

SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORP

Form 20-F/A

December 19, 2013

[Table of Contents](#)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F/A

(Amendment No. 1)

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**
- OR**
- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2012
- OR**
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
- OR**
- SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 1-31994

Semiconductor Manufacturing International Corporation

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Cayman Islands

(Jurisdiction of incorporation or organization)

18 Zhangjiang Road, Pudong New Area, Shanghai, China 201203

The People's Republic of China

(Address of principal executive offices)

Mr. Gareth Kung, Chief Financial Officer

Telephone: (8621) 3861-0000

Facsimile: (8621) 3895-3568

18 Zhangjiang Road, Pudong New Area, Shanghai, China 201203

(Name, Telephone, E-mail and/or Facsimile Number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
Ordinary Shares, par value US\$0.0004 per share	The Stock Exchange of Hong Kong Limited*
American Depositary Shares	The New York Stock Exchange, Inc.

Securities registered or to be registered pursuant to Section 12(g) of the Act. **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act. **None**

Table of Contents

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

As of December 31, 2012, there were 32,000,139,623 ordinary shares, par value US\$0.0004 per share, outstanding, of which 1,621,168,800 ordinary shares were held in the form of 32,423,376 American Depositary Shares (ADSs). Each ADS represents 50 ordinary shares.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued
by the International Accounting Standards Board

Other

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

* Not for trading purposes, but only in connection with the registration of American Depositary Shares pursuant to the requirements of the Securities and Exchange Commission.

Table of Contents

EXPLANATORY NOTE

We are filing this Amendment No. 1 on Form 20-F/A (this **Amendment No. 1**) to our annual report on Form 20-F for the fiscal year ended December 31, 2012, which was originally filed with the Securities and Exchange Commission on April 15, 2013 (the **Original Form 20-F**), solely to provide a revised Report of Independent Registered Public Accounting Firm that opines on our consolidated statements of financial position as of January 1, 2011.

This Amendment No. 1 consists of a cover page, this explanatory note, the audited annual financial statements for the year ended December 31, 2012 accompanied by the revised Report of Independent Registered Public Accounting Firm, an exhibit index and the required certifications of the principal executive officer and principal financial officer.

Other than as set forth above, this Amendment No. 1 does not, and does not purport to, amend, update or restate the information in any other item of the Original Form 20-F. As a result, this Amendment No. 1 does not reflect events that have occurred after the April 15, 2013 filing date of the Original Form 20-F.

Table of Contents

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on Form 20-F/A on its behalf.

Semiconductor Manufacturing International Corporation

By: /s/ Gareth Kung

Name: Gareth Kung

Title: Chief Financial Officer

Date: December 19, 2013

Table of Contents

EXHIBIT INDEX

Exhibit 12.1	Certification of Chief Executive Officer required by Rule 13a-14(a) under the Exchange Act
Exhibit 12.2	Certification of Chief Financial Officer required by Rule 13a-14(a) under the Exchange Act
Exhibit 13.1	Certification of Chief Executive Officer and Chief Financial Officer required by Rule 13a-14(b) under the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code

Table of Contents

INDEX TO FINANCIAL STATEMENTS

Contents	Page(s)
<u>Reports of Independent Registered Public Accounting Firm</u>	F-2
<u>Consolidated statements of profit or loss and other comprehensive income for the years ended December 31, 2012 and 2011</u>	F-5
<u>Consolidated statements of financial position as of December 31, 2012 and 2011</u>	F-6
<u>Consolidated statements of changes in equity for the years ended December 31, 2012 and 2011</u>	F-8
<u>Consolidated statements of cash flows for the years ended December 31, 2012 and 2011</u>	F-9
<u>Notes to the consolidated financial statements</u>	F-11
<u>Additional information - Financial statement Schedule I</u>	F-89

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Semiconductor Manufacturing International Corporation

We have audited the accompanying consolidated statements of financial position of Semiconductor Manufacturing International Corporation and subsidiaries (the Company) as of December 31, 2012 and 2011 and January 1, 2011, and the related consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for each of the two years in the period ended December 31, 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Semiconductor Manufacturing International Corporation and subsidiaries as of December 31, 2012 and 2011 and January 1, 2011, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2012, in conformity with International Financial Reporting Standards as issued by the International Accounting Standard Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2012, based on the criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 25, 2013 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
March 25, 2013

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Semiconductor Manufacturing International Corporation

We have audited the internal control over financial reporting of Semiconductor Manufacturing International Corporation and subsidiaries (the Company) as of December 31, 2012, based on the criteria established in *Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission*. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report by Management on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Table of Contents

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on the criteria established in *Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission*.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2012, of the Company and our report dated March 25, 2013 expressed an unqualified opinion on those financial statements.

/s/ Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong

March 25, 2013

Table of Contents**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

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

	Notes	For the year ended December 31	
		2012	2011
Continuing operations			
Revenue	6	1,701,598	1,319,466
Cost of sales		(1,352,835)	(1,217,525)
Gross profit		348,763	101,941
Research and development		(193,569)	(191,473)
Sales and marketing expenses		(31,485)	(32,559)
General and administration expenses		(107,313)	(57,435)
Impairment loss on property, plant and equipment			(17,691)
Finance costs	9	(39,460)	(21,903)
Interest income		5,390	4,724
Other income		6,190	13,718
Other gains or losses	8	23,220	17,081
Share of profits of associates		1,703	4,479
Profit (loss) before tax		13,439	(179,118)
Income tax benefit (expense)	10	9,102	(82,503)
Profit (loss) for the year from continuing operations	11	22,541	(261,621)
Discontinued operations			
Profit for the year from discontinued operations	12		14,741
Profit (loss) for the year		22,541	(246,880)
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign operations		70	4,938
Total comprehensive income (expense) for the year		22,611	(241,942)
Profit (loss) for the year attributable to:			
Owners of the Company		22,771	(246,817)
Non-controlling interest		(230)	(63)
		22,541	(246,880)
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		22,841	(241,879)
Non-controlling interests		(230)	(63)
		22,611	(241,942)
Earnings (loss) per share			
From continuing and discontinued operations			
Basic	15	\$ 0.00	\$ (0.01)
Diluted	15	\$ 0.00	\$ (0.01)
From continuing operations			
Basic	15	\$ 0.00	\$ (0.01)
Diluted	15	\$ 0.00	\$ (0.01)

Table of Contents**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

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

	Notes	12/31/12	12/31/11	1/1/11
Assets				
<i>Non-current assets</i>				
Property, plant and equipment	17	2,385,435	2,516,578	2,351,863
Prepaid Land use right		73,962	77,231	78,798
Intangible assets	18	235,378	179,279	173,821
Investments in associates	20	21,636	15,856	7,665
Deferred tax assets	10	43,380	31,787	112,688
Other assets	22	43,382	45,685	2,393
Total non-current assets		2,803,173	2,866,416	2,727,228
<i>Current assets</i>				
Inventories	23	295,728	207,308	213,404
Prepaid operating expenses		46,986	52,805	17,705
Trade and other receivables	24	328,211	200,905	264,048
Other financial assets	21	18,730	1,973	3,149
Restricted cash	25	217,603	136,907	161,350
Cash and bank balances		358,490	261,615	515,808
		1,265,748	861,513	1,175,464
Assets classified as held-for-sale	16	4,239		
Total current assets		1,269,987	861,513	1,175,464
Total assets		4,073,160	3,727,929	3,902,692
Equity and liabilities				
<i>Capital and reserves</i>				
Ordinary shares \$0.0004 par value, 50,000,000,000 shares authorized, 32,000,139,623, 27,487,676,065, and 27,334,063,747 shares issued and outstanding at December 31, 2012, 2011 and 2010, respectively	26	12,800	10,995	10,934
Convertible preferred shares, \$0.0004 par value, 5,000,000,000 shares authorized, nil, 445,545,911 shares and nil issued and outstanding at December 31, 2012, 2011 and 2010, respectively	26		178	
Share premium	26	4,083,588	4,082,135	3,762,146
Reserves	27	46,148	41,315	39,447
Accumulated deficit	28	(1,867,036)	(1,889,807)	(1,642,990)
Equity attributable to owners of the Company		2,275,500	2,244,816	2,169,537
Non-controlling interests		952	1,182	1,245
Total equity		2,276,452	2,245,998	2,170,782

Table of Contents**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Notes	12/31/12	12/31/11	1/1/11
<i>Non-current liabilities</i>				
Borrowings	29	528,612	72,361	178,596
Deferred tax liabilities	10	440	1,333	1,094
Deferred government grant		150,347	125,335	49,143
Promissory notes	31		28,560	56,327
Long-term financial liabilities		4,223	3,018	37,759
Other liabilities		5,000		9,646
Total non-current liabilities		688,622	230,607	332,565
<i>Current liabilities</i>				
Trade and other payables	30	423,952	375,748	614,055
Borrowings	29	567,803	798,782	