



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

A silhouette of a person climbing a steep, dark purple mountain peak. The climber is positioned on the right side of the image, reaching up towards the top. The background features a range of snow-capped mountains under a bright sun or moon, with a large, semi-transparent circular graphic element behind the climber. The foreground is dominated by a complex, glowing purple circuit board pattern that extends from the bottom right towards the center.

氣勢如虹 勇攀高峰

*Charging Ahead
in High Spirit*

2021

INTERIM REPORT
中期報告

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;
“China” or “the PRC”	the People’s Republic of China, but for the purpose of this interim report and for geographical reference only, except where the context otherwise requires, references in this interim report to “China” and the “PRC” do not include Taiwan, the Macau Special Administrative Region and Hong Kong;
“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 its present subsidiaries where the context refers to the time before it became the holding company of its present subsidiaries;
“Company Secretary”	the Company Secretary of the Company;
“Director(s)”	the Director(s) of the Company;
“EPS”	earnings per share;
“Executive Director(s)”	the Executive Director(s) of our Company;
“Group”	our Company and our subsidiaries or, where the context so requires, the businesses operated by our subsidiaries or their predecessors (as the case may be) with respect to the period before our Company became the holding company of our present subsidiaries (or became associated companies of our Company);
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hua Hong Wuxi”	Hua Hong Semiconductor (Wuxi) Limited, a company incorporated in the PRC on 10 October 2017. Upon such incorporation, Hua Hong Wuxi was 100% owned by HHGrace, a wholly-owned subsidiary of the Company. Hua Hong Wuxi is currently owned 51.0% by the Group, of which 22.2% is held directly by the Company and 28.8% is held indirectly by the Company through HHGrace. China Integrated Circuit and Wuxi Xi Hong Lian Xin hold 29.0% and 20.0% of Hua Hong Wuxi, respectively;
“Independent Non-Executive Director(s)”	the independent Non-Executive Director(s) of our Company;

DEFINITIONS

“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;
“Non-Executive Director(s)”	the Non-Executive Director(s) of our Company;
“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;
“Shanghai Huali”	Shanghai Huali Microelectronics Corporation (上海華力微電子有限公司), a company incorporated in the PRC on 18 January 2010 and a connected person;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“US\$”	US dollars, the lawful currency of USA.

CORPORATE INFORMATION

Board of Directors

Executive Directors

Suxin Zhang (*Chairman*)
Junjun Tang (*President*)

Non-Executive Directors

Guodong Sun
Jing Wang
Jun Ye

Independent Non-Executive Directors

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

Company Secretary

Sui Har Lee

Authorized Representatives

Junjun Tang
Sui Har Lee

Audit Committee

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

Remuneration Committee

Kwai Huen Wong, JP (*Chairman*)
Long Fei Ye
Jing Wang

Nomination Committee

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

Website

www.huahonggrace.com

Auditor

Ernst & Young
Certified Public Accountants
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

Legal Advisor

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

Principal Banks

China Construction Bank Shanghai Branch
No. 900, Lujiazui Ring Road
Pudong New Area
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 Subbranch
No. 26, Hefeng Road
Xinwu District
Wuxi, Jiangsu, PRC

China Construction Bank Corporation Wuxi High and New Technology Industrial Development Zone Subbranch
No. 26, Hefeng Road
Xinwu District
Wuxi, Jiangsu, PRC

China CITIC Bank Corporation Wuxi New District Subbranch
No. 26, Hefeng Road
Xinwu District
Wuxi, Jiangsu, PRC

Bank of China Wuxi High and New Technology Industrial Development Zone Subbranch
No. 140, Wangzhuang Road
Xinwu District
Wuxi, Jiangsu, PRC

CORPORATE INFORMATION

Share Registrar

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

Registered Office

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

Principal Places of Business

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

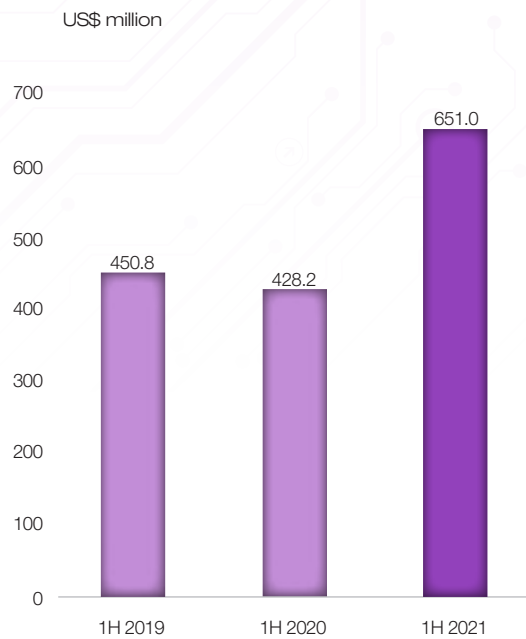
No. 30, Xinzhou Road
Xinwu District
Wuxi, Jiangsu, PRC
Postcode: 214028

Stock Code

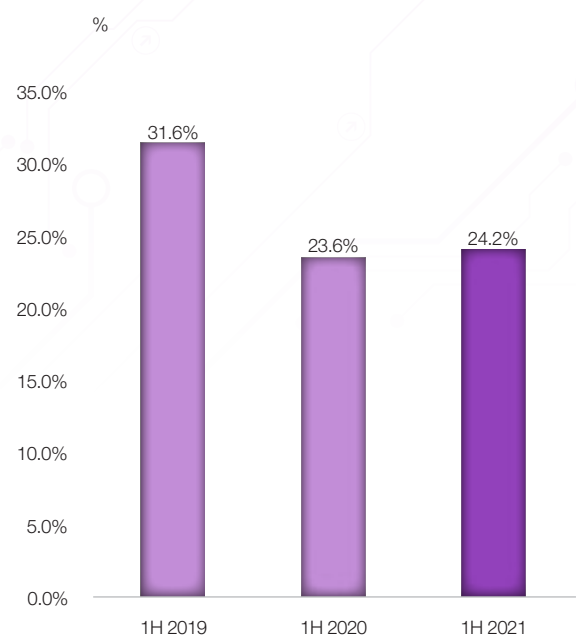
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KEY FINANCIALS

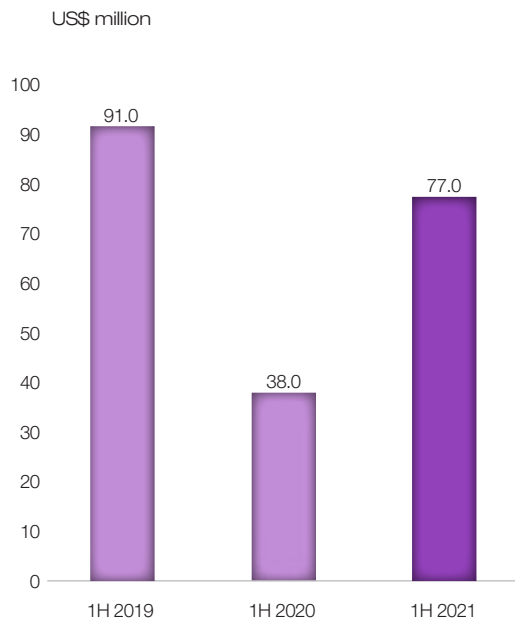
Revenue



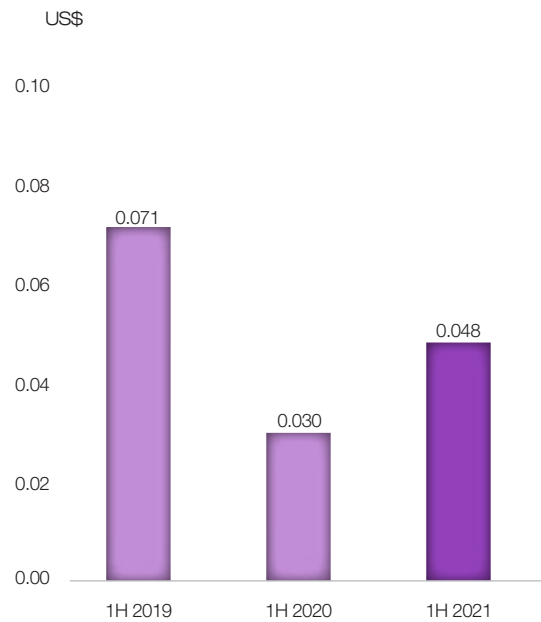
Gross Profit Margin



Profit attributable to owners of the parent



EPS



MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance

	1H 2021 US\$'000 Unaudited	1H 2020 US\$'000 Unaudited	Change
Revenue	650,953	428,204	52.0%
Cost of sales	(493,125)	(326,972)	50.8%
Gross profit	157,828	101,232	55.9%
Other income and gains	21,232	25,406	(16.4)%
Selling and distribution expenses	(4,608)	(4,226)	9.0%
Administrative expenses	(100,799)	(129,748)	(22.3)%
Other expenses	(97)	(3)	3,133.3%
Finance costs	(5,054)	(618)	717.8%
Share of profits of associates	2,936	7,258	(59.5)%
Profit/(loss) before tax	71,438	(699)	(10,320.0)%
Income tax (expense)/credit	(13,335)	4,705	(383.4)%
Profit for the period	58,103	4,006	1,350.4%
Attributable to:			
Owners of the parent	77,141	38,140	102.3%
Non-controlling interests	(19,038)	(34,134)	(44.2)%

Revenue

Revenue reached a record high of US\$651.0 million, an increase of 52.0% compared to 1H 2020, primarily due to increased wafer shipments and improved average selling price.

Cost of sales

Cost of sales was US\$493.1 million, an increase of 50.8% compared to 1H 2020, primarily due to increased wafer shipments and depreciation expenses.

Gross profit

Gross profit was US\$157.8 million, an increase of 55.9% compared to 1H 2020, primarily driven by improved average selling price and capacity utilization, partially offset by increased depreciation expenses.

Other income and gains

Other income and gains were US\$21.2 million, a decrease of 16.4% compared to 1H 2020, primarily due to decreased fair value gains on financial assets at fair value through profit or loss and government subsidies, partially offset by increased foreign exchange gain.

Selling and distribution expenses

Selling and distribution expenses were US\$4.6 million, an increase of 9.0% compared to 1H 2020, primarily due to increased labor expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

Administrative expenses

Administrative expenses were US\$100.8 million, a decrease of 22.3% compared to 1H 2020, primarily due to decreased development costs and increased government grants for research and development.

Other expenses

Other expenses were US\$97,000, compared to US\$3,000 in 1H 2020.

Finance costs

Finance costs were US\$5.1 million compared to US\$0.6 million in 1H 2020, primarily due to increased bank borrowings.

Share of profits of associates

Share of profits of associates were US\$2.9 million, a decrease of 59.5% compared to 1H 2020, due to decreased profit realized by the associates.

Income tax (expense)/credit

Income tax expense was US\$13.3 million, compared to income tax credit of US\$4.7 million in 1H 2020, 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\$58.1 million, an increase of 1,350.4% compared to US\$4.0 million in 1H 2020. Net profit margin was 8.9%, compared to 0.9% in 1H 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Status

	30 June 2021 US\$'000 Unaudited	31 December 2020 US\$'000 Audited	Change
Non-current assets			
Property, plant and equipment	2,710,002	2,510,442	7.9%
Investment property	182,287	180,476	1.0%
Right-of-use assets	76,997	79,221	(2.8)%
Investment in associates	110,699	105,218	5.2%
Equity instruments designated at fair value through other comprehensive income	232,575	230,265	1.0%
Other non-current assets	63,732	56,706	12.4%
Total non-current assets	3,376,292	3,162,328	6.8%
Current assets			
Properties under development	107,865	–	100.0%
Inventories	355,881	226,476	57.1%
Trade and notes receivables	108,358	120,952	(10.4)%
Due from related parties	6,253	4,706	32.9%
Prepayments, other receivables and other assets	61,448	130,979	(53.1)%
Restricted and time deposits	362	359	0.8%
Cash and cash equivalents	974,522	922,786	5.6%
Total current assets	1,614,689	1,406,258	14.8%
Current liabilities			
Trade payables	147,074	130,980	12.3%
Due to related parties	18,723	12,647	48.0%
Other current liabilities	589,865	469,402	25.7%
Lease liabilities	2,010	4,235	(52.5)%
Interest-bearing bank borrowings	138,627	47,784	190.1%
Total current liabilities	896,299	665,048	34.8%
Net current assets	718,390	741,210	(3.1)%
Non-current liabilities			
Interest-bearing bank borrowings	616,254	518,391	18.9%
Lease liabilities	16,463	17,405	(5.4)%
Deferred tax liabilities	10,391	13,621	(23.7)%
Total non-current liabilities	643,108	549,417	17.1%
Net assets	3,451,574	3,354,121	2.9%

MANAGEMENT DISCUSSION AND ANALYSIS

Explanation of items with fluctuation over 10% from 31 December 2020 to 30 June 2021

Other non-current assets

Other non-current assets increased from US\$56.7 million to US\$63.7 million, primarily due to increased prepayments for capital expenditures.

Properties under development

Properties under development mainly included the cost of a piece of land used for real estate development.

Inventories

Inventories increased from US\$226.5 million to US\$355.9 million, primarily due to increased demand from customers.

Trade and notes receivables

Trade and notes receivables decreased from US\$121.0 million to US\$108.4 million, primarily due to improved customer credit management.

Due from related parties

Due from related parties increased from US\$4.7 million to US\$6.3 million, primarily due to increased receivables from certain of our related parties.

Prepayments, other receivables and other assets

Prepayments, other receivables and other assets decreased from US\$131.0 million to US\$61.4 million, primarily due to decreased prepayments, partially offset by increased VAT refund receivables.

Trade payables

Trade payables increased from US\$131.0 million to US\$147.1 million, primarily due to increased purchases of materials for Hua Hong Wuxi.

Due to related parties

Due to related parties increased from US\$12.6 million to US\$18.7 million, primarily due to a receipt of rental prepayment from one of our related parties.

Other current liabilities

Other current liabilities increased from US\$469.4 million to US\$589.9 million, primarily due to increased advances from customers and payables for capital expenditures.

Lease liabilities

Total lease liabilities decreased from US\$21.6 million to US\$18.5 million, primarily due to payments of lease contracts.

Interest-bearing bank borrowings

Total interest-bearing bank borrowings increased from US\$566.2 million to US\$754.9 million, due to drawdowns of bank borrowings.

Deferred tax liabilities

Deferred tax liabilities decreased from US\$13.6 million to US\$10.4 million, primarily due to a reversal of dividend withholding tax accrued for 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

Cash Flow

	1H 2021 US\$'000 Unaudited	1H 2020 US\$'000 Unaudited	Change
Net cash flows generated from operating activities	159,958	95,208	68.0%
Net cash flows (used in)/generated from investing activities	(302,247)	132,861	(237.5)%
Net cash flows generated from/(used in) financing activities	187,512	(1,568)	(12,058.7)%
Net increase in cash and cash equivalents	45,223	226,501	(80.0)%
Cash and cash equivalents at beginning of the period	922,786	476,286	93.7%
Effect of foreign exchange rate changes, net	6,513	(3,830)	(270.1)%
Cash and cash equivalents at end of the period	974,522	698,957	39.4%

Net cash flows generated from operating activities

Net cash flows generated from operating activities increased from US\$95.2 million to US\$160.0 million, primarily due to increased collection of trade receivables and receipts of government grants, partially offset by increased payments for materials, labor expenses and decreased receipts of VAT return.

Net cash flows used in investing activities

Net cash flows used in investing activities were US\$302.2 million, primarily including US\$303.9 million for capital investments and US\$1.4 million for investment in an associate, partially offset by US\$3.1 million of interest income.

Net cash flows generated from financing activities

Net cash flows generated from financing activities were US\$187.5 million, including US\$190.8 million of proceeds from bank borrowings and US\$6.6 million proceeds from share option exercise, partially offset by (i) interest payments of US\$4.3 million, (ii) principal portion of lease liabilities payments of US\$3.3 million, and (iii) a repayment of bank borrowing of US\$2.3 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In the first half of 2021, despite the Covid-19 outbreak still remains, the global economy recovered from the trough in 2020 and was on the track of continuous development. The Company performed well in the first half of the year, with a year-on-year increase of 52% in its revenue, due to long-term demand for semiconductors, particularly rapid growth of demand for China market, and the contribution made by the Company's increasing production capacity to address the global shortage in supply of semiconductors.

With accelerated recovery of the local economy, there was rapid growth in the markets for home appliances, Internet of Things, industrial controls, and other sectors, driving continuous and rapid growth of MCU shipments by the Company. 12-inch 90nm eFlash MCUs were mass produced, while the 55nm eFlash MCU was successfully developed. Mass production is expected by the 2nd half of the year. Meanwhile, smart card ICs were gradually upgraded from the 8-inch to the 12-inch technology platforms, which enables the Company to meet additional market demand. For standalone memory, significant development of 12-inch technology platform NOR Flash products was achieved due to the continuous increasing demand of TWS, mobile phone, PC, smart speaker, vehicle electronics, and other applications and joint efforts with the Company's customers, gradually becoming a new source of revenue growth for the Company.

Development of discrete devices remained good progress. There was a year-on-year increase of 40% in revenue for discrete devices in the first half of the year, with the rich process types, superior technical quality assurance and the Company's broader customer base. Shipment volume of IGBT increased 121% year-on-year. Super-Junction MOSFET and SGT-MOSFET continued to grow rapidly. The continued impetus for growth comes from extremely active global market for electric two and four wheeled vehicles, new energy, and other power conversion applications.

In the first half of 2021, the 12-inch fab in Wuxi, which was successfully put into operation in 2019, operated very well with its capacity utilization remaining high. While ensuring the existing stable supply and continuously expanding production capacity, we continue making improvements in service quality. In terms of products, 90nm eFlash, 90nm BCD, 55nm CIS, DT-SJ, and IGBT were mass produced in the 12-inch production lines, thereby better meeting the capacity needs of customers. The Company is the first Pure Play Foundry in the world to mass produce advanced FS-Trench IGBT on both 8-inch and 12-inch production lines at the same time.

Looking forward to the future, the Company's simultaneous progress in its "8+12" production line technologies and its "IC + Discrete" technology platforms development strategy for the Embedded Non-Volatile Memory, Analog & Power Management, and Logic & RF IC device and Discrete device businesses will provide its customers with comprehensive and excellent technical support in foundry field.

釋義

於本中期報告內，除非文義另有所指，否則下列詞彙具有下文所載涵義。

「董事會」	本公司董事會；
「中國」	中華人民共和國，但僅就本中報及作地理參考而言，除文義另有所指，否則，本中報對「中國」的提述不包括台灣、澳門特別行政區及香港；
「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；
「公司秘書」	本公司公司秘書；
「董事」	本公司董事；
「EPS」	每股盈利；
「執行董事」	本公司執行董事；
「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」	中國香港特別行政區；
「華虹無錫」	華虹半導體（無錫）有限公司，一家於二零一七年十月十日在中國註冊成立的公司。華虹無錫於註冊成立時由本公司的全資子公司華虹宏力擁有100%的權益。華虹無錫現由本集團持有51.0%的權益，其中22.2%由本公司直接持有及28.8%由本公司透過華虹宏力間接持有，而國家集成電路及無錫錫虹聯芯分別持有華虹無錫29.0%權益和20.0%權益；
「獨立非執行董事」	本公司獨立非執行董事；

釋義

「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)；
「非執行董事」	本公司非執行董事；
「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)；
「上海華力」	上海華力微電子有限公司，一家於二零一零年一月十八日在中國註冊成立的公司，為關連人士；
「聯交所」	香港聯合交易所有限公司；
「美元」	美國法定貨幣美元。

公司資料

董事會

執行董事

張素心(主席)
唐均君(總裁)

非執行董事

孫國棟
王靖
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

李瑞霞

授權代表

唐均君
李瑞霞

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
王靖

提名委員會

張素心(主席)
王桂壘，太平紳士
葉龍蜚

網址

www.huahonggrace.com

核數師

安永會計師事務所
執業會計師
香港
鰂魚涌英皇道979號
太古坊一座27樓

法律顧問

史密夫斐爾律師事務所
香港
皇后大道中15號
告羅士打大廈23樓

主要往來銀行

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

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

中國農業銀行無錫新吳支行
中國江蘇省無錫市
新吳區和風路26號

中國建設銀行無錫高新技術產業開發區支行
中國江蘇省無錫市
新吳區和風路26號

中信銀行無錫新區支行
中國江蘇省無錫市
新吳區和風路26號

中國銀行無錫高新技術產業開發區支行
中國江蘇省無錫市
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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54樓

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中國上海市
張江高科技園區
哈雷路288號
郵編：201203

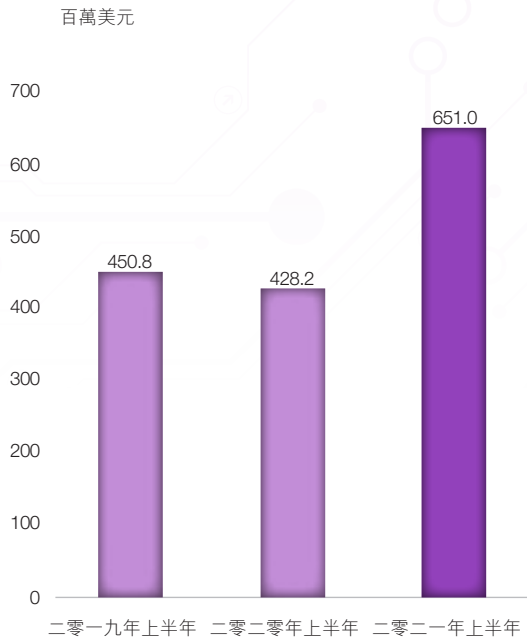
中國江蘇省無錫市
新吳區
新洲路30號
郵編：214028

股份代號

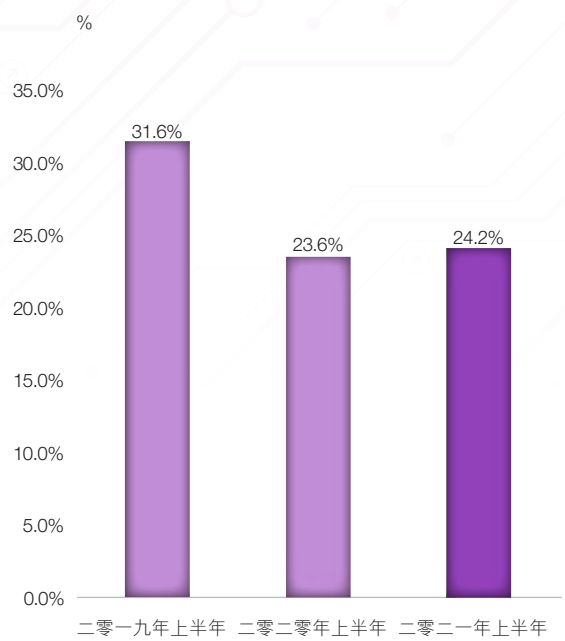
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主要財務指標

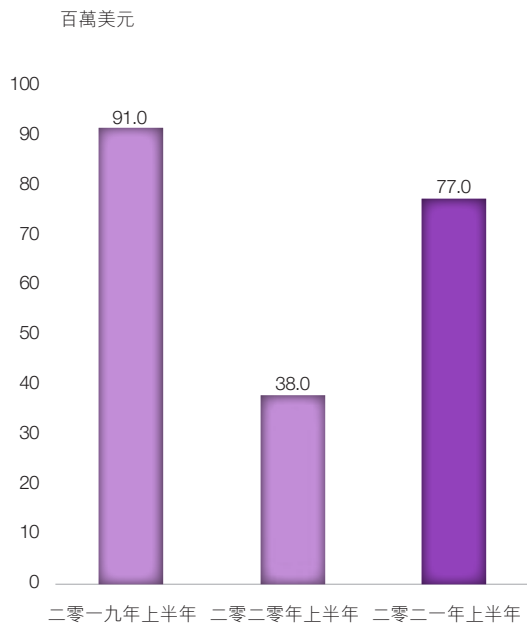
銷售收入



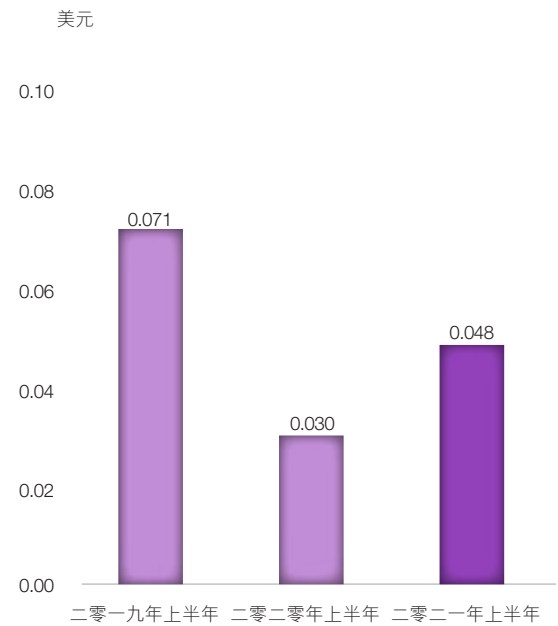
毛利率



母公司擁有人應佔溢利



每股盈利



管理層討論及分析

財務表現

	二零二一年 上半年 千美元 未經審核	二零二零年 上半年 千美元 未經審核	變動
銷售收入	650,953	428,204	52.0%
銷售成本	(493,125)	(326,972)	50.8%
毛利	157,828	101,232	55.9%
其他收入及收益	21,232	25,406	(16.4)%
銷售及分銷費用	(4,608)	(4,226)	9.0%
管理費用	(100,799)	(129,748)	(22.3)%
其他費用	(97)	(3)	3,133.3%
財務費用	(5,054)	(618)	717.8%
分佔聯營公司溢利	2,936	7,258	(59.5)%
稅前溢利／(虧損)	71,438	(699)	(10,320.0)%
所得稅(開支)／抵免	(13,335)	4,705	(383.4)%
期內溢利	58,103	4,006	1,350.4%
以下各項應佔：			
母公司擁有人	77,141	38,140	102.3%
非控股權益	(19,038)	(34,134)	(44.2)%

銷售收入

銷售收入創下新高，達6.510億美元，較二零二零年上半年增長52.0%，主要由於付運晶圓增加及平均銷售價格上漲。

銷售成本

銷售成本為4.931億美元，較二零二零年上半年增長50.8%，主要由於付運晶圓及折舊費用增加所致。

毛利

毛利為1.578億美元，較二零二零年上半年增長55.9%，主要受惠於平均銷售價格上漲及產能利用率提升，部分被折舊費用增加所抵銷。

其他收入及收益

其他收入及收益為2,120萬美元，較二零二零年上半年減少16.4%，主要由於按公平值計入損益的金融資產取得公平值變動收益及政府補貼減少，部分被外匯匯兌收益增加所抵銷。

銷售及分銷費用

銷售及分銷費用為460萬美元，較二零二零年上半年增加9.0%，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1.008億美元，較二零二零年上半年減少22.3%，主要由於研發費用減少及研發相關的政府補助增加所致。

其他費用

其他費用為97,000美元，而二零二零年上半年為3,000美元。

財務費用

財務費用為510萬美元，而二零二零年上半年為60萬美元，主要由於銀行借款增加所致。

分佔聯營公司溢利

分佔聯營公司溢利為290萬美元，較二零二零年上半年減少59.5%，由於聯營公司實現的溢利減少所致。

所得稅(開支)/抵免

所得稅開支為1,330萬美元，而二零二零年上半年為所得稅抵免470萬美元，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，期內溢利由二零二零年上半年400萬美元增長1,350.4%至5,810萬美元。淨利潤率為8.9%，而二零二零年上半年為0.9%。

管理層討論及分析

財務狀況

	二零二一年 六月三十日 千美元 未經審核	二零二零年 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	2,710,002	2,510,442	7.9%
投資物業	182,287	180,476	1.0%
使用權資產	76,997	79,221	(2.8)%
於聯營公司的投資	110,699	105,218	5.2%
指定按公平值計入其他全面收益的權益工具	232,575	230,265	1.0%
其他非流動資產	63,732	56,706	12.4%
非流動資產總額	3,376,292	3,162,328	6.8%
流動資產			
開發中物業	107,865	–	100.0%
存貨	355,881	226,476	57.1%
貿易應收款項及應收票據	108,358	120,952	(10.4)%
應收關聯方款項	6,253	4,706	32.9%
預付款項、其他應收款項 及其他資產	61,448	130,979	(53.1)%
已凍結及定期存款	362	359	0.8%
現金及現金等價物	974,522	922,786	5.6%
流動資產總額	1,614,689	1,406,258	14.8%
流動負債			
貿易應付款項	147,074	130,980	12.3%
應付關聯方款項	18,723	12,647	48.0%
其他流動負債	589,865	469,402	25.7%
租賃負債	2,010	4,235	(52.5)%
計息銀行借款	138,627	47,784	190.1%
流動負債總額	896,299	665,048	34.8%
流動資產淨額	718,390	741,210	(3.1)%
非流動負債			
計息銀行借款	616,254	518,391	18.9%
租賃負債	16,463	17,405	(5.4)%
遞延稅項負債	10,391	13,621	(23.7)%
非流動負債總額	643,108	549,417	17.1%
資產淨額	3,451,574	3,354,121	2.9%

管理層討論及分析

就二零二零年十二月三十一日至二零二一年六月三十日同比變動超過10%的項目的闡釋

其他非流動資產

其他非流動資產由5,670萬美元增加至6,370萬美元，主要由於資本支出預付款項增加所致。

開發中物業

開發中物業主要包括用於房地產開發的一塊土地的成本。

存貨

存貨由2.265億美元增加至3.559億美元，主要由於客戶需求增加所致。

貿易應收款項及應收票據

貿易應收款項及應收票據由1.210億美元減少至1.084億美元，主要得益於客戶信用管理的提升。

應收關聯方款項

應收關聯方款項由470萬美元增加至630萬美元，主要由於部分關聯方的應收款項增加。

預付款項、其他應收款項及其他資產

預付款項、其他應收款項及其他資產由1.310億美元減少至6,140萬美元，主要由於預付款項減少，部分被應收增值稅退稅款增加所抵銷。

貿易應付款項

貿易應付款項由1.310億美元增至1.471億美元，主要由於華虹無錫採購物料增加所致。

應付關聯方款項

應付關聯方款項由1,260萬美元增加至1,870萬美元，主要由於收到一家關聯方的預付租金款。

其他流動負債

其他流動負債由4.694億美元增至5.899億美元，主要由於客戶預收款項及應付資本性開支增加。

租賃負債

租賃負債總額由2,160萬美元減少至1,850萬美元，主要由於租賃合同付款所致。

計息銀行借款

計息銀行借款總額由5.662億美元增加至7.549億美元，乃由於提取銀行借款所致。

遞延稅項負債

遞延稅項負債由1,360萬美元減少至1,040萬美元，主要由於轉回二零二零年計提的代扣代繳的股息稅金所致。

管理層討論及分析

現金流量

	二零二一年 上半年 千美元 未經審核	二零二零年 上半年 千美元 未經審核	變動
經營活動所得現金流量淨額	159,958	95,208	68.0%
投資活動(所用)/所得現金流量淨額	(302,247)	132,861	(237.5)%
融資活動所得/(所用)現金流量淨額	187,512	(1,568)	(12,058.7)%
現金及現金等價物增加淨額	45,223	226,501	(80.0)%
期初現金及現金等價物	922,786	476,286	93.7%
外匯匯率變動影響，淨額	6,513	(3,830)	(270.1)%
期末現金及現金等價物	974,522	698,957	39.4%

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9,520萬美元增至1.600億美元，主要由於貿易應收款項回款及收到的政府補助增加，部分被材料付款、人工費用增加以及收到增值稅退稅款減少所抵銷。

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3.022億美元，主要包括資本投資3.039億美元及於一家聯營公司的投資140萬美元，部分被利息收入310萬美元所抵銷。

融資活動所得現金流量淨額

融資活動所得現金流量淨額為1.875億美元，包括提取銀行借款1.908億美元及因股票期權行權而增發股份收到的投資款660萬美元，部分被(i)利息開支430萬美元，(ii)租賃本金部分付款330萬美元，及(iii)償還銀行借款本金230萬美元所抵銷。

管理層討論及分析

業務回顧

2021年上半年，儘管全球疫情持續存在，但全球經濟已然走出2020年的低谷，步入持續發展的軌道。受益於半導體需求長期增長，特別是中國市場高速增長的需求，以及公司新增產能對緩解全球半導體供應短缺做出的貢獻，公司上半年連創佳績，業績同比上升52%，表現亮眼。

伴隨本土經濟加速復甦，家電、物聯網、工業控制等領域增長迅速，帶動公司MCU產品出貨量持續高速增長。產品方面，12英寸90nm eFlash MCU進入量產；55nm eFlash MCU開發一切順利，預計今年下半年進入量產；智能卡芯片逐步從8英寸升級至12英寸工藝平台並順利進入量產。受到TWS、手機、PC、智能音箱、車載電子等應用需求的不斷增長，在與客戶的共同努力下，公司12英寸工藝平台NOR Flash產品獲得長足的發展，逐漸成為公司營收的新增長點。

分立器件繼續保持良好發展，在公司豐富的工藝種類、優越的技術品質保障以及較廣泛的客戶群條件下，分立器件上半年業績同比增長40%。其中IGBT出貨量同比增長121%，Super-Junction MOSFET、SGT-MOSFET等繼續保持較高速增長。而為增長持續注入動力的，正是來自於全球表現極為活躍的電動兩輪車、電動汽車、新能源及其他功率轉換應用市場。

位於無錫並在2019年順利投產的12英寸廠在2021年上半年一切進展順利，產能利用率保持高位。在保證現有產能持續穩定供應並不斷擴增產能的情況下，仍然保持服務質量的不斷精進。產品方面，90nm eFlash、90nm BCD、55nm CIS、DT-SJ以及IGBT紛紛在12英寸實現規模量產，更好的支持客戶產能需求。本公司是全球首家同時在8英寸與12英寸生產線量產先進型溝槽柵電場截止型IGBT的純晶圓代工企業。

展望未來，公司8英寸與12英寸生產線齊頭並進，繼續堅定不移地執行「特色IC+ Power」產品線戰略，嵌入式非易失性存儲器、模擬與電源管理、邏輯射頻IC以及分立器件業務持續發展，為客戶提供全面、優秀的晶圓代工技術服務。

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)

致華虹半導體有限公司的董事會
(於香港註冊成立之有限公司)

Introduction

We have reviewed the interim financial information set out on pages 24 to 53 which comprises the 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 2021 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and other 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 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 (“HKICPA”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. 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 HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Ernst & Young
Certified Public Accountants
Hong Kong
12 August 2021

引言

吾等已審閱載於第24頁至第53頁的中期財務資料，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」）於二零二一年六月三十日的簡明綜合財務狀況表及截至該日止六個月期間的相關簡明綜合損益表、全面收益表、權益變動表及現金流量表以及其他解釋附註。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（「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財務資料。吾等的責任是根據吾等的審閱對本中期財務資料作出結論，並按照吾等雙方協定的委聘條款，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
香港
二零二一年八月十二日

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

中期簡明綜合損益表

FOR THE SIX MONTHS ENDED 30 JUNE 2021
截至二零二一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	
		2021 二零二一年 (Unaudited) (未經審核) (US\$'000) (千美元)	2020 二零二零年 (Unaudited) (未經審核) (US\$'000) (千美元)
		Notes 附註	
Revenue	銷售收入	4	650,953
Cost of sales	銷售成本		(493,125)
Gross profit	毛利		157,828
Other income and gains	其他收入及收益	4	21,232
Selling and distribution expenses	銷售及分銷費用		(4,608)
Administrative expenses	管理費用		(100,799)
Other expenses	其他費用		(97)
Finance costs	財務費用		(5,054)
Share of profit of associates	分佔聯營公司溢利		2,936
PROFIT/(LOSS) BEFORE TAX	稅前溢利/(虧損)		71,438
Income tax (expense)/credit	所得稅(開支)/抵免	6	(13,335)
PROFIT FOR THE PERIOD	期內溢利		58,103
Attributable to:	以下各項應佔：		
Owners of the parent	母公司擁有人		77,141
Non-controlling interests	非控股權益		(19,038)
			58,103
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT:	母公司普通股權持有人 應佔每股盈利：		
Basic	基本	7	
– For profit for the period	一期內溢利		US\$0.059 0.059美元
Diluted	攤薄		
– For profit for the period	一期內溢利		US\$0.058 0.058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 2021
截至二零二一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

		2021 二零二一年 (Unaudited) (未經審核) (US\$'000) (千美元)	2020 二零二零年 (Unaudited) (未經審核) (US\$'000) (千美元)
PROFIT FOR THE PERIOD	期內溢利	58,103	4,006
OTHER COMPREHENSIVE INCOME/(LOSS)	其他全面收益/(虧損)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:	於其後期間可能重新分類至損益的其他全面收益/(虧損)：		
Exchange differences on translation of foreign operations	換算海外業務產生的外匯差額	33,599	(44,791)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	於其後期間可能重新分類至損益的其他全面收益/(虧損)淨額	33,599	(44,791)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	期內其他全面收益/(虧損)，扣除稅項	33,599	(44,791)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	期內全面收益/(虧損)總額	91,702	(40,785)
Attributable to:	以下各項應佔：		
Owners of the parent	母公司擁有人	102,498	5,380
Non-controlling interests	非控股權益	(10,796)	(46,165)
		91,702	(40,785)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

中期簡明綜合財務狀況表

30 JUNE 2021
二零二一年六月三十日

			30 June 2021 二零二一年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2020 二零二零年 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	9	物業、廠房及設備	2,710,002	2,510,442
Right-of-use assets		使用權資產	182,287	180,476
Investment property		投資物業	76,997	79,221
Intangible assets		無形資產	35,784	36,947
Investment in associates		於聯營公司的投資	110,699	105,218
Equity investments designated at fair value through other comprehensive income		指定按公平值計入其他全面收益的權益工具	232,575	230,265
Long term prepayments to third parties		應付第三方之長期預付款項	17,407	10,768
Long term prepayments to related parties		應付關聯方之長期預付款項	40	26
Deferred tax assets		遞延稅項資產	10,501	8,965
Total non-current assets		非流動資產總額	3,376,292	3,162,328
CURRENT ASSETS		流動資產		
Properties under development		開發中物業	107,865	-
Inventories		存貨	355,881	226,476
Trade and notes receivables	10	貿易應收款項及應收票據	108,358	120,952
Prepayments, other receivables and other assets		預付款項、其他應收款項及其他資產	61,448	130,979
Due from related parties		應收關聯方款項	6,253	4,706
Restricted and time deposits		已凍結及定期存款	362	359
Cash and cash equivalents		現金及現金等價物	974,522	922,786
Total current assets		流動資產總額	1,614,689	1,406,258
CURRENT LIABILITIES		流動負債		
Trade payables	11	貿易應付款項	147,074	130,980
Other payables and accruals		其他應付款項及暫估費用	491,089	386,305
Interest-bearing bank borrowings		計息銀行借款	138,627	47,784
Lease liabilities		租賃負債	2,010	4,235
Government grants		政府補助	76,611	58,926
Due to related parties		應付關聯方款項	18,723	12,647
Income tax payable		應付所得稅	22,165	24,171
Total current liabilities		流動負債總額	896,299	665,048
NET CURRENT ASSETS		流動資產淨額	718,390	741,210
TOTAL ASSETS LESS CURRENT LIABILITIES		資產總值減流動負債	4,094,682	3,903,538

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

中期簡明綜合財務狀況表

30 JUNE 2021
二零二一年六月三十日

			30 June 2021 二零二一年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2020 二零二零年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
	<i>Note</i>			
	<i>附註</i>			
NON-CURRENT LIABILITIES				
Interest-bearing bank borrowings	非流動負債		616,254	518,391
Lease liabilities	計息銀行借款		16,463	17,405
Deferred tax liabilities	租賃負債		10,391	13,621
	遞延稅項負債			
Total non-current liabilities	非流動負債總額		643,108	549,417
Net assets	資產淨額		3,451,574	3,354,121
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	12	1,984,207	1,979,033
Reserves	儲備		652,280	549,409
			2,636,487	2,528,442
Non-controlling interests	非控股權益		815,087	825,679
Total equity	權益總額		3,451,574	3,354,121

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 2021
截至二零二一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	合併儲備	購股權儲備	其他儲備及供款盈餘	公平值儲備	資產重估儲備 [#]	儲備基金	波動儲備	累計虧損	合計	非控股權益	權益總額
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元
		(note 12)											
		(附註12)											
At 1 January 2021	於二零二一年一月一日	1,979,033	645,494*	16,212*	35,685*	11,826*	99,257*	105,631*	159,648*	(524,344)*	2,528,442	825,679	3,354,121
Profit/(loss) for the period	期內溢利/(虧損)	-	-	-	-	-	-	-	-	77,141	77,141	(19,038)	58,103
Exchange differences on translation of foreign operations	換算海外業務產生的外匯差額	-	-	-	-	-	-	-	25,357	-	25,357	8,242	33,599
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	-	-	25,357	77,141	102,498	(10,796)	91,702
Issue of shares	發行股份	5,174	-	(1,313)	-	-	-	-	-	-	3,861	-	3,861
Equity-settled share option arrangements	以權益結算的購股權安排	-	-	1,686	-	-	-	-	-	-	1,686	204	1,890
Transfer from retained profits generated by a subsidiary	轉撥自一間子公司產生的留存溢利	-	-	-	-	-	-	9,761	-	(9,761)	-	-	-
At 30 June 2021 (unaudited)	於二零二一年六月三十日(未經審核)	1,984,207	645,494*	16,585*	35,685*	11,826*	99,257*	115,392*	185,005*	(456,964)*	2,636,487	815,087	3,451,574
At 1 January 2020	於二零二零年一月一日	1,966,095	645,494	12,481	35,685	4,847	99,257	89,186	(462)	(607,342)	2,245,241	837,351	3,082,592
Profit/(loss) for the period	期內溢利/(虧損)	-	-	-	-	-	-	-	-	38,140	38,140	(34,134)	4,006
Exchange differences on translation of foreign operations	換算海外業務產生的外匯差額	-	-	-	-	-	-	-	(32,760)	-	(32,760)	(12,031)	(44,791)
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	-	-	-	-	(32,760)	38,140	5,380	(46,165)	(40,785)
Issue of shares	發行股份	5,653	-	(1,721)	-	-	-	-	-	-	3,932	-	3,932
Equity-settled share option arrangements	以權益結算的購股權安排	-	-	3,684	-	-	-	-	-	-	3,684	360	4,044
Transfer from retained profits generated by a subsidiary	轉撥自一間子公司產生的留存溢利	-	-	-	-	-	-	5,998	-	(5,998)	-	-	-
At 30 June 2020 (unaudited)	於二零二零年六月三十日(未經審核)	1,971,748	645,494	14,444	35,685	4,847	99,257	95,184	(33,222)	(575,200)	2,258,237	791,546	3,049,783

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

資產重估儲備源自將自用物業用途更改為按公平值列賬之投資物業。

* These reserve accounts comprise the consolidated reserves of US\$652,280,000 (31 December 2020: US\$549,409,000) in the interim condensed consolidated statement of financial position.

* 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652,280,000美元(二零二零年十二月三十一日: 549,409,000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 2021
截至二零二一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

		2021 二零二一年 (Unaudited) (未經審核) (US\$'000) (千美元)	2020 二零二零年 (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/(loss) before tax	稅前溢利/(虧損)	71,438	(699)
Adjustments for:	就以下各項作出的調整：		
Finance costs	財務費用	5,054	618
Share of profit of associates	分佔聯營公司溢利	(2,936)	(7,258)
Interest income	利息收入	(6,585)	(5,670)
Fair value gains on financial assets at fair value through profit or loss	按公平值計入損益的金融資產公平值收益	—	(5,112)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的虧損	8	—
Depreciation of property, plant and equipment	物業、廠房及設備折舊	141,518	88,425
Impairment on items of property, plant and equipment	物業、廠房及設備項目減值	1,462	—
(Reversal)/write-down of inventories to net realisable value	存貨(撥回)/撇減至可變現淨值	(969)	239
Amortisation of intangible assets	無形資產攤銷	5,413	1,958
Depreciation of right-of-use assets	使用權資產折舊	3,013	2,812
Equity-settled share option expense	以權益結算的購股權開支	1,890	4,044
		219,306	79,357
Increase in inventories	存貨增加	(128,624)	(34,838)
Decrease in trade and notes receivables	貿易應收款項及應收票據減少	12,782	29,470
(Increase)/decrease in prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產(增加)/減少	(37,634)	46,318
Increase in amounts due from related parties	應收關聯方款項增加	(1,547)	(2,326)
Increase in restricted and time deposits	已凍結及定期存款增加	—	(1)
Increase in trade payables	貿易應付款項增加	16,094	6,488
Increase/(decrease) in other payables and accruals	其他應付款項及暫估費用增加/(減少)	76,769	(8,807)
Increase in government grants	政府補助增加	17,135	56
Increase in amounts due to related parties	應付關聯方款項增加	6.76	2,812
Cash generated from operations	經營活動產生的現金	180,357	118,529
Income tax paid	已付所得稅	(20,399)	(23,321)
Net cash flows from operating activities	經營活動所得現金流量淨額	159,958	95,208

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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 2021
截至二零二一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	
		2021 二零二一年 (Unaudited) (US\$'000) (千美元)	2020 二零二零年 (Unaudited) (US\$'000) (千美元)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	投資活動所得現金流量 已收利息	3,089	5,835
Purchases of investments in an associate	購買於一家聯營公司的投資	(1,484)	–
Purchases of items of property, plant and equipment, prepaid lease payment and intangible assets	購買物業、廠房及設備項目、預付租賃款項及無形資產	(303,892)	(378,623)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項	40	–
Decrease in restricted and time deposits	已凍結及定期存款減少	–	70,000
Purchase of financial assets at fair value through profit or loss	購買按公平值計入損益的金融資產	–	(738,163)
Proceeds from disposals of financial assets at fair value through profit or loss	出售按公平值計入損益的金融資產所得款項	–	1,173,812
Net cash flows (used in)/generated from investing activities	投資活動(所用)/所得現金流量淨額	(302,247)	132,861
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank borrowings	融資活動所得現金流量 銀行借款所得款項	190,798	–
Proceeds from issue of shares	發行股份所得款項	6,649	3,834
Repayment of bank loans	償還銀行貸款	(2,322)	(2,119)
Interest paid	已付利息	(4,336)	(618)
Principal portion of lease payments	支付租賃本金部份	(3,277)	(2,665)
Net cash flows generated from/(used in) financing activities	融資活動所得/(所用)現金流量淨額	187,512	(1,568)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
	現金及現金等價物增加淨額	45,223	226,501
Cash and cash equivalents at beginning of period	期初現金及現金等價物	922,786	476,286
Effect of foreign exchange rate changes, net	外匯匯率變動影響，淨額	6,513	(3,830)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末現金及現金等價物	974,522	698,957

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

中期簡明綜合財務資料附註

30 June 2021
二零二一年六月三十日

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 is Shanghai Huahong (Group) Co., Ltd (“Huahong Group”), which is a state-owned company established in the People’s Republic of China (“PRC”), supervised by the Shanghai State-owned Assets Supervision and Administration Commission.

2.1 Basis of Preparation

The interim condensed consolidated financial information for the six months ended 30 June 2021 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The 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 consolidated financial statements for the year ended 31 December 2020.

The financial information relating to the year ended 31 December 2020 that is included in the interim condensed consolidated statement of financial position 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 those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

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位於香港中環夏慤道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為上海華虹(集團)有限公司(「華虹集團」)，該公司為於中華人民共和國(「中國」)成立並由上海市國有資產監督管理委員會監管的國有公司。

2.1 編製基準

截至二零二一年六月三十日止六個月的中期簡明綜合財務資料已根據香港會計準則第34號*中期財務報告*編製。中期簡明綜合財務資料並不包括年度財務報表規定的所有資料及披露事項，並應與本集團截至二零二零年十二月三十一日止年度的年度綜合財務報表一併閱讀。

中期簡明綜合財務狀況表所載有關截至二零二零年十二月三十一日止年度的財務資料(作為比較資料)，並不構成本公司於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：

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

中期簡明綜合財務資料附註

30 June 2021
二零二一年六月三十日

2.1 Basis of Preparation (continued)

The Company has delivered the financial statements for the year ended 31 December 2020 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 auditors have reported on the financial statements for the year ended 31 December 2020. The auditor's report was unqualified; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

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 2020, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 9,
HKAS 39, HKFRS 7,
HKFRS 4 and HKFRS 16

*Interest Rate Benchmark
Reform – Phase 2*

Amendments to HKAS 16

*Covid-19-Related Rent
Concessions beyond
30 June 2021*

Several amendments apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group.

2.1 編製基準(續)

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，將截至二零二零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截至二零二零年十二月三十一日止年度財務報表提交報告。該核數師報告中並無保留意見；亦未載有按香港公司條例第406(2)、407(2)或407(3)條所指的陳述。

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二零二零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，惟於本財務資料期間首次採納下列經修訂香港財務報告準則（「香港財務報告準則」）除外。

香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、香港財務報告準則第4號及香港財務報告準則第16號(修訂本)

利率基準改革 – 第二階段

香港會計準則第16號(修訂本)

二零二一年六月三十日之後的新冠病毒疫情相關租金減免

若干修訂本於二零二一年首次應用，惟並無對本集團的中期簡明綜合財務報表產生影響。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2021
二零二一年六月三十日

中期簡明綜合財務資料附註

3. Operating Segment Information

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

The principal assets employed by the Group are located in 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收入呈列如下：

		For the six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 (Unaudited) (未經審核) (US\$'000) (千美元)	2020 二零二零年 (Unaudited) (未經審核) (US\$'000) (千美元)
China (including Hong Kong)	中國(包括香港)	474,953	262,093
United States of America	美利堅合眾國	57,837	59,121
Asia (excluding China and Japan)	亞洲(不包括中國及日本)	74,409	57,866
Europe	歐洲	31,118	35,298
Japan	日本	12,636	13,826
		650,953	428,204

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

中期簡明綜合財務資料附註

30 June 2021
二零二一年六月三十日

4. Revenue and Other Income and Gains

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

4. 收入、其他收入及收益

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	
		2021 二零二一年 (Unaudited) (未經審核) (US\$'000) (千美元)	2020 二零二零年 (Unaudited) (未經審核) (US\$'000) (千美元)
Revenue from contracts with customers	客戶合約收益		
Sale of goods	銷售貨品	650,953	428,204
Other income	其他收入		
Rental income	租金收入	7,224	6,169
Interest income	利息收入	6,585	5,670
Government subsidies	政府補貼	919	7,060
Others	其他	723	404
		15,451	19,303
Other gains	其他收益		
Fair value gains on financial assets at fair value through profit or loss	按公平值計入損益的金融資產之公平值收益	-	5,112
Exchange gains, net	外匯收益淨額	5,781	991
		5,781	6,103
		21,232	25,406
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	650,953	428,204
Timing of revenue recognition	收入確認時間		
Goods transferred at a point in time and total revenue from contracts with customers	在某一時點轉讓的貨品及來自客戶合約的總收入	650,953	428,204

The disaggregation of the Group's revenue based on the geographical region for the six months ended 30 June 2021 is included in note 3.

截至二零二一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/(Loss) before Tax

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

5. 稅前溢利／(虧損)

本集團的稅前溢利／(虧損)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	
		2021 二零二一年 (Unaudited) (未經審核) (US\$'000) (千美元)	2020 二零二零年 (Unaudited) (未經審核) (US\$'000) (千美元)
Cost of inventories sold (Reversal)/write-down of inventories to net realisable value	已售存貨成本 存貨(撥回)／撇減至 可變現淨值	493,125	326,972
Impairment on items of property, plant and equipment	物業、廠房及 設備項目減值	(969)	239
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備項目的虧損	1,462	—
Exchange differences, net	外匯差額淨額	8	—
		(5,781)	(991)

6. Income Tax

Profits arising in Hong Kong were subject to profits tax at the rate of 16.5% during the period (six months ended 30 June 2020: 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 2020: nil).

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

6. 所得稅

於期內的香港溢利須按16.5%(截至二零二零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間內並無取得應評稅收入,故並無就香港利得稅作出撥備(截至二零二零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(「企業所得稅」)。

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6. Income Tax (continued)

All of the Group's subsidiaries registered in the PRC and have 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 the relevant laws and regulations in the PRC and with approval from the tax authorities in charge, one of the Group's subsidiaries, HHGrace, is qualified as a "High and New Technology Enterprise" and was therefore entitled to a preferential tax rate of 15% from 2021 to 2023.

Pursuant to the relevant laws and regulations in the PRC and with approval from the tax authorities in charge, one of the Group's subsidiaries, Hua Hong Semiconductor (Wuxi) Limited ("Hua Hong Wuxi"), is entitled to an exemption from CIT for five years, commencing from the first year that Hua Hong Wuxi generates taxable profit, and a deduction of 50% on the CIT rate for the following five years. Hua Hong Wuxi was in accumulated tax loss positions as of June 30, 2021 and the tax holiday has not begun to take effect.

The major components of income tax (expense)/credit of the Group are as follows:

6. 所得稅(續)

所有本集團在中國註冊且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，本集團一家子公司華虹宏力符合資格成為「高新技術企業」，故有權於二零二一年至二零二三年期間按15%的優惠稅率繳稅。

根據中國相關法律及法規及獲稅務主管機關批准，本集團一家子公司華虹半導體(無錫)有限公司(「華虹無錫」)有權自獲得應課稅溢利第一年起五年獲豁免繳納企業所得稅，及隨後五年減免50%。華虹無錫截至二零二一年六月三十日錄得累計稅項虧損，且免稅期尚未開始。

本集團所得稅(開支)/抵免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	
		2021 二零二一年 (Unaudited) (未經審核) (US\$'000) (千美元)	2020 二零二零年 (Unaudited) (未經審核) (US\$'000) (千美元)
Current income tax expense – PRC	當期所得稅開支－中國	(18,012)	(9,841)
Current income tax expense – elsewhere	當期所得稅開支－其他地區	(24)	(17)
Deferred tax	遞延稅項	4,701	14,563
Total income tax (expense)/credit	所得稅(開支)/抵免總額	(13,335)	4,705

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6. Income Tax (continued)

During the period, the directors of a subsidiary established in Mainland China approved that any undistributed profits of the subsidiary generated in 2020 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\$10,922,000 (six months ended 30 June 2020: US\$15,832,000).

7. 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 1,299,811,409 in issue during the period (six months ended 30 June 2020: 1,291,026,256).

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.

6. 所得稅(續)

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二零二零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10,922,000美元(截至二零二零年六月三十日止六個月：15,832,000美元)。

7. 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1,299,811,409股(截至二零二零年六月三十日止六個月：1,291,026,256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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7. Earnings Per Share Attributable to Ordinary Equity Holders of The Parent (continued)

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

7. 母公司普通股權持有人應佔每股盈利(續)

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	
		2021 二零二一年 (Unaudited) (未經審核) (US\$'000) (千美元)	2020 二零二零年 (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	77,141	38,140
		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	
		2021 二零二一年 ('000) (千股)	2020 二零二零年 ('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	1,299,811	1,291,026
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	25,170	10,425
		1,324,981	1,301,451

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8. Dividends

The directors did not declare any interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

9. Property, Plant and Equipment

During the six months ended on 30 June 2021, the Group acquired items of property, plant and equipment with a cost of US\$323,152,000 (six months ended 30 June 2020: US\$351,371,000). Depreciation for items of property, plant and equipment was US\$141,518,000 during the period (six months ended 30 June 2020: US\$88,425,000).

For the six months ended 30 June 2021, certain items of the Group's machinery of US\$1,462,000 (six months ended 30 June 2020: Nil) were obsolete with a minimal recoverable amount determined based on their fair value less costs of disposal and were therefore fully impaired.

No significant property, plant and equipment were disposed by the Group during the six months ended 30 June 2021 and 2020, respectively.

8. 股息

董事並無就截至二零二一年六月三十日止六個月宣派任何中期股息(截至二零二零年六月三十日止六個月：無)。

9. 物業、廠房及設備

於截至二零二一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323,152,000美元(截至二零二零年六月三十日止六個月：351,371,000美元)。期內物業、廠房及設備項目的折舊為141,518,000美元(截至二零二零年六月三十日止六個月：88,425,000美元)。

於截至二零二一年六月三十日止六個月，本集團機器中若干項目1,462,000美元(截至二零二零年六月三十日止六個月：無)已閒置，而根據彼等公平值減出售成本確定最低可收回金額，因而完全減值。

於截至二零二一年及二零二零年六月三十日止六個月，本集團均無物業、廠房及設備的重大出售。

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10. Trade and Notes Receivables

10. 貿易應收款項及應收票據

		30 June 2021 二零二一年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2020 二零二零年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Trade receivables	貿易應收款項	81,780	97,809
Notes receivable	應收票據	28,010	24,762
		109,790	122,571
Impairment of trade receivables	貿易應收款項減值	(1,432)	(1,619)
		108,358	120,952

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

按發票日期計，貿易應收款項（扣除撥備）的賬齡分析如下：

		30 June 2021 二零二一年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2020 二零二零年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Within 3 months	3個月以內	76,882	91,156
Over 3 but within 6 months	3至6個月	3,466	4,849
Over 6 months but within one year	超過6個月但於一年內	-	185
		80,348	96,190

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11. Trade Payables

An ageing 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 2021 二零二一年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2020 二零二零年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Within 1 month	1個月以內	95,829	91,935
Over 1 but within 3 months	1至3個月	29,975	20,514
Over 3 but within 6 months	3至6個月	6,182	6,041
Over 6 but within 12 months	6至12個月	4,752	1,946
Over 12 months	12個月以上	10,336	10,544
		147,074	130,980

11. 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：

12. Share Capital

		Number of shares 股份數目 ('000) (千股)	Amount 金額 (US\$'000) (千美元)
1 January 2021	二零二一年一月一日	1,297,818	1,979,033
Issue of shares with exercise of share options (note (a))	發行可行使購股權的股份 (附註(a))	2,413	5,174
30 June 2021 (unaudited)	二零二一年六月三十日 (未經審核)	1,300,231	1,984,207
1 January 2020	二零二零年一月一日	1,288,820	1,966,095
Issue of shares with exercise of share options (note (a))	發行可行使購股權的股份 (附註(a))	4,415	5,653
30 June 2020 (unaudited)	二零二零年六月三十日 (未經審核)	1,293,235	1,971,748

12. 股本

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12. Share Capital (continued)

Note:

- (a) During the period, the subscription rights attaching to 790,000 (six months ended 30 June 2020: 4,415,000) share options were exercised at the subscription price of HK\$6.912 per share (six months ended 30 June 2020: HK\$6.912 per share), resulting in the issue of 790,000 (six months ended 30 June 2020: 4,415,000) shares for a total cash consideration of US\$703,000 (six months ended 30 June 2020: US\$3,932,000). An amount of US\$308,000 (six months ended 30 June 2020: US\$1,721,000) was transferred from the share option reserve to share capital upon exercise of the share options.

The subscription rights attaching to 1,623,000 (six months ended 30 June 2020: Nil) share options were exercised at the subscription price of HK\$15.056 per share (six months ended 30 June 2020: Nil), resulting in the issue of 1,623,000 (six months ended 30 June 2020: Nil) shares for a total cash consideration of US\$3,158,000 (six months ended 30 June 2020: Nil). An amount of US\$1,005,000 (six months ended 30 June 2020: Nil) was transferred from the share option reserve to share capital upon exercise of the share options.

13. Commitments

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

		30 June 2021 二零二一年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2020 二零二零年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Contracted, but not provided for:	已訂約，但未撥備：		
Property, plant and equipment	物業、廠房及設備	580,748	180,581

12. 股本(續)

附註：

- (a) 於期內，790,000份(截至二零二零年六月三十日止六個月：4,415,000份)購股權附帶之認購權已按認購價每股6.912港元(截至二零二零年六月三十日止六個月：每股6.912港元)行使，引致發行790,000股(截至二零二零年六月三十日止六個月：4,415,000股)股份，總現金代價為703,000美元(截至二零二零年六月三十日止六個月：3,932,000美元)。購股權獲行使後，308,000美元(截至二零二零年六月三十日止六個月：1,721,000美元)款項已由購股權儲備轉撥至股本。

1,623,000份(截至二零二零年六月三十日止六個月：無)購股權附帶之認購權已按認購價每股15.056港元(截至二零二零年六月三十日止六個月：無)行使，引致發行1,623,000股(截至二零二零年六月三十日止六個月：無)股份，總現金代價為3,158,000美元(截至二零二零年六月三十日止六個月：無)。購股權獲行使後，1,005,000美元(截至二零二零年六月三十日止六個月：無)款項已由購股權儲備轉撥至股本。

13. 承擔

本集團於報告期末有以下資本承擔：

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14. Related Party Transactions

14. 關聯方交易

(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	
- 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
- Shanghai Huali Microelectronics Co., Ltd. ("Shanghai Huali") - 上海華力微電子有限公司(「上海華力」)	Subsidiary of Huahong Group 華虹集團子公司
NEC Corporation ("NEC")*	Shareholder of the Company (before 19 February 2021)
NEC Corporation(「NEC」)*	本公司股東 (於二零二一年二月十九日之前)
- NEC Management Partner, Ltd. ("NEC Management") - NEC Management Partner, Ltd.(「NEC Management」)	Subsidiary of NEC NEC子公司
SAIL and its subsidiaries 上海聯和及其子公司	
- Shanghai Alliance Investment Ltd. ("SAIL") - 上海聯和投資有限公司(「上海聯和」)	Holding company of Sino-Alliance International Ltd. Sino-Alliance International Ltd.的 控股公司
- Sino-Alliance International Ltd. ("SAIL International") - Sino-Alliance International Ltd.(「SAIL International」)	Shareholder of the Company 本公司股東
- QST Corporation ("QST")** - 上海矽睿科技有限公司(「矽睿科技」)**	Subsidiary of SAIL (before 1 September 2020) 上海聯和子公司 (於二零二零年九月一日之前)

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14. Related Party Transactions (continued)

14. 關聯方交易(續)

(a) Name and relationship (continued)

(a) 名稱及關係(續)

Name of related party 關聯方名稱	Relationship with the Group 與本集團的關係
INESA and its subsidiaries 儀電集團及其子公司	
– INESA (Group) Co., Ltd. (“INESA”)**	Shareholder of Huahong Group 華虹集團股東
– 上海儀電(集團)有限公司(「儀電集團」)**	
– Shanghai INESA Intelligent Electronics Co., Ltd. (“Shanghai INESA”)**	Subsidiary of INESA 儀電集團子公司
– 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”)**	Subsidiary of INESA
– 上海南洋軟件系統集成有限公司(「南洋軟件」)**	儀電集團子公司
– Shanghai Nanyang Wanbang Software Technology Co., Ltd. (“Wanbang”)**	Subsidiary of INESA
– 上海南洋萬邦軟件技術有限公司(「萬邦」)**	儀電集團子公司
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」)	
– Shanghai Huahong Real Estate Co., Ltd. (“Huahong Real Estate”)	Associate of the Group
– 上海華虹置業有限公司(「華虹置業」)	本集團聯營公司
– Shanghai Huajin Property Management Co., Ltd. (“Huajin”)	Subsidiary of Huahong Technology Development 華虹科技發展子公司
– 上海華錦物業管理有限公司(「華錦」)	Subsidiary of Huahong Technology Development 華虹科技發展子公司
* NEC disposed all of its shareholdings in Huahong Group on 19 February 2021. From then on, NEC and its subsidiaries are no longer related parties to the Group.	* NEC於二零二一年二月十九日出售其於華虹集團的所有股權。自此，NEC及其子公司不再為本集團的關聯方。
** QST issued new ownership interests to third parties on 1 September 2020 and therefore a dilution in the SAIL’s interests occurs. From then on, QST ceased to be a subsidiary of SAIL and is no longer a related party to the Group.	** 矽睿科技於二零二零年九月一日向第三方發行新的所有權權益，因此上海聯和的權益發生攤薄。自此，矽睿科技不再為上海聯和的子公司，且不再為本集團的關聯方。
*** INESA, a shareholder of Huahong Group, and its subsidiaries are no longer disclosed as related parties to the Group since 1 January 2021.	*** 自二零二一年一月一日起，華虹集團股東儀電集團及其子公司不再作為本集團的關聯方披露。

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14. Related Party Transactions (continued)

(b) In addition to the transactions disclosed elsewhere in this financial information, the Group had the following transactions with related parties during the period:

14. 關聯方交易(續)

(b) 除本財務資料其他部份所披露的交易外，本集團於期內已與關聯方進行以下交易：

		For the six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 (Unaudited) (未經審核) (US\$'000) (千美元)	2020 二零二零年 (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))		
ICRD	集成電路研發	5,565	5,219
Huahong Zealcore	華虹摺芯	3,168	1,486
Hongri	虹日	1,553	–
QST	矽睿科技	–	2,141
Purchases of goods from related parties (note (ii))	自關聯方購買貨品(附註(ii))		
Hongri	虹日	10,685	5,443
NEC Management*	NEC Management*	504	396
Huahong Zealcore	華虹摺芯	313	244
Jitong	計通	76	181
Shanghai Huali	上海華力	–	1,442
Purchases of intangible assets from related parties (note (ii))	自關聯方購買無形資產(附註(ii))		
Shanghai Huali	上海華力	–	17,100
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	7,104	6,368
Service fee charged by related parties (note (iv))	關聯方收取的服務費(附註(iv))		
Huajin	華錦	120	107
Huahong Real Estate	華虹置業	28	50
Shanghai INESA	上海儀電	–	1,702
Wanbang	萬邦	–	1
Nanyang Software	南洋軟件	–	19
Interest expense charged by a related party under lease arrangement as a lessee (note (iv))	關聯方(作為承租人)根據租賃安排收取的利息開支(附註(iv))		
Huahong Real Estate	華虹置業	396	387
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	14,214	12,578

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14. Related Party Transactions (continued)

(b) (continued)

- * The related party transactions with NEC Management disclosed above were conducted from 1 January 2021 to 19 February 2021.

Notes:

- (i) The sales of goods to the related parties were made according to the prices and terms agreed between the related parties.
- (ii) The purchases of goods and intangible assets from related parties were made according to the prices and terms offered by the related parties.
- (iii) The rental income received from a related party was based on the prices and terms agreed between the related parties.
- (iv) The service fees and interest expense charged by related parties were based on the prices and terms agreed between the related parties.
- (v) The expense paid on behalf of the related party is interest-free and repayable on demand.

(c) Compensation of key management personnel of the Group

14. 關聯方交易 (續)

(b) (續)

- * 上文所披露的與NEC Management的關聯方交易乃於二零二一年一月一日至二零二一年二月十九日期間進行。

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。
- (ii) 自關聯方購買的貨品及無形資產乃根據關聯方提供的價格及條款作出。
- (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。
- (iv) 服務費及利息開支乃由關聯方根據與關聯方協定的價格及條款收取。
- (v) 代關聯方支付的開支為不計息，及須按的要求償還。

(c) 本集團主要管理人員的酬金

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2021	2020
		二零二一年	二零二零年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		(US\$'000)	(US\$'000)
		(千美元)	(千美元)
Short term employee benefits	短期僱員福利	1,169	1,023
Pension scheme contributions	退休金計劃供款	42	26
Equity-settled share option expense	以權益結算的購股權開支	319	539
Total compensation paid to key management personnel	支付予主要管理人員的酬金總額	1,530	1,588

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15. 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:

15. 金融工具的公平值及公平值層級

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

		Carrying amounts 賬面值		Fair values 公平值	
		30 June 2021 二零二一年 六月三十日 (US\$'000) (千美元) (Unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 (US\$'000) (千美元) (Audited) (經審核)	30 June 2021 二零二一年 六月三十日 (US\$'000) (千美元) (Unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 (US\$'000) (千美元) (Audited) (經審核)
Financial assets	金融資產				
Equity investments designated at fair value through other comprehensive income	指定按公平值計入其他全面收益的權益工具	232,575	230,265	232,575	230,265
Financial liability	金融負債				
Interest-bearing bank borrowings	計息銀行借款	754,881	566,175	732,149	562,807
Lease liabilities	租賃負債	18,473	21,640	18,473	21,640
		773,354	587,815	750,622	584,447

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.

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

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

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values of those financial assets and liabilities measured at fair value:

The fair values of equity investments designated at fair value through other comprehensive income have been estimated using the market approach. If there is a recent deal regarding the unlisted investments, the fair values are estimated based on the dealing price. If there is no such deal to be referenced, the directors will determine comparable public companies (peers) based on industry, size, leverage and strategy, and calculates an appropriate price multiple, such as price to book value ("P/B") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by net assets. The trading multiple is then discounted for considerations such as illiquidity based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding net assets of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

Financial assets at fair value through profit or loss represent wealth management products issued by banks in Mainland China. The Group has estimated their fair value by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

15. 金融工具的公平值及公平值層級 (續)

金融資產及負債的公平值是按當前與自願方交易(而非被迫或清盤出售)中可交換有關工具的金額列賬。估計該等按公平值計量的金融資產及負債的公平值乃使用以下的方法及假設：

指定為按公平值計入其他全面收益的股本投資之公平值採用市場法估算。倘最近成交交易有關未上市投資，公平值乃基於交易價估算。倘並無該等交易可供參考，董事將根據行業、規模、影響力及策略釐定可比較上市公司(同行)，且就已確定的各可資比較公司計算適當的價格倍數，如市賬率(「市賬率」)倍數。該倍數乃按可資比較公司之企業價值除以淨資產所得。交易倍數隨後根據公司特定情況及狀況就非流動性等因素予以貼現。貼現倍數適用於非上市股本投資的相應淨資產以計量公平值。董事認為，計入綜合財務狀況表的估值技術所產生的估計公平值以及計入其他全面收益的公平值相關變動屬合理，而於報告期末的價值最為恰當。

按公平值計入損益的金融資產指由中國內地銀行發行的理財產品。本集團根據具類似年期及風險的工具的市場利率，採用貼現現金流量估值模型估算其公平值。

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

The fair values of interest-bearing bank borrowings and lease liabilities have 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 2021 and 31 December 2020 was assessed to be insignificant.

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 2021

		Fair value measurement categorised into			
		分類為以下層級之公平值計量			
		Level 1 第1級 US\$'000 千美元 (Unaudited) (未經審核)	Level 2 第2級 US\$'000 千美元 (Unaudited) (未經審核)	Level 3 第3級 US\$'000 千美元 (Unaudited) (未經審核)	Total 總計 US\$'000 千美元 (Unaudited) (未經審核)
Equity investments designated at fair value through other comprehensive income	指定按公平值計入其他全面收益的權益工具	-	2,533	230,042	232,575

31 December 2020

二零二零年十二月三十一日

		Fair value measurement categorised into			
		分類為以下層級之公平值計量			
		Level 1 第1級 (US\$'000) (千美元)	Level 2 第2級 (US\$'000) (千美元)	Level 3 第3級 (US\$'000) (千美元)	Total 總計 (US\$'000) (千美元)
Equity investments designated at fair value through other comprehensive income	指定按公平值計入其他全面收益的權益工具	-	2,508	227,757	230,265

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 (six months ended 30 June 2020: Nil).

於期內，以上金融資產的第1級與第2級間並無公平值計量轉移，且第3級並無轉入或轉出(截至二零二零年六月三十日止六個月：無)。

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

Fair value hierarchy (continued)

Financial assets measured at fair value (continued)

The recurring fair value measurement for the Group's equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss, was made using significant unobservable inputs (Level 3) as at 30 June 2021. 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 重大不可觀察輸入數據	Range 範圍	Sensitivity of fair value to the input 公平值對輸入數據之敏感度
Equity investments designated at fair value through other comprehensive income	Valuation multiples	Average P/B multiple of peers	2021: 0.9x-5.5x 2020: 1.1x-3.0x	5% (2020: 5%) increase/decrease would result in increase/decrease in fair value by 5% (2020: 5%)
指定為按公平值計入其他全面收益的股本投資	估值倍數	同業平均市賬率	二零二一年：0.9x-5.5x 二零二零年：1.1x-3.0x	5% (二零二零年：5%) 的增加/減少將導致公平值增加/減少5% (二零二零年：5%)
		Discount for illiquidity	2021: 20%-30% 2020: 20%-30%	5% (2020: 5%) increase/decrease would result in decrease/increase in fair value by 5% (2020: 5%)
		缺乏流通性的折讓價	二零二一年：20%-30% 二零二零年：20%-30%	5% (二零二零年：5%) 的增加/減少將導致公平值減少/增加5% (二零二零年：5%)
Financial assets at fair value through profit or loss	Discounted cash flow method	Discount rate per annum	2020: 3.00%	2020: 5% increase/decrease would result in decrease/increase in fair value by 0.01%
按公平值計入損益的金融資產	貼現現金流量法	年貼現率	二零二零年：3.00%	二零二零年：5% 的增加/減少將導致公平值減少/增加 0.01%

15. 金融工具的公平值及公平值層級 (續)

公平值層級 (續)

按公平值計量的金融資產 (續)

本集團指定為按公平值計入其他全面收益的股本投資及按公平值計入損益的金融資產的週期公平值計量乃使用二零二一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：

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

Fair value hierarchy (continued)

Financial assets measured at fair value (continued)

The movements in financial assets categorised into Level 3 during the period are as follows:

15. 金融工具的公平值及公平值層級 (續)

公平值層級 (續)

按公平值計量的金融資產 (續)

期內分類為第3級的金融資產變動如下：

		Equity investments designated at fair value through other comprehensive income 指定按公平值計入其他全面收益的權益工具 (US\$'000) (千美元)	Financial assets at fair value through profit or loss 按公平值計入損益的金融資產 (US\$'000) (千美元)
1 January 2021	二零二一年一月一日	227,757	–
Exchange realignment	匯兌調整	2,285	–
As at 30 June 2021 (unaudited)	於二零二一年六月三十日 (未經審核)	230,042	–
1 January 2020	二零二零年一月一日	207,689	519,779
Purchases	購買	–	738,163
Disposals	處置	–	(1,173,812)
Total gains recognised in the statement of profit or loss included in other income and gains	於損益表確認計入其他收入及收益的收益總額	–	5,112
Exchange realignment	匯兌調整	(3,031)	(4,483)
As at 30 June 2020 (unaudited)	於二零二零年六月三十日 (未經審核)	204,658	84,759

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16. 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.

The Scheme includes two batches, each of which were effective on 4 September 2015 (the “2015 Options”) and on 24 December 2018 (the “2018 Options”), respectively.

On 29 March 2019, 500,000 options were granted to the chief executive (“2018 Tranche A”). On 23 December 2019, 300,000 options were granted to directors and key management personnel (“2018 Tranche B”) and 2,182,000 options were granted to other employees (“2018 Tranche C”).

2015 Options

The following share options were outstanding under the 2015 Options during the period:

		2021 二零二一年 Number of options '000 購股權數目 千份	2020 二零二零年 Number of options '000 購股權數目 千份
At 1 January	於一月一日	5,935	13,947
Exercised during the period	期內行使	(790)	(4,415)
At 30 June	於六月三十日	5,145	9,532

2018 Options

The following share options were outstanding under the 2018 Options during the period:

		2021 二零二一年 Number of options '000 購股權數目 千份	2020 二零二零年 Number of options '000 購股權數目 千份
At 1 January	於一月一日	33,547	35,811
Exercised during the period	期內行使	(1,623)	–
Forfeited during the period	期內沒收	(681)	(320)
At 30 June	於六月三十日	31,243	35,491

16. 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。

該計劃分為兩批，各自分別於二零一五年九月四日（「二零一五年購股權」）及二零一八年十二月二十四日（「二零一八年購股權」）生效。

於二零一九年三月二十九日，500,000份購股權已授予最高行政人員（「二零一八年A部分」）。於二零一九年十二月二十三日，300,000份購股權已授予董事及主要管理人員（「二零一八年B部分」）及2,182,000份購股權已授予其他僱員（「二零一八年C部分」）。

二零一五年購股權

以下購股權於期內尚未根據二零一五年購股權行使：

二零一八年購股權

以下購股權於期內尚未根據二零一八年購股權行使：

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17. Event After The Reporting Period

There is no material subsequent event undertaken by the Group after 30 June 2021.

18. 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 12 August 2021.

17. 報告期後事項

本集團於二零二一年六月三十日後概無發生任何重大期後事項。

18. 批准中期簡明綜合財務資料

中期簡明綜合財務資料已於二零二一年八月十二日獲董事會批准及授權刊發。

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SHARE OPTION SCHEME

The Company adopted a share option scheme which became effective on 4 September 2015 and, unless cancelled or otherwise amended, will remain in force for 7 years from that date. As of 30 June 2021, the Company had options for 36,389,346 shares outstanding under the share option scheme, which represented approximately 2.80% of the Company's issued shares as of that date. The table below sets out details of outstanding options granted to Directors and other grantees under the share option scheme and transactions during the 6 months ended 30 June 2021:

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。於二零二一年六月三十日，本公司於購股權計劃項下共有36,389,346份未行使購股權，相當於該日期本公司已發行股份約2.80%。下表載列截至二零二一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：

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Number of share options 購股權數目	Name or category of participants 參與者姓名或類別				In aggregate 總數
	Directors 董事 Mr. Junjun Tang 唐均君先生		Other employees 其他僱員		
Granted at 04.09.2015 於二零一五年九月四日授出	-	29,262,000	-	-	30,250,000
Granted at 24.12.2018 於二零一八年十二月二十四日授出	-	-	33,820,000	-	34,500,000
Granted at 29.03.2019 於二零一九年三月二十九日授出	500,000	-	-	-	500,000
Granted at 23.12.2019 於二零一九年十二月二十三日授出	-	-	-	2,482,000	2,482,000
Cancelled during the year 2015 於二零一五年註銷	-	-130,000	-	-	-130,000
Cancelled during the year 2016 於二零一六年註銷	-	-1,458,000	-	-	-1,458,000
Cancelled during the year 2017 於二零一七年註銷	-	-1,353,399	-	-	-1,353,399
Cancelled during the year 2018 於二零一八年註銷	-	-754,595	-	-	-754,595
Cancelled during the year 2019 於二零一九年註銷	-	-58,000	-1,035,000	-36,000	-1,729,000
Cancelled during the year 2020 於二零二零年註銷	-	-	-993,904	-84,000	-1,276,904
Exercised during the period 期內行使	-	789,666	1,625,597	-	2,415,263
Cancelled during the period 期內註銷	-	-	-147,501	-	-147,501
Lapsed during the period 期內失效	-	-	-337,300	-196,000	-533,300
Outstanding at 01.01.2021 於二零二一年一月一日尚未行使	500,000	5,935,331	30,688,079	2,362,000	39,485,410
Outstanding at 30.06.2021 於二零二一年六月三十日尚未行使	500,000	5,145,665	28,577,681	2,166,000	36,389,346
Exercise period of share options 購股權之行使期	Note 1 附註1	Note 2 附註2	Note 3 附註3	Note 4 附註4	
Exercise price of share options 購股權之行使價	HK\$18.400 18.400港元	HK\$6.912 6.912港元	HK\$15.056 15.056港元	HK\$17.952 17.952港元	
Weighted average closing price of the shares immediately before the dates on which the share options were exercised 股份於緊接購股權獲行使日期之前的 加權平均收市價		HK\$48.5071 48.5071港元	HK\$47.9839 47.9839港元		

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Note 1 The exercise period of share options is from 29 March 2021 to 28 March 2026

Note 2 The exercise period of share options is from 04 September 2017 to 03 September 2022

Note 3 The exercise period of share options is from 24 December 2020 to 23 December 2025

Note 4 The exercise period of share options is from 23 December 2021 to 22 December 2026

Please refer to note 16 of the Notes to the Interim Condensed Consolidated Financial Information for further details.

附註1 購股權之行使期為二零二一年三月二十九日至二零二六年三月二十八日

附註2 購股權之行使期為二零一七年九月四日至二零二二年九月三日

附註3 購股權之行使期為二零二零年十二月二十四日至二零二五年十二月二十三日

附註4 購股權之行使期為二零二一年十二月二十三日至二零二六年十二月二十二日

進一步詳情請參閱中期簡明綜合財務資料附註16。

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

As of 30 June 2021, except as disclosed below, none of the Directors nor the Chief Executive of the Company had any ownership 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

於二零二一年六月三十日，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，或按照上市規則所載上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的任何權益及淡倉。

Name of Director	Capacity	Number of underlying shares held in long position ⁽¹⁾ 以好倉持有的相關股份數目 ⁽¹⁾	Approximate percentage of ownership 概約權益百分比
董事姓名	身份		
Mr. Junjun Tang 唐均君先生	Beneficial owner 實益擁有人	500,000	0.04%

Note:

(1) Long position in the underlying shares of the Company under share options granted pursuant to the Share Option Scheme. Please refer to page 54 for particulars of outstanding options as of 1 January 2021 and 30 June 2021 respectively.

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。有關二零二一年一月一日及二零二一年六月三十日的尚未行使的購股權的詳情，請參閱第54頁。

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

As of 30 June 2021, persons other than a Director or Chief Executive of the Company, having ownership 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

於二零二一年六月三十日，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 ownership	Number of shares held	Approximate percentage of aggregate ownership 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⁾	26.95%
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⁾	26.95%
Sino-Alliance International, Ltd. (Sino-Alliance International)	Legal and Beneficial owner 法定及實益擁有人	160,545,541 ⁽¹⁾⁽³⁾	12.35%
Sino-Alliance International, Ltd. (Sino-Alliance International)	Interest in a controlled corporation 受控制法團權益	28,415,606 ⁽¹⁾	2.19%
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	188,961,147 ⁽¹⁾⁽⁴⁾	14.53%
Xinxin (Hongkong) Capital Co., Limited 鑫芯(香港)投資有限公司	Legal and beneficial owner 法定及實益擁有人	219,962,925 ⁽¹⁾	16.92%
Xun Xin (Shanghai) Investment Co., Ltd. 巽鑫(上海)投資有限公司	Interest in a controlled corporation 受控制法團權益	219,962,925 ⁽¹⁾	16.92%
China Integrated Circuit Industry Investment Fund Co., Ltd. 國家集成電路產業投資基金股份有限公司	Interest in a controlled corporation 受控制法團權益	219,962,925 ⁽¹⁾	16.92%

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' OWNERSHIP 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.
- (3) Including 3,084 shares held in escrow by Sino-Alliance International pursuant to an escrow arrangement.
- (4) SAIL indirectly held beneficial ownership in the Company through two wholly-owned subsidiaries, including Sino-Alliance International.

* The percentages are calculated based on the total number of issued shares of the Company as of 30 June 2021, i.e., 1,300,230,536 shares.

Except as disclosed above, so far as is known to any of the Directors and Chief Executive of the Company, as of 30 June 2021, no other person or corporation had any beneficial ownership 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 SECURITIES

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 2021.

GEARING RATIO

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Group includes, within net debt, trade payables, other payables and accruals, interest-bearing bank borrowings, lease liabilities and amounts due to related parties, less cash and cash equivalents. The Group's gearing ratio as at 30 June 2021 was 7.96% (31 December 2020: 3.25%).

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。
- (3) 包括Sino-Alliance International根據一項託管安排，以託管方式持有的3,084股股份。
- (4) 上海聯和透過兩家全資子公司包括Sino-Alliance International間接持有本公司權益。

* 百分比乃按本公司於二零二一年六月三十日已發行的股份總數(即1,300,230,536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，於二零二一年六月三十日，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。

買賣或贖回證券

截至二零二一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。

資產負債比率

本集團以資產負債比率監控資本，資產負債比率按淨負債除以權益總額加淨負債計算。本集團將貿易應付款項、其他應付款項及暫估費用、計息銀行借款、租賃負債以及應付關聯方款項扣除現金及現金等價物計入淨負債。於二零二一年六月三十日，本集團的資產負債比率為7.96%(二零二零年十二月三十一日：3.25%)。

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CHARGES ON GROUP ASSETS

As at 30 June 2021, certain of Group's property, plant and equipment with a net carrying value of US\$1,820,299,000 (31 December 2020: US\$1,289,808,000) and right-of-use assets of US\$46,549,000 (31 December 2020: US\$46,636,000) were pledged to banks to secure the Group's banking facilities.

Pledged deposits with a carrying value of US\$335,000 as at 30 June 2021 (31 December 2020: US\$332,000) were pledged to secure the issuance of letters of credit.

Other pledged deposits with a carrying value of US\$27,000 as at 30 June 2020 (31 December 2019: US\$27,000) were pledged to secure the payment of dividends to shareholders.

抵押集團資產

於二零二一年六月三十日，本集團賬面淨值為1,820,299,000美元(二零二零年十二月三十一日：1,289,808,000美元)的若干物業、廠房及設備及賬面淨值為46,549,000美元(二零二零年十二月三十一日：46,636,000美元)的使用權資產已抵押予銀行以取得本集團的銀行信貸融資。

於二零二一年六月三十日，已抵押賬面值為335,000美元(二零二零年十二月三十一日：332,000美元)的已抵押存款以獲發行信用證。

於二零二零年六月三十日，已抵押賬面值為27,000美元(二零一九年十二月三十一日：27,000美元)的其他已抵押存款，以向股東支付股息。

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PERFORMANCE OF THE EQUITY INVESTMENTS

The table below sets out the breakdown of the performance in respect of the Equity Investments during the six-month period ended 30 June 2021.

股權投資之表現

下表載列截至二零二一年六月三十日止六個月期間有關股權投資之表現詳情。

	Shanghai Huali 上海華力 (USD'000) (千美元)	QST 矽睿科技 (USD'000) (千美元)
Initial investment cost 初始投資成本	229,133	1,704
Book value at the beginning of the period 於期初之賬面值	227,757	2,508
Purchases 購買	-	-
Redemption 贖回	-	-
Changes in fair value 公平值變動	-	-
Exchange realignment 匯兌調整	2,284	25
Book value at the end of the period 於期末之賬面值	230,042	2,533
Percentage of shares* 股份百分比*	6.34%	0.62%
Size compared to the total assets 與資產總值比較之規模	4.6%	0.1%

* refers to the percentage of shares held by the Company in Shanghai Huali and QST respectively

* 分別指本公司於上海華力及矽睿科技所持股份之百分比

During the six-month period ended 30 June 2021, the Group did not dispose of any shares in Shanghai Huali or QST. Increases in the fair value of the Company's equity investment in Shanghai Huali and QST were Nil.

截至二零二一年六月三十日止六個月期間，本集團並未出售上海華力或矽睿科技之任何股份。本公司於上海華力及矽睿科技股權投資之公平值增值為零。

Shanghai Huali was established in 2010. As an industry-leading IC wafer foundry company, Shanghai Huali has advanced process technologies and offers comprehensive solutions. It is devoted to providing one-stop wafer foundry technical services for process technology nodes from 65/55nm to 28/22nm for design companies, IDM companies and other system companies. Shanghai Huali has two 12-inch fully-automated wafer fabs in China.

上海華力起步於2010年。作為行業內領先的積體電路晶片製造企業，上海華力擁有先進的工藝制程和完備的解決方案，專注於為設計公司、IDM公司及其他系統公司提供65/55納米至28/22納米不同技術節點的一站式晶片製造技術服務。上海華力在中國有兩座12吋全自動晶圓工廠。

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PERFORMANCE OF THE EQUITY INVESTMENTS (continued)

During the six-month period ended 30 June 2021, the book value of the Company's equity investment has increased by US\$2,284,000 due to appreciation of the RMB. Overall, Shanghai Huali continued steady development in 2021. Accordingly, the Board is of the view that the performance of Shanghai Huali during the six-month period ended 30 June 2021, has been in line with its expectations.

QST is committed to the research and development of high performance sensors, emerging sensors and intelligent sensor systems for the internet-of-things, and industrial and automobile applications. In 2018, QST was awarded the Top 10 MEMS Enterprises of China. Similar to the investment in Shanghai Huali, the appreciation of the RMB has caused a foreign currency statement gain of around US\$25,000. As the business of QST is still in its early development stage, the Board is of the view that the performance and strategic planning of QST during the six-month period ended 30 June 2021 have been consistent with its expectations.

The Company confirms that it has complied with the accounting policy of investments and other financial assets (policies under HKFRS 9 applicable from 1 January 2018) as contained in the interim report of the Company for the six-month period ended 30 June 2021.

The Company expects the future prospects of the aforementioned investments to be largely in line with that over the past period. No significant changes in investment strategy or source of funding are expected for the coming year.

EMPLOYEES AND REMUNERATION POLICIES

As of 30 June 2021, the company had approximately 6,000 employees in the People's Republic of China and overseas (30 June 2020: approximately 5,500). The Company's remuneration policy is reviewed periodically and determined by reference to the analysis on market competitiveness, company performance, and individual qualifications and performance. Staff benefits include medical schemes, mandatory social insurance and provident fund etc.

股權投資之表現(續)

截至二零二一年六月三十日止六個月期間，由於人民幣升值，本公司股權投資賬面值增加2,284,000美元。總體而言，二零二一年上海華力穩步發展。因此，董事會認為，上海華力於截至二零二一年六月三十日止六個月期間之表現符合預期。

矽睿科技致力於研發用於物聯網以及工業及汽車應用的優質傳感器、新興傳感器及智能傳感器系統。二零一八年，矽睿科技被評為中國十大MEMS企業。與於上海華力投資類似，人民幣升值致外幣報表收益約25,000美元。由於矽睿科技業務仍處於早期發展階段，董事會認為矽睿科技於截至二零二一年六月三十日止六個月期間的表現及戰略規劃符合預期。

本公司確認，其已遵守本公司截至二零二一年六月三十日止六個月期間的中報所載的投資及其他金融資產之會計政策(根據香港財務報告準則第9號自二零一八年一月一日起適用的政策)。

本公司預期上述投資的未來前景將與去年同期基本一致，且投資策略或資金來源預計於來年不會發生重大變動。

僱員及薪酬政策

於二零二一年六月三十日，本公司於中華人民共和國及海外擁有約6,000名僱員(二零二零年六月三十日：約5,500名)。本公司定期審視薪酬政策，該政策乃參考市場競爭性分析、公司業績表現及員工勝任技能與工作績效釐定。員工福利包括醫療計劃、強制性社會保險及公積金等。

COMPLIANCE WITH THE DEED OF NON-COMPETITION AND DEED OF RIGHT OF FIRST REFUSAL

Huahong Group, SAIL and INESA, being controlling shareholders of the Company at the time, 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 Non-competition” 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 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 “Right of First Refusal” in the section headed “Relationship with Controlling Shareholders” of the Prospectus.

As of 30 June 2021, the Company has reviewed the written declaration from each of Huahong Group, SAIL and INESA on their compliance with their commitments 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 commitments 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 and accountability.

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 2021.

遵守不競爭契據及優先購買權契據

華虹集團、上海聯和及儀電集團(作為本公司當時的控股股東)訂立了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訂立了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」一段。

本公司於截至二零二一年六月三十日止已覆核華虹集團、上海聯和及儀電集團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及問責性。

董事會認為,本公司於截至二零二一年六月三十日止六個月期間一直遵守上市規則附錄十四所載的企業管治守則內的守則條文。

OTHER DISCLOSURES

其他披露資料

30 June 2021
二零二一年六月三十日

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 confirmation that they have complied with the required standard as set forth in the Code throughout the six months ended 30 June 2021.

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 2021 and has discussed with management 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 2021 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，每位董事均已確認其於截至二零二一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二零二一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二零二一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

HHGrace | 華虹宏力

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

