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HUA HONG SEMICONDUCTOR LIMITED

華虹半導體有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 01347)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

The board of directors (the “**Board**”) of Hua Hong Semiconductor Limited (the “**Company**”) hereby announces the unaudited consolidated results of the Company and its subsidiaries for the six months ended 30 June 2023.

This announcement, containing the full text of the 2023 Interim Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) in relation to information to accompany preliminary announcement of interim results.

Printed versions of the Company’s 2023 Interim Report will be dispatched to shareholders of the Company and the same will be available for viewing on the websites of the Hong Kong Stock Exchange at www.hkexnews.hk and of the Company at www.huahonggrace.com in due course.

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

Hong Kong, 29 August 2023

As at the date of this announcement, the directors of the Company are:

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

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;
“China IC Fund II”	China Integrated Circuit Industry Investment Fund (Phase II) Co., Ltd.* (國家集成電路產業投資基金二期股份有限公司), a company established in the PRC on 22 October 2019;
“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);
“HHGrace”	Shanghai Huahong Grace Semiconductor Manufacturing Corporation* (上海華虹宏力半導體製造有限公司), a company incorporated in the PRC on 24 January 2013 and a wholly-owned subsidiary of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Independent Non-Executive Director(s)”	the independent non-executive Director(s) of our Company;
“JV Agreement”	the joint venture agreement dated 18 January 2023 entered into among the Company, HHGrace, China IC Fund II and the Wuxi Municipal Entity for the purpose of setting up a joint venture to carry out the JV Business;
“JV Business”	the manufacturing and sale of integrated circuits that the JV Company engages in, including the production of 12-inch (300 mm) wafers adopting 65/55 nm to 40 nm processes;

DEFINITIONS

“JV Company”	Hua Hong Semiconductor Manufacturing (Wuxi) Co., Ltd.* (華虹半導體製造(無錫)有限公司), a company incorporated in the PRC on 17 June 2022 for the purpose of the JV Business, the registered capital of which was held as to 100% by HHGrace and, upon completion of the relevant filing(s) with the PRC authorities under the JV Agreement and the JV Investment Agreement, became owned as to approximately 21.9% by the Company, 29.1% by HHGrace, 29% by China IC Fund II and 20% by the Wuxi Municipal Entity;
“JV Investment Agreement”	the investment agreement dated 18 January 2023 entered into among the JV Shareholders and the JV Company, pursuant to which the JV Shareholders conditionally agreed to increase the registered capital of the JV Company to US\$4.02 billion;
“JV Shareholders”	the Company, HHGrace, China IC Fund II and the Wuxi Municipal Entity;
“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;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules;
“Non-Executive Director(s)”	the non-executive Director(s) of our Company;
“QST”	QST Corporation (上海矽睿科技有限公司), a company incorporated in the PRC on 13 September 2012 and a connected person of the Company until 1 September 2020;
“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 Awinic”	Shanghai Awinic Technology Co., Ltd. (上海艾為電子技術股份有限公司), a company incorporated in the PRC on 18 June 2008 whose shares are listed on the STAR Market of the Shanghai Stock Exchange (stock code: 688798);
“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;
“Shanghai Stock Exchange”	the Shanghai Stock Exchange;
“STAR Market”	the Science and Technology Innovation Board of the Shanghai Stock Exchange;
“US\$”	US dollars, the lawful currency of USA;
“Wuxi Municipal Entity”	Wuxi Xi Hong Guo Xin Investment Co., Ltd.* (無錫錫虹國芯投資有限公司), a professional investment company jointly controlled by municipal and district-level state-owned enterprises.

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

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

China CITIC Bank 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 Registrars

Hong Kong shares:

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

A shares:

China Securities Depository and Clearing Corporation
Limited, Shanghai Branch
No. 188 South Yanggao Road
Pudong New Area
Shanghai

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

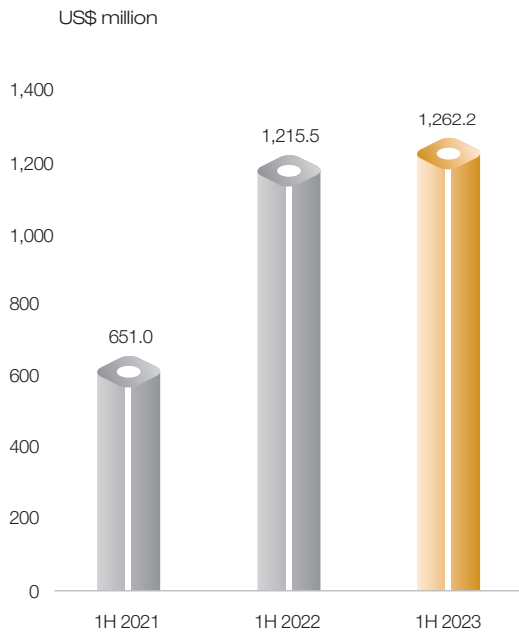
Stock Codes

Hong Kong Stock Exchange: 01347

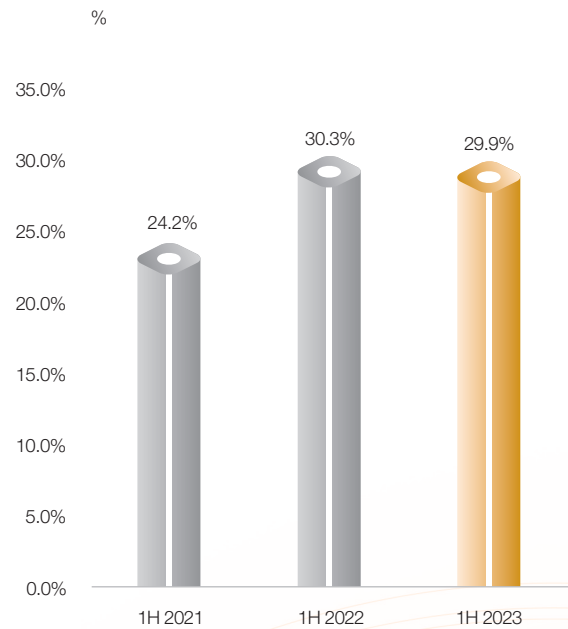
Shanghai Stock Exchange: 688347

KEY FINANCIALS

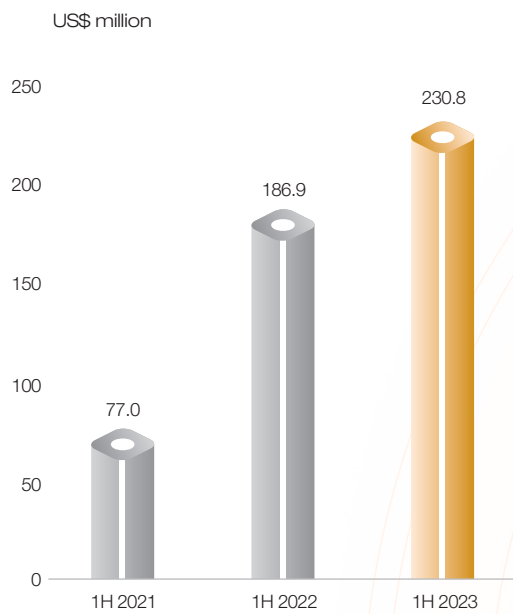
Revenue



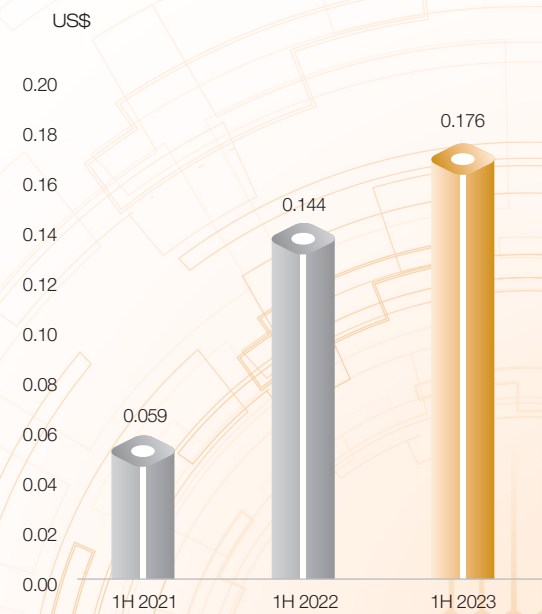
Gross profit margin



Profit attributable to owners of the parent



EPS



MANAGEMENT DISCUSSION AND ANALYSIS

Financial Performance

	1H 2023 US\$' 000 Unaudited	1H 2022 US\$'000 Unaudited	Change
Revenue	1,262,223	1,215,471	3.8%
Cost of sales	(884,970)	(846,578)	4.5%
Gross profit	377,253	368,893	2.3%
Other income and gains	50,679	20,006	153.3%
Fair value loss on an investment property	–	(316)	(100.0)%
Selling and distribution expenses	(5,090)	(7,026)	(27.6)%
Administrative expenses	(147,839)	(138,914)	6.4%
Other expenses	(46,126)	(53,205)	(13.3)%
Finance costs	(56,700)	(14,980)	278.5%
Share of profits of associates	3,504	2,299	52.4%
Profit before tax	175,681	176,757	(0.6)%
Income tax expense	(26,945)	(21,407)	25.9%
Profit for the period	148,736	155,350	(4.3)%
Attributable to:			
Owners of the parent	230,758	186,877	23.5%
Non-controlling interests	(82,022)	(31,527)	160.2%

Revenue

Revenue reached an all-time high of US\$1,262.2 million, an increase of 3.8% compared to 1H 2022, primarily benefiting from improved average selling price.

Cost of sales

Cost of sales was US\$885.0 million, an increase of 4.5% compared to 1H 2022, primarily due to increased depreciation and utility costs.

Gross profit

Gross profit was US\$377.3 million, an increase of 2.3% compared to 1H 2022, primarily driven by improved average selling price, partially offset by increased depreciation and utility costs.

Other income and gains

Other income and gains were US\$50.7 million, an increase of 153.3% compared to 1H 2022, primarily due to increased interest income and government subsidies.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling and distribution expenses

Selling and distribution expenses were US\$5.1 million, a decrease of 27.6% compared to 1H 2022, primarily due to decreased labor expenses.

Administrative expenses

Administrative expenses were US\$147.8 million, an increase of 6.4% compared to 1H 2022, primarily due to increased engineering wafer costs and decreased government grants for research and development.

Other expenses

Other expenses were US\$46.1 million, a decrease of 13.3% compared to 1H 2022, primarily due to decreased foreign exchange losses.

Finance costs

Finance costs were US\$56.7 million, an increase of 278.5% compared to 1H 2022, primarily due to increased interest rate of bank borrowings.

Share of profits of associates

Share of profits of associates was US\$3.5 million, an increase of 52.4% compared to 1H 2022, due to increased profit realized by the associates.

Income tax expense

Income tax expense was US\$26.9 million, an increase of 25.9% compared to 1H 2022, 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\$148.7 million, a decrease of 4.3% compared to 1H 2022. Net profit margin was 11.8%, a decrease of 1.0 percentage points compared to 1H 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Status

	30 June 2023 US\$' 000 Unaudited	31 December 2022 US\$'000 Audited	Change
Non-current assets			
Property, plant and equipment	3,256,562	3,367,716	(3.3)%
Investment property	163,241	169,363	(3.6)%
Right-of-use assets	80,145	78,425	2.2%
Investment in associates	129,414	130,721	(1.0)%
Equity instruments designated at fair value through other comprehensive income	151,812	178,632	(15.0)%
Other non-current assets	89,500	54,794	63.3%
Total non-current assets	3,870,674	3,979,651	(2.7)%
Current assets			
Inventories	558,252	578,060	(3.4)%
Trade and notes receivables	310,705	291,856	6.5%
Due from related parties	16,803	13,006	29.2%
Other current assets	175,868	182,996	(3.9)%
Pledged deposits	167,077	1,042	15,934.3%
Cash and cash equivalents	1,850,957	2,008,765	(7.9)%
Total current assets	3,079,662	3,075,725	0.1%
Current liabilities			
Trade payables	227,907	236,999	(3.8)%
Interest-bearing bank borrowings	385,746	426,756	(9.6)%
Due to related parties	4,720	6,096	(22.6)%
Government grants	34,133	37,714	(9.5)%
Other current liabilities	451,860	674,851	(33.0)%
Total current liabilities	1,104,366	1,382,416	(20.1)%
Net current assets	1,975,296	1,693,309	16.7%
Non-current liabilities			
Interest-bearing bank borrowings	1,410,544	1,481,580	(4.8)%
Lease liabilities	18,312	14,644	25.0%
Deferred tax liabilities	21,938	41,268	(46.8)%
Total non-current liabilities	1,450,794	1,537,492	(5.6)%
Net assets	4,395,176	4,135,468	6.3%

MANAGEMENT DISCUSSION AND ANALYSIS

Explanation of items with fluctuation over 10% from 31 December 2022 to 30 June 2023

Equity instruments designated at fair value through other comprehensive income

Equity instruments designated at fair value through other comprehensive income decreased from US\$178.6 million to US\$151.8 million, primarily due to changes in fair value and exchange realignment.

Other non-current assets

Other non-current assets increased from US\$54.8 million to US\$89.5 million, primarily due to increased prepayments for capital expenditure.

Due from related parties

Due from related parties increased from US\$13.0 million to US\$16.8 million, primarily due to increased receivables from certain of our related parties.

Pledged deposits

Pledged deposits increased from US\$1.0 million to US\$167.1 million, primarily due to increased pledged deposits for bank borrowings.

Due to related parties

Due to related parties decreased from US\$6.1 million to US\$4.7 million, primarily due to decreased payables to one of our related parties.

Other current liabilities

Other current liabilities decreased from US\$674.9 million to US\$451.9 million, primarily due to decreased payables for capital expenditures, prepayments from customers, and a payment of income tax for 2022.

Lease liabilities

Lease liabilities increased from US\$14.6 million to US\$18.3 million, primarily due to new lease contracts, partially offset by payments of lease liabilities in the period.

Deferred tax liabilities

Deferred tax liabilities decreased from US\$41.3 million to US\$21.9 million, primarily due to a reversal of dividend withholding tax accrued for 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Cash Flow

	1H 2023 US\$' 000 Unaudited	1H 2022 US\$' 000 Unaudited	Change
Net cash flows generated from operating activities	293,058	407,848	(28.1)%
Net cash flows used in investing activities	(353,930)	(227,059)	55.9 %
Net cash flows used in financing activities	(36,934)	(27,648)	33.6 %
Net (decrease)/increase in cash and cash equivalents	(97,806)	153,141	(163.9)%
Cash and cash equivalents at beginning of the period	2,008,765	1,610,140	24.8 %
Effect of foreign exchange rate changes, net	(60,002)	(55,631)	7.9 %
Cash and cash equivalents at end of the period	1,850,957	1,707,650	8.4 %

Net cash flows generated from operating activities

Net cash flows generated from operating activities decreased from US\$407.8 million to US\$293.1 million, primarily due to increased payments for materials and maintenance.

Net cash flows used in investing activities

Net cash flows used in investing activities were US\$353.9 million, primarily including US\$381.6 million for capital investments, partially offset by US\$27.7 million of interest income.

Net cash flows used in financing activities

Net cash flows used in financing activities were US\$36.9 million, including US\$167.7 million of pledged deposits, US\$128.1 million of bank principal repayments, US\$57.5 million of interest payments, US\$3.1 million of lease payments, and US\$0.6 million of listing fees, partially offset by US\$296.2 million of capital contribution from non-controlling interests, US\$21.1 million of proceeds from bank borrowings, and US\$2.8 million proceeds from share option exercise.

Financial Resources

The Group adopts a prudent approach to cash and financial management to ensure proper risk control and low cost of funds. The Group finances its operations primarily with internally generated cash flow and bank loans. As at 30 June 2023, the Group had cash and bank balances of approximately US\$1,851.0 million (of which approximately US\$1,245.7 million were denominated in RMB and approximately US\$573.8 million in US dollars), representing a decrease of US\$157.8 million as compared to US\$2,008.8 million at the end of 2022.

Liquidity

To meet liquidity requirements in the short and long term, our policy is to monitor regularly the current and expected liquidity requirements to ensure that we maintain sufficient reserves of cash and adequate committed lines of funding from major financial institutions.

Capital Management

Our primary objectives of capital management are to safeguard our ability to continue as a going concern and to maintain healthy capital ratios to support our business and maximize shareholders' value. We manage our capital structure and make adjustments in light of the changes in economic conditions. To do this, we may adjust the dividend payment to shareholders, return capital to shareholders, or issue new shares. We are not subject to any externally imposed capital requirements. No changes were made in the objectives, policies, or processes for managing capital during the six months ended 30 June 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Bank Loans

The particulars of bank loans of the Group as at 30 June 2023 are set out as below:

	30 June 2023 US\$' 000 Unaudited	31 December 2022 US\$'000 Audited
Current		
Bank loans – unsecured	240,966	314,039
Current portion of long term bank loans – secured	144,780	112,717
	385,746	426,756
Non-current		
Secured bank loans	1,380,544	1,451,580
Unsecured bank loans	30,000	30,000
	1,410,544	1,481,580
	1,796,290	1,908,336

The Group is dedicated to improving financing method. As at 30 June 2023, the Group had outstanding bank borrowings of US\$1,796.3 million, compared to US\$1,908.3 million as at the end of 2022. The bank borrowings included secured interest-bearing borrowings of US\$1,525.3 million and unsecured interest-bearing borrowings of US\$271.0 million. Bank borrowings of US\$36.2 million had fixed interest rates ranging from 1.2% to 2.0% per annum. Except for bank loans of US\$142.9 million which are denominated in RMB, all borrowings are denominated in US dollars.

Charges on Group Assets

As at 30 June 2023, certain of Group's property, plant and equipment with a net carrying value of US\$1,460,173,000 (31 December 2022: US\$1,803,095,000), right-of-use assets of US\$12,719,000 (31 December 2022: US\$50,231,000), properties under development of US\$84,850,000 (31 December 2022: US\$88,033,000) and pledged deposits of US\$167,077,000 (31 December 2022: Nil) were pledged to banks to secure the Group's banking facilities.

Pledged deposits with a carrying value of US\$300,000 as at 30 June 2023 (31 December 2022: US\$311,000) 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 2023 (31 December 2022: US\$27,000) were pledged to secure the payment of dividends to shareholders.



MANAGEMENT DISCUSSION AND ANALYSIS

Exposure to Fluctuations in Exchange Rates

We have transactional currency exposures, arising primarily from sales or purchases by our significant subsidiaries operating in Mainland China in US\$ rather than the subsidiary's functional currency, which is RMB. During the six months ended 30 June 2023, approximately 23% of our sales were denominated in currencies other than the functional currency of the subsidiary making the sale, whilst 62% of costs of sales were denominated in the subsidiary's functional currency.

In addition, we have currency exposures from interest-bearing bank borrowings, held by our subsidiary operating in Mainland China. As at 30 June 2023, interest-bearing bank borrowings with a carrying amount of US\$1,653 million were denominated in US\$, instead of the subsidiary's functional currency, which is RMB.

As at 30 June 2023, if the US dollar had strengthened or weakened against the RMB by 5%, with all other variables held constant, our profit before tax for the period would have been approximately US\$57 million lower or higher.

For the six months ended 30 June 2023, the Group had not entered into any arrangement to hedge the aforementioned foreign currency risks. Nevertheless, the Company's management will continue to monitor the foreign exchange exposure position and will consider appropriate measures should the need arise.

Contingent Liabilities

As at 30 June 2023, the Group did not have any contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In the first half of 2023, the global and regional economy recovered slowly, the consumer market remained sluggish, and the foundry industry faced greater challenges. Nevertheless, HHGrace has maintained stable results. The solid revenue performance can be attributable to the Company's optimized product portfolio, the long-term support from our customers, and the unremitting efforts of all employees. In the first half of 2023, the Company's capacity utilization rate remained high, and its sales of eNVM/Standalone NVM process platforms and Discrete process platforms constantly maintained double-digit growth year-on-year.

Embedded/Standalone Non-Volatile Memory (eNVM/Standalone NVM) process platforms continued to maintain rapid growth in both R&D and sales. In terms of R&D, the 90nm embedded flash automotive-grade process and IP reliability verification, which are based on our NORD technology with independent intellectual property rights, have been completed, which can support the design and mass production of AEC-Q100 Grade1 MCU products and will continue to enrich the Company's layout of automotive MCU solutions; the development of 65nm standalone NVM process platform product has remained smooth. In terms of sales, the revenue and shipment of the platform achieved double-digit growth year-on-year in the first half of 2023.

As the Company's power discrete devices are increasingly applied to high-quality development markets, revenue of the process platform increased over 30% year-on-year in the first half of 2023 due to the Company's rich variety of power discrete device processes, superior technology, and quality assurance, making it an important engine for the Company's stable results. Growth was continuously driven by the expanding electric vehicle and industrial applications markets worldwide, particularly in Mainland China. Due to constantly innovative technology R&D and a stable supply guarantee, Hua Hong's services have won recognition from global customers.

Hua Hong Wuxi Phase I 12-inch fab (HH Fab7) operated smoothly, with a high capacity utilization rate in the first half of 2023. Construction for a total monthly capacity of 94,500 wafers is expected to be completed by the end of the year. On 18 January 2023, the Company, HHGrace, China IC Fund II and the Wuxi Municipal Entity entered into the JV Agreement, pursuant to which the parties conditionally agreed to establish a joint venture (i.e. the Wuxi Phase II project (HH Fab9)) through the JV Company and invest US\$880.38 million, US\$1,169.82 million, US\$1,165.8 million and US\$804 million in cash, respectively, in the JV Company. Pursuant to the JV Agreement, the JV Company shall engage in the manufacturing and sale of integrated circuits and 12-inch (300mm) wafers adopting 65/55 nm to 40 nm processes. On the same day, the JV Shareholders and the JV Company entered into the JV Investment Agreement to convert the JV Company into a joint venture and increase the registered capital of the JV Company from RMB6.68 million to US\$4.02 billion. Details of the JV Agreement and the JV Investment Agreement are set out in the circular of the Company dated 24 February 2023. A groundbreaking ceremony for the Wuxi Phase II project (HH Fab9) was held on 30 June 2023. The project has a planned monthly production capacity of 83,000 wafers, with a focus on advanced specialty ICs and high-end power discrete devices for automotive-grade process manufacturing platforms.

In the second half of 2023, the Company will continue to expand production capacity, accelerate process development, and cover a wider range of product categories. Despite the slow recovery of the end-user market, the Company will continue to unswervingly promote its diversified development strategy, deploy more advanced "Specialty IC + Power Discrete" technologies in our "8-inch +12-inch" production platforms, and provide global customers with more comprehensive and excellent technologies and services in the specialty wafer foundry field.



MANAGEMENT DISCUSSION AND ANALYSIS

Issue of RMB Shares after the Interim Period

On 27 June 2022, an ordinary resolution was proposed and approved at the extraordinary general meeting of the Company in relation to the Company's proposed issue of no more than 433,730,000 ordinary shares, to be subscribed for in RMB by target subscribers in the PRC and to be listed on the STAR Market and traded in RMB (the "**RMB Share Issue**"), under a specific mandate granted by the shareholders at that meeting. The validity period of the resolution was extended with the approval of the shareholders of the Company on 26 June 2023.

The Board considers that the RMB Share Issue will enable the Company to access the PRC capital market by way of equity financing and thus broaden the Company's fund-raising channels and shareholder base and improve the Company's capital structure. Also, the Board considers that the RMB Share Issue will be able to further strengthen the financial position of the Group and serve general corporate purposes and working capital needs of the Group, as well as to further enhance the Company's corporate profile, visibility and market presence in the PRC market. Further, it is expected that the RMB Share Issue will enable the Company to enhance its production capacity and research and development capability which will then allow the Company to capture future growth opportunities and consolidate its position as a leading pure-play foundry in the PRC.

By way of the RMB Share Issue, 407,750,000 ordinary shares of the Company (the "**RMB Shares**") were issued and subscribed for, with gross proceeds of RMB21,203 million (equivalent to US\$2,974 million). After deducting issuance costs (including underwriting fees and other issuance costs), the net proceeds were RMB20,921 million (equivalent to US\$2,934 million), which resulted in an increase of RMB20,921 million (equivalent to US\$2,934 million) in the share capital of ordinary shares. The offer price of each RMB Share was RMB52.00.

The RMB Shares of the Company were listed and became available for trading on the STAR Market of the Shanghai Stock Exchange, with the stock code 688347, on 7 August 2023.

For further details about the RMB Share Issue, please refer to the Company's announcements dated 21 March 2022, 12 May 2022, 27 June 2022, 4 November 2022, 30 January 2023, 13 April 2023, 10 May 2023, 17 May 2023, 28 May 2023, 7 June 2023, 28 June 2023, 5 July 2023, 14 July 2023, 18 July 2023, 21 July 2023, 24 July 2023, 26 July 2023, 27 July 2023, 31 July 2023 and 4 August 2023, and the Company's circulars dated 7 June 2022, 5 June 2023 and 29 June 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Future Plans for Material Investments and Capital Assets

As disclosed in the Company's circulars dated 7 June 2022 and 5 June 2023, the Company intends to apply the proceeds from the RMB Share Issue to, among others, the "Hua Hong Manufacturing (Wuxi) Project", the "8-Inch Factory Optimisation and Upgrading Project" and the "Specialty Technological Innovation and Research and Development Project".

The "Hua Hong Manufacturing (Wuxi) Project" aims at engaging in the design, research, manufacturing, testing, packaging and sale of integrated circuits fabricated on 12-inch (300mm) wafers. The Company expects to establish production facilities and make required purchases of various types of equipment, such as inspection equipment, furnaces and implanters. The chips are expected to be used in technical products such as high-density smart card integrated circuits, microcontrollers, smart power management systems and system-on-chips. Production is expected to commence in early 2025, with the monthly production capacity targeted to be 40,000 wafers by the second quarter of 2026.

The "8-Inch Factory Optimisation and Upgrading Project" aims at upgrading a part of logic technology platform production lines and power device technology platform production lines, with a view to matching the technological requirements of the relevant specialty platforms and enhancing the flexible manufacturing capability of the power device technology platform.

The "Specialty Technological Innovation and Research and development Project" aims at enhancing the Company's proprietary innovation and research and development capabilities.

For further details, please refer to the Company's circulars dated 7 June 2022 and 5 June 2023.

Save as disclosed above and in this interim report, the Group did not have other concrete plans for material investments or capital assets as of 30 June 2023.

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；
「國家集成電路產業基金II」	國家集成電路產業投資基金二期股份有限公司，一家於二零一九年十月二十二日在中國成立的公司；
「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；
「華虹宏力」	上海華虹宏力半導體製造有限公司，一家於二零一三年一月二十四日在中國註冊成立的公司，為本公司的全資子公司；
「港元」	香港法定貨幣港元；
「香港」	中國香港特別行政區；
「香港聯交所」	香港聯合交易所有限公司；
「獨立非執行董事」	本公司獨立非執行董事；
「合營協議」	本公司、華虹宏力、國家集成電路產業基金II及無錫市實體訂立的日期為二零二三年一月十八日的合營協議，旨在設立合營企業以開展合營業務；
「合營業務」	合營公司從事的集成電路的製造及銷售（包括採用65/55 nm至40 nm工藝生產12英寸(300 mm)晶圓）；

釋義

「合營公司」	華虹半導體製造(無錫)有限公司，一家於二零二二年六月十七日在中國註冊成立的公司，用於合營業務，其註冊資本由華虹宏力持有100%，根據合營協議及合營投資協議，向中國政府完成相關備案後由本公司、華虹宏力、國家集成電路產業基金II及無錫市實體分別擁有約21.9%、29.1%、29%及20%；
「合營投資協議」	由合營股東及合營公司訂立的日期為二零二三年一月十八日的投資協議，據此，合營股東有條件同意將合營公司的註冊資本增至40.2億美元；
「合營股東」	本公司、華虹宏力、國家集成電路產業基金II及無錫市實體；
「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)；
「標準守則」	上市規則附錄十所載的《上市發行人董事進行證券交易的標準守則》；
「非執行董事」	本公司非執行董事；
「矽睿科技」	上海矽睿科技有限公司，一家於二零一二年九月十三日在中國註冊成立的公司，於二零二零年九月一日之前為本公司的關連人士；
「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)；
「上海艾為」	上海艾為電子技術股份有限公司，一家於二零零八年六月十八日在中國註冊成立的公司，其股份在上交所科創板上市(股份代號：688798)；
「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；
「上交所」	上海證券交易所；
「科創板」	上交所科創板；
「美元」	美國法定貨幣美元；
「無錫市實體」	無錫錫虹國芯投資有限公司，一家由市屬及區級國企聯合控制的專業投資公司。

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

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香港

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太古坊一座27樓

香港法律顧問

史密夫斐爾律師事務所

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告羅士打大廈23樓

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中國上海市

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國家開發銀行上海分行

中國上海市

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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

新吳區旺莊路140號

股份過戶登記處

港股：

卓佳證券登記有限公司
香港
夏慤道16號
遠東金融中心17樓

A股：

中國證券登記結算有限責任公司上海分公司
上海市
浦東新區
楊高南路188號

註冊辦事處

香港中環
夏慤道12號
美國銀行中心2212室

主要營業地點

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

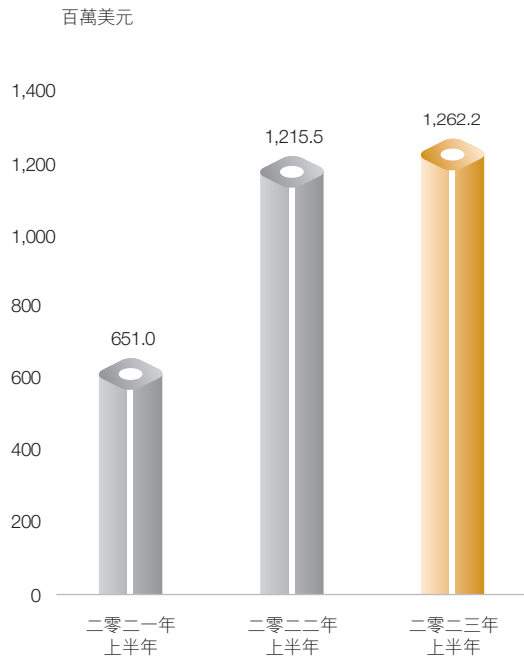
股份代號

香港聯交所：01347

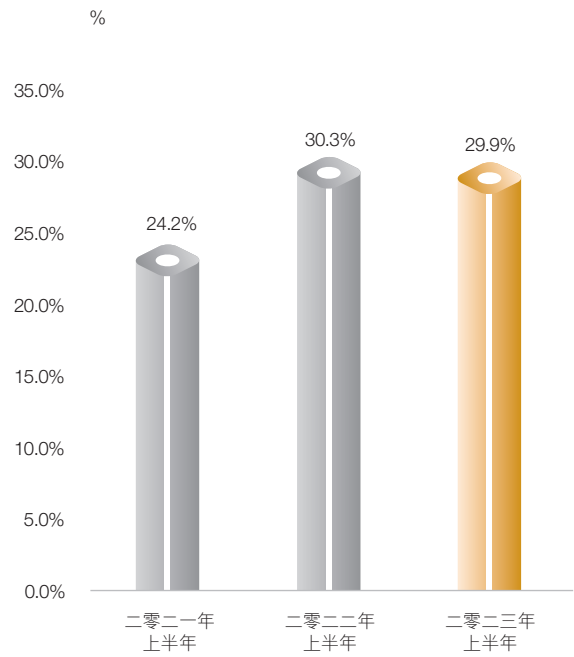
上交所：688347

主要財務指標

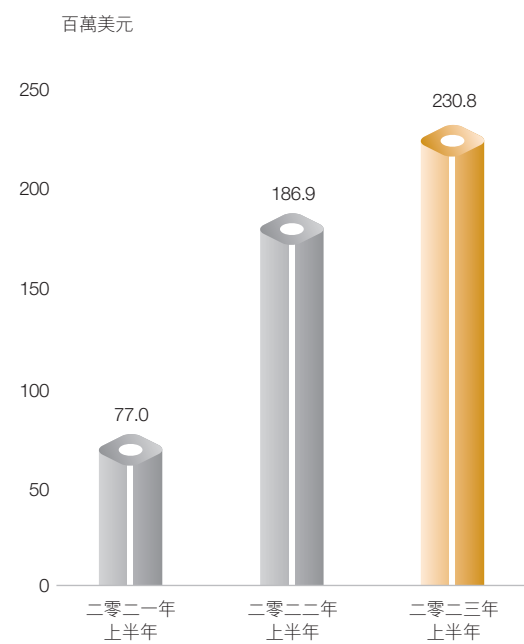
銷售收入



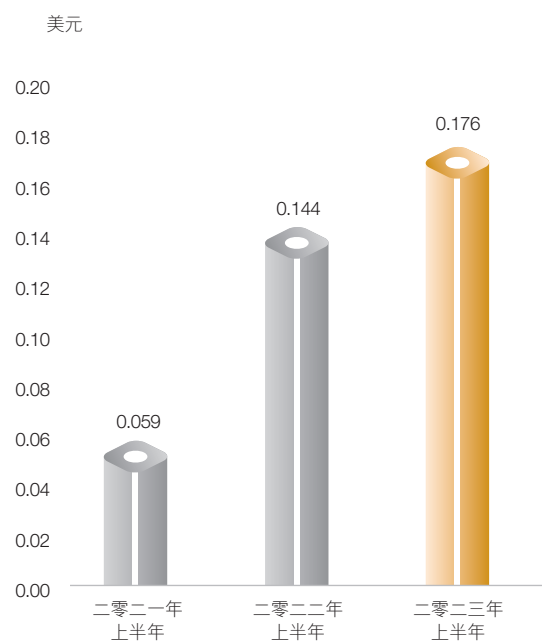
毛利率



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

	二零二三年 上半年 千美元 未經審核	二零二二年 上半年 千美元 未經審核	變動
銷售收入	1,262,223	1,215,471	3.8%
銷售成本	(884,970)	(846,578)	4.5%
毛利	377,253	368,893	2.3%
其他收入及收益	50,679	20,006	153.3%
投資物業的公平值虧損	—	(316)	(100.0)%
銷售及分銷費用	(5,090)	(7,026)	(27.6)%
管理費用	(147,839)	(138,914)	6.4%
其他費用	(46,126)	(53,205)	(13.3)%
財務費用	(56,700)	(14,980)	278.5%
分佔聯營公司溢利	3,504	2,299	52.4%
稅前溢利	175,681	176,757	(0.6)%
所得稅開支	(26,945)	(21,407)	25.9%
期內溢利	148,736	155,350	(4.3)%
以下各項應佔：			
母公司擁有人	230,758	186,877	23.5%
非控股權益	(82,022)	(31,527)	160.2%

銷售收入

銷售收入創歷史新高，達12.622億美元，較二零二二年上半年增長3.8%，主要受益於平均銷售價格上漲。

銷售成本

銷售成本為8.850億美元，較二零二二年上半年上升4.5%，主要由於折舊及水電費用增加所致。

毛利

毛利為3.773億美元，較二零二二年上半年增長2.3%，主要受惠於平均銷售價格上漲，部分被折舊及水電費用增加所抵銷。

其他收入及收益

其他收入及收益為5,070萬美元，較二零二二年上半年增加153.3%，主要由於利息收入和政府補助增加所致。



管理層討論及分析

銷售及分銷費用

銷售及分銷費用為510萬美元，較二零二二年上半年下降27.6%，主要由於人工費用減少所致。

管理費用

管理費用為1.478億美元，較二零二二年上半年上升6.4%，主要由於工程晶圓費用增加及研發相關的政府補助減少所致。

其他費用

其他費用為4,610萬美元，較二零二二年上半年減少13.3%，主要由於外匯匯兌虧損減少所致。

財務費用

財務費用為5,670萬美元，較二零二二年上半年上升278.5%，主要由於銀行借款利率增加所致。

分佔聯營公司溢利

分佔聯營公司溢利為350萬美元，較二零二二年上半年上升52.4%，由於聯營公司實現的溢利增加所致。

所得稅開支

所得稅開支為2,690萬美元，較二零二二年上半年上升25.9%，主要由於應課稅溢利增加所致。

期內溢利

綜合考慮上述因素，期內溢利為1.487億美元，較二零二二年上半年減少4.3%。淨利潤率為11.8%，較二零二二年上半年減少1.0個百分點。

管理層討論及分析

財務狀況

	二零二三年 六月三十日 千美元 未經審核	二零二二年 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	3,256,562	3,367,716	(3.3)%
投資物業	163,241	169,363	(3.6)%
使用權資產	80,145	78,425	2.2 %
於聯營公司的投資	129,414	130,721	(1.0)%
指定按公平值計入其他全面收益的權益工具	151,812	178,632	(15.0)%
其他非流動資產	89,500	54,794	63.3 %
非流動資產總額	3,870,674	3,979,651	(2.7)%
流動資產			
存貨	558,252	578,060	(3.4)%
貿易應收款項及應收票據	310,705	291,856	6.5 %
應收關聯方款項	16,803	13,006	29.2 %
其他流動資產	175,868	182,996	(3.9)%
已抵押存款	167,077	1,042	15,934.3 %
現金及現金等價物	1,850,957	2,008,765	(7.9)%
流動資產總額	3,079,662	3,075,725	0.1 %
流動負債			
貿易應付款項	227,907	236,999	(3.8)%
計息銀行借款	385,746	426,756	(9.6)%
應付關聯方款項	4,720	6,096	(22.6)%
政府補助	34,133	37,714	(9.5)%
其他流動負債	451,860	674,851	(33.0)%
流動負債總額	1,104,366	1,382,416	(20.1)%
流動資產淨額	1,975,296	1,693,309	16.7 %
非流動負債			
計息銀行借款	1,410,544	1,481,580	(4.8)%
租賃負債	18,312	14,644	25.0 %
遞延稅項負債	21,938	41,268	(46.8)%
非流動負債總額	1,450,794	1,537,492	(5.6)%
資產淨額	4,395,176	4,135,468	6.3%

管理層討論及分析

就二零二二年十二月三十一日至二零二三年六月三十日同比變動超過10%的項目的闡釋

指定按公平值計入其他全面收益的權益工具

指定按公平值計入其他全面收益的權益工具由1.786億美元減少至1.518億美元，主要由於公平值變動及匯兌調整所致。

其他非流動資產

其他非流動資產由5,480萬美元增加至8,950萬美元，主要由於資本支出預付款項增加所致。

應收關聯方款項

應收關聯方款項由1,300萬美元增加至1,680萬美元，主要由於部分關聯方的應收款項增加所致。

已抵押存款

已抵押存款由100萬美元增加至1.671億美元，主要由於用於銀行借款的質押存款增加所致。

應付關聯方款項

應付關聯方款項由610萬美元減至470萬美元，主要由於應付一名關聯方款項減少所致。

其他流動負債

其他流動負債由6.749億美元減至4.519億美元，主要由於資本開支應付款和客戶預付款減少、及本期支付二零二二年度應付所得稅所致。

租賃負債

租賃負債由1,460萬美元增加至1,830萬美元，主要由於新租賃合約，部分被期內支付租賃負債所抵銷。

遞延稅項負債

遞延稅項負債由4,130萬美元減少至2,190萬美元，主要由於轉回二零二二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

	二零二三年 上半年 千美元 未經審核	二零二二年 上半年 千美元 未經審核	變動
經營活動所得現金流量淨額	293,058	407,848	(28.1)%
投資活動所用現金流量淨額	(353,930)	(227,059)	55.9 %
融資活動所用現金流量淨額	(36,934)	(27,648)	33.6 %
現金及現金等價物(減少)/增加淨額	(97,806)	153,141	(163.9)%
期初現金及現金等價物	2,008,765	1,610,140	24.8 %
外匯匯率變動影響，淨額	(60,002)	(55,631)	7.9 %
期末現金及現金等價物	1,850,957	1,707,650	8.4 %

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4.078億美元減至2.931億美元，主要由於材料及維護保養付款增加所致。

投資活動所用現金流量淨額

投資活動所用現金流量淨額為3.539億美元，主要包括資本投資3.816億美元，部分被利息收入2,770萬美元所抵銷。

融資活動所用現金流量淨額

融資活動所用現金流量淨額為3,690萬美元，包括已抵押存款1.677億美元、償還銀行貸款本金1.281億美元、利息支出5,750萬美元、租賃付款310萬美元及上市費用60萬美元，部分被非控股權益資本注資2.962億美元、銀行借款提款2,110萬美元及股票期權行使所得款項280萬美元所抵銷。

財務資源

本集團對現金及財務管理採取審慎的原則，以確保妥善管理風險及降低資金成本。本集團主要以內部產生現金流量及銀行貸款為其營運提供資金。於二零二三年六月三十日，本集團的現金及銀行結餘約為18.510億美元(其中約12.457億美元以人民幣計值，約5.738億美元以美元計值)，較二零二二年底的20.088億美元減少1.578億美元。

流動資金

為滿足短期及長期流動資金需要，我們的政策為定期監控現時及預期流動資金需要，以確保維持充裕的現金儲備及從主要金融機構獲得足夠的融資承擔額度。

資本管理

我們資本管理的首要目標為維護持續經營能力及維持良好的資本比率，以支持我們的業務及實現股東價值最大化。我們根據經濟狀況的變動管理及調整資本架構。為此，我們或會調整派付予股東的股息、向股東返還資本或發行新股。我們不受任何外部施加的資本要求規限。截至二零二三年六月三十日止六個月，管理資本的目標、政策或程序概無任何變動。

管理層討論及分析

銀行貸款

本集團於二零二三年六月三十日的銀行貸款詳情載列如下：

	二零二三年 六月三十日 千美元 未經審核	二零二二年 十二月三十一日 千美元 經審核
流動		
銀行貸款－無抵押	240,966	314,039
長期銀行貸款的即期部分－有抵押	144,780	112,717
	385,746	426,756
非流動		
有抵押銀行貸款	1,380,544	1,451,580
無抵押銀行貸款	30,000	30,000
	1,410,544	1,481,580
	1,796,290	1,908,336

本集團致力於改善融資方式。於二零二三年六月三十日，本集團未償還銀行借款為17.963億美元，而於二零二二年底為19.083億美元。銀行借款包括有抵押計息借款15.253億美元及無抵押計息借款2.710億美元。3,620萬美元銀行借款的固定年利率在1.2%至2.0%之間。除1.429億美元的銀行貸款以人民幣計值外，所有借款以美元計值。

抵押集團資產

於二零二三年六月三十日，本集團賬面淨值為1,460,173,000美元（二零二二年十二月三十一日：1,803,095,000美元）的若干物業、廠房及設備、12,719,000美元（二零二二年十二月三十一日：50,231,000美元）的使用權資產、84,850,000美元（二零二二年十二月三十一日：88,033,000美元）的發展中物業以及167,077,000美元（二零二二年十二月三十一日：無）的已抵押存款已抵押予銀行以取得本集團的銀行信貸融資。

於二零二三年六月三十日，已抵押賬面值為300,000美元（二零二二年十二月三十一日：311,000美元）的已抵押存款以獲發行信用證。

於二零二三年六月三十日，已抵押賬面值為27,000美元（二零二二年十二月三十一日：27,000美元）的其他已抵押存款，以向股東支付股息。

管理層討論及分析

匯率波動風險

我們面臨交易外匯風險，主要產生自我們在中國內地經營的重要子公司以美元進行的買賣，而並非以其功能貨幣人民幣進行。截至二零二三年六月三十日止六個月，我們的銷售額中約23%乃以進行銷售的子公司的功能貨幣以外的貨幣計值，而銷售成本中62%乃以子公司的功能貨幣計值。

此外，我們面臨來自計息銀行借款的外幣風險，該借款由我們在中國內地經營的子公司持有。於二零二三年六月三十日，賬面值為16.53億美元的計息銀行借款以美元計值，而非以子公司的功能貨幣人民幣計值。

於二零二三年六月三十日，倘美元對人民幣升值或貶值5%，而所有其他變量維持不變，則我們的期內稅前溢利將減少或增加約5,700萬美元。

截至二零二三年六月三十日止六個月，本集團並無訂立任何對沖上述外匯風險的安排。然而，本公司管理層將繼續監控外匯風險狀況並在必要時考慮適當措施。

或然負債

於二零二三年六月三十日，本集團概無任何或然負債。

管理層討論及分析

業務回顧

二零二三年上半年，全球及地區經濟恢復緩慢，消費類市場持續低迷，上游晶圓代工產業遭遇較大挑戰。儘管如此，華虹宏力依然保持了業績穩定。穩健的營收表現得益於公司優化的產品組合，客戶的長期支持，以及全體員工的不懈努力與耕耘。上半年公司產能利用率仍保持較高水平，嵌入式／獨立式非易失性存儲器工藝平台、分立器件工藝平台銷售額繼續保持同比雙位數增長。

嵌入式／獨立式非易失性存儲器(eNVM/Standalone NVM)工藝平台繼續保持研發與銷售規模的快速發展。研發方面，基於自主知識產權NORD技術的90nm嵌入式閃存車規級工藝及IP可靠性驗證完成，可以支持AEC-Q100 Grade1 MCU產品設計及量產，將持續豐富公司在汽車MCU解決方案的佈局；65nm獨立式非易失性存儲器工藝平台產品研發順利。銷售方面，上半年平台銷售額、銷售量同比雙位數增長。

隨着公司功率分立器件(Discrete)產品更多進入到高質量發展市場應用領域，在公司豐富的功率器件工藝種類與優越的技術品質保證下，上半年功率分立器件工藝平台營收規模同比增長超過30%，成為公司業績穩定的重要引擎，為增長持續注入動力的是全球，尤其是中國大陸不斷增長的電動汽車及工業應用市場。持續創新的技術研發及穩定的供應保障，贏得了全球客戶對華虹服務的認可。

華虹無錫一期12英寸廠(華虹七廠)在二零二三年上半年運行一切順利，產能利用率保持高位運行，預計年底完成每月94,500片的總產能建設。本公司、華虹宏力、國家集成電路產業基金II及無錫市實體於二零二三年一月十八日訂立合營協議，據此，各方有條件同意透過合營公司成立合營企業(即無錫二期項目(華虹九廠))並以現金方式分別向合營公司投資880.38百萬美元、1,169.82百萬美元、1,165.8百萬美元及804百萬美元。根據合營協議，合營公司須從事集成電路及採用65/55 nm至40 nm工藝的12英寸(300mm)晶圓的製造及銷售。同日，合營股東及合營公司訂立合營投資協議以將合營公司轉為合營企業並將合營公司的註冊資本由人民幣6.68百萬元增至40.2億美元。合營協議及合營投資協議的詳情載於本公司日期為二零二三年二月二十四日的通函。無錫二期項目(華虹九廠)於二零二三年六月三十日舉行開工儀式，規劃月產能8.3萬片，聚焦先進特色IC和高端功率器件，應用於車規級工藝製造平台。

二零二三年下半年，公司產能持續擴大，工藝開發加速，產品種類覆蓋將更加全面。儘管終端需求市場恢復緩慢，但公司仍將堅定不移地推進多元化發展戰略，將更多先進「特色IC + 功率器件」工藝佈局到「8英寸+12英寸」生產平台，為全球客戶提供更全面、更優質的特色工藝晶圓代工技術與服務。

管理層討論及分析

於中期後發行人民幣股份

於二零二二年六月二十七日，本公司股東特別大會審議並通過一項普通決議案，內容有關根據股東於會上授予的特別授權，本公司建議發行不超過433,730,000股普通股，將由目標認購人在中國境內以人民幣認購並在科創板上市及以人民幣買賣（「人民幣股份發行」）。該決議案的有效期限經本公司股東於二零二三年六月二十六日批准後予以延長。

董事會認為，人民幣股份發行將使本公司能通過股本融資進入中國資本市場，從而拓寬本公司的籌資渠道及股東基礎，並改善本公司的資本結構。此外，董事會認為，人民幣股份發行將能夠進一步加強本集團的財務狀況，滿足本集團的一般企業用途及營運資金需求，並進一步提升本公司在中國市場的企業形象、知名度及市場佔有率。此外，預期人民幣股份發行將有助本公司提升產能及研發能力，從而使本公司把握未來增長機會，鞏固其在中國領先的純晶圓代工企業的地位。

通過人民幣股份發行，發行並認購本公司407,750,000股普通股（「人民幣股份」），募集資金總額為人民幣21,203百萬元（相當於2,974百萬美元）。扣除發行費用（包括承銷費和其他發行費用）後，募集資金淨額為人民幣20,921百萬元（相當於2,934百萬美元），致使普通股股本增加人民幣20,921百萬元（相當於2,934百萬美元）。每股人民幣股份的發行價為人民幣52.00元。

本公司的人民幣股份於二零二三年八月七日在上交所科創板上市及交易（證券代碼：688347）。

有關人民幣股份發行的進一步詳情，請參閱本公司日期為二零二二年三月二十一日、二零二二年五月十二日、二零二二年六月二十七日、二零二二年十一月四日、二零二三年一月三十日、二零二三年四月十三日、二零二三年五月十日、二零二三年五月十七日、二零二三年五月二十八日、二零二三年六月七日、二零二三年六月二十八日、二零二三年七月五日、二零二三年七月十四日、二零二三年七月十八日、二零二三年七月二十一日、二零二三年七月二十四日、二零二三年七月二十六日、二零二三年七月二十七日、二零二三年七月三十一日及二零二三年八月四日的公告，以及本公司日期為二零二二年六月七日、二零二三年六月五日及二零二三年六月二十九日的通函。

管理層討論及分析

重大投資及資本資產的未來計劃

誠如本公司日期為二零二二年六月七日及二零二三年六月五日的通函所披露，本公司計劃將人民幣股份發行的募集資金應用於（其中包括）「華虹製造（無錫）項目」、「8英寸廠優化升級項目」及「特色工藝技術創新研發項目」。

「華虹製造（無錫）項目」旨在從事於12英寸(300mm)晶圓上製造的集成電路的設計、研究、製造、測試、封裝及銷售。本公司預計將建立生產設施及採購各類所需設備，如檢查設備、熔爐及注入機。該等芯片預計將用於高密度智能卡集成電路、微控制器、智能電源管理系統及片上系統等技術產品。預計於二零二五年初開始生產，到二零二六年第二季度的月產能目標為40,000片。

「8英寸廠優化升級項目」旨在升級部分邏輯工藝平台生產線及功率器件工藝平台生產線，以符合相關特色工藝平台的技術要求及提升功率器件技術平台的柔性生產力。

「特色工藝技術創新研發項目」旨在加強本公司的自主創新及研發能力。

有關進一步詳情，請參閱本公司日期為二零二二年六月七日及二零二三年六月五日的通函。

除上文及本中期報告所披露者外，截至二零二三年六月三十日，本集團並無重大投資或資本資產的其他具體計劃。

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 32 to 60 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 2023 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.

Certified Public Accountants
Hong Kong
29 August 2023

引言

吾等已審閱載於第32至60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」）於二零二三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。

執業會計師
香港
二零二三年八月二十九日

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

中期簡明綜合損益表

FOR THE SIX MONTHS ENDED 30 JUNE 2023
截至二零二三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	
		2023 二零二三年 (Unaudited) (未經審核) (US\$'000) (千美元)	2022 二零二二年 (Unaudited) (未經審核) (US\$'000) (千美元)
		Notes 附註	
Revenue	銷售收入	4	1,262,223
Cost of sales	銷售成本		(884,970)
Gross profit	毛利		377,253
Other income and gains	其他收入及收益	4	50,679
Fair value loss on an investment property	投資物業的公平值虧損		–
Selling and distribution expenses	銷售及分銷費用		(5,090)
Administrative expenses	管理費用		(147,839)
Other expenses	其他費用		(46,126)
Finance costs	財務費用		(56,700)
Share of profits of associates	分佔聯營公司溢利		3,504
PROFIT BEFORE TAX	稅前溢利	5	175,681
Income tax expense	所得稅開支	6	(26,945)
PROFIT FOR THE PERIOD	期內溢利		148,736
Attributable to:	以下各項應佔：		
Owners of the parent	母公司擁有人		230,758
Non-controlling interests	非控股權益		(82,022)
			148,736
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：	7	
Basic	基本		US\$0.176
– For profit for the period	– 期內溢利		0.176美元
Diluted	攤薄		US\$0.175
– For profit for the period	– 期內溢利		0.175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 2023
截至二零二三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

		2023 二零二三年 (Unaudited) (未經審核) (US\$'000) (千美元)	2022 二零二二年 (Unaudited) (未經審核) (US\$'000) (千美元)
PROFIT FOR THE PERIOD	期內溢利	148,736	155,350
OTHER COMPREHENSIVE INCOME	其他全面收益		
Other comprehensive income 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：		
Exchange differences on translation of foreign operations	換算海外業務產生的外匯差額	(169,717)	(188,701)
Net other comprehensive income 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淨額	(169,717)	(188,701)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:	於其後期間不會重新分類至損益的其他全面收益：		
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股權投資：		
Changes in fair value	公平值變動	(20,548)	(25,116)
Income tax effect	所得稅影響	3,082	3,767
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	於其後期間不會重新分類至損益的其他全面收益淨額	(17,466)	(21,349)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	期內其他全面收益，扣除稅項	(187,183)	(210,050)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	期內全面虧損總額	(38,447)	(54,700)
Attributable to:	以下各項應佔：		
Owners of the parent	母公司擁有人	95,074	16,669
Non-controlling interests	非控股權益	(133,521)	(71,369)
		(38,447)	(54,700)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

中期簡明綜合財務狀況表

30 JUNE 2023
二零二三年六月三十日

			30 June 2023 二零二三年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2022 二零二二年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
	<i>Notes</i> 附註			
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment	9	物業、廠房及設備	3,256,562	3,367,716
Right-of-use assets		使用權資產	80,145	78,425
Investment property		投資物業	163,241	169,363
Intangible assets		無形資產	31,170	32,986
Investment in associates		於聯營公司的投資	129,414	130,721
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	151,812	178,632
Long term prepayments		長期預付款項	40,937	7,742
Deferred tax assets		遞延稅項資產	17,393	14,066
Total non-current assets		非流動資產總額	3,870,674	3,979,651
CURRENT ASSETS		流動資產		
Properties under development		發展中物業	143,674	134,723
Inventories		存貨	558,252	578,060
Trade and notes receivables	10	貿易應收款項及應收票據	310,705	291,856
Prepayments, other receivables and other assets		預付款項、其他應收款項及其他資產	32,194	48,273
Due from related parties		應收關聯方款項	16,803	13,006
Pledged deposits		已抵押存款	167,077	1,042
Cash and cash equivalents		現金及現金等價物	1,850,957	2,008,765
Total current assets		流動資產總額	3,079,662	3,075,725
CURRENT LIABILITIES		流動負債		
Trade payables	11	貿易應付款項	227,907	236,999
Other payables and accruals		其他應付款項及暫估費用	397,826	593,971
Interest-bearing bank borrowings		計息銀行借款	385,746	426,756
Lease liabilities		租賃負債	4,477	4,704
Government grants		政府補助	34,133	37,714
Due to related parties		應付關聯方款項	4,720	6,096
Income tax payable		應付所得稅	49,557	76,176
Total current liabilities		流動負債總額	1,104,366	1,382,416
NET CURRENT ASSETS		流動資產淨額	1,975,296	1,693,309
TOTAL ASSETS LESS CURRENT LIABILITIES		資產總值減流動負債	5,845,970	5,672,960

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2023
二零二三年六月三十日

中期簡明綜合財務狀況表

		30 June 2023 二零二三年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2022 二零二二年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
	<i>Notes</i> 附註		
NON-CURRENT LIABILITIES	非流動負債		
Interest-bearing bank borrowings	計息銀行借款	1,410,544	1,481,580
Lease liabilities	租賃負債	18,312	14,644
Deferred tax liabilities	遞延稅項負債	21,938	41,268
Total non-current liabilities	非流動負債總額	1,450,794	1,537,492
Net assets	資產淨額	4,395,176	4,135,468
EQUITY	權益		
Equity attributable to owners of the parent	母公司擁有人應佔權益		
Share capital	股本	1,997,829	1,994,462
Reserves	儲備	1,130,367	1,036,008
Total equity attributable to owners of the parent	母公司擁有人應佔權益總額	3,128,196	3,030,470
Non-controlling interests	非控股權益	1,266,980	1,104,998
Total equity	權益總額	4,395,176	4,135,468

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 2023
截至二零二三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 股本 US\$'000 千美元 (note 12) 附註12)	Merger reserve 合併儲備 US\$'000 千美元	Share option reserve 購股權儲備 US\$'000 千美元	Other reserve and contributed surplus 其他儲備及 供款盈餘 US\$'000 千美元	Fair value reserve 公平值儲備 US\$'000 千美元	Asset revaluation reserve [#] 資產重估儲備 [#] US\$'000 千美元	Statutory reserve fund 法定儲備基金 US\$'000 千美元	Exchange fluctuation reserve 匯兌波動儲備 US\$'000 千美元	Retained profits/ losses (accumulated) 未分配利潤/ (未彌補虧損) US\$'000 千美元	Total 總計 US\$'000 千美元	Non-controlling interests 非控股權益 US\$'000 千美元	Total equity 權益總額 US\$'000 千美元
At 1 January 2023	於二零二三年一月一日	1,994,462	645,494*	13,346*	35,685*	(22,247)*	99,257*	191,125*	(30,145)*	103,493*	3,030,470	1,104,998	4,135,468
Profit/(loss) for the period	期內溢利/(虧損)	-	-	-	-	-	-	-	230,758	230,758	(82,022)	148,736	
Other comprehensive income for the period:	期內其他全面收益：												
Change in fair value of equity investments designated at fair value through other comprehensive income, net of tax	指定按公平值計入其他全面收益的股權投資的公平值變動，扣除稅項	-	-	-	(17,466)	-	-	-	-	(17,466)	-	(17,466)	
Exchange differences on translation of foreign operations	換算海外業務產生的外匯差額	-	-	-	-	-	-	(118,218)	-	(118,218)	(51,499)	(169,717)	
Total comprehensive income/(loss) for the period	期內全面收益/(虧損)總額	-	-	-	(17,466)	-	-	(118,218)	230,758	95,074	(133,521)	(38,447)	
Issue of shares	發行股份	3,367	-	(822)	-	-	-	-	-	2,545	-	2,545	
Equity-settled share option arrangements	以權益結算的購股權安排	-	-	107	-	-	-	-	-	107	33	140	
Capital contribution from non-controlling interests	非控股權益出資	-	-	-	-	-	-	-	-	-	295,470	295,470	
Transfer from retained profits generated by a subsidiary	轉撥自一間子公司產生的留存溢利	-	-	-	-	-	29,259	-	(29,259)	-	-	-	
At 30 June 2023 (unaudited)	於二零二三年六月三十日 (未經審核)	1,997,829	645,494*	12,631*	35,685*	(39,713)*	99,257*	220,384*	(148,363)*	304,992*	3,128,196	1,266,980	4,395,176
At 1 January 2022	於二零二二年一月一日	1,986,152	645,494*	14,572*	35,685*	25,055*	99,257*	140,426*	221,381*	(297,663)*	2,870,359	814,188	3,684,547
Profit/(loss) for the period	期內溢利/(虧損)	-	-	-	-	-	-	-	-	186,877	186,877	(31,527)	155,350
Other comprehensive income for the period:	期內其他全面收益：												
Change in fair value of equity investments designated at fair value through other comprehensive income, net of tax	指定按公平值計入其他全面收益的股權投資的公平值變動，扣除稅項	-	-	-	(21,349)	-	-	-	-	(21,349)	-	(21,349)	
Exchange differences on translation of foreign operations	換算海外業務產生的外匯差額	-	-	-	-	-	-	(148,859)	-	(148,859)	(39,842)	(188,701)	
Total comprehensive income/(loss) for the period	期內全面收益/(虧損)總額	-	-	-	(21,349)	-	-	(148,859)	186,877	16,669	(71,369)	(54,700)	
Issue of shares	發行股份	1,342	-	(340)	-	-	-	-	-	1,002	-	1,002	
Equity-settled share option arrangements	以權益結算的購股權安排	-	-	910	-	-	-	-	-	910	107	1,017	
Transfer from retained profits generated by a subsidiary	轉撥自一間子公司產生的留存溢利	-	-	-	-	-	20,963	-	(20,963)	-	-	-	
At 30 June 2022 (unaudited)	於二零二二年六月三十日 (未經審核)	1,987,494	645,494*	15,142*	35,685*	3,706*	99,257*	161,389*	72,522*	(131,749)*	2,888,940	742,926	3,631,866

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

* These reserve accounts comprise the consolidated reserves of US\$1,130,367,000 (31 December 2022: US\$1,036,008,000) in the interim condensed consolidated statement of financial position.

資產重估儲備源自將自用物業用途更改為按公平值列賬之投資物業。

* 該等儲備賬構成於中期簡明綜合財務狀況表內之綜合儲備1,130,367,000美元(二零二二年十二月三十一日: 1,036,008,000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 2023
截至二零二三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

		2023 二零二三年 (Unaudited) (未經審核) (US\$'000) (千美元)	2022 二零二二年 (Unaudited) (未經審核) (US\$'000) (千美元)
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量		
Profit before tax	稅前溢利	175,681	176,757
Adjustments for:	就以下各項作出的調整：		
Finance costs	財務費用	56,700	14,980
Share of profits of associates	分佔聯營公司溢利	(3,504)	(2,299)
Interest income	利息收入	(25,421)	(9,115)
Loss/(gain) on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的虧損/(收益)	16	(27)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	234,954	224,253
Changes in fair value of an investment property	投資物業公平值變動	-	316
Write-down of inventories to net realisable value	存貨撇減至可變現淨值	42,614	6,262
Amortisation of intangible assets	無形資產攤銷	5,836	5,466
Depreciation of right-of-use assets	使用權資產折舊	3,209	2,866
Impairment/(reversal of impairment) of trade receivables	貿易應收款項減值/(減值轉回)	319	(126)
Equity-settled share option expense	以權益結算的購股權開支	140	1,017
		490,544	420,350
Decrease/(increase) in inventories	存貨減少/(增加)	673	(41,044)
Increase in properties under development	發展中物業增加	(8,951)	(17,554)
Increase in trade and notes receivables	貿易應收款項及應收票據增加	(19,113)	(60,735)
Decrease/(increase) in prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產減少/(增加)	17,084	(16,481)
Increase in amounts due from related parties	應收關聯方款項增加	(3,797)	(7,302)
Decrease in pledged deposits	已抵押存款減少	-	1,851
(Decrease)/increase in trade payables	貿易應付款項(減少)/增加	(9,092)	108,878
(Decrease)/increase in other payables and accruals	其他應付款項及暫估費用(減少)/增加	(99,536)	59,188
(Decrease)/increase in government grants	政府補助(減少)/增加	(1,873)	3,420
(Decrease)/increase in amounts due to related parties	應付關聯方款項(減少)/增加	(1,376)	8,129
Cash generated from operations	經營產生的現金	364,563	458,700
Income tax paid	已付所得稅	(71,505)	(50,852)
Net cash flows generated from operating activities	經營活動所得現金流量淨額	293,058	407,848

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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 2023
截至二零二三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	
		2023 二零二三年 (Unaudited) (未經審核) (US\$'000) (千美元)	2022 二零二二年 (Unaudited) (未經審核) (US\$'000) (千美元)
CASH FLOWS FROM INVESTING ACTIVITIES		投資活動所得現金流量	
Interest received	已收利息	27,646	4,569
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	(381,586)	(236,433)
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	10	–
Receipt of government grants for property, plant and equipment	就物業、廠房及設備收取政府補助	–	4,805
Net cash flows used in investing activities	投資活動所用現金流量淨額	(353,930)	(227,059)
CASH FLOWS FROM FINANCING ACTIVITIES		融資活動所得現金流量	
Proceeds from bank borrowings	銀行借款所得款項	21,088	84,384
Proceeds from issue of shares	發行股份所得款項	2,849	1,645
Capital contribution from non-controlling interests	非控股權益出資	296,197	–
Repayment of bank loans	償還銀行貸款	(128,092)	(97,673)
Increase in pledged deposits	已抵押存款增加	(167,738)	–
Interest paid	已付利息	(57,533)	(13,784)
Principal portion of lease payments	支付租賃本金部份	(3,093)	(2,220)
Payment of share issued expense	支付股份發行開支	(612)	–
Net cash flows used in financing activities	融資活動所用現金流量淨額	(36,934)	(27,648)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)/增加淨額	(97,806)	153,141
Cash and cash equivalents at beginning of period	期初現金及現金等價物	2,008,765	1,610,140
Effect of foreign exchange rate changes, net	外匯匯率變動影響，淨額	(60,002)	(55,631)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末現金及現金等價物	1,850,957	1,707,650

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

中期簡明綜合財務資料附註

30 June 2023
二零二三年六月三十日

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 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”) and supervised by the Shanghai State-owned Assets Supervision and Administration Commission (“Shanghai SASAC”). The ultimate parent of the Company is Shanghai SASAC.

2.1 Basis of Preparation

The interim condensed consolidated financial information for the six months ended 30 June 2023 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 2022.

The financial information relating to the year ended 31 December 2022 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(「上海市國資委」)監管的國有公司。本公司的最終控股公司為上海市國資委。

2.1 編製基準

截至二零二三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，並應與本集團截至二零二二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二零二二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 2023
二零二三年六月三十日

2.1 Basis of Preparation (Continued)

The Company has delivered the financial statements for the year ended 31 December 2022 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 2022. The auditor's report was unqualified; did not refer to any matters to which the auditor drew attention by way of emphasis without qualifying the report; 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 2022, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKFRS 17	<i>Insurance Contracts</i>
Amendment to HKFRS 17	<i>Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

The adoption of above new and revised standards has no significant financial effect to the Group's interim condensed consolidated financial information.

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，將截至二零二二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二零二二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；並未提述核數師在不就該報告作保留意見的情況下以強調方式促請有關人士注意的任何事項；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二零二二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，惟就本期財務資料首次採納下列新訂及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17號	<i>保險合約</i>
香港財務報告準則第17號 (修訂本)	<i>保險合約</i>
香港財務報告準則第17號 (修訂本)	<i>首次應用香港財務報告準則第17號及香港財務報告準則第9號 – 比較資料</i>
香港會計準則第1號及 香港財務報告準則 實務報告第2號(修訂本)	<i>會計政策披露</i>
香港會計準則第8號(修訂本)	<i>會計估計的定義</i>
香港會計準則第12號 (修訂本)	<i>與單一交易產生的資產及負債相關的遞延稅項</i>
香港會計準則第12號 (修訂本)	<i>國際稅務改革 – 第二支柱模型規則</i>

採納上述新訂及經修訂準則並無對本集團的中期簡明綜合財務資料產生重大財務影響。

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3. Operating Segment Information

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

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

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

3. 經營分部資料

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

本集團使用的主要資產位於中國，故並無按資產的地理位置於期內呈列分部資料。

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

		For the six months ended 30 June 截至六月三十日止六個月	
		2023 二零二三年 (Unaudited) (未經審核) (US\$'000) (千美元)	2022 二零二二年 (Unaudited) (未經審核) (US\$'000) (千美元)
China (including Hong Kong)	中國(包括香港)	966,424	902,087
North America	北美洲	119,307	131,277
Asia (excluding China and Japan)	亞洲(不包括中國及日本)	84,248	112,822
Europe	歐洲	77,309	50,698
Japan	日本	14,935	18,587
		1,262,223	1,215,471

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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	
		2023 二零二三年 (Unaudited) (未經審核) (US\$'000) (千美元)	2022 二零二二年 (Unaudited) (未經審核) (US\$'000) (千美元)
Revenue from contracts with customers	客戶合約收入		
Sale of goods	銷售貨品	1,262,223	1,215,471
Other income	其他收入		
Rental income	租金收入	7,384	7,633
Interest income	利息收入	25,421	9,115
Government subsidies	政府補貼	15,001	2,338
Others	其他	2,873	893
		50,679	19,979
Other gains	其他收益		
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得收益	-	27
		-	27
		50,679	20,006

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4. Revenue and Other Income and Gains (Continued)

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

4. 收入、其他收入及收益(續)

對收入、其他收入及收益的分析如下：
(續)

		For the six months ended 30 June 截至六月三十日止六個月	
		2023 二零二三年 (Unaudited) (未經審核) (US\$'000) (千美元)	2022 二零二二年 (Unaudited) (未經審核) (US\$'000) (千美元)
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	1,262,223	1,215,471
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	1,262,223	1,215,471

The disaggregation of the Group's revenue based on the geographical region for the six months ended 30 June 2023 is included in note 3.

截至二零二三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。

5. Profit Before Tax

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

5. 稅前溢利

本集團的稅前溢利乃於扣除/(計入)下列各項後達致：

		For the six months ended 30 June 截至六月三十日止六個月	
		2023 二零二三年 (Unaudited) (未經審核) (US\$'000) (千美元)	2022 二零二二年 (Unaudited) (未經審核) (US\$'000) (千美元)
Cost of inventories sold	已售存貨成本	884,970	846,578
Write-down of inventories to net realisable value	存貨撇減至可變現淨值	42,614	6,262
Impairment/(reversal of impairment) of trade receivables	貿易應收款項減值/(減值撥回)	319	(126)
Exchange differences, net	外匯差額淨額	46,110	49,415

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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 2022: 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 2022: 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.

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, preferential tax treatment of 15% is available to entities recognised as High and New Technology Enterprises. Shanghai Huahong Grace Semiconductor Manufacturing Corporation, one of the Group's subsidiaries was recognised as High and New Technology Enterprise and are entitled to a preferential tax rate of 15% (2022: 15%).

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, Huahong Semiconductor (Wuxi) Co., Ltd. ("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 30 June 2023, and the tax holiday has not begun to take effect.

6. 所得稅

於期內在香港產生的溢利須按16.5%（截至二零二二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（截至二零二二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」）。

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，被認定為高新技術企業的實體可享受15%的稅收優惠待遇。本集團一家子公司上海華虹宏力半導體製造有限公司被認定為高新技術企業，故有權按15%的優惠稅率繳稅（二零二二年：15%）。

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%。華虹無錫截至二零二三年六月三十日錄得累計稅項虧損，且免稅期尚未開始。

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6. Income Tax (Continued)

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

6. 所得稅(續)

本集團所得稅開支的主要組成部份如下：

		For the six months ended 30 June 截至六月三十日止六個月	
		2023 二零二三年 (Unaudited) (未經審核) (US\$'000) (千美元)	2022 二零二二年 (Unaudited) (未經審核) (US\$'000) (千美元)
Current income tax expense – PRC	當期所得稅開支－中國	47,071	32,740
Current income tax expense – elsewhere	當期所得稅開支－其他地區	26	25
Deferred tax	遞延稅項	(20,152)	(11,358)
Total income tax expense	所得稅開支總額	26,945	21,407

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 1,307,657,291 in issue during the period (six months ended 30 June 2022: 1,301,607,081).

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

7. 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1,307,657,291股(截至二零二二年六月三十日止六個月：1,301,607,081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	
		2023 二零二三年 (Unaudited) (未經審核) (US\$'000) (千美元)	2022 二零二二年 (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	230,758	186,877
		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	
		2023 二零二三年 ('000) (千股)	2022 二零二二年 ('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	1,307,657	1,301,607
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	11,002	16,282
		1,318,659	1,317,889

8. Dividends

The directors did not declare any interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

8. 股息

董事並無就截至二零二三年六月三十日止六個月宣派任何中期股息(截至二零二二年六月三十日止六個月：無)。

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9. Property, Plant And Equipment

During the six months ended 30 June 2023, the major changes in property, plant and equipment include:

- The Group acquired items of property, plant and equipment with a cost of US\$246,129,000 (six months ended 30 June 2022: US\$214,708,000).
- Depreciation for items of property, plant and equipment was US\$234,954,000 during the period (six months ended 30 June 2022: US\$224,253,000).
- Assets with a net book value of US\$45,000 were disposed of by the Group during the six months ended 30 June 2023 (30 June 2022: US\$61,000), resulting in a net loss/(gain) on disposal of US\$16,000 (30 June 2022: US\$27,000).

9. 物業、廠房及設備

截至二零二三年六月三十日止六個月，物業、廠房及設備的主要變動包括：

- 本集團購置物業、廠房及設備項目的成本為246,129,000美元（截至二零二二年六月三十日止六個月：214,708,000美元）。
- 期內物業、廠房及設備項目的折舊為234,954,000美元（截至二零二二年六月三十日止六個月：224,253,000美元）。
- 截至二零二三年六月三十日止六個月，本集團已出售賬面淨值為45,000美元的資產（二零二二年六月三十日：61,000美元），產生出售之虧損／（收益）淨額16,000美元（二零二二年六月三十日：27,000美元）。

10. Trade and Notes Receivables

10. 貿易應收款項及應收票據

		30 June 2023 二零二三年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2022 二零二二年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Trade receivables	貿易應收款項	240,229	229,409
Notes receivable	應收票據	72,331	64,038
		312,560	293,447
Impairment of trade receivables	貿易應收款項減值	(1,855)	(1,591)
		310,705	291,856

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 2023 二零二三年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2022 二零二二年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Within 3 months	3個月以內	218,559	212,563
Over 3 and within 6 months	超過3個月且於6個月內	19,686	15,255
Over 6 months and within 1 year	超過6個月且於1年內	129	-
		238,374	227,818

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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 2023 二零二三年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2022 二零二二年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Within 1 month	1個月以內	137,266	141,338
Over 1 but within 3 months	超過1個月但於3個月內	39,700	60,772
Over 3 but within 6 months	超過3個月但於6個月內	16,903	11,699
Over 6 but within 12 months	超過6個月但於12個月內	18,570	9,388
Over 12 months	12個月以上	15,468	13,802
		227,907	236,999

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 2023	二零二三年一月一日	1,306,837	1,994,462
Issue of shares with exercise of share options	發行可行使購股權的股份	1,310	3,367
30 June 2023 (unaudited)	二零二三年六月三十日 (未經審核)	1,308,147	1,997,829
1 January 2022	二零二二年一月一日	1,301,192	1,986,152
Issue of shares with exercise of share options	發行可行使購股權的股份	621	1,342
30 June 2022 (unaudited)	二零二二年六月三十日 (未經審核)	1,301,813	1,987,494

12. 股本

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13. Commitments

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

13. 承擔

本集團於報告期末有以下資本承擔：

	30 June 2023 二零二三年 六月三十日 (Unaudited) (未經審核) (US\$'000) (千美元)	31 December 2022 二零二二年 十二月三十一日 (Audited) (經審核) (US\$'000) (千美元)
Contracted, but not provided for: Property, plant and equipment	已訂約，但未撥備： 物業、廠房及設備 1,410,110	284,304

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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
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
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」)	Associate of the Group 本集團聯營公司
– Shanghai Huahong Real Estate Co., Ltd. (“Huahong Real Estate”) – 上海華虹置業有限公司(「華虹置業」)	Subsidiary of Huahong Technology Development 華虹科技發展子公司
– Shanghai Huajin Property Management Co., Ltd. (“Huajin”) – 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

* ICRD, a subsidiary of Huahong Group, is no longer a related party to the Group since 1 January 2023.

* 自二零二三年一月一日起，華虹集團子公司集成電路研發不再為本集團的關聯方。

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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	
		2023 二零二三年 (Unaudited) (未經審核) (US\$'000) (千美元)	2022 二零二二年 (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*	—	2,098
Huahong Zealcore	華虹摺芯	7,698	4,202
Hongri	虹日	785	1,663
Purchases of goods from related parties (note (ii))	自關聯方購買貨品 (附註(ii))		
Hongri	虹日	10,804	9,340
Huahong Zealcore	華虹摺芯	660	373
Jitong	計通	8	5
Shanghai Huali	上海華力	—	20
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	7,040	7,340
Service fee charged by a related party (note (iv))	關聯方收取的服務費 (附註(iv))		
Huajin	華錦	303	175
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	473	370
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	14,338	16,884

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14. Related Party Transactions (Continued)

(b) (Continued)

- * The related party transactions with ICRD disclosed above were conducted from 1 January 2022 to 30 June 2022.

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) Outstanding balances with related parties

The amounts due from/to related parties as at the end of the reporting period are unsecured, interest-free and settled in accordance with the terms agreed with the related parties.

14. 關聯方交易 (續)

(b) (續)

- * 上文所披露的與集成電路研發的關聯方交易乃於二零二二年一月一日至二零二二年六月三十日期間進行。

附註：

- (i) 向關聯方出售的貨品乃根據關聯方之間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關聯方之間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關聯方之間協定的價格及條款收取。
- (v) 代關聯方支付的開支為不計息，及須按要求償還。

(c) 與關聯方之間的未結清餘額

於報告期末應收／應付關聯方款項為無抵押、不計息且根據與關聯方的協定條款進行結算。

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14. Related Party Transactions (Continued)

14. 關聯方交易(續)

(d) Compensation of key management personnel of the Group

(d) 本集團主要管理人員的酬金

		For the six months ended 30 June 截至六月三十日止六個月	
		2023 二零二三年 (Unaudited) (未經審核) (US\$'000) (千美元)	2022 二零二二年 (Unaudited) (未經審核) (US\$'000) (千美元)
Short term employee benefits	短期僱員福利	1,869	1,618
Pension scheme contributions	退休金計劃供款	80	54
Equity-settled share option expense	以權益結算的購股權開支	103	196
Total compensation paid to key management personnel	支付予主要管理人員的酬金總額	2,052	1,868

15. Fair Value and Fair Value Hierarchy of Financial Instruments

15. 金融工具的公平值及公平值層級

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:

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 2023 二零二三年 六月三十日 (US\$'000) (千美元) (Unaudited) (未經審核)	31 December 2022 二零二二年 十二月三十一日 (US\$'000) (千美元) (Audited) (經審核)	30 June 2023 二零二三年 六月三十日 (US\$'000) (千美元) (Unaudited) (未經審核)	31 December 2022 二零二二年 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	指定為按公平值計入其他全面收益的股本投資	151,812	178,632	151,812	178,632
Financial liability	金融負債				
Interest-bearing bank borrowings	計息銀行借款	1,410,544	1,481,580	1,472,322	1,537,685

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

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

The fair 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 listed equity investments are based on quoted market prices adjusted by discount for illiquidity if the investments are still in the lock-up period. The fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. 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 and price to sales value ("P/S") 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.

15. 金融工具的公平值及公平值層級 (續)

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。

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：

倘投資仍處於禁售期，上市股本投資之公平值基於市場報價由缺乏流通性的折讓價調整。指定為按公平值計入其他全面收益的未上市股本投資之公平值基於不受可觀察市場價格或利率支持的假設採用市場基準估值技術估算。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」）倍數及市銷率（「市銷率」）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。

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

Management has assessed that the fair values of the non-current portion of interest-bearing bank borrowings with floating interest rate of the Company approximate to their fair values due to their floating interest rates.

The non-current portion of lease liabilities of the Group approximate to their fair values since their carrying amounts are present value and the internal rates of return are close to rates currently available for instruments with similar terms, credit risk and remaining maturities.

The fair values of interest-bearing bank borrowings with fixed interest rate 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 2023 and 31 December 2022 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 2023

		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	指定為按公平值計入其他全面收益的股本投資	2,040	–	149,772	151,812

15. 金融工具的公平值及公平值層級 (續)

管理層評估，本公司浮動利率計息銀行借款之非即期部分的公平值由於其浮動利率而與其公平值相若。

本集團租賃負債的非即期部分與其公平值相若，乃由於其賬面值為現值，並且內部回報率與具有相似條款、信貸風險及剩餘到期時間的工具之現行回報率相近。

固定利率的計息銀行借款的公平值乃透過使用具有類似條款、信貸風險及剩餘到期時間的工具按目前適用之比率貼現預期未來現金流量計算。本集團本身於二零二三年六月三十日及二零二二年十二月三十一日的計息銀行借款的不履約風險被評定為並不重大。

公平值層級

下表顯示本集團金融工具的公平值計量層級：

按公平值計量的金融資產
二零二三年六月三十日

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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)

31 December 2022

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)

二零二二年十二月三十一日

		Fair value measurement categorised into			
		分類為以下層級之公平值計量			
		Level 1	Level 2	Level 3	Total
		第1級	第2級	第3級	總計
		(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)
		(千美元)	(千美元)	(千美元)	(千美元)
		(Audited)	(Audited)	(Audited)	(Audited)
		(經審核)	(經審核)	(經審核)	(經審核)
Equity investments designated at fair value through other comprehensive income	指定為按公平值計入其他全面收益的股本投資	2,442	–	176,190	178,632

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 both financial assets and financial liabilities (six months ended 30 June 2022: Nil).

於期內，金融資產及金融負債的第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(截至二零二二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)

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 2023. Below is a summary of the valuation techniques used and the key inputs to the valuation:

15. 金融工具的公平值及公平值層級 (續)

公平值層級 (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二零二三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：

	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
Unlisted equity investment A 未上市股本投資A	Valuation multiples 估值倍數	Average P/B multiple of peers 同業平均市賬率	2023: 1.3x-2.1x 2022: 1.0x-2.6x 二零二三年: 1.3x-2.1x 二零二二年: 1.0x-2.6x	5%(2022: 5%) increase/decrease would result in increase/decrease in fair value by 5%(2022: 5%) 5%(二零二二年: 5%)的增加/減少將導致公平值增加/減少5%(二零二二年: 5%)
		Discount for illiquidity 缺乏流通性的折讓價	2023: 20%-30% 2022: 20%-30% 二零二三年: 20%-30% 二零二二年: 20%-30%	5%(2022: 5%) increase/decrease would result in decrease/increase in fair value by 5%(2022: 5%) 5%(二零二二年: 5%)的增加/減少將導致公平值減少/增加5%(二零二二年: 5%)
Unlisted equity investment B 未上市股本投資B	Valuation multiples 估值倍數	Average P/S multiple of peers 同業平均市銷率	2023: 4.8x-12.9x 2022: 4.0x-10.9x 二零二三年: 4.8x-12.9x 二零二二年: 4.0x-10.9x	5% increase/decrease would result in increase/decrease in fair value by 5% 5%的增加/減少將導致公平值增加/減少5%
		Discount for illiquidity 缺乏流通性的折讓價	2023: 34% 2022: 34% 二零二三年: 34% 二零二二年: 34%	5% increase/decrease would result in decrease/increase in fair value by 5% 5%的增加/減少將導致公平值減少/增加5%

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

Fair value hierarchy (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)

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 指定為按公平值計入其他全面收益的股本投資 (US\$'000) (千美元)
1 January 2023	二零二三年一月一日	176,190
Total loss recognised in other comprehensive income	於其他全面收益確認的虧損總額	(20,250)
Exchange realignment	匯兌調整	(6,168)
As at 30 June 2023 (unaudited)	於二零二三年六月三十日(未經審核)	149,772
1 January 2022	二零二二年一月一日	255,552
Transfer to level 3	轉入第3級	2,236
Total loss recognised in other comprehensive income	於其他全面收益確認的虧損總額	(25,116)
Exchange realignment	匯兌調整	(11,600)
As at 30 June 2022 (unaudited)	於二零二二年六月三十日(未經審核)	221,072

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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:

		Number of options 購股權數目	
		2023 二零二三年 (’000) (千份)	2022 二零二二年 (’000) (千份)
At 1 January	於一月一日	–	4,738
Exercised during the period	期內行使	–	(195)
At 30 June	於六月三十日	–	4,543

2018 Options

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

		Number of options 購股權數目	
		2023 二零二三年 (’000) (千份)	2022 二零二二年 (’000) (千份)
At 1 January	於一月一日	23,438	24,963
Exercised during the period	期內行使	(1,310)	(426)
Forfeited during the period	期內沒收	(13)	(226)
At 30 June	於六月三十日	22,115	24,311

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：

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

中期簡明綜合財務資料附註

30 June 2023
二零二三年六月三十日

17. Event after the Reporting Period

On August 7, 2023, the Company became listed on the STAR Market of the Shanghai Stock Exchange. By way of the share issue, 407,750,000 ordinary shares of the Company were subscribed with gross proceeds of RMB21,203 million (equivalent to US\$2,974 million). After deducting issuance costs including underwriting fees and other issuance costs, the net proceeds were RMB20,921 million (equivalent to US\$2,934 million), which resulted in an increase of RMB20,921 million (equivalent to US\$2,934 million) in the share capital of ordinary shares.

18. Approval of the Interim Condensed Consolidated Financial Information

The interim condensed consolidated financial information was approved and authorized for issue by the board of directors on 29 August 2023.

17. 報告期後事項

於二零二三年八月七日，本公司在上交所科創板掛牌上市。通過股份發行，本公司407,750,000股普通股獲認購，募集資金總額為人民幣21,203百萬元（相當於2,974百萬美元）。扣除發行費用（包括承銷費和其他發行費用）後，募集資金淨額為人民幣20,921百萬元（相當於2,934百萬美元），致使普通股股本增加人民幣20,921百萬元（相當於2,934百萬美元）。

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二零二三年八月二十九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 on 1 September 2015, which became effective on 4 September 2015. The share option scheme shall be valid and effective for a period of 7 years commencing on the date of adoption. It has therefore expired on 1 September 2022. No further options could be granted, and none has been granted, under the Share Option Scheme from that date. As of 30 June 2023, the Company had options for 22,115,413 shares outstanding under the share option scheme, which represented approximately 1.69% 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 six months ended 30 June 2023:

購股權計劃

本公司於二零一五年九月一日採納一項購股權計劃，由二零一五年九月四日起生效。該購股權計劃自採納之日起七年內有效。因此，其已於二零二二年九月一日屆滿。自該日起，不得根據購股權計劃進一步授出購股權，且概無授出購股權。於二零二三年六月三十日，本公司於購股權計劃項下共有22,115,413份未行使購股權，相當於該日期本公司已發行股份約1.69%。下表載列截至二零二三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交易情況：

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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	Former directors 已離任董事	Other employees 其他僱員				
Granted on 4 September 2015 於二零一五年九月四日授出	-	988,000	-	29,262,000	-	-	30,250,000
Granted on 24 December 2018 於二零一八年十二月二十四日授出	-	-	680,000	-	33,820,000	-	34,500,000
Granted on 29 March 2019 於二零一九年三月二十九日授出	500,000	-	-	-	-	-	500,000
Granted on 23 December 2019 於二零一九年十二月二十三日授出	-	-	-	-	-	2,482,000	2,482,000
Cancelled/lapsed during the year 2015 於二零一五年註銷/失效	-	-	-	-130,000	-	-	-130,000
Cancelled/lapsed during the year 2016 於二零一六年註銷/失效	-	-	-	-1,458,000	-	-	-1,458,000
Cancelled/lapsed during the year 2017 於二零一七年註銷/失效	-	-	-	-1,353,399	-	-	-1,353,399
Cancelled/lapsed during the year 2018 於二零一八年註銷/失效	-	-	-	-754,595	-	-	-754,595
Cancelled/lapsed during the year 2019 於二零一九年註銷/失效	-	-	-600,000	-58,000	-1,035,000	-36,000	-1,729,000
Cancelled/lapsed during the year 2020 於二零二零年註銷/失效	-	-119,000	-80,000	-	-993,904	-84,000	-1,276,904
Cancelled/lapsed during the year 2021 於二零二一年註銷/失效	-62,500	-	-	-	-5,751,868	-592,993	-6,407,361
Cancelled/lapsed during the year 2022 於二零二二年註銷/失效	-	-	-	-	-543,728	-73,983	-617,711
Exercised during the period 期內行使	-	-	-	-	1,230,166	80,125	1,310,291
Cancelled during the period 期內註銷	-	-	-	-	-	-5,000	-5,000
Lapsed during the period 期內失效	-	-	-	-	-8,167	-	-8,167
Outstanding as at 1 January 2023 於二零二三年一月一日尚未行使	437,500	-	-	-	21,389,723	1,611,648	23,438,871
Outstanding as at 30 June 2023 於二零二三年六月三十日尚未行使	437,500	-	-	-	20,151,390	1,526,523	22,115,413
Vesting period of share options 購股權之歸屬期	Note 1 附註1	Note 2 附註2	Note 3 附註3	Note 2 附註2	Note 3 附註3	Note 4 附註4	
Exercise period of share options 購股權之行使期	Note 5 附註5	Note 6 附註6	Note 7 附註7	Note 6 附註6	Note 7 附註7	Note 8 附註8	
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\$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\$31.86 31.86港元	HK\$32.18 32.18港元	

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Note 1 Subject to conditions as set out in the grant notice, one fourth of the options shall vest on each of 23 December 2021, 12 August 2022, 11 August 2023 and 29 March 2024

Note 2 Subject to conditions as set out in the grant notices, one third of the options shall vest on each of 4 September 2017, 4 September 2018 and 4 September 2019

Note 3 Subject to conditions as set out in the grant notices, for employees at or above the level of the vice president, one fourth of the options shall vest on each of 24 December 2020, 24 December 2021, 24 December 2022 and 24 December 2023; for the other employees, one third of the options shall vest on each of 24 December 2020, 24 December 2021 and 24 December 2022

Note 4 Subject to conditions as set out in the grant notices, for employees at or above the level of the vice president, one fourth of the options shall vest on each of 23 December 2021, 23 December 2022, 23 December 2023 and 23 December 2024; for the other employees, one third of the options shall vest on each of 23 December 2021, 23 December 2022 and 23 December 2023

Note 5 The exercise period of share options is from 29 March 2021 to 28 March 2026

Note 6 The exercise period of share options is from 4 September 2017 to 3 September 2022

Note 7 The exercise period of share options is from 24 December 2020 to 23 December 2025

Note 8 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 在符合授予通知中規定的條件的前提下，期權的四分之一分別於二零二一年十二月二十三日、二零二二年八月十二日、二零二三年八月十一日及二零二四年三月二十九日歸屬

附註2 在符合授予通知中規定的條件的前提下，期權的三分之一分別於二零一七年九月四日、二零一八年九月四日及二零一九年九月四日歸屬

附註3 在符合授予通知中規定的條件的前提下，就副總裁或以上級別的僱員而言，期權的四分之一分別於二零二零年十二月二十四日、二零二一年十二月二十四日、二零二二年十二月二十四日及二零二三年十二月二十四日歸屬；其他僱員而言，期權的三分之一分別於二零二零年十二月二十四日、二零二一年十二月二十四日及二零二二年十二月二十四日歸屬

附註4 在符合授予通知中規定的條件的前提下，就副總裁或以上級別的僱員而言，期權的四分之一分別於二零二一年十二月二十三日、二零二二年十二月二十三日、二零二三年十二月二十三日及二零二四年十二月二十三日歸屬；其他僱員而言，期權的三分之一分別於二零二一年十二月二十三日、二零二二年十二月二十三日及二零二三年十二月二十三日歸屬

附註5 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6 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7 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8 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的附註16。

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

As of 30 June 2023, except as disclosed below, none of the Directors nor the Chief Executive of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of SFO), as recorded in the register kept under section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

董事及最高行政人員於本公司股份及相關股份的權益

於二零二三年六月三十日，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，或按照標準守則須知會本公司及香港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 interests 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	437,500	0.03%

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 62 for particulars of outstanding options as of 1 January 2023 and 30 June 2023 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。有關二零二三年一月一日及二零二三年六月三十日的尚未行使的購股權的詳情，請參閱第62頁。

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

主要股東及其他人士於本公司股份和相關股份的權益

As of 30 June 2023, 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:

於二零二三年六月三十日，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	347,605,650 ⁽¹⁾	26.57%
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	347,605,650 ⁽¹⁾	26.57%
Sino-Alliance International, Ltd. (Sino-Alliance International)	Legal and beneficial owner 法定及實益擁有人	160,545,541 ⁽¹⁾⁽³⁾	12.27%
Sino-Alliance International, Ltd. (Sino-Alliance International)	Interest in a controlled corporation 受控制法團權益	28,415,606 ⁽¹⁾	2.17%
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⁾	14.44%
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	178,705,925 ⁽¹⁾	13.66%
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	178,705,925 ⁽¹⁾	13.66%
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	178,705,925 ⁽¹⁾	13.66%

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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 2023, i.e., 1,308,147,031 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 2023, 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 2023.

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 2023 was 9.94% (31 December 2022: 11.94%).

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二零二三年六月三十日已發行的股份總數(即1,308,147,031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，於二零二三年六月三十日，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

截至二零二三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。於二零二三年六月三十日，本集團的資產負債比率為9.94%(二零二二年十二月三十一日：11.94%)。

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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 2023.

股權投資之表現

下表載列截至二零二三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)	Shanghai Awinic 上海艾為 (USD'000) (千美元)
Initial investment cost 初始投資成本	229,133	1,704	2,120
Book value at the beginning of the period 於期初之賬面值	174,170	2,020	2,442
Purchases 購買	-	-	-
Redemption 贖回	-	-	-
Changes in fair value 公平值變動	(20,173)	(77)	(298)
Exchange realignment 匯兌調整	(6,096)	(72)	(104)
Book value at the end of the period 於期末之賬面值	147,901	1,871	2,040
Subscribed capital contribution/number of shares held 認購出資額/持有股數	RMB 1,400,000,000 人民幣	10,377,050	178,000
	1,400,000,000元	10,377,050	178,000
Percentage of equity interest held 所持股權百分比	6.3428%	0.6220%	0.1072%
Size compared to the total assets 與資產總值比較之規模	2.1%	0.0%	0.0%

During the six-month period ended 30 June 2023, the Group did not dispose of any equity interest in Shanghai Huali, QST or Shanghai Awinic. Change in the fair value of the Company's equity investment in Shanghai Huali, QST, and Shanghai Awinic were minus US\$20,173,000, minus US\$77,000, and minus US\$298,000 respectively.

截至二零二三年六月三十日止六個月期間，本集團並未出售於上海華力、矽睿科技或上海艾為之任何股權。本公司於上海華力、矽睿科技及上海艾為的股權投資之公平值變動分別為負20,173,000美元、負77,000美元及負298,000美元。

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PERFORMANCE OF THE EQUITY INVESTMENTS (Continued)

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.

During the six-month period ended 30 June 2023, the book value of the Company's equity investment has decreased by US\$26,269,000, including a decrease of US\$20,173,000 in the fair value and a foreign currency statement loss of around US\$6,096,000. Accordingly, the Board is of the view that the performance of Shanghai Huali during the six-month period ended 30 June 2023, has been in line with its expectations.

QST was founded in September 2012 and has a robust IP portfolio, with over 83 patents issued. QST is a leading sensor platform company engaged in the development and marketing of Innovative MEMS sensors and solutions to simplify advanced perception, measurement, and control in consumer, automotive, and industrial applications.

During the six-month period ended 30 June 2023, the book value of the Company's equity investment in QST decreased by US\$149,000, mainly due to a decrease of US\$77,000 in the fair value and a decrease of US\$72,000 in a foreign currency statement loss. 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 2023 have been consistent with its expectations.

Shanghai Awinic, founded in June 2008, is a high-tech company focusing on high-quality and high-performance IC design of mixed signal, analog, and RF for mobile phone, AI, Internet of Things, automotive electronics, wearables, and consumer electronics. Shanghai Awinic is a listed company on the STAR Market of the Shanghai Stock Exchange.

股權投資之表現(續)

上海華力起步於二零一零年。作為行業內領先的集成電路晶圓製造企業，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圓製造技術服務。上海華力在中國有兩座12英寸全自動晶圓工廠。

截至二零二三年六月三十日止六個月期間，本公司的股權投資賬面值減少26,269,000美元，包括公平值減少20,173,000美元及外幣報表虧損約6,096,000美元。因此，董事會認為，上海華力於截至二零二三年六月三十日止六個月期間之表現符合預期。

矽睿科技成立於二零一二年九月，具有全面的知識產權組合，擁有逾83項授權專利。矽睿科技為一家領先的傳感器平台公司，致力於創新型MEMS傳感器及解決方案的開發及營銷，以簡化先進感知、測量及於消費者、汽車的控制及工業應用。

截至二零二三年六月三十日止六個月期間，本公司於矽睿科技的股權投資賬面值減少149,000美元，主要由於公平值減少77,000美元及外幣報表虧損減少72,000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二零二三年六月三十日止六個月期間的業績表現及戰略規劃符合預期。

上海艾為創立於二零零八年六月，為一家專注於為手機、人工智能、物聯網、汽車電子、可穿戴和消費類電子提供高品質及高性能的數模混合、模擬、射頻IC設計的高科技公司。上海艾為是上交所科創板上市公司。

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二零二三年六月三十日

其他披露資料

PERFORMANCE OF THE EQUITY INVESTMENTS (Continued)

During the six-month period ended 30 June 2023, the book value of the Company's equity investment in Shanghai Awinic decreased by US\$402,000, including a decrease of US\$298,000 of fair value and a foreign currency statement loss of around US\$104,000. The Board considers its investment in Shanghai Awinic as part of a long-term strategic investment, which will see the Group and Shanghai Awinic collaborate in areas such as development of Analog, BCD (including 12-inch 90nm), eFlash, Power Device, RF and IC technologies, and expansion of production capacity, with a view to providing more competitive products with higher performance and quality to customers. The Board is of the view that the performance of Shanghai Awinic during the during the six-month period ended 30 June 2023 has been in line with its expectation.

The Company confirms that it has complied with the accounting policy of investments and other financial assets (policies under HKFRS 9, applicable since 1 January 2018) as contained in the interim report of the Company for the six-month period ended 30 June 2023.

股權投資之表現(續)

截至二零二三年六月三十日止六個月期間，本公司於上海艾為的股權投資賬面值減少402,000美元，包括公平值減少298,000美元及外幣報表虧損約104,000美元。董事會將其於上海艾為的投資視為長期戰略投資的一部分，本集團將與上海艾為在模擬、BCD(包括12英寸90納米)、eFlash、功率器件、射頻和IC技術開發、擴大產能等領域合作，以期為客戶提供更具競爭力、更高性能和質量的產品。董事會認為上海艾為截至二零二三年六月三十日止六個月期間的業績表現符合預期。

本公司確認，其已遵守本公司截至二零二三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(自二零一八年一月一日起適用的香港財務報告準則第9號項下的政策)。

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二零二三年六月三十日

EMPLOYEES AND REMUNERATION POLICIES

As of 30 June 2023, the Company had approximately 6,700 employees in the PRC and overseas (30 June 2022: approximately 6,300). 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.

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 "Non-competition Undertaking" 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 2023, 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.

僱員及薪酬政策

於二零二三年六月三十日，本公司於中國及海外擁有約6,700名僱員（二零二二年六月三十日：約6,300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。

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。

本公司截至二零二三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。

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其他披露資料

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 2023.

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. 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 Model Code throughout the six months ended 30 June 2023.

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 2023 and has discussed with management the accounting principles and practices adopted by the Group, internal controls and financial reporting matters.

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，本公司截至二零二三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。

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，其有關條款不低於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截至二零二三年六月三十日止六個月期間遵守標準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二零二三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。

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PUBLICATION OF INTERIM REPORT ON THE WEBSITES OF THE HONG KONG STOCK EXCHANGE AND THE COMPANY

The interim report for the six months ended 30 June 2023 containing information required by Appendix 16 of the Listing Rules will be dispatched to shareholders and published on the websites of the Hong Kong 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

於香港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二零二三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香港聯交所網站(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