

StarChip's Security IC Chip for Bank Card Based on HHGrace eNVM Process Acquires a CQM Certification from MasterCard

(Shanghai, China-October 20, 2016) October 20, 2016, **Shanghai Huahong Grace Semiconductor Manufacturing Corporation** (“HHGrace”), a wholly owned subsidiary of Hua Hong Semiconductor Limited (Stock code 1347.HK), a global leading pure-play 200mm wafer foundry and **StarChip** (a subsidiary of Safran Identity & Security), a dynamic semiconductor company which delivers digital connected solutions and services, today jointly announced that StarChip's SCB136I, a security IC chip for bank card developed and fabricated on HHGrace's high-reliability 110nm embedded non-volatile memory (eNVM) process platform, has acquired a Card Quality Management (CQM) certification from MasterCard. This marks the security IC chip for bank card designed by StarChip and manufactured by HHGrace has met the international standards in terms of quality, and management system.

The certification was granted by **CO**nSulting **CA**rds **SO**lutions (COCASO), a German consultant company. Founded in 2004, it has an extensive track record in Card Quality Management consulting and is recognized as an independent third-party accredited auditor of MasterCard International's CQM certification scheme.

CQM, a quality management process, ensures that MasterCard branded products comply with the highest quality standards across the entire design and production process. The certification proves that HHGrace's wafer manufacturing and testing process for security ICs fully complies with the stringent CQM requirements concerning production facility, process and quality management.

SCB136I is designed based on the world-leading 110nm eNVM process platform. Featuring low power and high reliability, the platform has few mask layers, which can effectively reduce unit chip cost and production cycle, providing flexible solutions that easily cater to varied market demands of security smart card chips and microcontrollers.

“Security and quality is an integral part of StarChip's DNA,” said **Lucien Brau, President and CEO of StarChip**. “The CQM certification by MasterCard once again proves our highest quality and our commitment to delivering excellent and high secure hardware-based solutions. We will continue to work with HHGrace to develop a variety of innovative products to help customers address the increasing need for secure solutions.”

“We are proud to become China's first foundry to fabricate CQM-certified IC chips, which demonstrates our constant pursuit to deliver the highest-quality IC chips for bank card,” said **Mr. Fan Heng, Executive Vice President of HHGrace**. “As a global leading smart card IC foundry, we shipped 2.6 billion smart card IC chips in 2015, which included 2.1 billion SIM card IC chips accounting for approximately 40 percent of the global market share. We will

continue to work with our customers on innovation of process technology, in the hope that China made high-quality, low-cost and secure IC chips for bank card could serve consumers worldwide.”

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About StarChip®

StarChip is a dynamic semiconductor company part of the SAFRAN Group.

StarChip delivers root of trust products to build digital connected solutions and services. Our Secure Elements are based on state-of-the-art, flash-based 32-bit architectures. They are designed to offer maximum integration, providing support for embedded, innovative security technologies, analog functionality, connectivity and control interfaces. The result is a flexible and secure set of solutions that can easily meet the requirements of a wide variety of markets, including smart card, secure IoT, mobile, consumer, and several industrial applications.

For information about StarChip: <http://www.starchip-ic.com/>

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About HHGrace

Shanghai Huahong Grace Semiconductor Manufacturing Corporation (“HHGrace”), incorporated through the consolidation between Shanghai Hua Hong NEC Electronics Company, Limited (“Hua Hong NEC”) and Grace Semiconductor Manufacturing Corporation (“Grace”), is a global leading pure-play 200mm foundry. HHGrace has three 200mm wafer fabrication facilities in Zhangjiang and Jinqiao of Shanghai, HHGrace offers production capacity over 152,000 wafers per month. HHGrace provides professional and highly value-added foundry services covering technology solutions from 1.0µm to 90nm process nodes, focusing on differentiated technologies including eNVM (embedded Non-Volatile Memory), power management IC, power discrete, RF, as well as standard logic and mixed-signal. HHGrace is also in the process of developing MEMS solutions as one of its up-and-coming technologies. With its headquarters located in Shanghai, China, HHGrace extends its sales and technical supports to Taiwan, Japan, North America and Europe.

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