SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORP
Form 6-K
April 13, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of April, 2015

Commission File Number: 001-31994

Semiconductor Manufacturing International Corporation

(Translation of registrant s name into English)

18 Zhangjiang Road

Pudong New Area, Shanghai 201203

People s Republic of China

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

x Form 20-F o Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): o

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): o

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

o Yes x No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): n/a

SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORPORATION

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(Incorporated in the Cayman Islands with limited liability)

(STOCK CODE: 0981)

ANNOUNCEMENT OF 2014 ANNUAL RESULTS

FINANCIAL HIGHLIGHTS

The Board announces the audited consolidated results of the Company for the year ended December 31, 2014.

Highlights include:

- Revenue was US$1,970.0 million in 2014, a 4.8% decrease from US$2,069.0 million in 2013, primarily because wafer shipments relating to Wuhan Xinxin Semiconductor Manufacturing Corporation (Wuhan Xinxin) ceased since the first quarter of 2014. Revenue excluding shipments from Wuhan Xinxin was a historical high in 2014.

- Gross margin increased to 24.5% in 2014 from 21.2% in 2013, SMIC s highest gross margin in nine years, as a result of 1) the cessation of wafer shipments from Wuhan Xinxin and 2) improved fab efficiency in 2014.

- Profit for the year attributable to owners of the Company was US$153.0 million in 2014 compared to US$173.2 million in 2013. The decrease was mainly due to lower gains recorded in relation to the disposal of properties.

- Cash and cash equivalents ended at US$603.0 million at the end of 2014, compared to US$462.5 million at the end of 2013.

- Revenue contribution from China-based customers increased to 43.3% of total revenue in 2014, compared to 40.4% in 2013.

The board of directors (the Director(s)) (the Board) of Semiconductor Manufacturing International Corporation (SMIC or the Company) announces the audited consolidated results of the Company and its subsidiaries (collectively, the Group) for the year ended December 31, 2014 as follows:

CAUTIONARY STATEMENT FOR PURPOSES OF THE SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This annual results announcement may contain, in addition to historical information, forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on SMIC s current assumptions, expectations and projections about future events. SMIC uses words like believe , anticipate , intend , estimate , expect , project and similar expressions to identify forward- looking statements, although not all forward-looking statements contain these words. These forward-looking statements are necessarily estimates reflecting judgment of SMIC s senior management and involve significant risks, both known and unknown, uncertainties and other factors that may cause SMIC s actual performance, financial condition or results of operations to be materially different from those suggested by the forward-looking statements including, among others, risks associated with cyclicality and market conditions in the semiconductor industry, intense competition, timely wafer acceptance by SMIC s customers, bad debt risk, timely introduction of new technologies, SMIC s ability to ramp new products into volume, supply and demand for semiconductor foundry services, industry overcapacity, shortages in equipment, components and raw materials, availability of manufacturing capacity and financial stability in end markets.

Except as required by law, SMIC undertakes no obligation and does not intend to update any forward-looking statement, whether as a result of new information, future events or otherwise.

Letter to Shareholders

Dear Shareholders,

We are pleased to announce that in 2014 SMIC continued to achieve full year profitability; annual net profit was around US$150 million. In the fourth quarter of 2014, we have already achieved our eleventh consecutive profitable quarter. Sustainable profitability continues to be our primary target.

2014 was full of changes and opportunities. We made ample progress in the development of technology and capacity in preparation for growth 2015 and beyond; including 28nm process development, differentiated technology expansion, and the formation of new partnerships. These preparations have built the foundation for our future development and growth. We successfully introduced China s first 55nm smart card chip to the market, in addition to successfully launching 55nm low-leakage embedded-flash into mass production and received recognition. SMIC s back-side illumination CMOS Image Sensor (CIS BSI) products also successfully entered production, and we anticipate its ramp up in 2015. In 2014, we also announced that our 38nm NAND flash memory process was ready so as to meet the growing demand for high quality low- density specialty NAND flash memory. In terms of capacity, to quickly meet our customers urgent demands for 28nm, we have already prepared 28nm capacity in Shanghai and Beijing, and at the same time, we have begun to expand 8-inch capacity in Shenzhen to address the demand from domestic and international customers for differentiated technology capacity.

Furthermore, in December 2014, we announced, together with Qualcomm Incorporated, the successful fabrication of Qualcomm® Snapdragon 410 processors in our 28nm technology. This milestone further signifies SMIC s capability and commitment to meet customers requirements and provide advanced nodes according to our customers roadmaps. The Company had great results in securing mutually beneficial collaboration within the IC industry chain. The Company established a joint venture with Jiangsu Changjiang Electronics Technology Company Limited (JCET) for 12-inch bumping and wafer-level testing, in order to provide the Chinese market s domestic and international fabless companies with high-quality, efficient and convenient one-stop manufacturing service. This project is on schedule, with equipment move-in scheduled in the first half of 2015 and production targeted to begin in the second half of 2015. In December 2014, we announced that we had entered into a co-investment agreement to participate in the acquisition of Stats ChipPAC, together with JCET, and the China Integrated Circuit Industry Investment Fund Co., Ltd (the China IC Fund). Under the agreement terms, SMIC will invest around US$100 million and take an equity stake of about 19%. We see this as a way to not only advance the level and competitiveness of China s IC manufacturing ecosystem and coincide with accelerating the development of China s world class domestic semiconductor industry, but should we wish to exit the arrangement, we can also use the investment to attain satisfactory financial returns.

In 2014, the Company successfully raised funds in the capital markets, raising approximately US$900 million. In these rounds of financing, the market response was enthusiastic and investors were eager to participate, which reflects the market s recognition and confidence in the management, the Company s performance, future growth and direction. In order to promote the development of the IC industry, in 2014 the Chinese central government published the National Semiconductor Development Promotion Outline and established the China IC Fund. In February 2015 the China IC Fund signed an agreement with the Company to purchase SMIC shares to become one of the Company s substantial shareholders. The industry investment fund s collaboration will further strengthen our key role in China and the worldwide semiconductor industry.

Our Board composition underwent some changes; the former Chairman Mr. Wenyi Zhang has decided not to serve as Board member and Chairman due to his advancing age, and has been succeeded by Dr. Zixue Zhou. Mr. Wenyi Zhang will become Honorary Chairman and Advisor, and will continue to advise the Company in its future development. On behalf of all the Board members and employees, we want to express our sincere appreciation to Mr. Zhang for all his hard work and contribution over the past few years. He has successfully brought SMIC to a new stage of development and furthered the enhancement of China s semiconductor industry. We, as the Chairman and CEO of the Company, recognize the challenges ahead. We will work together with all members of the Board, management team and staff to promote the Company s development and growth, to build value for our shareholders, employees and other stakeholders. In addition, Professor Lawrence Juen-Yee Lau resigned his post as non-executive Director due to him no longer holding a post within China Investment Corporation, our substantial shareholder. Alternative Director to Professor Lau, Dr. Datong Chen, correspondingly resigned. The Board would like to acknowledge Professor Lau and Dr. Chen for their selfless devotion and whole-hearted dedication during their directorships in SMIC, and welcome Ms. Carmen I-Hua Chang to our Board as an independent non-executive Director.

2014 was a year of preparation for the future, and because of the many preparations made in technology and production capacity, we look forward to our prospects in 2015. We continue to have confidence in the opportunities stemming from the China market, mobile products, smart consumer products, and internet of things (IoT). We are committed to diligently and carefully execute our business plan for the best interests of our shareholders. We would like to again express our sincere gratitude to all of our shareholders, customers, suppliers, and employees for their continued care and support of SMIC s development.

Zhou Zixue	**Tzu-Yin Chiu**
Chairman of the Board and Executive Director	*Chief Executive Officer and Executive Director*

Shanghai, China
March 30, 2015

BUSINESS REVIEW

In 2014, the Group continued to execute its long-term strategy and vision with sustained profitability. The Group continued to advance its technology capabilities on leading edge and value-added differentiated processes. The Group s portfolio, coupled with the global experience of the management team in operations, technology development, customer service and our market share in China, positioned the Group for long term growth. In addition, 2014 was a milestone year for SMIC in many aspects, including achieving significant business engagement on 28nm technology with leading mobile baseband companies, and the expansions of the Group s 300mm fab operation in Beijing and 200mm fab operation in Shenzhen, China. The Group became the first pure-play foundry in China to offer 28nm wafer process technology for mobile computing applications, the first pure-play foundry worldwide to offer 55nm embedded Flash (eFlash) wafer solutions for SIM Card applications, and the first pure-play foundry worldwide to offer 38nm NAND Flash memory wafer process technology. The Group also continued to drive its value-added wafer manufacturing process technologies for specialty products, such as Power Management IC, CMOS Image Sensors (CIS), EEPROM, EFlash, embedded Microprocessor (MCU), radio frequencies IC (RF) and wireless connectivity, Touch Controller IC (TCIC), fingerprint sensors and MEMS sensors. These products are the essential building blocks for both mobile computing market and the growing Internet-of-Things (IoT) market in the near future. Furthermore, the Group also expanded its value-added services, such as 300mm bumping, through a joint- venture with Jiangsu Changjiang Electronics Technology Co., Ltd (JCET), China s largest outsourced semiconductor assembly and test (OSAT) company. The Group is well positioned in China to serve both domestic and worldwide customers.

Financial Overview

Despite a challenging environment in 2014, the Group s sales totaled US$1,970.0 million, compared to US$2,069.0 million in 2013. Revenue excluding wafer shipments from Wuhan Xinxin Semiconductor Manufacturing Corporation (Wuhan Xinxin) was US$1,970.0 million in 2014, compared to US$1,961.6 million in 2013. The Group recorded a profit of US$126.3 million in 2014, compared to US$174.5 million in 2013. During the year, we generated US$608.1 million in cash from operating activities, compared to US$738.0 million in 2013. Capital expenditures in 2014 totaled US$1,014.4 million, compared to US$770.1 million in 2013. Looking ahead, our objective is to achieve sustained profitability over the long term. To achieve this, we will continue to focus on precision execution, efficiency improvement, customer service excellence while fostering innovation.

Customers and Markets

The Group continues to serve a broad global customer base comprised leading IDMs, fabless semiconductor companies and system companies. Geographically, customers from the United States of America contributed 43.4% of the overall revenue in 2014, compared to 48.5% in 2013. Leveraging on the Group s strategic position in China, our China revenue contributed 43.3% of the overall revenue in 2014, compared to 40.4% in 2013. In particular, 50.6% of the Group s advanced nodes (90nm and below) wafer revenue in 2014 was contributed by customers in China. Eurasia contributed 13.3% of the overall revenue in 2014, compared to 11.1% in 2013.

In terms of applications, revenue contribution from communication applications decreased from 44.3% in 2013 to 42.1% in 2014. Consumer applications contributed 46.0% to the Group s overall revenue in 2014 as compared to 45.0% in 2013. The Group has minimal exposure to the relatively weak PC market.

In terms of the revenue by technology, wafer revenue attributable to advanced technology at 90nm and below decreased from 44.9% in 2013 to 39.2% in 2014 and the revenue contribution percentage from 40/45nm technology decreased slightly from 12.1% in 2013 to 11.1% in 2014. On the other hand, revenue contribution percentage from 0.15/0.18um technology increased from 39.9% in 2013 to 44.5% in 2014.

In 2014, the Group attracted more than 100 new customers, of which approximately 50% entered productions cycles and the majority were Chinese fabless companies. According to IHS iSuppli, China s IC design market will experience a compounded revenue growth rate of over 18.2% per year from 2012 to 2018, which will bring the worth of the China IC design market to US$21.7 billion by 2018. Notably, our business objective in China is not just revenue growth, but also growth in the number of new designs using advanced technology, in particular on 55/65nm, 40/45nm and 28nm process technologies. The Group has, in each of its sales regions, customers utilizing its most advanced nodes of technology. China is rapidly closing the gap with the rest of the world in terms of its innovation and design capabilities. To fully leverage the market growth potential in China, the Group plans to continue to deepen its collaboration with Chinese customers while broadening relationships with its global customers.

Long-Term Business Model and Strategy for Generating and Preserving Value

SMIC s long-term goal is to focus on generating value for the benefit of all stakeholders. SMIC s strategy to generate sustainable profitability is three-fold. First, we aim for optimal efficiency by fully utilizing existing assets through enhanced customer relationships, quality, and service. Second, through taking advantage of our position in China, we plan to differentiate our technology offering by providing customers with added value and innovation that not only allow us to seize China market opportunities, but also give global customers a foothold in the fast-growing market. Third, with profitability as our priority, we plan to carefully invest capital in advanced technology and capacity to address suitable market growth opportunities into the future. We constantly evaluate the potential value addition of all opportunities in our decision making processes. Our management team is committed to continuing to build value in the long-term for the benefit of our employees and shareholders.

Research and Development

In 2014, the research and development (R&D) expenses were US$189.7 million, which is equivalent to 9.6% of our sales.

The R&D efforts were focused primarily on advanced logic and value-added specialty technologies. SMIC achieved many significant milestones in 2014. In the area of advanced logic technologies, the PolySiON R&D programs on the 28nm node had successfully demonstrated several customer products as planned. In addition, SMIC had achieved a major milestone in fabrication of 28nm PolySiON Qualcomm Snapdragon 410 processors. Early R&D work on 14nm FinFET process technologies had begun and established process baselines.

In the area of non-volatile memory technologies, the first Chinese domestic dual-interface financial IC card based on SMIC s eEEPROM platform gained CC EAL4+ security certification. Being world s 1st 55nm eflash in production, two smart cards products ramped up smoothly. More New Tape Outs (NTOs) include NFC, JAVA and USB IC are scheduled for production in 2015. 38nm NAND entered mass production in the third quarter as planned. Recent R&D progress was also achieved in the area of silicon sensor technology. SMIC s 1.4um pixel BSI platforms had entered mass production enabling customers small form factor 5M and 8M pixel CIS products. SMIC also rolled out its leading-edge CMOS integrated MEMS device fabrication and TSV- based wafer level packaging technologies, which enabled the industry s smallest packaged commercial 3-axis accelerometer chip designed by a customer.

The building and strengthening of SMIC s technology R&D organization continued in 2014 through further optimizations on organization structure and resource distribution to improve operational efficiency and to address the growing demands on advanced technologies as well as specialty technology enhancements. During 2014, SMIC achieved over 1,900 patent filings as a result of its technology R&D activities.

Outlook for 2015

We look forward to our prospects in 2015. In the first half of 2015, 8-inch demand continues to be high and new 65nm and 40nm designs are going into production. In the second half of 2015 we target to ramp up new 28nm production as well as our new fabs in Shenzhen and Beijing. To address the 8-inch demand we had installed 10,000 wafers per month capacity in our new Shenzhen fab at the end of 2014. By the end of 2015 we plan to install an additional 10,000 wafers per month capacity. Our 12-inch fab in Shanghai has 14,000 wafers per month capacity, of which 6,000 wafers are now capable of 28nm production. By the end of 2015, we target to install 10,000 wafers per month capacity for 28nm production at our 12-inch fab of majority-owned subsidiary in Beijing. Annual capacity in 2015 is targeted to grow around 7%.

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Consolidated Financial Data

The summary consolidated financial data presented below as of and for the years ended December 31, 2011, 2012, 2013 and 2014 are derived from, and should be read in conjunction with, the audited consolidated financial statements, including the related notes, included elsewhere in this annual results announcement. The summary consolidated financial data presented below as of and for the years ended December 31, 2011, 2012, 2013 and 2014 have been prepared in accordance with IFRS.

	Year Ended 12/31/14	**Year Ended 12/31/13**	**Year Ended 12/31/12**	**Year Ended 12/31/11**
	(in US$ thousands, except for earnings (loss) per share)			
Continuing operations				
Revenue	**1,969,966**	2,068,964	1,701,598	1,319,466
Cost of sales	**(1,486,514)**	(1,630,528)	(1,352,835)	(1,217,525)
Gross profit	**483,452**	438,436	348,763	101,941
Research and development expenses, net	**(189,733)**	(145,314)	(193,569)	(191,473)
Sales and marketing expenses	**(38,252)**	(35,738)	(31,485)	(32,559)
General and administration expenses	**(139,428)**	(138,167)	(107,313)	(57,435)
Other operating income (expense)	**14,206**	67,870	19,117	(11,190)
Profit (loss) from operations	**130,245**	187,087	35,513	(190,716)
Interest income	**14,230**	5,888	5,390	4,724
Finance costs	**(20,715)**	(34,392)	(39,460)	(21,903)
Foreign exchange gains or losses	**(5,993)**	13,726	3,895	17,589
Other gains or losses	**18,210**	4,010	6,398	6,709
Share of profits of associates	**2,073**	2,278	1,703	4,479
Profit (loss) before tax	**138,050**	178,597	13,439	(179,118)
Income tax (expense) benefit	**(11,789)**	(4,130)	9,102	(82,503)
Profit (loss) for the year from continuing operations	**126,261**	174,467	22,541	(261,621)
Discontinued operations				
Profit for the year from discontinued operations				14,741
Profit (loss) for the year	**126,261**	174,467	22,541	(246,880)
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	**(324)**	731	70	4,938
	125,937	175,198	22,611	(241,942)
Profit (loss) for the year attributable to:				
Owners of the Company	**152,969**	173,177	22,771	(246,817)
Non-controlling interest	**(26,708)**	1,290	(230)	(63)
	126,261	174,467	22,541	(246,880)
Total comprehensive income (expense) for the year attributable to:				
Owners of the Company	**152,645**	173,908	22,841	(241,879)
Non-controlling interest	**(26,708)**	1,290	(230)	(63)
	125,937	175,198	22,611	(241,942)
Earnings (loss) per share				
From continuing and discontinued operations				

Basic	**$**	**0.00**	$	0.01	$	0.00	$	(0.01)
Diluted	**$**	**0.00**	$	0.01	$	0.00	$	(0.01)
From continuing operations								
Basic	**$**	**0.00**	$	0.01	$	0.00	$	(0.01)
Diluted	**$**	**0.00**	$	0.01	$	0.00	$	(0.01)

	As of December 31,			
	2014	2013	2012	2011
	(in US$ thousands)			
Statements of Financial Position Data:				
Property, plant and equipment	**2,995,086**	2,528,834	2,385,435	2,516,578
Prepaid land use right	**135,331**	136,725	73,962	77,231
Total non-current assets	**3,471,120**	2,960,151	2,803,173	2,866,416
Inventories	**316,041**	286,251	295,728	207,308
Prepayment and Prepaid operating expenses	**40,628**	43,945	46,986	52,805
Trade and other receivables	**456,388**	379,361	328,211	200,905
Other financial assets	**644,071**	240,311	18,730	1,973
Restricted cash	**238,051**	147,625	217,603	136,907
Cash and cash equivalent	**603,036**	462,483	358,490	261,615
Assets classified as held-for-sale	**44**	3,265	4,239	
Total current assets	**2,298,259**	1,563,241	1,269,987	861,513
Total assets	**5,769,379**	4,523,392	4,073,160	3,727,929
Total non-current liabilities	**1,311,416**	991,673	688,622	230,607
Total current liabilities	**1,150,241**	938,537	1,108,086	1,251,324
Total liabilities	**2,461,657**	1,930,210	1,796,708	1,481,931
Non-controlling interest	**359,307**	109,410	952	1,182
Total equity	**3,307,722**	2,593,182	2,276,452	2,245,998

	For the year ended December 31,			
	2014	2013	2012	2011
	(in US$ thousands)			
Cash Flow Data:				
Profit (loss) for the year	**126,261**	174,467	22,541	(246,880)
Non-cash adjustment to reconcile profit (loss) to net operating cash flow:				
Depreciation and amortization	**549,468**	546,910	566,899	551,857
Net cash from operating activities	**608,102**	738,016	435,166	379,368
Payments for property, plant and equipment	**(653,134)**	(650,160)	(400,291)	(931,574)
Net cash used in investing activities	**(1,144,123)**	(807,467)	(522,277)	(903,641)
Net cash from financing activities	**676,683**	173,458	184,101	268,855
Net increase (decrease) in cash and bank balances	**140,662**	104,007	96,990	(255,418)
Other Financial Data:				
Gross margin	**24.5%**	21.2%	20.5%	7.7%
Net margin	**6.4%**	8.4%	1.3%	18.7%
Operating Data:				
Wafers shipped (in units):				
Total(1)	**2,559,245**	2,574,119	2,217,287	1,703,615

(1) Including logic, DRAM, copper interconnects and all other wafers.

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Revenue

Revenue decreased by 4.8% from US$2,069.0 million for 2013 to US$1,970.0 million for 2014, primarily because there had been no wafer shipments from Wuhan Xinxin since the first quarter of 2014. Revenue excluding wafer shipments from Wuhan Xinxin was US$1,970.0 million in 2014, compared to US$1,961.6 million in 2013. For the full year of 2014, the overall wafer shipments were 2,559,245 units of 8-inch equivalent wafers, down 0.6% year-on-year.

The average selling price[1] of the wafers the Group shipped decreased from US$804 per wafer in 2013 to US$770 in 2014. The percentage of wafer revenues from advanced 40/45nm technologies slightly decreased from 12.1% in 2013 to 11.1% in 2014.

Cost of sales and gross profit

Cost of sales decreased by 8.8% from US$1,630.5 million for 2013 to US$1,486.5 million for 2014, primarily due to 1) no wafer shipments from Wuhan Xinxin and 2) an increase of fab efficiency and cost saving. Out of the total cost of sales, US$474.8 million and US$436.1 million were attributable to depreciation and amortization for the year ended December 31, 2013 and 2014, respectively.

The Group s gross profit was US$483.5 million for 2014 compared to US$438.4 million for 2013, representing an increase of 10.3%. Gross margin was 24.5% in 2014 compared to 21.2% in 2013. The increase in gross margin was primarily because 1) there were no wafer shipments from Wuhan Xinxin which had lower gross margin since the first quarter of 2014 and 2) of improved fab efficiency in 2014.

Profit for the year from operations

Profit from operations decreased from US$187.1 million for the year ended December 31, 2013 to US$130.2 million for the year ended December 31, 2014 primarily due to the combined effect of 1) an increase in R&D activities in 2014, 2) higher gain realized from the partial disposal of the living quarters in Shanghai in 2013 and 3) the gain arising from the disposal of the Group s total ownership interest in SMIC (Wuhan) Development Corporation (WHDM) which was mainly engaged in the construction, operation and management of the Group s living quarters and schools in Wuhan in 2013.

Research and development expenses increased by 30.6% from US$145.3 million for the year ended December 31, 2013 to US$189.7 million for the year ended December 31, 2014. The increase was mainly due to the increase in R&D activities.

General and administrative expenses increased by 0.9% from US$138.2 million for the year ended December 31, 2013 to US$139.4 million for the year ended December 31, 2014.

Sales and marketing expenses increased by 7.0% from US$35.7 million for the year ended December 31, 2013 to US$38.3 million for the year ended December 31, 2014.

Other operating income decreased by 79.1% from US$67.9 million for the year ended December 31, 2013 to US$14.2 million for the year ended December 31, 2014. The decrease was due to 1) higher gains realized from the partial disposal of the Group s living quarters in Shanghai in 2013 and 2) the gains arising from the disposal of the Group s total ownership interest in WHDM in 2013.

As a result, the Group s profit from operations decreased to US$130.2 million for the year ended December 31, 2014 from US$187.1 million for the year ended December 31, 2013.

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1 Based on simplified average selling price which is calculated as total revenue divided by total shipments.

Profit for the Year

Due to the factors described above, the Group recorded a profit of US$126.3 million in 2014 compared to US$174.5 million in 2013.

Funding Sources for Material Capital Expenditure in the Coming Year

The planned 2015 capital expenditures for foundry operations are approximately US$1.4 billion, which are mainly for 1) the expansion of capacity in the 12-inch fab of Semiconductor Manufacturing North China (Beijing) Corporation (SMNC , the Group s majority-owned subsidiary in Beijing) and the new 8-inch fab in Shenzhen and 2) research and development equipment, mask shops and intellectual property acquisition.

The planned 2015 capital expenditures for non-foundry operations, mainly for the construction of living quarters, are approximately US$100 million. The Group plans to rent out or sell these living quarter units to employees in the future.

The Group s actual expenditures may differ from its planned expenditures for a variety of reasons, including changes in its business plan, process technology, market conditions, equipment prices, or customer requirements. The Group will monitor the global economy, the semiconductor industry, the demands of its customers, and its cash flow from operations and will adjust its capital expenditures plans as necessary.

The primary sources of capital resources and liquidity include cash generated from operations, bank borrowings and debt or equity issuances and other forms of financing. Future acquisitions, mergers, strategic investments, or other developments also may require additional financing. The amount of capital required to meet the Group s growth and development targets is difficult to predict in the highly cyclical and rapidly changing semiconductor industry.

Bad Debt Provision

The Group determines its bad debt provision based on the Group s historical experience and the relative aging of receivables as well as individual assessment of certain debtors. The Group s bad debt provision excludes receivables from a limited number of customers due to their high creditworthiness. A fixed percentage is applied to receivables in each past due age category, ranging from 1% for the shortest past due age category to 100% for the longest past due age category. Any receivables which have been fully provided for and are subsequently deemed non-collectible will be written off against the relevant amount of provision. The Group s recognized bad debt provision in 2013 and 2014 amounted to US$0.6 million and US$1.6 million, respectively. The Group reviews, analyzes and adjusts bad debt provisions on a monthly basis.

Debt Arrangements

Set forth in the table below are the aggregate amounts, as of December 31, 2014, of the Group s future cash payment obligations under the Group s existing contractual arrangements on a consolidated basis:

		Payments due by period Less than			
Contractual obligations	**Total**	**1 year**	**1-2 years**	**2-5 years**	**Over 5 years**
		(consolidated, in US$ thousands)			
Short-term borrowings	**115,084**	115,084			
Long-term loans	**303,170**	46,970	125,200	131,000	
Convertible bonds	**379,394**			379,394	
Bonds payable	**491,579**			491,579	
Purchase obligations(1)	**518,672**	518,672			
Total contractual obligations	**1,807,899**	680,726	125,200	1,001,973	

(1) Represents commitments for construction or purchase of semiconductor equipment, and other property or services.

As of December 31, 2014, the Group s outstanding long-term loans primarily consisted of US$221.5 million in secured bank loans and US$81.7 million in unsecured bank loans, which are repayable in installments starting in June 2015, with the last payment due in February 2018.

2012 USD Loan (SMIC Shanghai)

In March 2012, Semiconductor Manufacturing International (Shanghai) Corporation (SMIS) entered into a loan facility in the aggregate principal amount of US$268 million from a consortium of international and Chinese banks. This three-year bank facility was used to finance the working capital for SMIS s 8-inch fab. The facility was secured by the manufacturing equipment located in the SMIS 8-inch fabs, buildings and land use right of SMIS. SMIS had drawn down US$268 million and repaid the outstanding balance on this loan facility in advance by December 2014. As of December 31, 2014, SMIS had no outstanding balance of the facility. The interest rate on this loan facility ranged from 3.6% to 3.9% in 2014.

2013 USD Loan (SMIC Shanghai)

In August 2013, SMIS entered into a loan facility in the aggregate principal amount of US$470 million with a syndicate of financial institutions based in the PRC. This seven-year bank facility was used to finance the planned expansion for SMIS s 12-inch fab. The facility is secured by the manufacturing equipment located in the SMIS 12-inch fabs and buildings of SMIS. As of December 31, 2014, SMIS had drawn down US$260 million and repaid US$38.5 million on this loan facility in advance by December 2014. The outstanding balance of US$221.5 million is repayable from August 2015 to February 2018. SMIS repaid US$200 million on this loan facility in advance in the first quarter of 2015. The interest rate on this loan facility ranged from 4.3% to 4.9% in 2014.

Any of the following in respect of SMIS would constitute an event of default during the term of the loan agreement:

1. (Short-term Loans + Long-term Debt Current Portion + Long-term Bank Loans)/Total Equity is more than 70%; or

2. (Net profit + Depreciation + Amortization + Income Tax Provision + Financial Expenses)/Financial Expenses is less than 550% in 2014, and less than 1000% after 2014; or

3. (Total Equity - Acquired Intangible Assets Net) is less than US$800 million in 2014, and less than US$1,000 million after 2014.

SMIS was in compliance with these covenants as of December 31, 2014.

2012 USD Loan (SMIC Beijing)

In March 2012, Semiconductor Manufacturing International (Beijing) Corporation (SMIB) entered into the Beijing USD syndicate loan, a seven-year loan facility in the aggregate principal amount of US$600 million, with a syndicate of financial institutions based in the PRC. This seven-year bank facility was used to expand the capacity of SMIB s 12 inch fabs. The facility was secured by the manufacturing equipment located in the SMIB and SMIT fabs, and 100% equity pledge of SMIB and Semiconductor Manufacturing International (Tianjin) Corporation (SMIT). As of December 31, 2014, SMIB had drawn down US$260 million and repaid the outstanding balance on this loan facility in advance by September 2014. The interest rate on this loan facility ranged from 5.8% to 5.9% in 2014.

2013 EXIM USD Loan (SMIC Beijing)

In June 2013, SMIB entered into the new USD loan, a twenty-six-months working capital loan facility in the principal amount of US$60 million with The Export-Import Bank of China, which is unsecured. This twenty- six-months bank facility was used for working capital purposes. As of December 31, 2014, SMIB had drawn down US$40 million on this loan facility. The principal amount is repayable in August 2015. The interest rate on this loan facility ranged from 3.3% to 3.4% in 2014.

2013 CIC RMB Entrust Loan (SMIC Beijing)

In June 2013, SMIB entered into the new RMB loan, a two-year working capital entrust loan facility in the principal amount of RMB70 million with China Investment Development Corporation through China CITIC Bank, which is unsecured. This two-year entrust loan facility was used for working capital purposes. As of December 31, 2014, SMIB had drawn down RMB70 million (approximately US$11.5 million) and repaid RMB55 million (approximately US$9.0 million) on this loan facility. The outstanding balance of RMB15 million (approximately US$2.5 million) is repayable in June 2015. The interest rate on this loan facility is 12% in 2014.

2014 EXIM RMB Loan (SMIC Beijing)

In December 2014, SMIB entered into the new RMB loan, a two-year working capital loan facility in the principal amount of RMB240 million with The Export-Import Bank of China, which is unsecured. This two-year bank facility was used for working capital purposes. As of December 31, 2014, SMIB had drawn down RMB240 million on this loan facility. The principal amount is repayable in December 2016. The interest rate on this loan facility is 3.9% in 2014.

As of December 31, 2014, the Group had 21 short-term credit agreements that provided total credit facilities of up to US$882.5 million on a revolving credit basis. As of December 31, 2014, the Group had drawn down US$115.1 million under these credit agreements and US$767.4 million was available for future trading and borrowings. The outstanding borrowings under the credit agreements are unsecured. The interest rate ranged from 1.9% to 4.2% in 2014.

In May 2012, SMIS entered into a four-year strategic framework credit facility in the aggregate amount of RMB5 billion with China Development Bank. The 2013 USD Loan (SMIC Shanghai) constituted part of this strategic framework credit facility.

Capitalized Interest

Interest, after netting off government funding received, incurred on borrowed funds used to construct plant and equipment during the active construction period is capitalized. The interest capitalized is determined by applying the borrowing interest rate to the average amount of accumulated capital expenditures for the assets under construction during the period. Capitalized interest is added to the cost of the underlying assets and is amortized over the useful life of the assets. Capitalized interests of US$13.7 million and US$15.8 million in 2014 and 2013, respectively, have been added to the cost of the underlying assets during the year and are amortized over the respective useful life of the assets. In 2014 and 2013, the Group recorded amortization expenses relating to the capitalized interest of US$12.5 million and US$11.4 million, respectively.

Commitments

As of December 31, 2014, the Group had commitments of US$211.7 million for facilities construction obligations in connection with the Group s Shanghai, Beijing, Tianjin, Shenzhen and Jiangyin facilities.

As of December 31, 2014, the Group had commitments of US$292.9 million to purchase machinery and equipment for its Shanghai, Beijing, Tianjin, Shenzhen and Jiangyin fabs.

As of December 31, 2014 the Group had commitments of US$14.1 million to purchase intellectual property.

Debt to Equity Ratio

As of December 31, 2014, the Group s net debt to equity ratio was approximately 20.75%. Please refer to Note 36 to our financial statements for calculation.

Foreign Exchange Rate Fluctuation Risk

The Group s revenue, expense, and capital expenditures are primarily transacted in U.S. dollars. The Group also enters into transactions in other currencies. The Group is primarily exposed to changes in exchange rates for the Euro, Japanese Yen, and RMB.

To minimize these risks, the Group purchases foreign-currency forward exchange contracts with contract terms normally lasting less than twelve months to protect against the adverse effect that exchange rate fluctuations may have on foreign-currency denominated activities. These forward exchange contracts are principally denominated in RMB, Japanese Yen or Euros and do not qualify for hedge accounting in accordance with IFRS.

Outstanding Foreign Exchange Contracts

As of December 31, 2014 and 2013, the Group had no outstanding foreign currency forward exchange contracts.

As of December 31, 2012, the Group had outstanding foreign currency forward exchange contracts with notional amounts of US$82.8 million, all of which matured in 2013. As of December 31, 2012, the fair value of foreign currency forward exchange contracts was approximately US$0.05 million, which was recorded in other current assets.

The Group does not enter into foreign currency exchange contracts for speculative purposes.

	As of December 31, 2014 (in US$ thousands)		As of December 31, 2013 (in US$ thousands)		As of December 31, 2012 (in US$ thousands)	
	2014	Fair Value	2013	Fair Value	2012	Fair Value
Forward Exchange Agreement						
(Receive Eur/Pay US$)						
Contract Amount						
(Receive RMB/Pay US$)						
Contract Amount					82,810	52
Total Contract Amount					82,810	52

Interest Rate Risk

The Group s exposure to interest rate risks relates primarily to the Group s long-term loans, which the Group generally assumes to fund capital expenditures and working capital requirements. The table below presents annual principal amounts due and related weighted average implied forward interest rates by year of maturity for the Group s debt obligations outstanding as of December 31, 2014. The Group s long-term loans are all subject to variable interest rates. The interest rates on the Group s U.S. dollar-denominated loans are linked to the LIBOR. As a result, the interest rates on the Group s loans are subject to fluctuations in the underlying interest rates to which they are linked.

	As of December 31	
	2015	2016
	(Forecast) (in US$ thousands, except percentages)	
US$ denominated		
Average balance	1,119,542	1,054,841
Average interest rate	3.16%	3.09%
RMB denominated		
Average balance	40,395	37,160
Average interest rate	4.14%	3.90%
Weighted average forward interest rate	3.19%	3.12%

Joint Venture Agreement with Jiangsu Changjiang Electronics Technology Co., Ltd

On August 8, 2014, the Company and Jiangsu Changjiang Electronics Technology Co., Ltd (JCET), the largest packaging service provider in China, jointly issued a press release in relation to the formation of a joint venture for 12-inch bumping and related testing, pursuant to the previously signed joint venture agreement by and between the Company and JCET on February 20, 2014. On November 25, 2014, SJ Semiconductor (Jiangyin) Corp. (SJ Jiangyin) was established in Jiangyin National High-Tech Industrial Development Zone (JOIND), in Jiangsu Province, China.

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SJ Jiangyin is a wholly-owned subsidiary of SJ Semiconductor (HK) Limited and SJ Semiconductor (HK) Limited is a wholly-owned subsidiary of SJ Semiconductor Corporation (SJ Cayman), which is the joint venture of the Company and JCET. Under the joint venture agreement, the Company and JCET have contributed 51% and 49%, respectively, of the share capital of SJ Cayman.

Operation of Semiconductor Manufacturing International (Shenzhen) Corporation

Semiconductor Manufacturing International (Shenzhen) Corporation (SMIC Shenzhen) is principally engaged in, among others, the testing, development, design, manufacturing capacity. SMIC Shenzhen had reached an installed capacity of 10,000 wafers per month but had not entered into mass production at the end of 2014. SMIC Shenzhen targets to reach an installed capacity of 20,000 wafers per month by the end of 2015.

Issue of Equity Securities under General Mandate

Issue of 2,590,000,000 New Ordinary Shares

On June 4, 2014, the Company entered into a placing and subscription agreement (collectively, the Placing and Subscription Agreement) with J.P. Morgan Securities (Asia Pacific) Limited and Deutsche Bank AG, Hong Kong Branch (the Joint Placing Agents) and Datang Holdings (Hongkong) Investment Company Limited (Datang), a substantial shareholder of the Company. Pursuant to the Placing and Subscription Agreement, Datang agreed to appoint the Joint Placing Agents, and each of the Joint Placing Agents agreed, severally and not jointly, to act as agent for Datang, to purchase or procure no less than six purchasers to purchase 2,590,000,000 ordinary shares of the Company (the Ordinary Share(s)) held by Datang (Sale Share(s)) at the price of HK$0.60 per Sale Share (the Placing Price) (the Top-up Placing). The Placing Price represented a discount of approximately 4.76% to the closing price of HK$0.63 per Ordinary Share as quoted on The Stock Exchange of Hong Kong Limited (the Hong Kong Stock Exchange or the HKSE) on June 4, 2014, being the date on which the terms of the Placing and Subscription Agreement were fixed.

Following the completion of the Top-up Placing on June 9, 2014, Datang applied to subscribe for 2,590,000,000 new Ordinary Shares (the Subscription Share(s)) at the price of HK$0.60 per Subscription Share (which was the same as the Placing Price) according to the Placing and Subscription Agreement (the Top-up Subscription). The Subscription Shares were allotted and issued by the Company to Datang on June 12, 2014 pursuant to the general mandate granted by the shareholders of the Company to the Directors at the annual general meeting of the Company held on June 13, 2013 (2013 General Mandate) and ranked pari passu in all respects with the existing Ordinary Shares in issue.

The Company considered that the Top-up Placing and the Top-up Subscription represented a good opportunity for the Company to broaden its shareholder base. The net subscription monies payable by Datang to the Company were approximately HK$0.59 per Subscription Share after the deduction of the relevant expenses and the net proceeds (net of fees, commissions and expenses) from the issue of the Subscription Shares were approximately US$197.2 million which was mainly used for the Company s capital expenditures in capacity expansion associated with 8-inch and 12-inch manufacturing facilities and for general corporate purposes.

Issue of US$95 million Zero Coupon Convertible Bonds Due 2018

On June 4, 2014, the Company entered into a subscription agreement with J.P. Morgan Securities Plc and Deutsche Bank AG, Hong Kong Branch (collectively, the Joint Managers) in respect of the issue of US$95 million zero coupon convertible bonds due 2018 (the Further Bonds), pursuant to which each of the Joint Managers agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Further Bonds to be issued by the Company in an aggregate principal amount of US$95 million. The issue price of the Further Bonds was 101.5% of the aggregate principal amount of the Further Bonds. Assuming full conversion of the Further Bonds at the initial conversion price of HK$0.7965 per Ordinary Share, the Further Bonds will be convertible into 924,738,230 Ordinary Shares which will be allotted and issued pursuant to the 2013 General Mandate and will rank pari passu in all respects with the Ordinary Shares then in issue on the relevant conversation date. The issue of the Further Bonds was completed on June 24, 2014.

The Further Bonds are non-interest bearing and will mature on November 7, 2018. The Company considered the issue of the Further Bonds as a good opportunity for the Company to further broaden its shareholder base. The net proceeds (net of fees, commissions and expenses) from the issue of the Further Bonds were approximately US$94.2 million which was mainly used for the Company s capital expenditures in capacity expansion associated with 8-inch and 12-inch manufacturing facilities and for general corporate purposes.

The issue of the Further Bonds constituted a further issue of, and be consolidated and formed a single series with, (i) the US$200,000,000 zero coupon convertible bonds due 2018 issued on November 7, 2013 and (ii) the US$86,800,000 zero Coupon convertible bonds due 2018 issued on May 29, 2014 to Datang and Country Hill Limited, the substantial shareholders of the Company, pursuant to their respective subscription agreements with the Company dated December 18, 2013.

Share Capital

During the year ended December 31, 2014, the Company issued 146,607,348 Ordinary Shares to certain of the eligible participants including employees, directors, officers, and service providers of the Company (eligible participants) pursuant to the Company s 2004 Stock Option Plan (2004 Stock Option Plan), 66,462,868 Ordinary Shares to certain of the eligible participants pursuant to the Company s amended and restated 2004 Equity Incentive Plan (2004 Equity Incentive Plan), and 2,577,100 Ordinary Shares to certain of the eligible participants pursuant to the Company s 2001 Stock Option Plan. During the year, there were 30,333 and nil Ordinary Shares issued as a result of the exercise of equity awards granted pursuant to the Company s 2014 stock option plan (the 2014 Stock Option Plan) and the Company s 2014 equity incentive plan (the 2014 Equity Incentive Plan) which have replaced the 2004 Stock Option Plan and the 2004 Equity Incentive Plan, respectively, upon their termination.

Outstanding Share Capital as at December 31, 2014:	**Number of Shares Outstanding**
Ordinary Shares	35,856,096,167

Under the terms of the Company s 2014 Equity Incentive Plan, the Compensation Committee may grant restricted share units (Restricted Share Units) to eligible participants. Each Restricted Share Unit represents the right to receive one Ordinary Share. Restricted Share Units granted to new employees and existing employees generally vest at a rate of 25% upon the first, second, third, and fourth anniversaries of the vesting commencement date. Upon vesting of the Restricted Share Units and subject to the terms of the Insider Trading Policy and the payment by the participants of applicable taxes, the Company will issue the relevant participants the number of Ordinary Shares underlying the awards of Restricted Share Unit. For the year ended December 31, 2014, the Compensation Committee of the Company granted a total of 114,726,892 Restricted Share Units.

As at December 31, 2014, a total of 274,057,667 Restricted Share Units granted pursuant to the terms of the 2004 Equity Incentive Plan and the 2014 Equity Incentive Plan, whether or not such Restricted Share Units were vested, remained outstanding. The vesting schedule of these outstanding Restricted Share Units is set forth below:

Vesting Dates	No. of Restricted Share Units Outstanding
2010	
1-Mar	80,993
2011	
1-Mar	80,835
2014	
17-Jun	600,364
30-Jun	1,990,069
5-Aug	9,320,093
2015	
1-Jan	3,430,545
1-Mar	62,364,531
1-May	13,702,500
17-Jun	600,364
30-Jun	2,330,024
9-Jul	625,000
5-Aug	9,320,093
5-Nov	561,114
2016	
1-Mar	62,364,540
1-May	13,702,500
17-Jun	600,364
9-Jul	625,000
5-Nov	561,114
2017	
1-Mar	62,364,532
17-Jun	600,364
5-Nov	561,114
2018	
1-Mar	27,110,500
5-Nov	561,114
Total	**274,057,667**

Repurchase, Sale or Redemption of the Company s Listed Securities

Neither the Company nor any of its subsidiaries has repurchased, sold or redeemed any of the Ordinary Shares during the year ended December 31, 2014.

Corporate Governance Practices

The HKSE s Corporate Governance Code (the CG Code) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the Hong Kong Stock Exchange Listing Rules) contains code provisions (the Code Provisions) to which an issuer, such as the Company, is expected to comply or advise as to reasons for deviations and recommends best practices which an issuer is encouraged to implement (the Recommended Practices). The Company has adopted a set of

Corporate Governance Policy (the CG Policy) since January 25, 2005 as its own code of corporate governance, which was amended from time to time to comply with the CG Code. The CG Policy, a copy of which can be obtained on the Company s website at www.smics.com under Investor Relations > Corporate Governance > Policy and Procedures , incorporates all of the Code Provisions of the CG Code except for Code Provision E.1.3, which relates to the notice period of general meetings of the Company, and many of the Recommended Practices. In addition, the Company has adopted or put in place various policies, procedures, and practices in compliance with the provisions of the CG Policy.

During the year ended December 31, 2014, the Company was in compliance with all the Code Provisions set out in the CG Code except as explained below:

Code Provision A.4.2 of the CG Code requires that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. According to Article 126 of the Articles of Association of the Company, any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next following annual general meeting of the Company after appointment and shall then be eligible for re-election at that meeting. As such, Mr. Sean Maloney, who was appointed as an independent non-executive Director by the Directors on June 15, 2013 to fill the casual vacancy arising from the retirement of Mr. Tsuyoshi Kawanishi on June 13, 2013, and Mr. William Tudor Brown, who was appointed as an independent non-executive Director by the Directors on August 8, 2013 as an additional Director to the Board, retired and, being eligible, were re-elected at the annual general meeting of the Company held on June 27, 2014 (2014 AGM) rather than the extraordinary general meeting of the Company held on February 17, 2014 (the 2014 February EGM) pursuant to the Articles of Association of the Company.

Code Provision A.6.7 of the CG Code requires that independent non-executive directors and other non- executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Sean Maloney, an independent non-executive Director, was not able to attend the 2014 February EGM due to his overseas engagements during the meeting time. Professor Lawrence Juen-Yee Lau, the then non-executive Director, was not able to attend the extraordinary general meeting of the Company held on November 5, 2014 (the 2014 November EGM) due to his other engagements during the meeting time. Dr. Datong Chen, the alternate Director to Professor Lau, attended the 2014 November EGM on Professor Lau s behalf. Mr. William Tudor Brown, an independent non-executive Director was not able to attend the 2014 November EGM due to his other engagements during the meeting time.

Save as the aforesaid and in the opinion of the Directors, the Company had complied with all Code Provisions set out in the CG Code during the year ended December 31, 2014.

Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted an Insider Trading Compliance Program (the Insider Trading Policy) which encompasses the requirements of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Stock Exchange Listing Rules (the Model Code). The Company, having made specific enquiry of all Directors, confirms that all Directors have complied with the Insider Trading Policy and the Model Code throughout the year ended December 31, 2014. The senior management of the Company as well as all officers, Directors, and employees of the Company and its subsidiaries are also required to comply with the provisions of the Insider Trading Policy.

REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with the management of the Company, the accounting principles and practices accepted by the Company and has discussed with the Directors matters concerning internal controls and financial reporting of the Company, including a review of the audited financial statements of the Group for the year ended December 31, 2014.

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(In USD 000, except share and per share data)

	Notes	For the year ended December 31, 2014 USD 000	2013 USD 000	2012 USD 000
Revenue	5	**1,969,966**	2,068,964	1,701,598
Cost of sales		**(1,486,514)**	(1,630,528)	(1,352,835)
Gross profit		**483,452**	438,436	348,763
Research and development expenses, net		**(189,733)**	(145,314)	(193,569)
Sales and marketing expenses		**(38,252)**	(35,738)	(31,485)
General and administration expenses		**(139,428)**	(138,167)	(107,313)
Other operating income	7	**14,206**	67,870	19,117
Profit from operations		**130,245**	187,087	35,513
Interest income		**14,230**	5,888	5,390
Finance costs	8	**(20,715)**	(34,392)	(39,460)
Foreign exchange gains or losses		**(5,993)**	13,726	3,895
Other gains or losses	9	**18,210**	4,010	6,398
Share of profits of associates		**2,073**	2,278	1,703
Profit before tax		**138,050**	178,597	13,439
Income tax (expense) benefit	10	**(11,789)**	(4,130)	9,102
Profit for the year	11	**126,261**	174,467	22,541
Other comprehensive income (expense)				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations		**(324)**	731	70
Total comprehensive income for the year		**125,937**	175,198	22,611
Profit (loss) for the year attributable to:				
Owners of the Company		**152,969**	173,177	22,771
Non-controlling interests		**(26,708)**	1,290	(230)
		126,261	174,467	22,541
Total comprehensive income (expense) for the year attributable to:				
Owners of the Company		**152,645**	173,908	22,841
Non-controlling interests		**(26,708)**	1,290	(230)
		125,937	175,198&	