



中芯國際集成電路製造有限公司  
Semiconductor Manufactu

(In Cayman Islands with limited liability)

Stock Code: 0981

Interim Report

2011...





# CORPORATE INFORMATION

總公司

中國

上海

中國上海

中國上海

香港

中國

中國

中國

中國

\* 中國

中芯國際集成電路製造有限公司  
SMIC (China) Corporation

中芯國際集成電路製造有限公司\*

樓 B, 309

中國

廣東省

K 1-1104

中國

18 樓

中國

廣東省

樓 C

樓 3003

30 樓

中國

廣東省

中國

中國

中國

中國

中國

0981 (HKSE)

SMI (SE)

# LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS,

Dear Shareholders, I am pleased to inform you that SMIC has achieved another milestone in our development. In the first half of 2011, our revenue increased by 15.2% compared to the same period last year, and our net profit grew by 23.1%. This is a testament to the hard work and dedication of our employees and the support of our shareholders.

During the first half of 2011, we have successfully completed the acquisition of the 50% stake in the Fuzhou branch of the M. F. M. B. Co., Ltd. This acquisition will further strengthen our manufacturing capabilities and expand our market reach in the Southeast Asian region.

In addition, we have also completed the acquisition of the 50% stake in the CIC. Co., Ltd. This acquisition will further enhance our product portfolio and improve our overall operational efficiency. We are confident that these acquisitions will contribute to our long-term growth and success.

Looking ahead, we will continue to focus on our core business and explore new growth opportunities. We will also continue to invest in research and development to drive innovation and improve our product quality. We are committed to providing our shareholders with a steady and sustainable return on their investment.

Thank you for your continued support and trust in SMIC. We look forward to working with you to achieve our common goals and create a bright future for all of us.

Yours faithfully,  
Zhang Wenyi  
Chairman of the Board and Executive Director

Tzu-Yin Chiu  
Chief Executive Officer and Executive Director

**Zhang Wenyi**  
*Chairman of the Board and Executive Director*

**Tzu-Yin Chiu**  
*Chief Executive Officer and Executive Director*

SMIC  
April 29, 2011

# MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

... (B. ...), ... M ... C, ... (C, ...). ... 30, 2011 ... C, ...

## SALES

... 0.4% ... \$720.1 ... 30, 2010 ... \$722.9 ... 30, 2011, ... 2.4% ... 945,654 ... 922,783 ...

## COST OF SALES AND GROSS PROFIT

... \$603.9 ... 30, 2011, ... 1.2% ... \$611.2 ... 30, 2010. ... \$119.1 ... 30, 2011 ... \$108.9 ... 30, 2010. G ... 16.5% ... 30, 2011 ... 15.1% ... 30, 2010. ... 2011.

## OPERATING INCOME, EXPENSES AND LOSS FROM OPERATIONS

... 11.7% ... \$143.8 ... 30, 2010 ... \$127.0 ... 30, 2011. ... 6.6% ... \$94.8 ... 30, 2010 ... \$101.1 ... 30, 2011 ... 24.2% ... \$12.8 ... 30, 2010 ... \$15.9 ... 30, 2011 ... 66.4% ... \$31.3 ... 30, 2010 ... \$10.5 ... 30, 2011 ... \$20.1 ... \$5.1 ... 30, 2010 ... \$0.3 ... 30, 2010 ... \$0.03 ... 30, 2011 ... \$8.0 ... 30, 2011 ... \$34.9 ... 30, 2010. ... -1.1% ... 30, 2011 ... -4.8% ... 30, 2010.

### OTHER INCOME (EXPENSES)

\$3.2 million for the period ended June 30, 2011, compared to \$55.3 million for the period ended June 30, 2010. The increase is primarily due to the change in the fair value of the company's derivatives.

C. The company's other income (expenses) for the period ended June 30, 2011, was \$410.9 million, compared to \$152.8 million for the period ended June 30, 2010. The increase is primarily due to the change in the fair value of the company's derivatives.

\$757.7 million for the period ended June 30, 2011, compared to \$172.4 million for the period ended June 30, 2010. The increase is primarily due to the change in the fair value of the company's derivatives.

C. The company's other income (expenses) for the period ended June 30, 2011, was \$499.5 million, compared to \$90.4 million for the period ended June 30, 2010. The increase is primarily due to the change in the fair value of the company's derivatives.

A. The company's other income (expenses) for the period ended June 30, 2011, was \$251.5 million, compared to \$433.6 million for the period ended June 30, 2010. The decrease is primarily due to the change in the fair value of the company's derivatives.

2006 Loan Facility (SMIC Shanghai). In June 2006, SMIC Shanghai entered into a \$600.0 million (RMB 4 billion) loan facility with Citibank (Cibank) and DZ Bank AG. The facility was split into three tranches: A, B and C. Tranche A has a maximum amount of \$393.0 million (RMB 2.5 billion) and a maturity date of June 2011. Tranche B has a maximum amount of \$107.0 million (RMB 0.7 billion) and a maturity date of June 2011. Tranche C has a maximum amount of \$100.0 million (RMB 0.7 billion) and a maturity date of June 2011. The facility is secured by SMIC Shanghai's 2006 Corporate Guarantee. The facility is used for general working capital purposes. The interest rate is LIBOR plus 1.55% for Tranche A, 1.81% for Tranche B, and 2.07% for Tranche C. As of June 30, 2010, SMIC Shanghai had borrowed \$1.4 million (RMB 10 million) under this facility. As of June 30, 2010, SMIC Shanghai had no amount outstanding under this facility.

2009 USD & RMB Loan Facility (SMIC Shanghai). In June 2009, SMIC Shanghai entered into a \$80 million (RMB 500 million) loan facility with Citibank (Cibank) and MB200 Bank. The facility is split into two tranches: A and B. Tranche A has a maximum amount of \$80 million (RMB 500 million) and a maturity date of June 2011. Tranche B has a maximum amount of \$80 million (RMB 500 million) and a maturity date of June 2011. The facility is secured by SMIC Shanghai's 2009 Corporate Guarantee. The facility is used for general working capital purposes. The interest rate is LIBOR plus 2.40% for Tranche A and 4.86% for Tranche B. As of June 30, 2011, SMIC Shanghai had borrowed \$92 million (RMB 567 million) under this facility. As of June 30, 2011, SMIC Shanghai had no amount outstanding under this facility.

2011 USD Loan Facility (SMIC Shanghai). In April 2011, SMIC Shanghai entered into a \$69 million (RMB 436 million) loan facility with Citibank (Cibank) and MB200 Bank. The facility is split into two tranches: A and B. Tranche A has a maximum amount of \$69 million (RMB 436 million) and a maturity date of June 2011. Tranche B has a maximum amount of \$69 million (RMB 436 million) and a maturity date of June 2011. The facility is secured by SMIC Shanghai's 2011 Corporate Guarantee. The facility is used for general working capital purposes. The interest rate is LIBOR plus 4.40% for Tranche A and 4.40% for Tranche B. As of June 30, 2011, SMIC Shanghai had borrowed \$12 million (RMB 75 million) under this facility. As of June 30, 2011, SMIC Shanghai had no amount outstanding under this facility.

2005 Loan Facility (SMIC Beijing). In May 2005, SMIC Beijing entered into a \$600.0 million (RMB 4 billion) loan facility with Citibank (Cibank) and DZ Bank AG. The facility was split into three tranches: A, B and C. Tranche A has a maximum amount of \$393.0 million (RMB 2.5 billion) and a maturity date of June 2011. Tranche B has a maximum amount of \$107.0 million (RMB 0.7 billion) and a maturity date of June 2011. Tranche C has a maximum amount of \$100.0 million (RMB 0.7 billion) and a maturity date of June 2011. The facility is secured by SMIC Beijing's 2005 Corporate Guarantee. The facility is used for general working capital purposes. The interest rate is LIBOR plus 1.55% for Tranche A, 1.81% for Tranche B, and 2.07% for Tranche C. As of June 30, 2011, SMIC Beijing had borrowed \$1.4 million (RMB 10 million) under this facility. As of June 30, 2011, SMIC Beijing had no amount outstanding under this facility.



A. 2010年12月31日, 本集团持有的MIC B类优先股, 其公允价值为人民币1,000.00万元, 较2009年12月31日的人民币1,000.00万元有所增加。

1. 本集团持有的MIC B类优先股, 其公允价值为人民币1,000.00万元, 较2009年12月31日的人民币1,000.00万元有所增加, 原因是本集团持有的MIC B类优先股, 其公允价值为人民币1,000.00万元, 较2009年12月31日的人民币1,000.00万元有所增加, 原因是本集团持有的MIC B类优先股, 其公允价值为人民币1,000.00万元, 较2009年12月31日的人民币1,000.00万元有所增加。
2. 本集团持有的MIC B类优先股, 其公允价值为人民币1,000.00万元, 较2009年12月31日的人民币1,000.00万元有所增加, 原因是本集团持有的MIC B类优先股, 其公允价值为人民币1,000.00万元, 较2009年12月31日的人民币1,000.00万元有所增加, 原因是本集团持有的MIC B类优先股, 其公允价值为人民币1,000.00万元, 较2009年12月31日的人民币1,000.00万元有所增加。

本集团于2011年1月1日持有的MIC B类优先股, 其公允价值为人民币1,000.00万元, 较2010年12月31日的人民币1,000.00万元有所增加, 原因是本集团持有的MIC B类优先股, 其公允价值为人民币1,000.00万元, 较2010年12月31日的人民币1,000.00万元有所增加。

本集团持有的MIC B类优先股, 其公允价值为人民币1,000.00万元, 较2011年1月1日的人民币1,000.00万元有所增加。

**2005 EUR Loan Facility.** 本集团于2005年15月, 与C公司签订了E类优先股, 其公允价值为人民币15.10万元, 较2004年12月31日的人民币15.10万元有所增加, 原因是本集团持有的E类优先股, 其公允价值为人民币15.10万元, 较2004年12月31日的人民币15.10万元有所增加。

A. 2010年12月31日, 本集团持有的E类优先股, 其公允价值为人民币15.10万元, 较2009年12月31日的人民币15.10万元有所增加, 原因是本集团持有的E类优先股, 其公允价值为人民币15.10万元, 较2009年12月31日的人民币15.10万元有所增加。

A. 2011年12月31日, 本集团持有的E类优先股, 其公允价值为人民币15.10万元, 较2010年12月31日的人民币15.10万元有所增加, 原因是本集团持有的E类优先股, 其公允价值为人民币15.10万元, 较2010年12月31日的人民币15.10万元有所增加。

**2006 Loan Facility (SMIC Tianjin)** 本集团于2006年, 与M公司签订了MIC B类优先股, 其公允价值为人民币300.00万元, 较2005年12月31日的人民币300.00万元有所增加, 原因是本集团持有的MIC B类优先股, 其公允价值为人民币300.00万元, 较2005年12月31日的人民币300.00万元有所增加。

... 30, 2011. ... 30, 2011, 2010, ... \$0.5 ... \$1.3 ... \$0.07 ... \$0.02 ... 30, 2011, 2010, ...

A, ... MIC ...

1. ... < 1; ...

2. ... 60% ... 40% ...

MIC ... 30, 2011.

Short-term Credit Agreements. A, ... 30, 2011, ... C, ... \$926.5 ... A, ... 30, 2011, ... C, ... \$712.4 ... \$214.1 ... \$50.6 ...

... 30, 2011, 2010, ... \$9.7 ... \$5.7 ... 1.75% , 5.84%, ... 30, 2011.

**CAPITALIZED INTEREST**

... C ... \$8.7 ... \$3.1 ... 30, 2011, 30, 2010, ... F, ... 30, 2011, 30, 2010, ... C, ... \$3.4 ... \$3.6 ...

**COMMITMENTS**

A, ... 30, 2011, ... C, ... \$83 ... \$537 ... 18 ...

**DEBT TO EQUITY RATIO**

A, ... 30, 2011, ... C, ... 47.1% ...

### CONTINGENT LIABILITIES

As at December 31, 2011, the Company has no contingent liabilities. As at December 31, 2010, the Company has no contingent liabilities.

### FOREIGN EXCHANGE RATE FLUCTUATION RISK

The Company's financial statements are presented in Hong Kong dollars, which are convertible into U.S. dollars at a fixed rate of HK\$1.00 = U.S. \$0.78. The Company's operations are primarily conducted in Hong Kong, and its assets and liabilities are denominated in Hong Kong dollars. The Company is not exposed to significant foreign exchange rate risk. The Company's financial statements are prepared in accordance with the accounting principles generally accepted in Hong Kong. The Company's financial statements are prepared in accordance with the accounting principles generally accepted in Hong Kong. The Company's financial statements are prepared in accordance with the accounting principles generally accepted in Hong Kong.

As at December 31, 2011, the Company has no foreign exchange rate risk. As at December 31, 2010, the Company has no foreign exchange rate risk.

### CROSS CURRENCY SWAP FLUCTUATION RISK

The Company's financial statements are presented in Hong Kong dollars, which are convertible into U.S. dollars at a fixed rate of HK\$1.00 = U.S. \$0.78. The Company's operations are primarily conducted in Hong Kong, and its assets and liabilities are denominated in Hong Kong dollars. The Company is not exposed to significant cross currency swap risk. The Company's financial statements are prepared in accordance with the accounting principles generally accepted in Hong Kong. The Company's financial statements are prepared in accordance with the accounting principles generally accepted in Hong Kong. The Company's financial statements are prepared in accordance with the accounting principles generally accepted in Hong Kong.

As at December 31, 2011, the Company has no cross currency swap risk. As at December 31, 2010, the Company has no cross currency swap risk.

As at December 31, 2011, the Company has no cross currency swap risk. As at December 31, 2010, the Company has no cross currency swap risk.

## INTEREST RATE RISK

As of June 30, 2011, the Company's financial instruments that are exposed to interest rate risk include cash, accounts receivable, accounts payable, and other receivables. The Company's cash and accounts receivable are denominated in U.S. dollars and are exposed to interest rate risk. The Company's accounts payable and other receivables are denominated in U.S. dollars and are not exposed to interest rate risk. The Company's LIBOR-denominated debt is exposed to interest rate risk. The Company's debt is classified as follows:

A. As of June 30, 2011, the Company's debt is as follows:

Instrument	Amount
LIBOR-denominated debt	\$72 million
Other debt	\$10 million
Total	\$82 million

D. As of June 30, 2012, the Company's debt is as follows:

## EMPLOYEES EQUITY INCENTIVE PLAN

The Company's 2004 Equity Incentive Plan, as amended, was adopted on June 3, 2010. The plan provides for the granting of stock options to employees. The total number of shares available for grant under the plan is 560,522,395 (2.5% of the total number of shares outstanding as of March 31, 2010). The total number of shares granted under the plan is 1,015,931,725.

The Company's 2010 Equity Incentive Plan, as amended, was adopted on June 3, 2010. The plan provides for the granting of stock options to employees. The total number of shares available for grant under the plan is 1,015,931,725.

## PROSPECTS AND FUTURE PLANS

Looking forward, the Company expects to continue to invest in research and development. In 2011, the Company's research and development expenses were \$1 billion, or \$800 million, compared to \$1 billion, or \$800 million, in 2010. The Company's research and development expenses as a percentage of sales were 14% in 2011, compared to 17% in 2010. The Company's research and development expenses as a percentage of sales were 65% in 2011, compared to 45% in 2010. The Company's research and development expenses as a percentage of sales were 65% in 2011, compared to 45% in 2010.



## THE BOARD

B.	C.	B.	C.	B.	C.
C.	C.	B.	C.	C.	C.
B.	D.	C.	D.	C.	D.
E.	D.	C.	D.	C.	D.

2011 AGM ( D. D. K. AGM, M. )  
D. C. D. 30, 2011 A, .

... ..

Name of Director	Category of Director	Class of Director
	C	C .. I
	C-E	C .. I
G	D	C .. I
C	D	C .. II
L-B	D	C .. II
F M	D	C .. II
K	D	C .. III
	D	C .. III
L	D	C .. III

... .. C .. I

... .. B .. C .. B .. C .. A .. B .. B .. CG C .. D .. B .. D .. B .. D ..

A D .. C .. B .. E .. B .. F .. B .. C .. D .. D .. D .. C .. D .. E .. D .. C ..

... .. C .. D .. D ..

## BOARD COMMITTEE

Board of Directors (Audit Committee) and the Board of Directors (Director) are responsible for the preparation and review of the financial statements. The Board of Directors (Audit Committee) is responsible for the review and approval of the financial statements. The Board of Directors (Director) is responsible for the review and approval of the financial statements.

## Audit Committee

On March 30, 2011, the Audit Committee (Audit Committee) and the Board of Directors (Director) are responsible for the preparation and review of the financial statements. The Audit Committee is responsible for the review and approval of the financial statements. The Board of Directors (Director) is responsible for the review and approval of the financial statements.

On March 27, 2011, the Audit Committee (Audit Committee) and the Board of Directors (Director) are responsible for the preparation and review of the financial statements. The Audit Committee is responsible for the review and approval of the financial statements. The Board of Directors (Director) is responsible for the review and approval of the financial statements.

On March 30, 2011, the Audit Committee (Audit Committee) and the Board of Directors (Director) are responsible for the preparation and review of the financial statements. The Audit Committee is responsible for the review and approval of the financial statements. The Board of Directors (Director) is responsible for the review and approval of the financial statements.

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The Board of Directors (Director) is responsible for the review and approval of the financial statements. The Audit Committee (Audit Committee) is responsible for the review and approval of the financial statements.





the Board of Directors, the Audit Committee, the Compensation Committee, the Nominations and Governance Committee, and the Risk Management Committee. The Board of Directors is responsible for the overall management of the Company and for the appointment and supervision of the Executive Director. The Executive Director is responsible for the day-to-day management of the Company and for the implementation of the Board's policies. The Audit Committee is responsible for monitoring the Company's financial reporting process and for the appointment and supervision of the Internal Audit Department. The Compensation Committee is responsible for setting the compensation policy for the Executive Director and for the appointment and supervision of the Compensation Committee. The Nominations and Governance Committee is responsible for the nomination and selection of the Board members and for the oversight of the Company's corporate governance. The Risk Management Committee is responsible for the identification, assessment, and management of the Company's risks.

**Internal Audit Department**








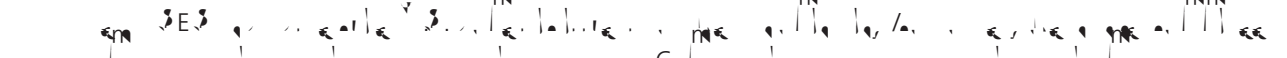
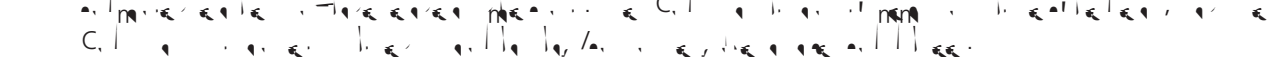


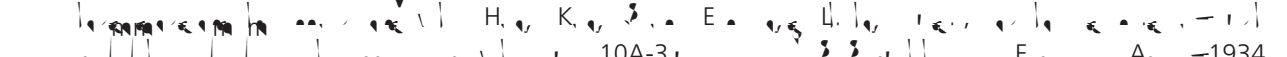
The Internal Audit Department is responsible for providing independent and objective assurance and consulting services to the Board and the Executive Director on matters relating to the Company's internal control system, risk management, and financial reporting. The Internal Audit Department reports to the Audit Committee and the Executive Director.



**CODE OF BUSINESS CONDUCT AND ETHICS**




The Company has adopted a Code of Business Conduct and Ethics, which sets forth the standards of conduct that are expected of all employees, directors, and officers of the Company. The Code of Business Conduct and Ethics is available on the Company's website.



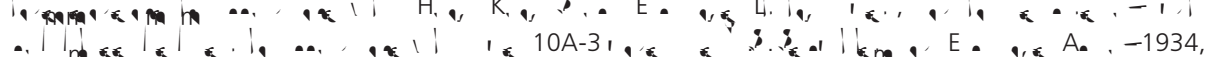


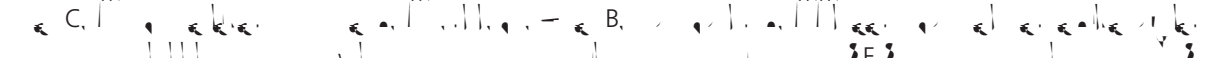



**U.S. Corporate Governance Practices**

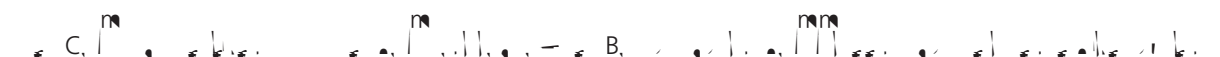











The Company's corporate governance practices are based on the principles of transparency, accountability, and integrity. The Company has adopted various measures to enhance its corporate governance, including the establishment of the Board of Directors, the Audit Committee, the Compensation Committee, the Nominations and Governance Committee, and the Risk Management Committee. The Company is also a member of the Global Access Governance Centre (GAGC) and the U.S. Corporate Governance Practices Working Group.


 A. -2002. H.  E.  C.  M.  E.  C.  C.  H.  K.  E.  L.  E.

 C.  E.

 E.  C.  C.

 E.  H.  K.  E.  L.  E.  A. -1934,  10A-3.  E.

 C.  B.  E.  H.  F.  F.  10-K.  C.  H.  K.  E.  L.

 E.

## OTHER INFORMATION

### 1. DIVIDENDS

During the reporting period, the Board of Directors has not declared any dividends. The Board of Directors will consider the declaration of dividends for the reporting period at the 2011 Annual General Meeting of Shareholders.

### 2. SHARE CAPITAL

During the reporting period, the Company has not issued any new shares. As at the end of the reporting period, the Company has 62,640,812 shares of ordinary shares issued and outstanding. The Company's share capital is 62,640,812 shares of ordinary shares of HK\$1.00 each, which is the same as the share capital of the Company as at the end of the reporting period in 2010. The Company's share capital is 62,640,812 shares of ordinary shares of HK\$1.00 each, which is the same as the share capital of the Company as at the end of the reporting period in 2010.

	Number of Shares Outstanding
As at the end of the reporting period, 30, 2011:	
Ordinary shares	27,454,995,323
Preference shares (non-voting)	360,589,053

The Company's share capital is 62,640,812 shares of ordinary shares of HK\$1.00 each, which is the same as the share capital of the Company as at the end of the reporting period in 2010. The Company's share capital is 62,640,812 shares of ordinary shares of HK\$1.00 each, which is the same as the share capital of the Company as at the end of the reporting period in 2010.

The Company's share capital is 62,640,812 shares of ordinary shares of HK\$1.00 each, which is the same as the share capital of the Company as at the end of the reporting period in 2010. The Company's share capital is 62,640,812 shares of ordinary shares of HK\$1.00 each, which is the same as the share capital of the Company as at the end of the reporting period in 2010.

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F. 207,315,992 D. 31, 2010, C. 30, 2011, C. -21,349,030

**Approximate no. of Restricted Share Units (the actual number of shares eventually to be issued may change due to departure of eligible participants prior to vesting)**

<b>Vesting Dates</b>	<b>Approximate no. of Restricted Share Units</b>
<b>2011</b>	
1-J	16,111,692
21-J	200,600
22-J	12,600
29-J	75,000
1-E	2,162,791
4-E	1,679,398
13-E	75,000
16-E	75,000
23-E	1,679,398
1-M	39,034,371
5-M	50,000
12-M	125,000
16-M	50,000
31-M	125,000
1-A	1,734,992
1-M	75,000
15-M	62,500
22-M	8,750
16-J	125,000
21-J	75,000
1-J	140,000
13-A	252,754
1-	187,500
16-	150,000
27-	50,000
1-	250,000
10-	6,717,595
12-D	75,000
18-D	1,679,398
<b>2012</b>	
1-J	14,520,961
29-J	75,000
1-E	2,162,792
4-E	1,679,399
13-E	75,000
16-E	75,000
23-E	1,679,399
5-M	50,000
12-M	125,000
16-M	50,000
31-M	125,000
1-A	1,684,992
21-M	8,750
13-A	252,754
1-	187,500
27-	50,000
10-	6,717,595
18-D	1,679,398



## A. Ordinary Shares

Name of Shareholder	Number of Shares/ Underlying Shares Held <sup>(1)</sup>	Percentage of Issued Share Capital
D 大華實業有限公司 (Datang) C. 大華實業有限公司 (Datang)	<b>5,227,132,761</b> <b>(long position)<sup>(2)</sup></b>	<b>19.04%</b>
上海證券交易所 (SIIC) C. 上海證券交易所 (SIIC)	310,008,000 (, ) <sup>(3)</sup>	1.13%
	1,833,269,340 (, ) <sup>(4)</sup>	6.68%
<b>Total</b>	<b>2,143,277,340</b> <b>(long position)</b>	<b>7.81%</b>
台灣積體電路製造股份有限公司 (TSMC) C. 台灣積體電路製造股份有限公司 (TSMC)	1,789,493,218 (, ) <sup>(5)</sup>	6.52%
	707,899,976 (, ) <sup>(5)</sup>	2.58%
<b>Total</b>	<b>2,497,393,194</b> <b>(long position)</b>	<b>9.10%</b>

註釋：

- (1) 本公司於 2011 年 3 月 30 日，共發行 27,454,995,323 股普通股。
- (2) 本公司於 2011 年 3 月 30 日，由 D 大華實業有限公司 (H. ) 持有本公司 5,227,132,761 股普通股，佔本公司已發行普通股的 19.04%。
- (3) 本公司於 2011 年 3 月 30 日，由上海證券交易所 (B. ) 持有本公司 310,008,000 股普通股，佔本公司已發行普通股的 1.13%。
- (4) 本公司於 2011 年 3 月 30 日，由上海證券交易所 (B. ) 持有本公司 1,833,269,340 股普通股，佔本公司已發行普通股的 6.68%。
- (5) 本公司於 2011 年 3 月 30 日，由台灣積體電路製造股份有限公司 (TSMC) 持有本公司 1,789,493,218 股普通股，佔本公司已發行普通股的 6.52%。
- 本公司於 2011 年 3 月 30 日，由台灣積體電路製造股份有限公司 (TSMC) 持有本公司 707,899,976 股普通股，佔本公司已發行普通股的 2.58%。

**B. Preferred Shares (Convertible Preferred Shares)<sup>(1)</sup>**

Name of Shareholder	Number of Shares/ Underlying Shares Held
China Investment Capital Co., Ltd. (CIC)	360,589,053
	(Less: (2))
	72,117,810
	(Less: (2))
<b>Total</b>	<b>432,706,863 (Long position)</b>

(1) As at June 30, 2011, the number of shares of the convertible preferred shares held by CIC is 360,589,053. The convertible preferred shares are convertible into the ordinary shares of the Company at the option of the Company starting from June 30, 2011.

(2) On August 18, 2011, the convertible preferred shares held by CIC were converted into the ordinary shares of the Company. The convertible preferred shares held by CIC were 360,589,053. The conversion price was HK\$5.39. The number of ordinary shares issued to CIC is 72,117,810. The conversion of the convertible preferred shares into ordinary shares is completed on August 3, 2011. As at June 30, 2011, the convertible preferred shares held by CIC were 360,589,053.

As at June 30, 2011, the convertible preferred shares held by CIC were 360,589,053. The convertible preferred shares are convertible into the ordinary shares of the Company at the option of the Company starting from June 30, 2011.

On August 18, 2011, the convertible preferred shares held by CIC were converted into the ordinary shares of the Company. The convertible preferred shares held by CIC were 360,589,053. The conversion price was HK\$5.39. The number of ordinary shares issued to CIC is 72,117,810. The conversion of the convertible preferred shares into ordinary shares is completed on August 3, 2011. As at June 30, 2011, the convertible preferred shares held by CIC were 360,589,053.

As at June 30, 2011, the convertible preferred shares held by CIC were 360,589,053. The convertible preferred shares are convertible into the ordinary shares of the Company at the option of the Company starting from June 30, 2011.



本公司之附屬公司，包括：(i) 中國香港之附屬公司，其業務為提供物業管理服務；(ii) 中國香港之附屬公司，其業務為提供保安服務；(iii) 中國香港之附屬公司，其業務為提供清潔服務；(iv) 中國香港之附屬公司，其業務為提供園藝服務；(v) 中國香港之附屬公司，其業務為提供維修及保養服務；(vi) 中國香港之附屬公司，其業務為提供其他物業管理相關服務。

(i) 本公司之附屬公司，其業務為提供物業管理服務，其註冊資本為 HK\$0.5390 (即 539,000 港幣)。

(ii) 本公司之附屬公司，其業務為提供保安服務。

本公司之附屬公司，其業務為提供清潔服務，其註冊資本為 CNY 90% (即 90% 人民幣)。

本公司之附屬公司，其業務為提供園藝服務，其註冊資本為 CNY (即 人民幣)。

(1) 本公司之附屬公司，其業務為提供維修及保養服務，其註冊資本為 CNY (即 人民幣)。

(2) 本公司之附屬公司，其業務為提供其他物業管理相關服務，其註冊資本為 CNY (即 人民幣)。

(3) 本公司之附屬公司，其業務為提供其他物業管理相關服務，其註冊資本為 CNY (即 人民幣)。

本公司之附屬公司，其業務為提供其他物業管理相關服務，其註冊資本為 CNY (即 人民幣)。

(iii) 本公司之附屬公司，其業務為提供其他物業管理相關服務，其註冊資本為 CNY -10% (即 10% 人民幣)。

本公司之附屬公司，其業務為提供其他物業管理相關服務，其註冊資本為 CNY (即 人民幣)。

本公司之附屬公司，其業務為提供其他物業管理相關服務，其註冊資本為 CNY (即 人民幣)。

本公司之附屬公司，其業務為提供其他物業管理相關服務，其註冊資本為 CNY (即 人民幣)。

本公司之附屬公司，其業務為提供其他物業管理相關服務，其註冊資本為 CNY (即 人民幣)。

本公司之附屬公司，其業務為提供其他物業管理相關服務，其註冊資本為 CNY (即 人民幣)。

本公司之附屬公司，其業務為提供其他物業管理相關服務，其註冊資本為 CNY (即 人民幣)。

#### 4. SHAREHOLDING INTERESTS OF THE DIRECTORS OF THE COMPANY

A. 於 2011 年 3 月 30 日，本公司董事持有本公司之股份如下：(1) 陳永興先生持有 3,145,319 股，佔本公司已發行股本之 1.01%；(2) 郭志強先生持有 3,134,877 股，佔本公司已發行股本之 1.01%；(3) 李國祥先生持有 1,000,000 股，佔本公司已發行股本之 0.32%；(4) 李國祥先生持有 500,000 股，佔本公司已發行股本之 0.16%；(5) 李國祥先生持有 1,500,000 股，佔本公司已發行股本之 0.48%。

Board Member	Nature of Interest	Number of Shares/ Underlying Shares held	Percentage of Aggregate Interests to Total Issued Share Capital
陳永興	直接 (1)	3,145,319	*
郭志強	直接 (1)	3,145,319	*
李國祥	直接 (2)	3,134,877	
	直接 (3)	1,000,000	
	直接 (4)	500,000	
	直接 (5)	1,500,000	
	<b>Total</b>		<b>6,134,877</b>
李國祥	直接 (2)	3,134,877	
	直接 (3)	1,000,000	
	直接 (4)	500,000	
<b>Total</b>		<b>4,634,877</b>	*

\* 佔本公司已發行股本之 1%。

(1) 直接

(1) 於 2010 年 12 月 24 日，陳永興先生以每股 0.59 港元之價格，透過 C. I. F. (C. I. F. (M. G.)) 購買 3,145,319 股本公司之股份，佔本公司已發行股本之 1.01%。於 2010 年 12 月 23 日，陳永興先生以每股 0.59 港元之價格，透過 C. I. F. (C. I. F. (M. G.)) 購買 3,145,319 股本公司之股份，佔本公司已發行股本之 1.01%。於 2011 年 3 月 30 日，陳永興先生持有 3,145,319 股本公司之股份，佔本公司已發行股本之 1.01%。

(2) 於 2010 年 11 月 23 日，郭志強先生以每股 0.77 港元之價格，透過 M. K. (M. K. (M.)) 購買 3,134,877 股本公司之股份，佔本公司已發行股本之 1.01%。於 2010 年 11 月 22 日，郭志強先生以每股 0.77 港元之價格，透過 M. K. (M. K. (M.)) 購買 3,134,877 股本公司之股份，佔本公司已發行股本之 1.01%。於 2011 年 3 月 30 日，郭志強先生持有 3,134,877 股本公司之股份，佔本公司已發行股本之 1.01%。

(3) 於 2009 年 11 月 17 日，李國祥先生以每股 0.27 港元之價格，透過 M. K. (M. K. (M.)) 購買 1,000,000 股本公司之股份，佔本公司已發行股本之 0.32%。於 2009 年 11 月 17 日，李國祥先生以每股 0.27 港元之價格，透過 M. K. (M. K. (M.)) 購買 1,000,000 股本公司之股份，佔本公司已發行股本之 0.32%。於 2011 年 3 月 30 日，李國祥先生持有 1,000,000 股本公司之股份，佔本公司已發行股本之 0.32%。

(4) 於 2006 年 12 月 29 日，李國祥先生以每股 0.132 港元之價格，透過 M. K. (M. K. (M.)) 購買 500,000 股本公司之股份，佔本公司已發行股本之 0.16%。於 2008 年 12 月 30 日，李國祥先生以每股 0.132 港元之價格，透過 M. K. (M. K. (M.)) 購買 500,000 股本公司之股份，佔本公司已發行股本之 0.16%。於 2011 年 3 月 30 日，李國祥先生持有 500,000 股本公司之股份，佔本公司已發行股本之 0.16%。

(5) 於 2012 年 12 月 12 日，李國祥先生以每股 1.00 港元之價格，透過 M. K. (M. K. (M.)) 購買 1,500,000 股本公司之股份，佔本公司已發行股本之 0.48%。於 2014 年 12 月 14 日，李國祥先生以每股 1.00 港元之價格，透過 M. K. (M. K. (M.)) 購買 1,500,000 股本公司之股份，佔本公司已發行股本之 0.48%。於 2011 年 3 月 30 日，李國祥先生持有 1,500,000 股本公司之股份，佔本公司已發行股本之 0.48%。

A. 於 2011 年 5 月 5 日，本公司董事持有本公司之股份如下：(1) 陳永興先生持有 4,006,666 股，佔本公司已發行股本之 1.31%；(2) 郭志強先生持有 4,006,666 股，佔本公司已發行股本之 1.31%；(3) 李國祥先生持有 1,000,000 股，佔本公司已發行股本之 0.32%；(4) 李國祥先生持有 500,000 股，佔本公司已發行股本之 0.16%；(5) 李國祥先生持有 1,500,000 股，佔本公司已發行股本之 0.48%。

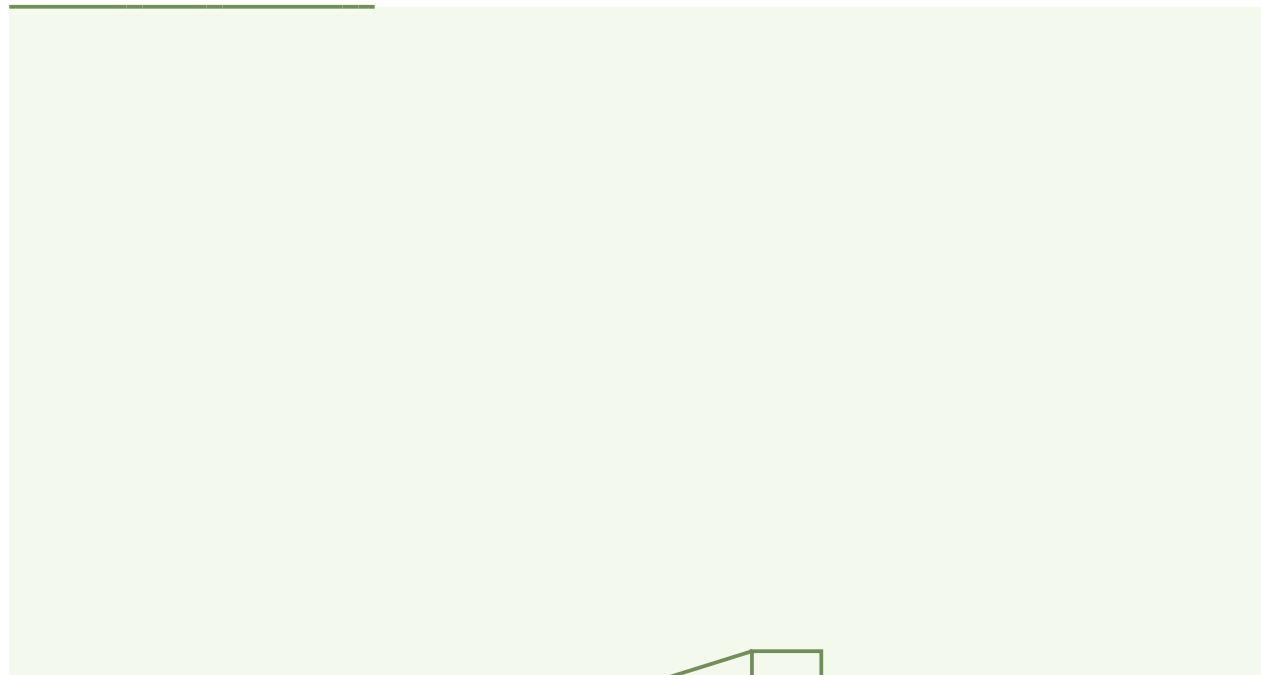
## 2001 STOCK OPTION PLANS

Name/Eligible Employees	Date Granted	Period during which Rights Exercisable	No. of Options Granted	Exercise Price Per Share (\$D)	Options Outstanding as of 12/31/10	Options Lapsed During Period	Options Repurchased of Ordinary Shares During Period*	Options Exercised During Period	Options Cancelled During Period	Options Outstanding as of 6/30/11	Weighted Average Closing Price of Shares immediately before Dates on which Options were Exercised (\$D)	Weighted Average Closing Price of Shares immediately before Dates on which Options were Granted (\$D)
Eligible	3/28/2001	3/28/2001-3/27/2011	89,385,000	\$0.01	2,400,000	30,000		2,370,000,000		35,000	\$0.07	\$0.03
Eligible	4/2/2001	4/02/2001-4/01/2011	2,216,000	\$0.01	210,000	20,000		190,000			\$	\$0.03
Eligible	4/16/2001	4/16/2001-4/15/2011	575,000	\$0.01	35,000			35,000			\$	\$0.03
Eligible	4/28/2001	4/28/2001-4/27/2011	60,000	\$0.01	42,000			42,000			\$	\$0.03
Eligible	5/14/2001	5/14/2001-5/13/2011	1,597,000	\$0.01	10,000	10,000					\$	\$0.03
Eligible	5/15/2001	5/15/2001-5/14/2011	95,000	\$0.01	35,000					35,000	\$	\$0.03
Eligible	7/1/2001	7/1/2001-6/30/2011	745,000	\$0.01	49,000					49,000	\$	\$0.03
Eligible	7/15/2001	7/15/2001-7/14/2011	1,045,000	\$0.01	160,000			60,000		100,000	\$	\$0.03
Eligible	7/16/2001	7/16/2001-7/15/2011	2,220,000	\$0.01	38,500			24,500		14,000	\$	\$0.03
Eligible	7/27/2001	7/27/2001-7/26/2011	50,000	\$0.01	50,000			50,000			\$	\$0.03
Eligible	7/30/2001	7/30/2001-7/29/2011	140,000	\$0.01	100,000			100,000			\$	\$0.03
Eligible	8/7/2001	8/07/2001-8/06/2011	20,000	\$0.01	20,000			20,000			\$	\$0.03
Eligible	8/15/2001	8/20/2001-8/19/2011	20,000	\$0.01	20,000			20,000			\$	\$0.03
Eligible	8/20/2001	9/24/2001-9/23/2011	98,708,500	\$0.01	8,366,700			3,785,600		4,581,100	\$0.05	\$0.03
Eligible	9/24/2001	9/28/2001-9/27/2011	50,000	\$0.01	50,000			50,000			\$	\$0.03
Eligible	1/24/2002	1/24/2002-1/23/2012	47,653,000	\$0.01	6,735,500			2,190,000		4,545,500	\$0.04	\$0.03
Eligible	1/24/2002	1/24/2002-1/23/2012	7,684,500	\$0.02	624,100	2,500		155,100		466,500	\$0.06	\$0.03
Eligible	4/10/2002	4/10/2002-4/09/2012	48,699,000	\$0.02	6,575,900			2,107,000		4,468,900	\$0.06	\$0.05
Eligible	4/11/2002	6/28/2002-6/27/2012	39,740,000	\$0.02	4,166,000			982,000		3,184,000	\$0.07	\$0.06
Eligible	6/28/2002	6/28/2002-6/27/2012	18,944,000	\$0.05	4,564,000			1,195,000		3,369,000	\$0.06	\$0.06
Key Management Personnel	6/28/2002	7/11/2002-7/10/2012	500,000	\$0.05	500,000					500,000	\$	\$0.07
Eligible	7/11/2002	7/11/2002-7/10/2012	2,780,000	\$0.05	30,000					30,000	\$	\$0.07
Eligible	7/11/2002	9/26/2002-9/25/2012	50,000	\$0.05	50,000					50,000	\$	\$0.03
Eligible	9/26/2002	9/26/2005-9/25/2012	5,770,000	\$0.02	1,485,000			280,000		1,205,000	\$0.07	\$0.08
Eligible	9/26/2002	9/26/2005-9/25/2012	65,948,300	\$0.05	12,478,210	28,900		2,304,460		10,144,850	\$0.08	\$0.08
Eligible	1/9/2003	1/09/2003-1/08/2013	53,831,000	\$0.05	8,813,400	400,000		3,850,000		4,563,400	\$0.08	\$0.10
Eligible	1/9/2003	4/01/2003-3/31/2013	18,804,900	\$0.05	4,558,214	81,260		1,182,200		3,294,754	\$0.08	\$0.14
Eligible	4/24/2003	4/24/2003-4/23/2013	58,488,000	\$0.05	12,304,400	8,000		5,175,400		7,121,000	\$0.08	\$0.14
Eligible	7/15/2003	7/15/2003-7/14/2013	59,699,900	\$0.05	12,026,110	109,000		3,529,100		8,388,010	\$0.08	\$0.17
Eligible	10/10/2003	10/10/2003-10/09/2013	49,535,400	\$0.10	13,911,500	1,942,000		792,000		11,177,500	\$	\$0.29
Eligible	1/05/2004	1/05/2004-1/04/2014	130,901,110	\$0.10	43,654,722	4,379,764		1,900,086		37,374,872	\$0.10	\$0.33
Key Management Personnel	1/15/2004	1/15/2004-1/14/2014	1,000,000	\$0.10	1,000,000					1,000,000	\$	\$0.33
Eligible	1/15/2004	1/15/2004-3/01/2005	4,100,000	\$0.10	100,000					100,000	\$	\$0.14
Eligible	1/15/2004	1/15/2004-1/14/2014	2,700,000	\$0.10	1,755,000					1,750,000	\$	\$0.14
Eligible	1/15/2004	1/15/2004-1/14/2014	4,600,000	\$0.10	2,100,000	600,000				1,500,000	\$	\$0.35
Eligible	1/15/2004	1/15/2004-1/14/2014	20,885,000	\$0.10	4,074,000	350,000				3,724,000	\$	\$0.33
Eligible	2/16/2004	2/16/2004-2/15/2014	900,000	\$0.25	300,000					300,000	\$	\$0.33
Eligible	2/16/2004	2/16/2004-2/15/2014	12,300,000	\$0.25	700,000					700,000	\$	\$0.35
Eligible	2/16/2004	2/16/2004-2/15/2014	14,948,600	\$0.10	3,713,500	59,300				3,654,200	\$	\$0.33
Eligible	2/16/2004	2/16/2004-2/15/2014	76,454,880	\$0.25	27,600,300	2,613,410				24,986,890	\$	\$0.33
			<b>943,844,090</b>		<b>185,406,056</b>	<b>10,634,134</b>	<b>—</b>	<b>32,473,446</b>	<b>—</b>	<b>142,298,476</b>		

## 2001 PREFERENCE SHARE PLANS

Name/Eligible Employees	Date Granted	Period during which Rights Exercisable	No. of Options Granted	Exercise Price Per Share (\$D)	Options Outstanding as of 12/31/10	Options Lapsed During Period	Options of Ordinary Shares Repurchased During Period*	Options Exercised During Period	Options Cancelled During Period	Options Outstanding as of 6/30/11	Weighted Average Closing Price of Shares immediately before Dates on which Options were Exercised (\$D)	Weighted Average Closing Price of Shares immediately before Dates on which Options were Granted (\$D)
Eligible Employees	9/24/2001	9/24/2001-9/23/2011	246,698,700	\$0.11	13,139,700	691,000		102,000		12,346,700	\$	\$0.11
Eligible Employees	9/28/2001	9/28/2001-9/27/2011	50,000	\$0.11	50,000	50,000					\$	\$0.11
Eligible Employees	11/3/2001	11/03/2001-11/02/2011	780,000	\$0.35	375,000	5,000				370,000	\$	\$0.11
Eligible Employees	1/24/2002	1/24/2002-1/23/2012	58,357,500	\$0.11	3,284,500	514,400		10,000		2,760,100	\$	\$0.12
Eligible Employees	4/10/2002	4/10/2002-4/09/2012	52,734,000	\$0.11	1,945,900	88,000				1,857,900	\$	\$0.13
Eligible Employees	6/28/2002	6/28/2002-6/27/2012	63,332,000	\$0.11	6,209,000	741,000				5,468,000	\$	\$0.14
Eligible Employees	7/11/2002	7/11/2002-7/10/2012	462,000	\$0.11	202,000					202,000	\$	\$0.14
Eligible Employees	7/11/2002	7/11/2002-7/10/2012	4,530,000	\$0.11	55,000					55,000	\$	\$0.14
Eligible Employees	9/26/2002	9/26/2002-9/25/2012	50,000	\$0.11	50,000					50,000	\$	\$0.15
Eligible Employees	9/26/2002	9/26/2002-9/25/2012	73,804,800	\$0.11	9,241,700	400,500				8,841,200	\$	\$0.15
Eligible Employees	1/9/2003	1/09/2003-1/08/2013	12,686,000	\$0.11	1,117,000	450,000				667,000	\$	\$0.17
			<b>513,485,000</b>		<b>35,669,800</b>	<b>2,939,900</b>	<b>—</b>	<b>112,000</b>	<b>—</b>	<b>32,617,900</b>		

## 2004 STOCK OPTION PLAN



Name/Eligible Employees	Date Granted	Period during which Rights Exercisable	No. of Option Granted	Exercise Price Per Share (\$D)	Options Outstanding as of 12/31/10	Additional Options Granted During Period	Options Lapsed During Period	Options Repurchased of Ordinary Shares During Period*	Options Exercised During Period	Options Cancelled During Period	Options Outstanding as of 6/30/11	Weighted Average Closing Price of Shares Immediately before Dates on which Options were Exercised (\$D)	Weighted Average Closing Price of Shares immediately before Dates on which Options were Granted (\$D)
Eligible Employees	11/10/2006	11/10/2006-11/09/2016	33,271,000	\$0.11	14,239,000		2,342,000				11,897,000	\$	\$0.11
Eligible Employees	5/16/2007	5/16/2007-5/15/2017	122,828,000	\$0.15	59,634,150		6,812,150				52,822,000	\$	\$0.15
Eligible Employees	5/16/2007	5/16/2007-5/15/2017	2,000,000	\$0.15	600,000						600,000	\$	\$0.15
Eligible Employees	5/16/2007	5/16/2007-5/15/2017	5,421,000	\$0.15	500,000						500,000	\$	\$0.15
Eligible Employees	12/28/2007	12/28/2007-12/27/2017	89,839,000	\$0.10	42,717,000		3,574,400		497,400		38,645,200	\$	\$0.10
Eligible Employees	2/12/2008	2/12/2008-2/11/2018	126,941,000	\$0.08	73,480,200		8,129,300		6,697,475		58,653,425	\$	\$0.08
Eligible Employees	2/12/2008	2/12/2008-2/11/2018	2,300,000	\$0.08	500,000						500,000	\$	\$0.08
Eligible Employees	2/12/2008	2/12/2008-2/11/2018	600,000	\$0.08	600,000						600,000	\$	\$0.08
Eligible Employees	11/18/2008	11/18/2008-11/17/2018	117,224,090	\$0.02	65,362,740		7,583,050		1,572,000		56,207,690	\$	\$0.02

## 2004 EQUITY INCENTIVE PLAN

Name/Eligible Employees	Date Granted	Period during which Rights Exercisable	No. of Options Granted	Exercise Price Per Share (\$D)	Options Outstanding as of 12/31/10	Additional Options Granted During Period	Options Lapsed During Period	Options Repurchased of Ordinary Shares During Period*	Options Exercised During Period	Options Cancelled During Period	Options Outstanding as of 6/30/11	Weighted Average Closing Price of Shares immediately before Dates on which Restricted Share Units were Vested (\$D)	Weighted Average Closing Price of Shares immediately before Dates on Share Units were Granted (\$D)
Eligible	8/11/2005	8/11/2005-8/10/2015	69,430,022	\$0.00	12,600				12,600			\$0.09	\$0.22
Eligible	5/16/2007	5/16/2007-5/15/2017	33,649,720	\$0.00	4,351,250		22,000		4,320,500		8,750	\$0.11	\$0.14
Eligible	12/28/2007	12/28/2007-12/27/2017	4,910,000	\$0.00	1,027,500		25,000		387,500		615,000	\$	\$0.10
Eligible	2/12/2008	2/12/2008-2/11/2018	38,597,100	\$0.00	10,962,624		796,600		5,420,312		4,745,713	\$	\$0.08
Eligible	2/12/2008	2/12/2008-2/11/2018	270,000	\$0.00	135,000				67,500		67,500	\$	\$0.08
Eligible	2/12/2008	2/12/2008-2/11/2018	960,000	\$0.00	110,000				55,000		55,000	\$	\$0.08
Eligible	11/18/2008	11/18/2008-11/17/2018	2,080,000	\$0.00	450,000				225,000		225,000	\$	\$0.02
Eligible	5/11/2009	5/11/2009-5/10/2019	787,797	\$0.00	100,000						100,000	\$	\$0.04
Eligible	2/23/2010	2/23/2010-2/22/2020	21,459,142	\$0.00	20,452,532				1,979,148		18,473,384	\$	\$0.10
Eligible	2/23/2010	2/23/2010-2/22/2020	139,933,819	\$0.00	61,108,274		2,811,650		43,426,563		14,870,061	\$	\$0.10
Eligible	2/23/2010	2/23/2010-2/22/2020	500,500	\$0.00	250,250				250,250		250,250	\$	\$0.10
Eligible	2/23/2010	2/23/2010-2/22/2020	6,717,594	\$0.00	6,717,594				1,679,398		5,038,196	\$	\$0.10
Eligible	2/23/2010	2/23/2010-2/22/2020	26,870,379	\$0.00	26,870,379						26,870,379	\$	\$0.10
Eligible	5/24/2010	5/24/2010-5/23/2020	6,739,969	\$0.00	6,739,969						6,739,969	\$	\$0.08
Eligible	5/24/2010	5/24/2010-5/23/2020	1,400,000	\$0.00	1,400,000				300,000		1,100,000	\$	\$0.08
Eligible	9/08/2010	9/08/2010-9/07/2020	2,944,589	\$0.00	2,944,589				483,393		2,461,196	\$	\$0.07
Eligible	11/12/2010	11/12/2010-11/11/2020	750,000	\$0.00	750,000						750,000	\$	\$0.08
Eligible	5/31/2011	5/31/2011-5/30/2021	21,212,530	\$0.00		21,212,530	1,569,100				19,643,430	\$	\$0.08
Eligible	5/31/2011	5/31/2011-5/30/2021	81,900	\$0.00		81,900					81,900	\$	\$0.08
Eligible	5/31/2011	5/31/2011-5/30/2021	54,600	\$0.00		54,600					54,600	\$	\$0.08
			<b>379,349,661</b>		<b>144,382,562</b>	<b>21,349,030</b>	<b>5,224,350</b>	<b>—</b>	<b>58,607,164</b>	<b>—</b>	<b>101,900,078</b>		

## 5. REPURCHASE SALE OR REDEMPTION OF SECURITIES

On June 30, 2011, the Company repurchased 1,569,100 shares of its common stock at a price of \$3.77 per share, for a total cost of \$58,607,164.

## 6. MATERIAL LITIGATION AND ARBITRATION

### Settlement Agreement with TSMC

On October 10, 2009, the Company entered into a settlement agreement with TSMC. Pursuant to the settlement agreement, the Company agreed to pay TSMC a cash settlement of \$1,789,493,218 (US\$1,789,493,218) and to issue TSMC 695,914,030 shares of common stock at a price of HK\$1.30 per share. The settlement agreement also provided for the Company to issue TSMC 10% of the Company's common stock, valued at \$1,789,493,218, on May 5, 2010.

As a result of the settlement agreement, the Company's total cash and cash equivalents decreased by \$1,789,493,218. The settlement agreement also provided for the Company to issue TSMC 10% of the Company's common stock, valued at \$1,789,493,218, on May 5, 2010.

## 7. CHANGES IN DIRECTORATE AND UPDATE OF DIRECTORS' INFORMATION

### Changes in the Members of the Board

A. Mr. Liang Jie, Chairman of the Board, was re-elected as Chairman of the Board at the 2010 Annual General Meeting of the Company.

M. Mr. Liang Jie, Chairman of the Board, was re-elected as Chairman of the Board at the 2011 Annual General Meeting of the Company on July 27, 2011.

D. Mr. Liang Jie, Chairman of the Board, was re-elected as Chairman of the Board at the 2011 Annual General Meeting of the Company on July 29, 2011.

L. Mr. Liang Jie, Chairman of the Board, was re-elected as Chairman of the Board at the 2011 Annual General Meeting of the Company on July 18, 2011. Mr. Liang Jie, Chairman of the Board, was re-elected as Chairman of the Board at the 2011 Annual General Meeting of the Company on July 30, 2011.

M. Mr. Liang Jie, Chairman of the Board, was re-elected as Chairman of the Board at the 2011 Annual General Meeting of the Company on July 30, 2011.

Mr. Liang Jie, Chairman of the Board, was re-elected as Chairman of the Board at the 2011 Annual General Meeting of the Company on July 15, 2011. Mr. Liang Jie, Chairman of the Board, was re-elected as Chairman of the Board at the 2011 Annual General Meeting of the Company on July 13, 2011.

Mr. Liang Jie, Chairman of the Board, was re-elected as Chairman of the Board at the 2011 Annual General Meeting of the Company on July 5, 2011. Mr. Liang Jie, Chairman of the Board, was re-elected as Chairman of the Board at the 2011 Annual General Meeting of the Company on July 13, 2011.

Mr. Liang Jie, Chairman of the Board, was re-elected as Chairman of the Board at the 2011 Annual General Meeting of the Company on July 23, 2011.

### Changes in, and updates to, previously disclosed information relating to the Directors

A. Mr. Liang Jie, Chairman of the Board, was re-elected as Chairman of the Board at the 2011 Annual General Meeting of the Company.

M. Mr. Liang Jie, Chairman of the Board, was re-elected as Chairman of the Board at the 2011 Annual General Meeting of the Company on July 27, 2011.

M. Mr. Liang Jie, Chairman of the Board, was re-elected as Chairman of the Board at the 2011 Annual General Meeting of the Company on July 27, 2011.

M. Mr. Liang Jie, Chairman of the Board, was re-elected as Chairman of the Board at the 2011 Annual General Meeting of the Company on July 27, 2011.

E. Mr. Liang Jie, Chairman of the Board, was re-elected as Chairman of the Board at the 2011 Annual General Meeting of the Company on July 27, 2011.

## 8. WAIVER FROM COMPLIANCE WITH THE LISTING RULES

本公司董事會於2011年8月8日，根據香港證券及期貨條例第33A條，豁免本公司遵守香港交易所證券上市規則第3.04條及第3.05條的規定。

## 9. REVIEW BY AUDIT COMMITTEE

本公司審核委員會已審閱本公司2011年中期業績，並認為該等中期業績符合香港會計師公會頒佈的香港會計準則及香港財務報告準則，且符合香港交易所證券上市規則第3.09條的規定。審核委員會的審核日期為2011年8月30日。

本人，  
B. T. Chiu, Director

**Semiconductor Manufacturing International Corporation**

**Dr. Tzu-Yin Chiu**

*Chief Executive Officer and Executive Director*

本人，  
A. T. C.

日期：2011年8月29日



# CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

For the periods ended June 30, 2011 and 2010

(in US\$ thousands, except share data)  
(unaudited)

	Six months ended June 30,	
	2011	2010
Revenue	\$722,948	\$720,063
Cost of sales	603,898	611,170
Gross profit	119,050	108,893
Operating expenses:		
Research and development	101,074	94,783
General and administrative	10,494	31,275
Marketing and sales	15,878	12,813
Depreciation and amortization	(441)	(231)
Goodwill impairment	—	5,138
Operating income	127,005	143,778
Loss on disposal of assets	(7,955)	(34,885)
Other income (expense):		
Change in fair value of financial instruments	—	(40,609)
Financial income	3,233	(14,709)
Financial expense	3,233	(55,318)
Loss on disposal of assets	(4,722)	(90,203)
Gain on disposal of assets	(4,993)	8,841
Gain from operations of discontinued operations	2,094	(314)
Loss from operations of discontinued operations	(7,621)	(81,676)
Gain from operations of discontinued operations	14,741	(3,715)
Gain from operations of discontinued operations	\$7,120	\$(85,391)
Amortization of intangible assets	(658)	(521)
Gain from operations of discontinued operations	\$6,462	\$(85,912)
Gain from operations of discontinued operations	\$(8,279)	\$(82,197)
Gain from operations of discontinued operations	\$14,457	\$(3,715)
Gain from operations of discontinued operations	\$284	
Earnings (loss) from operations	\$0.00	\$(0.00)
Gain from operations of discontinued operations	\$0.00	\$(0.00)
Gain from operations of discontinued operations	\$0.00	\$(0.00)
Earnings (loss) from operations	\$0.00	
Earnings (loss) from operations	\$0.00	
Non-recurring items	27,401,260,769	22,438,779,149
Non-recurring items	537,895,272	

Revenue from operations of discontinued operations is classified as discontinued operations in the consolidated statement of operations.

# CONDENSED CONSOLIDATED BALANCE SHEET

As at June 30, 2011 and December 31, 2010

(in US\$ thousands, except share data)  
(unaudited)

	June 30, 2011	December 31, 2010
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	410,912	515,808
Accounts receivable	184,808	161,350
Accounts payable	\$43,194	
Prepaid expenses and other receivables	\$49,373	
Other current assets	236,738	206,623
Total current assets	1,241,781	1,179,102
Non-current assets:		
Property, plant and equipment	78,002	78,798
Intangible assets	2,665,092	2,351,863
Available-for-sale financial assets	187,826	173,821
Other non-current assets	132,093	119,109
<b>TOTAL ASSETS</b>	<b>4,304,794</b>	<b>3,902,693</b>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	448,321	515,577
Accounts receivable	139,440	148,880
Other current liabilities	712,423	372,055
Current portion of long-term debt	29,375	29,374
Other current liabilities	251,486	333,459
Total current liabilities	1,581,045	1,399,345
Long-term liabilities:		
Long-term debt	42,541	56,327
Other long-term liabilities	182,122	178,596
Total long-term liabilities	61,940	59,883
Total liabilities	1,867,648	1,694,151
Equity:		
Shareholders' equity	3,602	39,004
Current period earnings	10,982	10,934
Retained earnings	144	144
Total equity	4,115,597	3,858,643
Minority interest	(694)	(1,092)
Total equity and minority interest	(1,692,485)	(1,698,947)

## CONDENSED CONSOLIDATED STATEMENTS OF EQUITY AND COMPREHENSIVE INCOME (LOSS)

For the period from January 1, 2011 to June 30, 2011 and 2010

(in US\$ thousands, except share data)  
(unaudited)

	Common Stock		Convertible Preferred Shares		Additional Paid-in capital	Accumulated Other comprehensive loss	Accumulated deficit	Total stockholders equity	Total comprehensive income (loss)
	Share	Amount	Shares	Amount					
	Balances at January 1, 2011	27,334,063,747	\$10,934	—					
Equity split	120,931,576	48	—	—	3,184	—	—	3,232	—
Issuance of shares by CIC	—	—	360,589,053	144	249,252	—	—	249,396	—
Issuance of shares	—	—	—	—	364	—	—	364	—
Share-based compensation	—	—	—	—	4,154	—	—	4,154	—
Foreign currency translation	—	—	—	—	—	—	6,462	6,462	6,462
Foreign currency translation	—	—	—	—	—	398	—	398	398
Balances at June 30, 2011	27,454,995,323	\$10,982	360,589,053	\$144	\$4,115,597	\$(694)	\$(1,692,485)	\$2,433,544	\$6,860
Balances at January 1, 2010	22,375,886,604	\$8,950	—	\$—	\$3,499,723	\$(386)	\$(1,712,047)	\$1,796,240	\$—
Equity split	104,372,868	42	—	—	1,031	—	—	1,073	—
Share-based compensation	—	—	—	—	6,386	—	—	6,386	—
Foreign currency translation	—	—	—	—	—	—	(85,912)	(85,912)	(85,912)
Foreign currency translation	—	—	—	—	—	(776)	—	(776)	(776)
Balances at June 30, 2010	22,480,259,472	\$8,992	—	\$—	\$3,507,140	\$(1,162)	\$(1,797,959)	\$1,717,011	\$(86,688)

For the period from January 1, 2011 to June 30, 2011 and 2010

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2011 and 2010

(in US\$ thousands)  
(unaudited)

	Six months ended June 30,	
	2011	2010
<b>Cash flow from operating activities</b>		
Change in working capital	\$7,120	\$(85,391)
Depreciation and amortization	264,429	333,190
(Gain) Loss on disposal of property, plant and equipment	(2,094)	314
Gain on disposal of investment	(20,617)	
Change in provisions	(96,028)	72,697
<b>Net cash provided by operating activities</b>	<b>152,810</b>	<b>320,810</b>
<b>Cash flow from Investing activities:</b>		
Acquisition of property, plant and equipment	(677,501)	(160,667)
Acquisition of intangible assets	(17,853)	(29,973)
Disposal of property, plant and equipment	(28,991)	(5,669)
Change in investment	(40,735)	(16,739)
Change in other non-current assets	7,426	40,618
<b>Net cash used in investing activities</b>	<b>(757,654)</b>	<b>(172,430)</b>
<b>Financing activities:</b>		
Proceeds from the issuance of shares	340,368	70,523
Dividend payments	(78,447)	(116,116)
Change in debt	(15,000)	(40,000)
Change in other non-current liabilities	249,396	
Change in other non-current assets	3,232	1,073
<b>Net cash provided by (used in) financing activities</b>	<b>499,549</b>	<b>(84,520)</b>
Exchange rate effect	399	(776)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(104,896)</b>	<b>63,084</b>
<b>CASH AND CASH EQUIVALENTS, beginning of period</b>	<b>515,808</b>	<b>443,463</b>
<b>CASH AND CASH EQUIVALENTS, end of period</b>	<b>\$410,912</b>	<b>\$506,547</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Change in accounts payable	\$1,678	\$2,731
Change in accounts receivable	\$16,501	\$13,645
<b>SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING OR FINANCING ACTIVITIES</b>		
Acquisition of property, plant and equipment through capital lease	\$(249,521)	\$(104,154)
Lease of property, plant and equipment	\$(5,138)	\$(16,410)
Change in other non-current assets	\$—	\$6,731

For the six months ended June 30, 2011 and 2010, the Company's cash and cash equivalents decreased by \$104,896 thousand and increased by \$63,084 thousand, respectively.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the interim periods ended June 30, 2011 and 2010  
(All amounts in US\$ million unless otherwise specified)

## 1. BASIS OF PRESENTATION

The accompanying condensed consolidated financial statements of SMIC Corporation (the “Company”) and its subsidiaries (together, “SMIC”) are prepared in accordance with the accounting principles generally accepted in the United States of America (“US GAAP”) for interim financial information. These financial statements are unaudited and should be read in conjunction with the audited consolidated financial statements and notes thereto for the fiscal year ended December 31, 2010 and March 30, 2011. There are no significant changes in accounting policies, accounting estimates or accounting methods during the interim periods presented.

The condensed consolidated financial statements are prepared on a basis that is consistent with the audited consolidated financial statements for the same periods. The condensed consolidated financial statements are prepared on a historical cost basis. All assets and liabilities are measured at fair value at the reporting date. Fair value is the price that would be received from the sale of an asset or settlement of a liability in an orderly market between a willing buyer and a willing seller at the reporting date. The fair value measurement should be based on the assumptions that market participants would use in pricing the asset or liability, not on the assumptions that the reporting entity would use. The fair value measurement should be based on the assumptions that market participants would use in pricing the asset or liability, not on the assumptions that the reporting entity would use. The fair value measurement should be based on the assumptions that market participants would use in pricing the asset or liability, not on the assumptions that the reporting entity would use.

The condensed consolidated financial statements are prepared on a basis that is consistent with the audited consolidated financial statements for the same periods. The condensed consolidated financial statements are prepared on a historical cost basis. All assets and liabilities are measured at fair value at the reporting date. Fair value is the price that would be received from the sale of an asset or settlement of a liability in an orderly market between a willing buyer and a willing seller at the reporting date. The fair value measurement should be based on the assumptions that market participants would use in pricing the asset or liability, not on the assumptions that the reporting entity would use. The fair value measurement should be based on the assumptions that market participants would use in pricing the asset or liability, not on the assumptions that the reporting entity would use.

## 2. FAIR VALUE

The Company's fair value measurements are categorized into three levels based on the observability of the inputs used in the valuation techniques:

## 2. FAIR VALUE (CONTINUED)

	2011	2010
Contractual obligations	1,215,922	1,215,922
Financial instruments	1,215,922	1,215,922
Other	1,215,922	1,215,922
Total	3,647,766	3,647,766

The following table shows the fair value of the Company's financial instruments:

	2011	2010
Financial instruments	1,215,922	1,215,922
Total	1,215,922	1,215,922

The following table shows the fair value of the Company's contractual obligations:

	2011	2010
Contractual obligations	1,215,922	1,215,922
Total	1,215,922	1,215,922

The following table shows the fair value of the Company's other items:

	2011	2010
Other	1,215,922	1,215,922
Total	1,215,922	1,215,922

2. FAIR VALUE (CONTINUED)

Assets/Liabilities measured at fair value on a recurring basis (Continued)

	December 31, 2010		December 31, 2009	
	(US\$ million)	(US\$ million)	(US\$ million)	(US\$ million)
<b>Assets:</b>				
Fair value of equity securities	\$ 695	\$ 2,204		
Contractual obligations				292
Derivative instruments	\$ 695	\$ 2,496		
<b>Liabilities:</b>				
Fair value of equity securities	\$ 480	\$ (4,170)		
Contractual obligations			1,380	(958)
Contractual obligations			1,292	(949)
Derivative instruments				(40,609)
Derivative instruments	\$ 3,152	\$ (46,686)		

The fair value of equity securities is determined based on the closing price of the securities on the reporting date. The fair value of derivative instruments is determined based on the closing price of the derivative instruments on the reporting date. The fair value of contractual obligations is determined based on the present value of the contractual obligations on the reporting date.

The fair value of equity securities is determined based on the closing price of the securities on the reporting date. The fair value of derivative instruments is determined based on the closing price of the derivative instruments on the reporting date. The fair value of contractual obligations is determined based on the present value of the contractual obligations on the reporting date.

### 3. DISCONTINUED OPERATIONS

On March 1, 2011, the Company's discontinued operations included the operations of the Company's wholly-owned subsidiaries (A) Co., Ltd. and (A) Co., Ltd. (collectively referred to as "Discontinued Operations"). The Discontinued Operations are not material to the Company's financial statements. The Discontinued Operations are accounted for as discontinued operations under the applicable accounting standards. The Discontinued Operations are presented in the consolidated financial statements as discontinued operations.

The Company's discontinued operations incurred losses of \$17,103 million for the period from January 1 to March 31, 2011. The Company's discontinued operations also incurred losses of \$14,741 million for the period from January 1 to March 31, 2011.

### 4. REVENUE RECOGNITION

The Company's revenue is primarily derived from the sales of its products. Revenue is recognized when the Company has transferred control of the goods to the customer and the amount of revenue can be measured reliably. Revenue is recognized net of trade discounts, rebates and other similar allowances.

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### 5. SHARE-BASED COMPENSATION

C. 2011 2010 \$4,154 \$6,386

B

	Six months ended June 30,	
	2011	2010
A	1.27%	1.63%
E	4 years	1, 4
E	70.32%	61.09%
E	0%	0%

#### Share-based compensation plans

C. 2011 2010

2004, C. 2004 (2004) C. 2011, 1,111,910,598 A, 2011, 159,001,753

2001, C. 2001 (2001) A, 2011, 174,916,376 A, 2011, 478,913,959 H, 2011 C. 2001

A, 2011

	Number of options	Weighted average exercise price	Weighted average contractual life	Aggregate intrinsic value
1, 2011	1,317,679,526	\$0.11		
G	149,132,801	\$0.08		
E	(62,640,812)	\$0.05		
C	(117,344,541)	\$0.11		
June 30, 2011	1,286,826,974	\$0.10	6.75	\$10,157
June 30, 2011	1,077,424,873	\$0.11	6.30	\$8,830
E, June 30, 2011	515,884,156	\$0.12	4.70	\$3,957

2011 2010 \$2,987 \$1,336

2010 \$0.05 \$0.05

## 5. SHARE-BASED COMPENSATION (CONTINUED)

### Restricted share units

In 2011, 2004, C, 2004 E, (2004 EL, ) C, B, D, A, 30, 2011, 101,900,078 14,313,744 10 A.

	Number of share units	Weighted average exercise price	Weighted average remaining contractual life	Aggregate intrinsic value
June 1, 2011	144,382,562	\$0.10		
G	21,349,030	\$0.08		
E	(58,607,164)	\$0.10		
C	(5,224,350)	\$0.09		
June 30, 2011	101,900,078	\$0.09	8.82	\$9,401
June 30, 2011	78,085,089	\$0.09	8.74	\$7,181

2004 EL, C, 21,349,030 June 30, 2011 \$0.08 A C, -\$1,344 June 30, 2011.

### Unrecognized compensation cost related to non-vested share-based compensation

A, 30, 2011, \$16,354, 2001, 2004, 2004 EL, -1.45

## 6. RESTRICTED CASH

A, 30, 2011, -\$171,154, \$13,654, A, D, 31, 2010, -\$128,818, \$32,532,

### 7. DERIVATIVE FINANCIAL INSTRUMENTS

€ C. 2011 ... 31, 2010

	June 30, 2011	December 31, 2010
Financial derivatives	\$273,683	\$92,860
Foreign currency derivatives	72,000	76,000
Commodity derivatives	8,162	11,280
<b>Total</b>	<b>\$353,845</b>	<b>\$180,140</b>

€ C. 2011 ... 31, 2010

Settlement currency	Notional amount	US dollar equivalents
A, - June 30, 2011	15,200	\$21,848
€	1,627,610	251,835
<b>Total</b>		<b>\$273,683</b>
A, - December 31, 2010	7,683	\$10,175
€	546,298	82,685
<b>Total</b>		<b>\$92,860</b>

€ C. 2011 ... 31, 2010

Settlement currency	Notional amount	US dollar equivalents
A, - June 30, 2011	28,390	\$41,563
€		\$41,563
<b>Total</b>		<b>\$82,926</b>
A, - December 31, 2010	8,517	\$11,280
€		\$11,280
<b>Total</b>		<b>\$22,560</b>

### 7. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINGENT LIABILITY)

Contingent liability for derivative financial instruments represents the fair value of derivative financial instruments that are not recognized as assets or liabilities because they do not meet the criteria for recognition as such.

As at June 30, 2011 and December 31, 2010, the contingent liability for derivative financial instruments was \$72,000 and \$76,000, respectively.

	June 30, 2011	December 31, 2010
Financial derivative assets	\$231	\$215
Contingent liability for derivative financial instruments	(1,028)	(1,380)
Contingent liability for derivative financial instruments	(121)	(1,292)
	<b>\$(918)</b>	<b>\$(2,457)</b>

### 8. ACCOUNTS RECEIVABLES, NET OF ALLOWANCES

Accounts receivable, net of allowances, represents the amount of receivables that are expected to be collected. Accounts receivable are recorded at the net realizable value, which is the amount of receivables less the allowance for doubtful accounts. The allowance for doubtful accounts is determined based on the aging of accounts receivable and the historical experience of the Company.

Accounts receivable, net of allowances, are classified as follows:

	June 30, 2011	December 31, 2010
Current	\$195,510	\$174,379
Non-current	29,195	25,395
- as at June 30, 2011	8,738	3,033
- as at December 31, 2010	3,295	3,816
	<b>\$236,738</b>	<b>\$206,623</b>

Accounts receivable, net of allowances, are classified as follows:

	June 30, 2011	December 31, 2010
Trade receivables	\$49,373	\$96,145
Other receivables	544	1,077
Allowance for doubtful accounts	(320)	(19,349)
	<b>(6,403)</b>	<b>(28,500)</b>
Trade receivables	<b>\$43,194</b>	<b>\$49,373</b>

### 9. INVENTORIES

	June 30, 2011	December 31, 2010
Raw materials	\$70,263	\$79,038
Work-in-progress	95,385	86,235
Finished goods	31,228	48,131
	<b>\$196,876</b>	<b>\$213,404</b>

10. ACCOUNTS PAYABLE

Accounts payable are due within 30 days.

	June 30, 2011	December 31, 2010
Grants receivable	\$356,978	\$429,831
Accounts payable	40,703	42,087
Accounts receivable	13,485	8,541
Accounts payable	37,155	35,118
	<b>\$448,321</b>	<b>\$515,577</b>

11. INDEBTEDNESS

Loans are due within 30 days.

	Maturity	Interest rate	June 30, 2011	December 31, 2010
Loans payable	2009, 2012	2.40%, 4.86%	\$80,000	\$110,271
Loans payable	2011, 2013	4.4%		

### 13. CONVERTIBLE PREFERRED SHARES

#### Convertible Preferred Shares and Warrants

As of June 30, 2011, the Company has issued (1) 360,589,053 convertible preferred shares with a par value of \$0.0004 (equivalent to HK\$5.39) and (2) 72,117,810 convertible preferred shares with a par value of HK\$5.39 (equivalent to \$0.99). The convertible preferred shares are convertible into common shares of the Company at a price of \$249,396 (equivalent to HK\$603).

#### Voting

The convertible preferred shares have no voting rights.

#### Dividend entitlements

The convertible preferred shares are entitled to dividends on a pari passu basis with the common shares.

#### Ranking

The convertible preferred shares rank pari passu with the common shares in all respects.

#### Liquidation preference

The convertible preferred shares have no liquidation preference.

#### Conversion Rights

The convertible preferred shares have no conversion rights.

### 14. INCOME TAXES

The Company is a corporation organized in the United States and is subject to U.S. federal income tax on its worldwide income. The Company's U.S. federal income tax expense is based on the estimated annual effective tax rate. The Company's U.S. federal income tax expense is based on the estimated annual effective tax rate. The Company's U.S. federal income tax expense is based on the estimated annual effective tax rate.

15. SEGMENT AND GEOGRAPHIC INFORMATION

The Company's operations are organized into three segments: China, Europe and Asia. The Company's operations are also organized into three geographic regions: China, Europe and Asia. The Company's operations are also organized into three geographic regions: China, Europe and Asia.

	Six months ended June 30,	
	2011	2010
China	\$393,081	\$404,147
Europe	21,098	21,130
Asia*	17,487	22,647
	60,957	89,967
Joint venture	305	2,776
Management fee	230,020	179,396
	<b>\$722,948</b>	<b>\$720,063</b>

\* Includes management fee, joint venture, and management fee

### 17. TRANSACTIONS WITH MANAGED GOVERNMENT OWNED FOUNDRIES

(CONTINUED)

During the six months ended June 30, 2011, the Company managed government owned foundries ("MGO") for the Company's customers. The Company's MGO revenue was \$15,575 million for the six months ended June 30, 2010, and \$6,914 million for the six months ended June 30, 2011. The Company's MGO revenue decreased by 55.2% from 2010 to 2011. The Company's MGO revenue decreased by 1.2% from the six months ended June 30, 2011, to the six months ended June 30, 2011.

### 18. RECONCILIATION OF EARNINGS (LOSS) PER SHARE

	Six months ended June 30,	
	2011	2010
Net income (loss) attributable to common shareholders	\$6,462	\$(85,912)
Loss on disposal of assets	(7,621)	(81,676)
Amortization of intangible assets	(658)	(521)
Loss on disposal of investments	(8,279)	(82,197)
Other non-recurring items	14,457	(3,715)
Income tax expense	284	
Net income (loss) attributable to common shareholders	27,401,260,769	22,438,779,149
Net income (loss) attributable to common shareholders	537,895,272	
Earnings (loss) per share		
Basic	\$0.00	\$(0.00)
Diluted	\$0.00	\$(0.00)
Weighted average common shares outstanding	\$0.00	\$(0.00)
Earnings (loss) per share	\$0.00	\$0.00

As of June 30, 2011, the Company's MGO revenue was \$6,914 million. The Company's MGO revenue decreased by 55.2% from 2010 to 2011. The Company's MGO revenue decreased by 1.2% from the six months ended June 30, 2011, to the six months ended June 30, 2011.



## 19. COMMITMENTS

A	30, 2011	C	
C			

No.18 Zhangjiang Road, Pudong New Area, Shanghai 2

