)	採納香港財務報告準則第9號的影響 (附註2.2)	-	-	-	-	1,046	-	-	-	-	1,046	-	1,046
At 1 January 2018 as restated	於二零一八年一月一日 (經重列)	1,554,870	645,494*	7,083*	45,097*	1,046	99,257*	52,173*	113,518*	(822,287)*	1,696,251	-	1,696,251
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	85,888	85,888	240	86,128
Other comprehensive loss for the period:	期內其他全面虧損:												
Equity instruments at fair value through other comprehensive income:	按公允價值計入其他全面收益的權益工具:												
Changes in fair value, net of tax	公允價值變動, 扣除稅項	-	-	-	-	1,545	-	-	-	-	1,545	-	1,545
Exchange differences on translation of foreign operations	換算海外業務產生的外匯差額	-	-	-	-	-	-	(22,071)	-	-	(22,071)	(8,375)	(30,446)
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	1,545	-	(22,071)	-	85,888	65,362	(8,135)	57,227
Capital contribution from non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	-	-	565,000	565,000
Issue of shares	發行股份	4,129	-	(1,249)	-	-	-	-	-	-	2,880	-	2,880
Equity-settled share option arrangements	以權益結算的購股權安排	-	-	1,007	-	-	-	-	-	-	1,007	-	1,007
Final 2017 dividend declared	最終宣派二零一七年股息	-	-	-	-	-	-	-	-	(41,095)	(41,095)	-	(41,095)
Transfer from retained profits generated by a subsidiary	轉撥自一間子公司產生的留存溢利	-	-	-	-	-	8,464	-	-	(8,464)	-	-	-
At 30 June 2018 (Unaudited)	於二零一八年六月三十日 (未經審核)	1,558,999	645,494*	6,841*	45,097*	2,591*	99,257*	60,637*	91,447*	(785,958)*	1,724,405	556,865	2,281,270
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*	19,041*	(912,580)*	1,488,686	-	1,488,686
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	68,419	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	-	36,159
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	-	36,159	-	68,419	104,578	-	104,578
Equity-settled share option arrangements	以權益結算的購股權安排	-	-	1,805	-	-	-	-	-	-	1,805	-	1,805
Final 2016 dividend declared	最終宣派二零一六年股息	-	-	-	-	-	-	-	-	(39,806)	(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*	55,200*	(890,376)*	1,555,263	-	1,555,263

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

* These reserve accounts comprise the consolidated reserves of US\$165,406,000 (31 December 2017: US\$140,335,000) in the interim condensed consolidated statement of financial position.

資產重估儲備源自將自用物業用途更改為按公允價值列賬之投資物業。

* 該等儲備賬構成於中期簡明綜合財務狀況表內之綜合儲備165,406,000美元(二零一七年十二月三十一日: 140,335,000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 2018
截至二零一八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

		Notes 附註	2018 二零一八年 (Unaudited) (未經審核) (US\$'000) (千美元)	2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量			
Profit before tax	稅前溢利		99,211	74,883
Adjustments for:	就下各項作出的調整：			
Finance costs	融資費用	6	1,284	1,049
Share of (profit)/loss of an associate	分佔一間聯營公司(溢利)/虧損		(5,161)	141
Interest income	利息收入	4	(4,777)	(2,978)
Fair value gains on financial assets at fair value through profit or loss	按公允價值計入損益的金融資產公允價值收益	4	(1,787)	-
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的虧損		84	-
Depreciation	折舊	10	57,803	46,637
Write-down of inventories to net realisable value	撇減存貨至可變現淨值		-	418
Provision of impairment of trade receivables	貿易應收款項減值撥備		25	-
Impairment on items of property, plant and equipment	物業、廠房及設備項目減值	10	3,792	-
Amortisation of intangible assets	無形資產攤銷		1,466	1,737
Recognition of prepaid land lease payments	確認預付土地租賃款項		345	320
Equity-settled share option expense	以權益結算的購股權開支		1,007	1,805
			153,292	124,012
Increase in inventories	存貨增加		(12,290)	(6,340)
Increase in trade and notes receivables	貿易應收款項及應收票據增加		(9,163)	(1,518)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加		(1,963)	(2,662)
Increase in amounts due from related parties	應收關聯方款項增加		(4,508)	(15,261)
Decrease in restricted and time deposits	已凍結及定期存款減少		36	93
Decrease in trade payables	貿易應付款項減少		(1,563)	(3,791)
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		2,565	11,143
Increase in government grants	政府補助增加		2,294	2,123
Increase in amounts due to related parties	應付關聯方款項增加		8,170	6,534
Cash generated from operations	經營活動產生的現金		136,870	114,333
Income tax paid	已付所得稅		(27,375)	(19,709)
Net cash flows from operating activities	經營活動所得現金流量淨額		109,495	94,624

continued 續/...

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 2018
截至二零一八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	
		2018 二零一八年 (Unaudited) (未經審核) (US\$'000) (千美元)	2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)
	Notes 附註		
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Interest received	已收利息	5,875	2,752
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公允價值計入損益的 金融資產所得款項	552	-
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(71,764)	(82,625)
Purchases of items of prepaid land lease payments	購買預付土地租賃款項項目	(43,342)	-
Purchases of items of intangible assets	購買無形資產項目	(470)	(1,646)
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 所得款項以及預付土地 租賃款項	3	-
Decrease/(increase) in restricted and time deposits	已凍結及定期存款減少/ (增加)	139,602	(77,462)
Purchase of financial assets at fair value through profit or loss	購買按公允價值計入損益的 金融資產	(197,825)	-
Net cash flows used in investing activities	投資活動所用現金流量淨額	(167,369)	(158,981)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量		
Proceeds from issue of shares	發行股份所得款項	2,806	-
Capital contribution from non-controlling interests	非控股權益注資	565,000	-
Dividends paid	已付股息	(27,221)	(39,673)
Repayment of bank loans	償還銀行貸款	(2,267)	-
Increase in restricted and time deposits	已凍結及定期存款增加	(13,867)	(25)
Interest paid	已付利息	(1,283)	(1,050)
Net cash flows generated from/(used in) financing activities	融資活動所得/(所用) 現金 流量淨額	523,168	(40,748)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加/ (減少) 淨額	465,294	(105,105)
Cash and cash equivalents at beginning of period	期初現金及現金等價物	374,890	341,255
Effect of foreign exchange rate changes, net	外匯匯率變動影響，淨額	(3,462)	5,287
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末現金及現金等價物	836,722	241,437
	15		
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結餘	835,252	194,592
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	1,470	46,845
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	836,722	241,437
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	836,722	241,437

Notes to the Interim Condensed Consolidated Financial Information

30 June 2018
二零一八年六月三十日

中期簡明綜合財務資料附註

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 information, which comprises the interim condensed consolidated statement of financial position of the Group as at 30 June 2018 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 2018, 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 information does 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 2017.

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資料包括本集團於二零一八年六月三十日的中期簡明綜合財務狀況表及截至二零一八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資料並不包括年度財務報表規定所需的全部資料及披露事宜，並應與本集團截至二零一七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 Information

中期簡明綜合財務資料附註

30 June 2018
二零一八年六月三十日

2.1 Basis Of Preparation (Continued)

The financial information relating to the year ended 31 December 2017 that is included in the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2018 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2017 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditors' report was unqualified; did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2.1 編製基準 (續)

截至二零一八年六月三十日止六個月未經審核中期簡明綜合財務報表所載有關截至二零一七年十二月三十一日止年度的財務資料(作為比較資料)，並不構成本公司該年度之法定年度綜合財務報表，惟摘錄自該等財務報表。根據香港公司條例第436條披露的有關該等法定財務報表的進一步資料載列如下：

本公司已按香港公司條例第662(3)條及附表6第3部的規定，將截至二零一七年十二月三十一日止年度的財務報表送呈公司註冊處處長。

本公司的核數師已就該綜合財務報表提交報告。該核數師報告中並無保留意見；並無提述核數師在不就報告作保留意見之情況下以強調之方式促請有關人士注意之任何事宜；亦未載有按香港公司條例第406(2)、407(2)或(3)條所指的陳述。

Notes to the Interim Condensed Consolidated Financial Information

中期簡明綜合財務資料附註

30 June 2018
二零一八年六月三十日

2.2 Changes In Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017, except for the adoption of new standards effective as of 1 January 2018.

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

Amendments to HKFRS 2

香港財務報告準則第2號(修訂本)
Amendments to HKFRS 4

香港財務報告準則第4號(修訂本)

HKFRS 9

香港財務報告準則第9號

HKFRS 15

香港財務報告準則第15號

Amendments to HKFRS 15

香港財務報告準則第15號(修訂本)

Amendments to HKAS 40

香港會計準則第40號(修訂本)

HK(IFRIC)-Int 22

香港(國際財務報告詮釋委員會)－詮釋第22號
Annual Improvements 2014-2016 Cycle
二零一四年至二零一六年週期年度改進

The Group applies, for the first time, HKFRS 15 *Revenue from Contracts with Customers* and HKFRS 9 *Financial Instruments*. As required by HKAS 34, the nature and effect of these changes are disclosed below.

2.2 會計政策的變動及披露

編製中期簡明綜合財務資料所採納的會計政策與編製本集團截至二零一七年十二月三十一日止年度的年度綜合財務報表所採用者一致，惟採納於二零一八年一月一日生效的新訂準則除外。

本集團於本中期簡明綜合財務資料內首次採納下列經修訂香港財務報告準則。

Classification and Measurement of Share-based Payment Transactions

以股份付款的交易的分類及計量

Applying HKFRS 9 Financial Instruments with HKFRS 4

Insurance Contracts

採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具

Financial Instruments

金融工具

Revenue from Contracts with Customers

客戶合約收益

Clarifications to HKFRS 15 Revenue from Contracts with Customers

香港財務報告準則第15號客戶合約收益之澄清

Transfers of Investment Property

投資物業轉讓

Foreign Currency Transactions and Advance Consideration

外幣交易及墊支代價

Amendments to HKFRS 1 and HKAS 28

香港財務報告準則第1號及香港會計準則第28號(修訂本)

本集團首次應用香港財務報告準則第15號客戶合約收益及香港財務報告準則第9號金融工具。根據香港會計準則第34號的規定，該等變動的性質及影響披露如下。

Notes to the Interim Condensed Consolidated Financial Information

中期簡明綜合財務資料附註

30 June 2018
二零一八年六月三十日

2.2 Changes In Accounting Policies and Disclosures (continued)

2.2 會計政策的變動及披露 (續)

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 supersedes HKAS 11 *Construction Contracts*, HKAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted HKFRS 15 using the modified retrospective method of adoption. The effect of adopting HKFRS 15 is as follows:

- The comparative information for each of the primary financial statements would be presented based on the requirements of HKAS 11, HKAS 18 and related Interpretations and;
- As required for the interim condensed consolidated financial statements, the Group disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Refer to note 4 for the disclosure on disaggregated revenue. Disclosures for the comparative period in the notes to the financial statements would also follow the requirements of HKAS 11, HKAS 18 and related Interpretations. As a result, the disclosure of disaggregated revenue in note 4 would not include comparative information under HKFRS 15.

香港財務報告準則第15號客戶合約收益

香港財務報告準則第15號取代香港會計準則第11號建築合約、香港會計準則第18號收益及相關詮釋，且其應用於客戶合約產生之所有收益，除非該等合約屬於其他準則範圍。新準則確立一個五步模式，以來自客戶合約的收益入賬。根據香港財務報告準則第15號，收益按能反映實體預期就向客戶轉讓貨物或服務而有權在交換中獲取的代價金額進行確認。

該準則要求實體作出判斷，並計及於將該模式之各步應用於其客戶合約時的所有相關事實及情況。該準則亦訂明將獲得合約的額外成本及與履行合約直接相關的成本入賬。

本集團透過採用經修訂的追溯法採納香港財務報告準則第15號。採納香港財務報告準則第15號的影響如下：

- 每份主要財務報表的比較資料將根據香港會計準則第11號、香港會計準則第18號及相關詮釋的要求呈列；及
- 根據中期簡明綜合財務報表的要求，本集團將與客戶訂立的合約中所確認的收入分為多種類別，該等類別描述有關收入及現金流量的性質、金額、時間及不確定性如何受經濟因素影響。有關分類收入的披露，請參閱附註4。財務報表附註中比較時期的披露亦將遵循香港會計準則第11號、香港會計準則第18號及相關詮釋的規定。因此，根據香港財務報告準則第15號，於附註4披露的分類收益將不包括比較資料。

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2.2 Changes In Accounting Policies and Disclosures (continued)

HKFRS 9 Financial Instruments

HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group has not restated comparative information for financial instruments in the scope of HKFRS 9. Therefore, the comparative information is reported under HKAS 39 and is not comparable to the information presented for the six months ended 30 June 2018. Differences arising from the adoption of HKFRS 9 have been recognised directly in reserves as of 1 January 2018.

Changes to classification and measurement

To determine their classification and measurement category, HKFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

The HKAS 39 measurement categories of financial assets, including financial assets at fair value through profit or loss, loans and receivables, available-for-sale financial investments and held-to-maturity investments have been replaced by:

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income, with gains or losses recycled to profit or loss on derecognition;
- Equity instruments at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition; and
- Financial assets at fair value through profit or loss.

The accounting for financial liabilities remains largely the same as it was under HKAS 39.

2.2 會計政策的變動及披露 (續)

香港財務報告準則第9號金融工具

香港財務報告準則第9號金融工具於二零一八年一月一日或以後開始的年度期間取代香港會計準則第39號金融工具：確認及計量，合併金融工具會計之所有三個方面：分類及計量；減值；及對沖會計。

本集團並未就香港財務報告準則第9號範圍內的金融工具重列比較資料。因此，比較資料乃根據香港會計準則第39號呈報，且未能與截至二零一八年六月三十日止六個月所呈列資料進行比較。採納香港財務報告準則第9號產生之差異已直接於二零一八年一月一日之儲備內確認。

分類與計量之變動

為確定其分類及計量類別，香港財務報告準則第9號要求所有金融資產（權益工具及衍生工具除外）乃跟據結合實體管理資產及工具合約現金特徵的業務模式進行評估。

香港會計準則第39號金融資產的計量類別（包括按公允價值計入損益的金融資產、貸款及應收賬項、可供出售金融投資及持有至到期日投資）已由以下各項取代：

- 按攤銷成本列賬的債務工具；
- 按公允價值計入其他全面收益的債務工具－於終止確認時收益或虧損結轉至損益；
- 按公允價值計入其他全面收益的權益工具－於終止確認時概無收益或虧損結轉至損益；及
- 按公允價值計入損益的金融資產。

金融負債的會計處理很大程度上與香港會計準則第39號規定者一致。

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2.2 Changes In Accounting Policies and Disclosures (continued)

Under HKFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on the business model and their contractual terms. The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed.

As of 1 January 2018, the category of loans and receivables under HKAS 39, including cash and cash equivalents, restricted and time deposits, trade and notes receivables, financial assets included in prepayments, deposits and other receivables and due from related parties, were transferred to debt instruments at amortised cost under HKFRS 9. Available-for-sale investments under HKAS 39 were transferred to equity instruments at fair value through other comprehensive income under HKFRS 9 with revaluation surplus of US\$1,046,000 to the opening balance of fair value reserve.

Changes to the impairment calculation

HKFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model. The Group applies the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade and notes receivables. The Group applies the general approach of financial assets included in prepayments, deposits and other receivables and amounts due from related parties.

All the other amendments and interpretations applied for the first time in 2018, but do not have an impact on the interim condensed consolidated financial information of the Group.

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

2.2 會計政策的變動及披露 (續)

根據香港財務報告準則第9號，嵌入式衍生工具將不再與主體金融資產分開列示。反之，金融資產根據其業務模式及合約條款分類。金融負債及非金融主體合約的嵌入式衍生工具會計處理未有變動。

於二零一八年一月一日，香港會計準則第39號項下之貸款及應收款項類別（包括現金及現金等價物、已凍結及定期存款、貿易應收款項及應收票據、計入預付款項、按金及其他應收款項的金融資產以及應收關聯方款項）已轉為香港財務報告準則第9號項下按攤銷成本列賬的債務工具。香港會計準則第39號項下可供出售投資已轉為香港財務報告準則第9號項下按公允價值計入其他全面收益的權益工具，重估盈餘1,046,000美元已計入公允價值儲備期初結餘。

減值計算變動

香港財務報告準則第9號規定，透過其他全面收入按攤銷成本或公允價值列賬的債務工具、租賃應收款項、貸款承諾及並非根據香港財務報告準則第9號按公允價值計入損益入賬的財務擔保合約的減值，須基於預期信貸虧損模式入賬。本集團應用簡化方式，並將根據於其所有貿易應收款項及應收票據餘下年期內的所有現金差額現值估計的年期預期虧損入賬。本集團採用一般方法處理計入預付款項、按金及其他應收款項以及應收關聯方款項的金融資產。

所有其他修訂本及詮釋均於二零一八年首次應用，惟不會對本集團中期簡明綜合財務資料產生影響。

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。

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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 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，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	
		2018 二零一八年 (Unaudited) (未經審核) (US\$'000) (千美元)	2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)
China (including Hong Kong)	中國(包括香港)	251,857	207,759
United States of America	美利堅合眾國	80,052	62,336
Asia (excluding China and Japan)	亞洲(不包括中國及日本)	52,969	47,326
Europe	歐洲	32,975	34,638
Japan	日本	22,108	29,245
		439,961	381,304

Information about major customers

For six months ended 30 June 2018, no single customer accounted for more than 10% of the Group's total revenue (six months ended 30 June 2017: nil).

有關主要客戶的資料

截至二零一八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(截至二零一七年六月三十日止六個月：無)。

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4. Revenue, Other Income and Gains

4. 收入、其他收入及收益

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

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	
		2018 二零一八年 (Unaudited) (未經審核) (US\$'000) (千美元)	2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)
Revenue	收入		
Sale of goods	銷售貨品	439,961	381,304
Other income	其他收入		
Rental income	租金收入	6,852	6,348
Interest income	利息收入	4,777	2,978
Government subsidies	政府補貼	3,146	594
Others	其他	502	401
		15,277	10,321
Other gains, net	其他收益淨額		
Fair value gains on financial assets at fair value through profit or loss	按公允價值計入損益的金融資產之公允價值收益	1,787	–

With the adoption of HKFRS 15 from 1 January 2018, the disaggregation of the Group's revenue from contracts with customers, including sales of goods above, for the six months ended 30 June 2018 is as follows:

自二零一八年一月一日起採納香港財務報告準則第15號，截至二零一八年六月三十日止六個月，本集團來自客戶合約的收入（包括上述貨品銷售）分類如下：

		For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月
Type of goods or service	貨品或服務類型	
Sales of semiconductor products and total revenue from contracts with customers	半導體產品的銷售和來自客戶合約的總收入	439,961
Timing of revenue recognition	收益確認時間	
Goods transferred at a point in time and total revenue from contracts with customer	在某一時點轉讓的貨物及來自客戶合約的總收入	439,961

The disaggregation of the Group's revenue based on the geographical region for the six months ended 30 June 2018 is included in note 3.

截至二零一八年六月三十日止六個月，本集團基於地區的收入分類載列於附註3。

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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		
		2018 二零一八年 (Unaudited) (未經審核) (US\$'000) (千美元)	2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)	
		Notes 附註		
Cost of inventories sold	已售存貨成本		295,330	261,202
Depreciation	折舊	10	57,803	46,637
Recognition of prepaid land lease payments	確認預付土地租賃款項		345	320
Amortisation of intangible assets	無形資產攤銷		1,466	1,737
Research and development costs	研發成本		22,409	22,809
Operating lease expenses	經營租賃開支		1,777	1,607
Auditor's remuneration	核數師薪酬		333	226
Employee benefit expense:	僱員福利開支：			
Wages, salaries and other benefits	工資、薪金及其他			
	福利		88,087	65,226
Pension scheme contribution	退休金計劃供款		7,836	7,855
Equity-settled share option expense	以權益結算的 購股權開支		1,007	1,805
			96,930	74,886
Rental income on an investment property, net	投資物業的租金 收入淨額	4	(6,852)	(6,348)
Government subsidies	政府補貼	4	(3,146)	(594)
Foreign exchange differences, net	外匯匯兌差額淨額		7,092	4,042
Impairment on items of property, plant and equipment	物業、廠房及 設備項目減值		3,792	–
Provision of impairment of trade receivables	貿易應收款項減值撥備		25	–
Write-down of inventories to net realisable value	撇減存貨至可變現淨值		–	418

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	
		2018 二零一八年 (Unaudited) (未經審核) (US\$'000) (千美元)	2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)
Interest on bank loans	銀行貸款利息	1,284	1,049

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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 2017: 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 2017: 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 μm in width and thus was entitled to a preferential tax rate of 15% from 2017 to 2020.

The Company's subsidiary incorporated and operating in Japan is subject to a corporation tax rate of 25.5% (six months ended 30 June 2017: 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 2017: 34%), as well as state tax at 8.84% (six months ended 30 June 2017: 8.84%).

7. 所得稅

於期內的香港溢利須按16.5%（截至二零一七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（截至二零一七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 μm 集成電路的企業，故有權於二零一七年至二零二零年期間按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%（截至二零一七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於期內應按34%（截至二零一七年六月三十日止六個月：34%）的聯邦企業所得稅率及8.84%（截至二零一七年六月三十日止六個月：8.84%）的州稅稅率繳稅。

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7. Income Tax (continued)

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

		For the six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 (Unaudited) (未經審核) (US\$'000) (千美元)	2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)
Current income tax – PRC	當期所得稅 – 中國	15,386	11,142
Current income tax – elsewhere	當期所得稅 – 其他地區	31	241
Withholding tax on dividend declared	宣派股息預扣稅	4,245	2,260
Deferred tax	遞延稅項	(6,579)	(7,179)
		13,083	6,464

During the period, the directors of a subsidiary established in Mainland China approved that any undistributed profits of the subsidiary generated in 2017 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\$9,303,000 (six months ended 30 June 2017: US\$6,580,000).

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 1,039,526,524 in issue during the period (six months ended 30 June 2017: 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.

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	
		2018 二零一八年 (Unaudited) (未經審核) (US\$'000) (千美元)	2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)
Current income tax – PRC	當期所得稅 – 中國	15,386	11,142
Current income tax – elsewhere	當期所得稅 – 其他地區	31	241
Withholding tax on dividend declared	宣派股息預扣稅	4,245	2,260
Deferred tax	遞延稅項	(6,579)	(7,179)
		13,083	6,464

於期內，於中國內地成立的一間子公司之董事批准不會就該子公司於二零一七年產生的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9,303,000美元（截至二零一七年六月三十日止六個月：6,580,000美元）。

8. 母公司普通股權持有人應佔每股盈利

每股基本盈利金額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1,039,526,524股（截至二零一七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	
		2018 二零一八年 (Unaudited) (未經審核) (US\$'000) (千美元)	2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)
Earnings	盈利		
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	85,888	68,419
		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	
		2018 二零一八年 ('000) (千股)	2017 二零一七年 ('000) (千股)
Shares	股份		
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	1,039,527	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	12,124	8,789
		1,051,651	1,042,661

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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	
		2018 二零一八年 (Unaudited) (未經審核) (US\$'000) (千美元)	2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)
Final – HK\$31 cents per ordinary share (2017: HK\$30 cents)	末期股息 – 每股普通股31港仙 (二零一七年：30港仙)	41,095	39,806

During the period, the Company's shareholders approved 2017 proposed final dividend with a total amount of HK\$322,271,659 (HK\$31 cents per ordinary share) (six months ended 30 June 2017: HK\$310,161,497). The amount of the final 2017 dividend was calculated based on the number of shares of the Company as of 28 March 2018. The total 2017 final dividend amount presented in US\$ is slightly different from the proposed one disclosed in the Group's annual financial information for the year ended 31 December 2017 due to the different rates of exchange used in the translation.

於期內，本公司股東批准派發二零一七年建議末期股息合共322,271,659港元（每股普通股31港仙）（截至二零一七年六月三十日止六個月：310,161,497港元）。二零一七年末期股息的金額乃根據本公司截至二零一八年三月二十八日的股份數目計算。由於換算所使用的匯率不同，以美元呈列的二零一七年末期股息總額與本集團截至二零一七年十二月三十一日止年度之年度財務資料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 2018, the Group acquired items of property, plant and equipment with a cost of US\$67,281,000 (six months ended 30 June 2017: US\$89,392,000). Depreciation for items of property, plant and equipment was US\$57,803,000 during the period (six months ended 30 June 2017: US\$46,637,000). Impairment on items of property, plant and equipment was US\$3,792,000 during the period (six months ended 30 June 2017: nil).

10. 物業、廠房及設備

於截至二零一八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67,281,000美元（截至二零一七年六月三十日止六個月：89,392,000美元）。期內物業、廠房及設備項目的折舊為57,803,000美元（截至二零一七年六月三十日止六個月：46,637,000美元）。期內物業、廠房及設備項目的減值為3,792,000美元（截至二零一七年六月三十日止六個月：零）。

No significant property, plant and equipment were disposed of for the six months ended 30 June 2018 and 2017, respectively.

於截至二零一八年及二零一七年六月三十日止六個月均無物業、廠房及設備的重大出售。

As at 30 June 2018, certain of the Group's property, plant and equipment with a net carrying value of US\$594,589,000 (31 December 2017: US\$636,767,000) were pledged to banks to secure the Group's banking facilities (note 18).

於二零一八年六月三十日，本集團賬面淨值為594,589,000美元（二零一七年十二月三十一日：636,767,000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18）。

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11. Investment Property

11. 投資物業

		30 June 2018 二零一八年 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	179,586
Net gains from a fair value adjustment	公允價值調整的收益淨額	-
Exchange realignment	匯兌調整	(2,237)
Carrying amount at 30 June	於六月三十日的賬面值	177,349

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 23 (b)).

投資物業根據經營租約出租予關聯方(附註23(b))。

As at 30 June 2018 and 31 December 2017, the Group's investment property was pledged to banks to secure the Group's banking facilities (note 18).

於二零一八年六月三十日及二零一七年十二月三十一日，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18)。

12. Financial Investments

12. 金融投資

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2017 二零一七年 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	-	215,864
Equity instruments at fair value through other comprehensive income	按公允價值計入其他全面收益的權益工具	216,177	-

As of 1 January 2018, available-for-sale investments under HKAS 39 were transferred to equity instruments at fair value through other comprehensive income under HKFRS 9 (note 2.2).

於二零一八年一月一日，香港會計準則第39號項下的可供出售投資已轉為香港財務報告準則第9號項下按公允價值計入其他全面收益的權益工具(附註2.2)。

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12. Financial Investments (continued)

12. 金融投資 (續)

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2017 二零一七年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Financial assets at fair value through profit or loss	按公允價值計入損益的金融資產	190,134	-

Financial assets at fair value through profit or loss represent debt instruments with contractual cash flows which fail 'solely payments of principal and interest' criterion.

按公允價值計入損益的金融資產指合約現金流量未能滿足「僅為支付本金及利息」標準的債務工具。

13. Inventories

13. 存貨

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2017 二零一七年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Raw materials	原材料	57,509	52,813
Work in progress	在製品	47,118	47,464
Finished goods	製成品	33,628	25,688
		138,255	125,965
Less: provision for inventories	減：存貨撥備	(10,258)	(10,387)
		127,997	115,578

14. Trade and Notes Receivables

14. 貿易應收款項及應收票據

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2017 二零一七年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Trade receivables	貿易應收款項	75,643	72,754
Notes receivable	應收票據	47,439	41,165
		123,082	113,919
Impairment of trade receivables	貿易應收款項減值	(1,554)	(1,547)
		121,528	112,372

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14. Trade and Notes Receivables (continued)

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.

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

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2017 二零一七年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Within 3 months	三個月以內	74,057	71,113
Over 3 and within 6 months	三個月以上及六個月以內	22	94
Over 6 months	六個月以上	10	-
		74,089	71,207

14. 貿易應收款項及應收票據 (續)

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。

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

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2017 二零一七年 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	835,252	203,971
Restricted and time deposits	已凍結及定期存款	65,539	364,449
		900,791	568,420
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	(327)	(350)
Other pledged deposits for payment of dividends	就支付股息之其他已抵押存款	(13,881)	(13)
Time deposits with original maturity more than three months	原定到期日超過三個月的定期存款	(49,861)	(193,167)
		(64,069)	(193,530)
Cash and bank equivalents	現金及銀行等價物	836,722	374,890

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\$327,000 as at 30 June 2018 (31 December 2017: US\$350,000) were pledged to secure the issuance of letters of credit.

Other pledged deposits with a carrying value of US\$13,881,000 as at 30 June 2018 (31 December 2017: US\$13,000) were pledged to secure the payment of dividends to shareholders.

Time deposits with original maturity more than three months with a carrying value of US\$49,861,000 as at 30 June 2018 (31 December 2017: US\$193,167,000) 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 2018 二零一八年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2017 二零一七年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Within 1 month	一個月以內	36,857	42,185
Over 1 and within 3 months	一個以上及三個月以內	17,535	14,051
Over 3 and within 6 months	三個月以上及六個月以內	2,419	1,766
Over 6 and within 12 months	六個月以上及十二個月以內	923	2,446
Over 12 months	十二個月以上	8,827	7,676
		66,561	68,124

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)

於二零一八年六月三十日，賬面值為327,000美元(二零一七年十二月三十一日：350,000美元)的已抵押存款已獲質押，以獲發行信用證。

於二零一八年六月三十日，賬面值為13,881,000美元(二零一七年十二月三十一日：13,000美元)的其他已抵押存款已獲質押，以向股東支付股息。

於二零一八年六月三十日，賬面值為49,861,000美元(二零一七年十二月三十一日：193,167,000美元)的原定到期日超過三個月的定期存款將於六個月內到期。

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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17. Other Payables, Advances from Customers and Accruals

17. 其他應付款項、預收賬款及暫估費用

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2017 二零一七年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Other payables and accruals	其他應付款項及暫估費用	74,707	76,534
Advances from customers	預收賬款	30,774	21,344
Payroll and bonus payables	應付薪金及花紅	24,083	32,017
Dividend payable	應付股息	13,881	13
		143,445	129,908

Other payables are unsecured, non-interest-bearing and repayable on demand.

其他應付款項無抵押、不計息及須於要求時償還。

18. Interest-Bearing Bank Borrowings

18. 計息銀行借款

		30 June 2018 二零一八年六月三十日			31 December 2017 二零一七年十二月三十一日		
		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)
Current	流動						
Current portion of long term bank loans – secured	長期銀行貸款的即期部份 – 有抵押	1.20 – 4.13	2018 – 2019	60,694	1.20 – 3.49	2018	60,751
Non-current	非流動						
Secured bank loans	有抵押銀行貸款	1.20	2019 – 2025	29,471	1.20	2019 – 2025	32,139
				90,165			92,890

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18. Interest-Bearing Bank Borrowings (continued)

18. 計息銀行借款 (續)

		30 June 2018 二零一八年六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2017 二零一七年十二月三十一日 (Audited) (經審核) (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	60,694	60,751
In the second year	第二年	4,534	4,591
Beyond third year, inclusive	超過第三年 (包括首尾兩年)	24,937	27,548
		90,165	92,890

As at 30 June 2018 and 31 December 2017, the Group's bank loans were secured by the pledges of the Group's assets with carrying values as follows:

於二零一八年六月三十日及二零一七年十二月三十一日，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：

		30 June 2018 二零一八年六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2017 二零一七年十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
	<i>Notes</i> 附註		
Property, plant and equipment	物業、廠房及設備	594,589	636,767
Investment property	投資物業	177,349	179,586
Prepaid land lease payments	預付土地租賃款項	20,710	21,308
Intangible assets	無形資產	4,716	5,285
		797,364	842,946

In addition to the assets pledged above, the Group's secured bank loans as at 30 June 2018 and 31 December 2017 were secured by the Company's 36.23% of equity interest in its subsidiary, HHGrace.

除以上已抵押資產外，本集團於二零一八年六月三十日及二零一七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。

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19. Government Grants

19. 政府補助

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)
At 1 January	於一月一日	40,523
Received during the period	期內收到	2,294
Exchange realignment	匯兌調整	(612)
At 30 June	於六月三十日	42,205

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。

20. Share Capital

20. 股本

	Number of shares 股份數目		Amount 金額	
	30 June 2018 二零一八年 六月三十日 (‘000) (千股)	31 December 2017 二零一七年 十二月三十一日 (‘000) (千股)	30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2017 二零一七年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Issued and fully paid:	已發行及繳足：			
1,040,834,998 ordinary shares (2017: 1,037,570,661) ordinary shares)	1,040,834,998股普通股 (二零一七年：1,037,570,661股普通股)			
	1,040,835	1,037,571	1,558,999	1,554,870

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21. 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.

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.

21. 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（包括一名非執行董事）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任何時候已發行股份之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。

向本公司董事、主要行政人員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。

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。

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21. Share Option Scheme (continued)

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:

		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 2018	於二零一八年一月一日	6.912	5,583	6.912	18,027
Forfeited during the year	年內沒收	6.912	-	6.912	(408)
Exercised during the year	年內行使	6.912	(991)	6.912	(2,273)
At 30 June 2018	於二零一八年六月三十日	6.912	4,592	6.912	15,346

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：

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

於報告期末尚未行使購股權的行使價及行使期如下：

30 June 2018 Number of options '000 二零一八年 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
2,222	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
8,858	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
8,858	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
19,938		

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21. Share Option Scheme (continued)

31 December 2017 Number of options '000 二零一七年 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
5,488	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
9,061	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
9,061	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
23,610		

* 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.

At the date of approval of the interim condensed consolidated financial information, the Company had 19,938,000 share options outstanding under the Scheme, which represented approximately 1.9% of the Company's shares in issue as at that date.

22. Commitments

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

	30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2017 二零一七年 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	484,783	47,156

已訂約，但未撥備：
物業、廠房及設備

21. 購股權計劃 (續)

* 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。

於批准中期簡明綜合財務資料日期，本公司擁有19,938,000份購股權尚未根據該計劃行使，佔該日期本公司已發行股份的約1.9%。

22. 承擔

本集團於報告期末擁有以下資本承擔：

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23. Related Party Transactions and Balances

23. 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
Huahong Group and its subsidiaries 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 Inc., 華虹國際有限公司的控股公司
- 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
NEC Corporation (“NEC”)	
- NEC Management Partner, Ltd. (“NEC Management”)	Shareholder of the Company 本公司股東 Subsidiary of NEC NEC子公司
SAIL and its subsidiaries 上海聯和及其子公司	
- Sino-Alliance International Ltd. (“SAIL 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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23. Related Party Transactions and Balances (continued)

(a) Name and relationship (continued)

Name of related party 關聯方名稱

INESA and its subsidiaries

儀電集團及其子公司

- INESA (Group) Co., Ltd. (“INESA”)
- 上海儀電(集團)有限公司(「儀電集團」)
- Shanghai INESA Intelligent Electronics Co., Ltd. (“Shanghai INESA”)
- 上海儀電智能電子有限公司(「上海儀電」)
- 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」)

Shanghai Huahong Technology Development Co., Ltd. (“Huahong Technology Development”)

上海華虹科技發展有限公司(「華虹科技發展」)

- Huahong Real Estate Co., Ltd. (“Huahong Real Estate”)
- 上海華虹置業有限公司(「華虹置業」)
- Shanghai Huajin Property Management Co., Ltd. (“Huajin”)
- 上海華錦物業管理有限公司(「華錦」)

CEC and its subsidiaries

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」)
- 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」)
- 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」)
- Shanghai Belling Co., Ltd. (“Shanghai Belling”)
- 上海貝嶺股份有限公司(「上海貝嶺」)
- Hylintek Limited (“Hylintek”)
- 香港海華有限公司(「香港海華」)

23. 關聯方交易及結餘(續)

(a) 名稱及關係(續)

Relationship with the Group 與本集團的關係

Shareholder of Huahong Group
華虹集團股東

Subsidiary of INESA

儀電集團子公司
Subsidiary of INESA

儀電集團子公司

Associate of the Group

本集團聯營公司

Subsidiary of Huahong Technology Development
華虹科技發展子公司

Subsidiary of Huahong Technology Development
華虹科技發展子公司

Shareholder of Huahong Group
華虹集團股東

Subsidiary of CEC

中國電子子公司

Subsidiary of CEC

中國電子子公司

Subsidiary of CEC

中國電子子公司

Subsidiary of CEC

中國電子子公司

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中期簡明綜合財務資料附註

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23. Related Party Transactions and Balances (continued)

23. 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 information, 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資料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	
		2018 二零一八年 (Unaudited) (未經審核) (US\$'000) (千美元)	2017 二零一七年 (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	27,436	23,075
Shanghai Huahong IC	上海華虹集成電路	5,806	7,477
ICRD	集成電路研發	5,324	4,844
Shanghai Belling	上海貝嶺	2,917	2,226
Huahong Zealcore	華虹摯芯	2,378	2,967
QST	矽睿科技	519	1,616
Hongri	虹日	-	35
Purchases of goods from related parties (note (ii))	自關聯方購買貨品 (附註(ii))		
Hylintek	香港海華	7,880	6,299
Hongri	虹日	3,998	2,856
Huahong Zealcore	華虹摯芯	380	354
NEC Management	NEC Management	343	243
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	1,049	133
Nanyang Software	南洋軟件	198	105
Huajin	華錦	118	109
Huahong Real Estate	華虹置業	64	49
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	6,916	6,176
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	839	809
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	15,745	12,528

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23. Related Party Transactions and Balances (continued)

(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 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.

23. 關聯方交易及結餘 (續)

(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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23. Related Party Transactions and Balances (continued)

23. 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 2018 二零一八年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2017 二零一七年 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	36,280	28,760
Shanghai Huali	上海華力	8,122	7,565
Shanghai Huahong IC	上海華虹集成電路	3,370	6,869
Shanghai Belling	上海貝嶺	994	1,106
Huahong Real Estate	華虹置業	941	97
QST	矽睿科技	787	1,430
Huahong Zealcore	華虹摺芯	568	1,137
ICRD	集成電路研發	434	24
		51,496	46,988
Amounts due to related parties	應付關聯方款項		
Shanghai Huali	上海華力	11,018	4,677
Hylintek	香港海華	3,494	2,711
Shanghai Huahong IC	海華虹集成電路	2,544	-
ICRD	集成電路研發	632	2,220
Huahong Zealcore	華虹摺芯	470	257
Shanghai INESA	上海儀電	404	225
Hongri	虹日	164	391
NEC management	NEC management	109	122
Huajin	華錦	70	-
QST	矽睿科技	59	120
Huahong Real Estate	華虹置業	58	124
Nanyang Software	南洋軟件	23	19
Jitong	計通	10	19
		19,055	10,885

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。

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23. Related Party Transactions and Balances (continued)

(d) Compensation of key management personnel of the Group

		For the six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 (Unaudited) (未經審核) (US\$'000) (千美元)	2017 二零一七年 (Unaudited) (未經審核) (US\$'000) (千美元)
Short term employee benefits	短期僱員福利	1,194	1,186
Pension scheme contributions	退休金計劃供款	33	27
Equity-settled share option expense	以權益結算的購股權開支	185	298
Total compensation paid to key management personnel	支付予主要管理人員的酬金總額	1,412	1,511

23. 關聯方交易及結餘 (續)

(d) 本集團主要管理人員的酬金

24. Financial Instruments by Category

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

Financial assets – loans and receivables

		30 June 2018 二零一八年 六月三十日 (US\$'000) (千美元)	31 December 2017 二零一七年 十二月三十一日 (US\$'000) (千美元)
Trade and notes receivables	貿易應收款項及應收票據	–	112,372
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	–	5,447
Due from related parties	應收關聯方款項	–	46,988
Restricted and time deposits	已凍結及定期存款	–	193,530
Cash and cash equivalents	現金及現金等價物	–	374,890
		–	733,227

24. 按類別劃分的金融工具

各類金融工具於報告期末的賬面值如下：

金融資產 – 貸款及應收款項

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24. Financial Instruments by Category (continued)

24. 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 2018 二零一八年 六月三十日 (US\$'000) (千美元)	31 December 2017 二零一七年 十二月三十一日 (US\$'000) (千美元)
Available-for-sale investments	可供出售投資	–	215,864

Financial assets – debt instruments at amortised cost

金融資產 – 按攤銷成本列賬的債務工具

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2017 二零一七年 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	121,528	–
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	4,185	–
Due from related parties	應收關聯方款項	51,496	–
Restricted and time deposits	已凍結及定期存款	64,069	–
Cash and cash equivalents	現金及現金等價物	836,722	–
		1,078,000	–

Financial assets -- equity instruments at fair value through other comprehensive income

金融資產 – 按公允價值計入其他全面收益的權益工具

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2017 二零一七年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Equity instruments at fair value through other comprehensive income	按公允價值計入其他全面收益的權益工具	216,177	–

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24. Financial Instruments by Category (continued)

24. 按類別劃分的金融工具 (續)

Financial assets -- financial assets at fair value through profit or loss

金融資產 – 按公允價值計入損益的金融資產

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2017 二零一七年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Financial assets at fair value through profit or loss	按公允價值計入損益的金融資產	190,134	–

Financial liabilities -- at amortised cost

金融負債 – 按攤銷成本

		30 June 2018 二零一八年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2017 二零一七年 十二月三十一日 (Unaudited) (未經審核) (US\$'000) (千美元)
Trade payables	貿易應付款項	66,561	68,124
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	89,106	65,922
Interest-bearing bank borrowings	計息銀行借款	90,165	92,890
Due to related parties	應付關聯方款項	19,055	10,885
		264,887	237,821

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25. 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:

25. 金融工具的公允價值及公允價值層級

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

		Carrying amounts 賬面值		Fair values 公允價值	
		30 June 2018 二零一八年 六月三十日 (US\$'000) (千美元) (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 (US\$'000) (千美元) (Audited) (經審核)	30 June 2018 二零一八年 六月三十日 (US\$'000) (千美元) (Unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 (US\$'000) (千美元) (Audited) (經審核)
Financial assets	金融資產				
Equity instruments at fair value through other comprehensive income	按公允價值計入其他全面收益的權益工具	216,177	–	216,177	–
Financial assets at fair value through profit or loss	按公允價值計入損益的金融資產	190,134	–	190,134	–
		406,311	–	406,311	–
Financial liability	金融負債				
Interest-bearing bank borrowing	計息銀行借款	34,005	38,720	29,577	31,431

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.

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允價值，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允價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。

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25. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

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 2018 and 31 December 2017 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 their carrying amount due to their floating interest rates, except for the loan disclosed above.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Financial assets measured at fair value

30 June 2018

25. 金融工具的公允價值及公允價值層級 (續)

計息銀行借貸非即期部份的公允價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。本集團本身於二零一八年六月三十日及二零一七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允價值與其賬面值相若，惟上述貸款除外。

公允價值層級

下表列示本集團金融工具之公允價值計量層級：

以公允價值計量之金融資產

二零一八年六月三十日

		Fair value measurement categorised into			
		分類為以下層級之公允價值計量			
		Level 1	Level 2	Level 3	Total
		第1級	第2級	第3級	總計
		US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
Equity instruments at fair value through other comprehensive income	按公允價值計入其他全面收益的權益工具	-	216,177	-	216,177
Financial assets at fair value through profit or loss	按公允價值計入損益的金融資產	-	-	190,134	190,134
		-	216,177	190,134	406,311

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for the financial assets above.

於期內，以上金融資產的第1級與第2級間並無公允價值計量轉移，且第3級並無轉入或轉出。

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25. Fair Value and Fair Value Hierarchy of Financial Instruments (continued)

Fair value hierarchy (continued)

The recurring fair value measurement for the Group's financial assets at fair value through profit or loss, was made using significant unobservable inputs (Level 3) as at 30 June 2018. Below is a summary of the valuation techniques used and the key inputs to the valuation:

	Valuation technique 估值技術	Significant unobservable input 重大不可觀察之輸入數據	Range 範圍
Financial assets at fair value through profit or loss 按公允價值計入損益的金融資產	Discounted cash flow method 貼現現金流量法	Discount rate per annum 貼現年率	4.30-4.85% 4.30-4.85%

A significant increase (decrease) in the discount rate per annum in isolation would result in a significant increase (decrease) in the fair value of the financial assets at fair value through profit or loss.

As at 31 December 2017, there was no financial instruments measured at fair value under HKAS 39.

25. 金融工具的公允價值及公允價值層級 (續)

公允價值層級 (續)

本集團按公允價值計入損益的金融資產的週期公允價值計量乃使用二零一八年六月三十日的重大不可觀察輸入數據(第3級)作出。下表為估值所用估值技術及主要輸入數據概要：

貼現年率單獨大幅增加(減少)將導致按公允價值計入損益的金融資產之公允價值大幅增加(減少)。

於二零一七年十二月三十一日，概無根據香港會計準則第39號按公允價值計量的金融工具。

26. Event After the Reporting Period

There is no material subsequent event undertaken by the Group after 30 June 2018.

27. Approval of the Interim Condensed Consolidated Financial Information

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 7 August 2018.

26. 報告期後事項

本集團於二零一八年六月三十日後概無發生任何重大期後事項。

27. 批准中期簡明綜合財務資料

中期簡明綜合財務資料已於二零一八年八月七日獲董事會批准及授權刊發。

Other Disclosures

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其他披露資料

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 2018, the Company had 19,937,927 share options outstanding under the share option scheme, which represented approximately 1.9% 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。於二零一八年六月三十日，本公司於購股權計劃項下共有19,937,927份未行使購股權，相當於該日期本公司已發行股份約1.9%。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 31.12.2017	Number of share options			At 30.06.2018	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	於二零一七年十二月三十一日	期內行使	期內註銷	期內失效	於二零一八年六月三十日	購股權之行使期	購股權之行使價
Directors								
董事								
Mr. Yu Wang	869,000	869,000	200,000	-	-	669,000	04.09.2017-03.09.2022	HK\$6.912
王煜先生							二零一七年九月四日至二零二二年九月三日	6.912港元
Mr. Takayuki Morita	119,000	119,000	-	-	-	119,000	04.09.2017-03.09.2022	HK\$6.912
森田隆之先生							二零一七年九月四日至二零二二年九月三日	6.912港元
Other employees	29,262,000	22,621,596	3,064,337	407,332	-	19,149,927	04.09.2017-03.09.2022	HK\$6.912
其他僱員							二零一七年九月四日至二零二二年九月三日	6.912港元
In aggregate	30,250,000	23,609,596	3,264,337	407,332	-	19,937,927		
總數								

Please refer to pages 49 to 51 of the Notes to the Interim Condensed Consolidated Financial Information for further details.

進一步詳情請參閱中期簡明綜合財務資料附註第49頁至51頁。

Other Disclosures

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

As at 30 June 2018, 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

於二零一八年六月三十日，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 董事姓名	Capacity 身份	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
Mr. Yu Wang 王煜先生	Beneficial owner 實益擁有人	669,000	0.06%
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

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其他披露資料

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

As at 30 June 2018, 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:

主要股東及其他人士於本公司股份和相關股份的權益

於二零一八年六月三十日，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) ⁽²⁾ 上海華虹國際有限公司(華虹國際) ⁽²⁾	Legal and Beneficial owner 法定及實益擁有人	350,401,100 ⁽¹⁾	33.67%
Shanghai Huahong (Group) Co., Ltd. (Huahong Group) ⁽²⁾ 上海華虹(集團)有限公司(華虹集團) ⁽²⁾	Interest in a controlled corporation 受控制法團權益	350,401,100 ⁽¹⁾	33.67%
China Electronics Corporation (CEC) ⁽²⁾ 中國電子信息產業集團有限公司(中國電子) ⁽²⁾	Interest in a controlled corporation 受控制法團權益	350,401,100 ⁽¹⁾	33.67%
INESA (Group) Co., Ltd. (INESA) ⁽²⁾ 上海儀電(集團)有限公司(儀電集團) ⁽²⁾	Interest in a controlled corporation 受控制法團權益	350,401,100 ⁽¹⁾	33.67%
Sino-Alliance International, Ltd. (Sino-Alliance International)	Legal and Beneficial owner 法定及實益擁有人	160,545,541 ⁽¹⁾⁽³⁾⁽⁵⁾	15.42%
Sino-Alliance International, Ltd. (Sino-Alliance International)	Interest in a controlled corporation 受控制法團權益	34,919,354 ⁽¹⁾	3.35%
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	545,865,995 ⁽¹⁾⁽⁴⁾⁽⁵⁾	52.45%
NEC Corporation	Legal and Beneficial owner 法定及實益擁有人	99,038,800 ⁽¹⁾	9.52%

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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 2018, 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 17 May 2018, Sino-Alliance International entered into a placing agreement for the placing of 28,000,000 Shares of the Company through a secondary share placing. Completion of such placing took place on 23 May 2018.
- * The percentages are calculated based on the total number of shares of the Company in issue as at 30 June 2018, i.e., 1,040,832,998 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 2018, 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 2018.

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。於二零一八年六月三十日，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於二零一八年五月十七日訂立配售協議，透過第二股份配售配售本公司28,000,000股股份。該配售於二零一八年五月二十三日完成。
- * 百分比乃按本公司於二零一八年六月三十日已發行的股份總數(即1,040,832,998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，於二零一八年六月三十日，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

於截至二零一八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

30 June 2018
二零一八年六月三十日

其他披露資料

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 2018.

Pursuant to the disclosures made in accordance with Rule 13.51B(1) of the Listing Rule, Kwai Huen Wong, JP, the independent non-executive director, has been appointed as the independent non-executive director of NWS Holdings Limited (Stock Code: 659.HK) since July 2018.

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，本公司於截至二零一八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。

根據上市規則13.51B(1)所作披露獨立非執行董事王桂燦，太平紳士於二零一八年七月起出任新創建集團有限公司（股票代碼：659.HK）之獨立非執行董事。

Other Disclosures

其他披露資料

30 June 2018
二零一八年六月三十日

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 2018.

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 2018 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 2018 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) and the Company (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二零一八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及批准本集團截至二零一八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二零一八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)和本公司網站(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



HH Grace | 華虹宏力

HUA HONG SEMICONDUCTOR LIMITED
華虹半導體有限公司