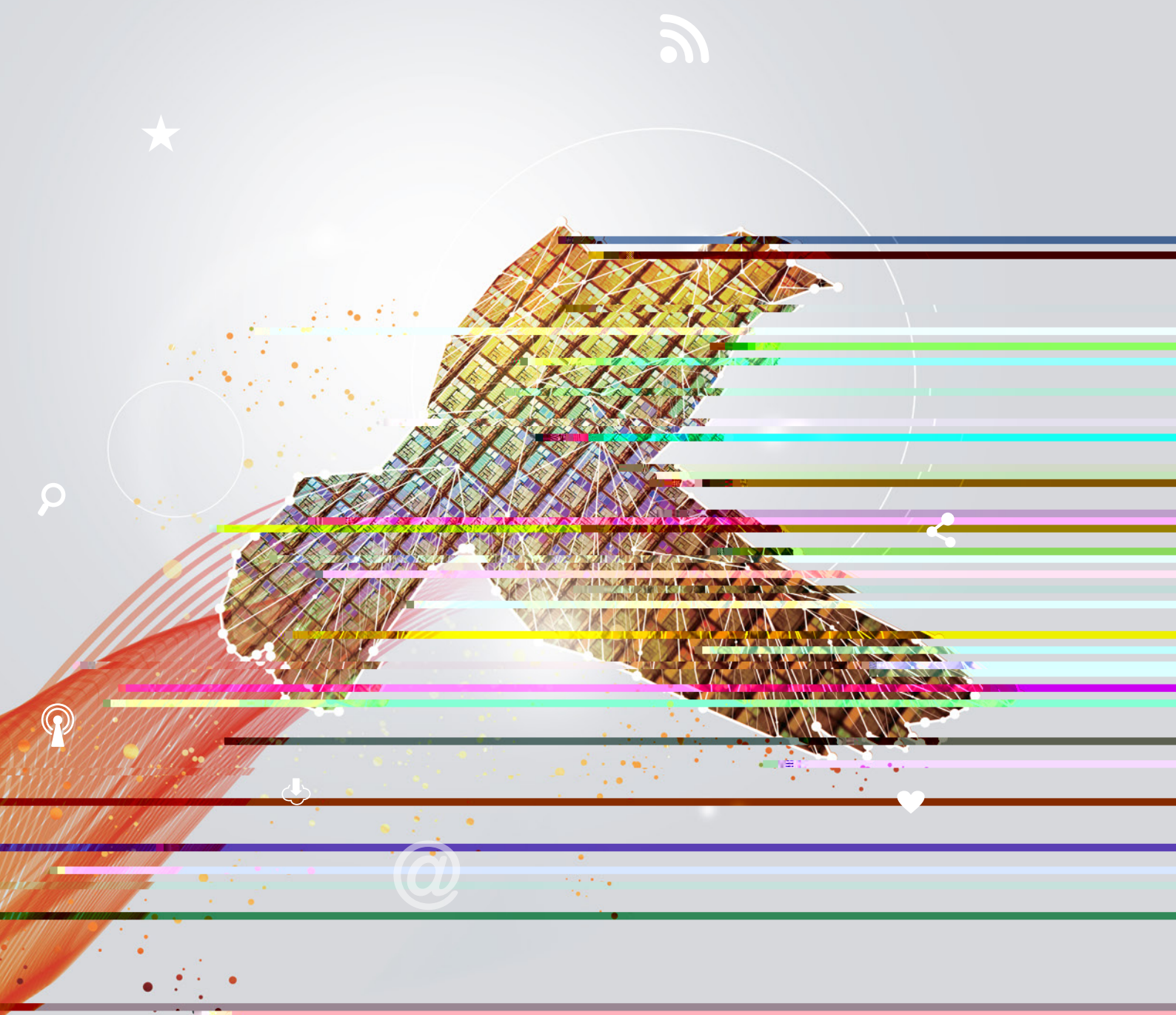




中芯國際集成電路製造有限公司*
Semiconductor Manufacturing International Corporation



2017

中芯國際



CA A A AC 1995 A B V A

hi i erim te r ma ai , i a ji hi ri ali rmai , r ar - l i a em e tm
i hi t he me a i t he t a e har t r i i t he g . ri a e e ri le i i a t e tm
A t 1995 a e i 27A he g . e ri le A t 1933 a e t i 21 t he g . e ri le
t ha e A 1934. he e t ar - l i t a em e a e a e t C' r t e a m i t ,
e e a i t a r j e i a w t t e e e t . C e w r li e e l l e e t a i i t a e ,
i e e t , e i m a e , e e e t , r j e t a i m a r e e w i e i r ar l i t i
a e m e t , a l h t h a l l r ar - l i t a e m e t a i h e e w r . h e e w ar - l i
t a e m e t a e e e a r l e i m a e l e l e t i t j t m e t t C' e l r m a a e m e t a i l e
t t i i a t r i , h t a t e r a i t e a w h e r a r h a m a t a e C'
a t a l e r i m a e i a w a l i i w e l t e r a i t t e m a t e r i a l l i e e t r m t e



... i hi i firim ke t t :

- 2017 A... ake t t he C m a ' a al se-ral meq i hel ... 23, 2017;
- B ar ake t t he ar ike t r t he C m a ;
- Chi a r he C ake t t he se le' se li Chi a, se l i r t he r se hi i firim ke t t , a a a t ai wa ;
- C m a r C ake t t emi t r a a t ri t e r a i al C r r a i ;
- Di ke t r ake t t he ike t r t he C m a ;
- ake t r ;
- z r ake t t he C m a a i t i i a r i e ;
- \$ ake t t K llar ;
- K ha t ha se i i Le ake t t he Le z r e r i t he i i se r i l e he t ha se K im i e , a a me se r m i me t t im e ;
- ake t t e r a i al i a i al se r i t a ar a i se t he e r a i al A t i t a ar B ar ;
- A ake t t a a se se e ;
- A r se W A r t ha se ake t t he se W A r t ha se ;
- r i ar hat e () ake t t he r i ar hat e () , i he hat e a i al he C m a , a \$ 0.0004 se h se ke De-tem-er 7, 2016 a t he r i ar hat e () t \$ 0.004 se h t he hat e li a i se mi se se i e De-tem-er 7, 2016;
- B ake t t se mi i ;
- C ake t t he a . se r i l e a ha se C m m i i ;
- , r K t ha se ake t t he t ha se K im i e ;
- \$ r D ake t t . llar ;
- . z AA ake t t he se-ral a se se a t r i i l e i t he i e a e .

All ke-ke se i hi i firim ke t t ili wa-er a i l e ake t t 8-i h wa-er se i a l e t , Le he r i e se i l e . C se r i a i l e t t 12-i h wa-er t t 8-i h wa-er se l a l e t i a h l e se m t i l l i he m e r 12-i h wa-er t t 2.25. he we ke-er t he a a i wa-er a r i a i a i l i e , we ake ke-er r i t he i alle wa a a i a se se l i a i se t a l i he he ma a a t e r he se i me t se i t h se a i l i e . se-ke se t se r se t e h l se , ha 0.35 mi r , 0.25 mi r , 0.18 mi r , 0.15 mi r , 0.13 mi r , 90 a me-er , 65 a me-er , 45 a me-er a 28 a me-er i l se he t e ke l e l i he r se t e h l , a well a i se r m e i a se ke l e l i t t i l i he t e t se r se t e h l se i se r ke W i . t se am t e , he t a e 0.25 mi r r se t e h l , ha al i l se 0.22 mi r , 0.21 mi r , 0.20 mi r wa 0.19 mi r se h l l e a t 0.18 mi r t r se t e h l al i l se 0.17 mi r a 0.16 mi r se h l l e . he i a i al i r m a i ke-ke se t t hi i firim ke t t ha se ke ake i a r a se w t .

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Chi-ese ame (r i e t i i a i r e l)
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i h e e t r m l 3, 2017.

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z a t a (a i t e w t h e e t r m l 3, 2017)

h e t h a e l a e i m i e ()

W e i t h a e ()

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DEAR SHAREHOLDERS,

C a a i t e r e h i r i a l h i h i h k e e e a r r i r h e i r h a l h i e a r . r h e i r h a l h e e a r , h e C m a t e r e e e e a r i m a e l \$ 1 . 5 4 4 i l l i , t e e e e i a i t e a e 1 6 . 6 % e r h e r e i e r i l a t e a r . r r i a m e t \$ 4 1 5 m i l l i , t e e e e i a i t e a e a r i m a e l 1 1 . 7 % e r h e r e i e r i l a t e a r . h e r h t e l w e w h i e a r m a e t h a t h e t e l e a r a a t e l h e l i h e w t m a r t h e m a r t a h e i e r a j m e t e r a i m a j r m e r , w h i l e h e i t e a e i t e i a i e e e a r i r m h e e a i e w a a i h a a l i m e t e t e h e r i r h . r h e i r h a l h i e a r , t e e e r m A t e i t m e r i t e a e 6 7 . 4 % e r h e r e i e r i l a t e a r a t e e e e 4 0 . 0 % h e t a l t e e e e e e e r m C a e m e r i t e a e 7 . 8 % e r h e r e i e r i l a t e a r a t e e e e 4 6 . 0 % a l t e e e w h i l e r t e e e r m r a l a t e i t e e a e 2 7 . 2 % m a i l t e l i r m h e i e r a j m e t m a j r m e r , i h i r i i t a l t e e e h a i e e e t e a e t 1 4 . 0 % . h i e a r , t e a m i t e r a m 2 8 m , h i h w l l e e e r r i m a r r h r i e r r h i e a r . e e e r m 2 8 m t e 1 3 . 8 i m e r h e i r h a l h i e a r a m a e t h e r e i e r i l a t e a r , a i t r a t t e a h h i h i t e i i t e e e t r i i t h e r h a t e r h i e a r .

D r i h e i r h a l h i e a r , h e e w e h a e i h e C m a t m a a e m e m i j i . D r . A i C h i t e i e a C h i e e i e i e r r e r a l , a m i l t e a . r m i a i t D r . C h i a a i m e t t h e B a r , D r . a j j h a e a m e r e w C h i e e i e i e r t e a h e C m a t i e e e . D r . A i C h i t e m a i a v i e C h a i m a a e e e i e D i t e r a i e t m a e r i i t r m l a i h e C m a r h r a e a m a j r e i i . W e w l l i e t e t e r h e a r e t r a i t e t D r . C h i r h i a l a l e t r i i . D r i h e a t i e a r , D r . C h i h a m a e t m a r a l e a h e m e i h e l i h e C m a r r l a l e t e t e h e r t r m e r , h a t e h l e r a e m l e e , a l e a C t e m e e h e a e t r i C t t r e i h e w r l . D r . a j j h a j i e C i e r 2 0 1 0 a i l m e t h r h t h e C m a r a . A r i l 2 0 1 3 , h e e a m e e i e i e t e i e t a C h i e e r a i i e r , a l a m e h e r l e e e e r a l a a e r e m i t r a a a r i r h C h i a (B e j j i) C r r a i i l h e a m e e a r . e t e e h i B . . a h . D . i e r i t i e e r i r m i h a r i e r t , B e j j i , a B A r m h e r i e r i C h i a . e h a 2 5 e a r e e r e e i t e h l e e l m e t a C m a a r i . r h i l e a e r h i , C w i l l i e t m a i a i i i e r a i a l , i e e e e a r e i a l m a a e m e a e r a i . W t h e t r t r m a a e m e t t e a m , w e a t e i e t h e C m a t t e r e t .

i t h e i h e a r i h i h w e h a e t e h e C i e r r a l a r r a m r C h i l t e . C a t e t w l a e B 2 . 5 6 m i l l i t h e r r a m h i e a r . D r i h e e i e e a r , C h a a l e a a e e r B 1 1 . m i l l i , a t e r 2 0 0 a l i t e h i l t e h a e e l l t e e l e l i e r r a l a . A l , C i e r r a l a r r a m r C h i l t e h a m i a e a i l e e a i t e a i t m e r t e e l e t e r r i e a i t i i a l t m a e t h e r t r i t a h a e m e a i l e j a l i a l r r a m .

SMIC

2017





The Bar Director (the Bar) semi-regularly provides financial criteria (the Criteria) to the Commission (the Commission) to determine the appropriate level of the Commission's contribution to the Bar's operating costs. The Commission's contribution to the Bar's operating costs for the period from January 1, 2017, to December 31, 2017, was \$1,324.5 million, compared to \$1,544.3 million for the period from January 1, 2016, to December 31, 2016.

SALES

Sales increased 16.6% from \$1,324.5 million for the period from January 1, 2016, to December 31, 2016, to \$1,544.3 million for the period from January 1, 2017, to December 31, 2017, primarily due to an increase in sales of water services. The increase in sales of water services was 17.0% from 1,803,170 8-i h water sales for the period from January 1, 2016, to December 31, 2016, to 2,109,919 8-i h water sales for the period from January 1, 2017, to December 31, 2017.

COST OF SALES AND GROSS PROFIT

Cost of sales increased 18.5% from \$953.0 million for the period from January 1, 2016, to December 31, 2016, to \$1,129.3 million for the period from January 1, 2017, to December 31, 2017, primarily due to an increase in water services.

The profit margin for the period from January 1, 2017, to December 31, 2017, was 26.9%, compared to 28.1% for the period from January 1, 2016, to December 31, 2016. The increase in profit margin was primarily due to an increase in sales of water services.

PROFIT FOR THE PERIOD FROM OPERATIONS

Profit from operations increased from \$181.6 million for the period from January 1, 2016, to December 31, 2016, to \$99.0 million for the period from January 1, 2017, to December 31, 2017, primarily due to an increase in sales of water services.

The operating margin increased 85.5% from \$118.0 million for the period from January 1, 2016, to December 31, 2016, to \$219.0 million for the period from January 1, 2017, to December 31, 2017. The increase in operating margin was primarily due to an increase in sales of water services.

The general administrative expenses increased 53.5% from \$61.0 million for the period from January 1, 2016, to December 31, 2016, to \$93.6 million for the period from January 1, 2017, to December 31, 2017. The increase in general administrative expenses was primarily due to 1) the increase in the number of employees, 2) the increase in the number of employees, and 3) the increase in the number of employees.

The administrative expenses increased from \$1.9 million for the period from January 1, 2016, to December 31, 2016, to \$17.9 million for the period from January 1, 2017, to December 31, 2017.

The other operating income was \$16.4 million for the period from January 1, 2016, to December 31, 2016, and \$6.9 million for the period from January 1, 2017, to December 31, 2017. The increase in other operating income was primarily due to an increase in the number of employees.

As a result, the profit from operations increased from \$99.0 million for the period from January 1, 2016, to December 31, 2016, to \$181.6 million for the period from January 1, 2017, to December 31, 2017.



PROFIT FOR THE PERIOD

he zhi hua a r i j i g \$97.5 milli r he i m t h e e e 30, 2017 m a t e t g \$146.3 milli r he i m t h e e e 30, 2016.

FUNDING SOURCES FOR MATERIAL CAPITAL EXPENDITURE IN THE COMING YEAR

2017, he zhi hua a r i j i g \$2.3 illi i a i a l e e i t e r r e r a i w h i h a t e j e t t a j m e t a e m a r g i j i . h e a i a l e e i t e a t e m a i l r 1) h e e a i a a i i r m a j r i - w e B e j i 300m m a , B e j i 300m m a a h e h e 200m m a , 2) r e w r j e t i h a h a i a w h e h e , 3) a m a j r i - w e j i t e t e m a , w h i h w e e e w i l l t e e a r h a e e l m e t 14 m i t e h l , 4) e h a i r w l i w e m t h e i e r l i a a i l e t r m e t , a 5) t e e a r h a e e l m e t e i m e t m a h a i t e l e t a l r e t a i l i .

a i j i , he zhi hua a r i j i g \$70 milli i 2017 a a i a l e e i t e r r e r a i . h i i m a i l r h e t t i l i a t e r t e m l e e a a t h e z h i t e m l e e t e t r a m .

he zhi hua a l e e i t e m a i e r m i t l a e e e i t e r a a t e t e a , i l i h a e i i t i e l a , m a r g i j i , e i m e t r i e , r t m e t e i t e m e t . h e z h i w i l l m i t r h e l a l e m , h e e m i t r i r , h e e m a i t t m e t , a i t a h l w r m e r a i a w i l l a j t t a i a l e e i t e l a a e e a r .

he r i m a t r e a i a l e r e a l i i j i l e a h e e r a e r m e r a i , a r r w i a e e t e i i a e a h e r i m i a i . t e a i l i , m e t e r , r a e i i e t m e t , r h e t e e l m e t a l m a t e i t e a i i a i a i . h e a m t a i a l e i t e m e t h e z h i r w h a e e l m e t t a r e i i i l t t e i t t h e h i h l l i a l a r a i l h a i e m i t r i t .

630 mg

la fine del 30, 2016, rimanendo a fine del 1) a fine del 2) a fine del 3) a fine del

la fine del 30, 2017, rimanendo a fine del 1) a fine del 2) a fine del 3) a fine del

A fine del 30, 2017, rimanendo a fine del 1) a fine del 2) a fine del 3) a fine del

2013 USD L a (SMIC S a, a)

A fine del 2013, rimanendo a fine del 1) a fine del 2) a fine del 3) a fine del

2015 USD L a (SMIC S a, a)

A fine del 2015, rimanendo a fine del 1) a fine del 2) a fine del 3) a fine del

2015 RMB L a I (SMIC S a, a)

A fine del 2015, rimanendo a fine del 1) a fine del 2) a fine del 3) a fine del

2015 RMB L a II (SMIC S a , a)

De-em er 2015, e te e i a l a a ili i h e a e a e ri i al am B475.0 milli
 i h Chi a De-el m Ba , hi h i a r a e e C. hi e - e a r a a ili t a e r w r i
 a i a l r e . A e 30, 2017, h a r a w B475.0 milli (a r i m a e l o \$69.9 milli)
 hi l a a ili . h e a i a l a e i e a a l e r m De-em er 2018. De-em er
 2025. h e i t e e t r a e t hi l a a ili i 1.20% e r a m i 2017.

2015 EXIM RMB L a (SMIC S a , a)

De-em er 2015, e te e i a l a a ili i h e a e a e ri i al am B500.0 milli
 i h h e r - m Ba Chi a, hi h i e e . hi h e - e a r a a ili t a e r w r i
 a i a l r e . A e 30, 2017, h a r a w B500.0 milli (a r i m a e l o \$73.6
 milli) hi l a a ili . h e a i a l a e i e a a l e i De-em er 2018. h e i t e e t r a e t hi
 l a a ili i 2.65% e r a m i 2017.

2017 EXIM RMB L a (SMIC S a , a)

a r h 2017, e te e i a l a a ili i h e a e a e ri i al am B1,000.0 milli
 i h h e r - m Ba Chi a, hi h i e e . hi h e - e a r a a ili t a e r w r i
 a i a l r e . A e 30, 2017, h a r a w B1,000.0 milli (a r i m a e l o \$147.2
 milli) hi l a a ili . h e a i a l a e i e a a l e i a r h 2019. h e i t e e t r a e t hi
 l a a ili i 2.65% e r a m i 2017.

2016 EXIM RMB L a (SMIC)

a 2016, C e te e i a l a a ili i h e a e a e ri i al am B500.0 milli
 h e r - m Ba Chi a, hi h i e e . hi h e - e a r a a ili t a e r w r i
 a i a l r e . A e 30, 2017, C h a r a w B500.0 milli (a r i m a e l o \$73.6
 milli) hi l a a ili . h e a i a l a e i e a a l e i a 2019. h e i t e e t r a e t hi l a
 a ili i 2.75% e r a m i 2017.

2015 CDB RMB L a (SMIC B _ _ ,)

De-em er 2015, e m i r a a a t ri e r a i al (Beiji) C r r a i (B r C
 Beiji) e te e i a B l a , a i e e - e a r w r i a i a l l a a ili i h e ri al am
 B195.0 milli i h Chi De-el m Ba , hi h i e e . A e 30, 2017, B h a r a w
 B195.0 milli (a r i m a e l o \$28.7milli) hi l a a ili . h e ri i al am i e a a l e
 r m De-em er 2017. De-em er 2030. h e i t e e t r a e t hi l a a ili i 1.20% e r a m i 2017.

2016 CDB RMB L a (SMIC B _ _ ,)

a 2016, B e te e i t a B l a , a i e e - e a r w r i a i a l l a a ili i h e ri i al
 am B1,460.0 milli i h Chi a De-el m Ba , hi h i a r a e e C. A e 30,
 2017, B h a r a w B1,460.0 milli (a r i m a e l o \$214.9 milli) hi l a a ili . h e
 ri i al am i e a a l e r m a 2018. a 2031. h e i t e e t r a e t hi l a a ili i 1.20%
 e r a m i 2017.

2016 EXIM RMB L a I (SMIC B ...)

December 2016, B... i... a... B l a , a... -ear... r i... a i a l l a... a i l i... i... h e... r i... i... a l... a m... B240.0 milli... h... h... -m... r... B... Chi... a... h i... h i... e... t... e... h i... t... -ear... a... a... i... t... a... e... r... w... r i... w... a... i... a l... r... e... . A... e... 30, 2017, w... B... h... a... r... a... w... B240.0 milli... (a... r... i... m... a... e... l... o... \$35.3 milli...)... h i... l... a... a... i... l i... . h... e... r... i... i... a... l... a... m... t... i... t... e... a... a... l... e... i... D... e... c... e... m... b... e... r... 2018. h... e... i... t... e... t... r... a... t... e... h i... l... a... a... i... l i... t... i... 2.65%... e... r... a... m... i... 2017.

2016 EXIM RMB L a II (SMIC B ...)

a... ar 2016, B... e... t... e... i... t... a... B l a , a... h... e... e... -ear... r i... a i a l l a... a i l i... i... h e... r i... i... a l... a m... B400.0 milli... h... h... -m... r... B... Chi... a... h i... h i... e... t... e... h i... t... h... e... e... -ear... a... a... i... t... a... e... r... w... r i... w... a... i... a l... r... e... . A... e... 30, 2017, w... B... h... a... r... a... w... B400.0 milli... (a... r... i... m... a... e... l... o... \$58.9 milli...)... h i... l... a... a... i... l i... . h... e... r... i... i... a... l... a... m... t... i... t... e... a... a... l... e... i... a... w... a... r... 2019. h... e... i... t... e... t... r... a... t... e... h i... l... a... a... i... l i... t... i... 2.65%... e... r... a... m... i... 2017.

2017 EXIM RMB L a (SMIC T...)

e... r... ar 2017, e... m... i... r... a... a... r... i... t... e... r... a... i... a... l... (i... a... j... i...) C... r... r... a... i... (... r... C... i... a... j... i...)... e... t... e... i... t... a... e... w... B l a , a... h... e... e... -ear... r i... a i a l l a... a i l i... i... h e... r i... i... a l... a m... B500.0 milli... h... h... -m... r... B... Chi... a... h i... h i... e... t... e... h i... t... h... e... e... -ear... a... a... i... t... a... e... r... w... r i... w... a... i... a l... r... e... . A... e... 30, 2017, h... a... r... a... w... B500.0 milli... (a... r... i... m... a... e... l... o... \$73.6 milli...)... h i... l... a... a... i... l i... . h... e... t... a... i... a... l... a... l... e... i... t... e... a... a... l... e... i... e... r... ar 2020. h... e... i... t... e... t... r... a... t... e... h i... l... a... a... i... l i... t... i... 2.65%... e... r... a... m... i... 2017.

2015 CDB USD L a (SJ J...)

e... m... e... r... 2015, e... m... i... r... (i... a... i...) C... r... r... a... i... (... i... a... i...)... e... t... e... i... t... h... e... D... l... a... , a... e... e... -ear... w... r i... a i a l l a... a i l i... i... h e... r i... i... a l... a m... o... \$44.5 milli... h... Chi... a... D... e... l... m... e... t... B... h i... w... a... i... t... a... e... t... e... a... t... h... e... a... a... i... t... i... a... i... '... 300mm... w... t... i... a... . h... e... a... i... l i... i... a... r... a... t... e... e... B... A... e... 30, 2017, i... a... i... h... a... r... a... w... o... \$20.0 milli... a... t... e... a... i... o... \$18.0 milli... h i... l... a... a... i... l i... . h... e... t... t... a... i... a... m... o... \$2.0 milli... i... t... e... a... a... l... e... r... m... e... t... e... m... b... e... r... 2017. e... m... e... r... 2022. h... e... i... t... e... t... r... a... t... e... h i... l... a... a... i... l i... t... a... e... r... m... 4.72%... t... 4.83%... e... r... a... m... i... 2017.

2014 Ca... a... D... P... L a (LF...)

a... ar 2014, ... e... t... e... i... t... a... l... a... a... i... l i... i... h... e... a... t... e... r... i... i... a... l... a... m... t... o... 35.8 milli... w... t... h... C... a... a... D... e... i... t... e... t... e... i... . h i... t... e... -ear... a... a... i... l i... t... a... i... t... e... l... a... i... t... h... e... a... m... i... i... r... t... h... e... e... e... i... t... h... e... e... h... l... i... a... i... . h... e... a... i... l i... i... e... t... e... a... t... e... i... o... 14.3 milli... t... h... e... m... a... a... t... r... i... e... i... m... e... l... a... t... e... i... r... '... 200mm... a... . A... e... 30, 2017, ... r... h... a... r... a... w... o... 35.8 milli... a... t... e... a... i... o... 9.9 milli... h i... l... a... a... i... l i... . h... e... t... t... a... i... a... l... a... e... o... 26.4 milli... (i... t... e... e... t... a... l... e... i... o... 23.2 milli... , a... r... i... m... a... e... l... o... \$26.4 milli...)... i... l... i... r... i... i... a... l... a... m... t... o... 25.9 milli... a... i... t... e... t... a... h... l... o... 0.5 milli... i... t... e... a... a... l... e... r... m... D... e... c... e... m... b... e... r... 2017... t... D... e... c... e... m... b... e... r... 2023. h... e... i... t... e... t... r... a... t... e... h i... l... a... a... i... l i... t... i... 0.5%... e... r... a... m... i... 2017.

Share Capital

As at 30, 2017, the total share capital of the Company has increased to RMB1,761.8 million from RMB1,756.7 million as at 30, 2017, an increase of RMB5.1 million. The increase is mainly due to the share repurchase program of 1.23% and 3.92% in 2017.

DISPOSAL OF 19.61% EQUITY INTEREST IN CHANGJIANG XINKE BY SILTECH SHANGHAI TO JCET AND ISSUE OF A SHARES TO SILTECH SHANGHAI BY JCET AND PRIVATE PLACEMENT OF A SHARES TO SILTECH SHANGHAI BY JCET

On April 27, 2016, the Company (Shanghai) Chemicals (Shanghai) Co., Ltd. (the Company) disposed of 19.61% equity interest in Changjiang Xinke Chemicals Co., Ltd. (Changjiang Xinke) to JCET, a subsidiary of the Company, for a consideration of RMB664.0 million. The Company also issued 43,229,166 shares of its ordinary shares to JCET for a consideration of RMB15.36 million. In addition, the Company issued 150,681,044 shares of its ordinary shares to JCET for a consideration of RMB2,655.0 million. On October 10, 2017, the Company issued 100,000,000 shares of its ordinary shares to JCET for a consideration of RMB1,000.0 million. On December 19, 2017, the Company issued 100,000,000 shares of its ordinary shares to JCET for a consideration of RMB1,000.0 million.

COMMITMENTS

As at 30, 2017, the Company has commitments of RMB443.6 million. The commitments are mainly related to the acquisition of the shares of Beijing Baiji Chemicals Co., Ltd. for a consideration of RMB460.8 million and the acquisition of the shares of Beijing Baiji Chemicals Co., Ltd. for a consideration of RMB7.0 million.

DEBT TO EQUITY RATIO

As at 30, 2017, the Company's debt to equity ratio is 48.4%, which is higher than the debt to equity ratio of 25.0% as at 30, 2017. The increase is mainly due to the share repurchase program of 1.23% and 3.92% in 2017.

FOREIGN EXCHANGE RATE FLUCTUATION RISK

The Company's revenue is mainly derived from the sale of chemical products in the domestic market. The Company's revenue is not significantly affected by the fluctuation of the foreign exchange rate.

mi imi e he re ri , he zt r ha e kei - rre r ar e ha e ra t w h ra t t m
 r mall la i Le ha t w e m h t r e t a ai he a e r e e e t ha e ha e ra e l t ai
 ma ha e kei - rre e mi a e a i i e . he e r ar e ha e ra t a e ri i all
 e mi a e i B , a a e e e r r a t t ali r he e a t i a r a e w h

Q a , F , E a , C a

A e 30, 2017, he zt ha a i kei rre r ar e ha e ra t w h i al
 am t \$56.6 milli , hi h ill ma ke i 2018. A e 30, 2017, he air al e kei rre
 r ar e ha e ra t w a r ima e l \$2.0 milli , hi h a ke r e i he r i a i a e .

A De e m e t 31, 2016, he zt ha a i kei rre r ar e ha e ra t .
 he zt e e e e r i t kei rre e ha e ra t r e la i e r e .

	A J 30, 2017 (US\$ a)		A De e m e t 31, 2016 (i \$ h a)	
	N a	Fa	t i al	air
	a	a	a l e	a l e
F a E a , A m				
(e e i e / a \$)				
C ra Am	27,750	1,690		
(e e i e B / a \$)				
C ra Am	28,881	261		
al C ra Am	56,631	1,951		

CROSS CURRENCY SWAP FLUCTUATION RISK

he zt e e e e i e e e r a l B e mi a e l a a i l i a e e m e t a i e B e (h e l a e r
 l l e i e l e e r i e t a h e B D e t) . A a k e l , he zt wa r i m a r i l e h a e i h e
 e ha e ra e r h e B . m i m i e h e r e r i , he zt e e e e i t r r e wa r a t
 i h a ra t m ma h i h e e a m e h e l e h e w h l e a t h e e B D e t t r e t
 a a i h e a e r e e e t e ha e ra e l t a i a r i r m h e B D e t .

Q a , C C S a C a

A e 30, 2017, he zt ha a i r rre wa ra t w h i al am
 B6,101.0 milli (a r ima e l \$898.0 milli) . i al am wa e t e i h e . l l a r e i a l e t
 a e ha e ra e a h e e e i e a e . A e 30, 2017, he air al e r rre wa
 r a t w a r ima e l \$ (23.0) milli , hi h a r ima e l \$ (27.8) milli wa ke r e i h e r
 i a i a l l i l i e a a r ima e l \$4.8 milli wa ke r e i h e r i a i a l a e . he r rre
 wa r a t w ill ma ke r i h e e r i 2017 2021 .

At December 31, 2016, the company has a fair value of the warrants with a fair value of B5,927.0 million (a fair value of \$854.4 million). The fair value is determined using the Black-Scholes model. At December 31, 2016, the fair value of the warrants is a fair value of \$(80.5) million. The warrants will mature between 2017 and 2021.

	A	A
	December 31, 2017	December 31, 2016
	(US\$ million)	(US\$ million)
Non-current	-	-
Current	-	-
Total	-	-

C A V A C

he C m a i m m i e k m a i a e e m l a r r r a e i i e a m a i a i a h i h l e l
r r a e e e a e i r e t r e t t h e i f e e t i h a h l e r .

CORPORATE GOVERNANCE PRACTICES

he C r r a e z e r a e C e (h e C y C e) a e i A e i 14 t h e K h a e
i i l e a i e r i i (h e C e r i i) h i h a l e r , h a h e C m a , i
e e e t m l w i h r a i e a k a r e i a i w m a k e m m e e t r a i e w i h
a i e r i e r a e w i m l e m e t h e e m m e e r a i e) . h e C m a h a a t e a w
C r r a e z e r a e l i (h e C y l i) i e a a r t 25, 2005 a i t r r a e
e r a e w h i h i a m e e r m i m e t i m e t m l w i h h e C y C e h e C y l i , a
w h i h a e t a i e h e C m a , w e i e a t w w w m i . m e r e t r e l a i > C r r a e
z e r a e > l i a t r e k e , a t i a l l i r r a e C e r i i a h e e m m e e
r a i e h e C y C e h e C m a w i l l e e t m l w i h h e C e r i i h e C y C e
h e e e r r a i a l e a i i , h e C m a h a a t e r w i t t l a e a r i l i l e , r e k e , a
r a i e i m l i a e w i t h e r i i h e C y l i .

D r i t h e i m t h e e e 30, 2017, i t h e i i t h e D i r e t r , h e C m a h a m l i e w i t
a l l C e r i i e t i t h e C y C e .

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

he C m a h a a e a i e r r a i C m l i a e r r a m (h e i e r r a i l i) w h i
e m a e h e k e i t e m e t h e e l C e r e r i l e r a a i D i r e t r i e e e r a
e t i A e i 10 t h e h a e l i l e (h e e l C e) . h e C m a ,
h a i m a e e i i e r a l l D i r e t r , i r m h a a l l D i r e t r h a e w l i e w i h h e i e r r a i
l i a h e e l C e h r h t h e i m t h e e e 30, 2017. h e e i r m a a e m e t h e
C m a a t a l l i e r , i t e r , a e m l e e h e C m a a i i a r i e a l e a l k e i t e
t m l w i h h e r i i h e i e r r a i l i .

THE BOARD

he B a r h a a t t h e C m a ' h a h l e r i t e a e e e h e a a i r h e C m a i
r e t m a i m i e h a h l e r a l e h e B a r , a i i e l a t h r h i a r i m m i e e , a i e l
a r i a e i a i l e i l e r h e e e m i a i t h e e r a l l r a e h e C m a , h e e a l i h m e t
a t m t r i h e a h i e m e t r r a e a l a j e i e , h e e r i h h e C m a ' i a i a l
e r r m a e a h e k e a r a i h e a t , h e e a l i h m e t r r a e e r a e r a i e a
l i l e , a h e k e l e w h e C m a ' t e m i e r a l t l . h e m a a e m e t h e C m a i
k e i l e t h e i m l e m e t a i t h e e r a l l r a e h e C m a a a i t a i l e r a i a
a m i i r a i . h e B a r h a a e t t h e e i r m a a e m e t h e C m a t i e i r i e
m a a e m e t i r m a i .

he B ar i i h i r e e D i t e t r a a h e a e h i i e r i m t e r . D i t e t r m a e e l e t e h l
i e i l h e e i r a l h e i r t e e i e t e r m a t e l i a e a a l e e h a t e h l e r '
m e e i h l e r a m a j i t h e C m a ' i e h a t e e i e t i l e t e i e r r i r
a t h m e e i . h e B a r i i i e i t h e e l a e w i h e l a D i t e t r e l i l e r t e e l e i a
e a h a a l e e e r a l m e e i h e C m a . a h l a w t D i t e t r (i l i a l l e e e t i e D i t e t r)
e r e a t e r m h e e e a r .

h e l l w i t a l e e t h h e a m e , l a e a a t e r e h e D i t e t r a a t h e a e h i i e r i m
t e r :

Na	D	Ca	D	Ca	Ya
				D	R -
h i e		Chairma a	e i e D i t e t r	Cl a	2020
-A i Chi		i e Chairma a	e e e i e D i t e t r	Cl a	2020
z a / a		Chie i a i a l	i e r a e t i e D i t e t r	Cl a	2020
William r Br w		e e e t	e e e i e D i t e t r	Cl a	2020
W z h a		e e e i e	D i t e t r	Cl a	2020
Ch e h a h i		e e e i e	D i t e t r	Cl a	2018
i -B a		e e e t	e e e i e D i t e t r	Cl a	2018
C a r m e - a C h a		e e e t	e e e i e D i t e t r	Cl a	2018
		e e e i e	D i t e t r	Cl a	2018
h i e		e e e i e	D i t e t r	Cl a	2019
e Kai		e e e i e	D i t e t r	Cl a	2019
h a - i Chia		e e e t	e e e i e D i t e t r	Cl a	2019
a i h e C		e e e t	e e e i e D i t e t r	Cl a	2019



A he ake hi i erim ke r, he r le Chairma a Chie e i e i er ake e ke a e a h r le ake er ime Dr. h t i e a Dr. naj ha , ke e i el .

a a al ai , ea hi e e e e e i e Di e r i m hi /her i e e e e e e e e e e e C m a , a he C m a i er he e Di e r i e i e e e e a h e r m i e i e i he e K ha e i i Le . he e ake i la i hi am m e m e r he B ar , i l i e W e e he Chairma he B ar a he Chie e i e i er .

he B ar mee a Lea r ime a ar a a r ima el ar el i er al a h he r ai a ma e ke i e i a e i i i a i e a e i he C m a . he he Le B ar mee i r a i e ar i la e i he e e i ar . he j i m a e e a r i e he C m a (he i C m a e e a r i e) a i he Chairma i ke a r i he a e a r he B ar mee i a al a i he B ar i m l i i h a l i a l e l a w , r l e a e l a i . he ke l e a a e r r he B ar mee i ake i a he B ar m e m e r i a r a e w t h he C y C e Di e r i m a i l e m a e r r i i i i he a e a i he e e a r i e . e he l i he B ar mee i , m i e ake i r l a e t all Di e r i r h e i r k e l e w a m m e r i r h e i r a r al he m i e a he ll w i r e e e B ar mee i . r a w a i i w i h a Di e r i ake i e e t h a e a t l i i e e w i h h e B ar ha e e r m i e e m a e r i a l ake e a l w h h i a l B ar mee i r a h e ha r i e w e l i a he i e e e Di e r i ake t w t he r m h B ar mee i a a a i r m t i he ke l e a t m a e r .

All Di e r i h a e a e t he i C m a e e a r i e , w h ake ke i l e r a i i he B ar i m l i i h a l i a l e r e e e e a r i m l i a e m a e r . e r B ar m e m e r i e t l e t h a e a e t w t m e t a l e a he B ar mee i r i l e i t he C m a ' m i e e . i h e r m ke he B ar ha e a l i h e he r e e e r a w i h a Di e r i , ke a a l e e e y m a e e i e e e e r e i a l a i e a he C m a t t w e e e i r e r r h Di e r i i h a r e h i /h e r i e . he i C m a e e a r i e i l a e e all Di e r i he l a e t e e l m e t he e K ha e i i Le a he r a l i a l e l e l a r k e i t e m e t e e e he C m a ' m l i a e w i h a m a i e a e r r a e e r a e r a i e . a h e w Di e r i i r i e w i h r a i i w t h e e t t h i /h e r k e i l l i e e r h e e K ha e i i Le a w t k e l a r k e i t e m e t a he C m a r r a e e r a e l i l e a r a i e .

P... a... A... m

he a ar r e e e ar i he a i me t Di e r , Whi h a a e he B ar
 e m e r 22, 2005, r h h e r e t h i h i i i a l a r e W a w a m e m e r t h e B ar .
 e r h e l i , h e B ar W i l l i e r , a m W h e r a r , (i) h e i l l , t a l i a i a e e r e e
 h e m i e e i l i h e r i t e r h i h e l i l i e t l i m a l e i h e l a t t h e e e a r a h e r
 m a j r a i m e t ; (ii) h e m i e e h a r h l i i h e C m a ; (iii) h e i e e e e h e m i e e
 e r e W a r t h a e a / r e h a e l i i r l e ; a (i) h e i m a t w i h
 e e t t h e C m a a a a e i r i a e i e r e r h e g i e a e e r i l e l a W h e
 B ar h e i e h e h e r a i h m i e e i l l a a a l a a h e B ar r a h e
 m i e e h e e i l i D i e r a t a i h m i e e i t e h e h e e l a e D i e r a
 t i l a e i t h e A r l e A i a i t h e C m a .

BOARD COMMITTEE

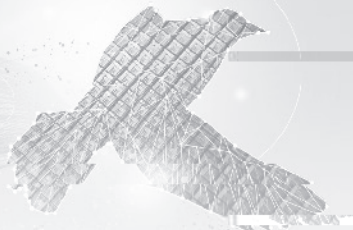
he B ar h a e a l i h e h e l l i r i i a l m m i e e t a i i i e r m i i t i . a h
 h e e m m i e e i t a m a j r i i e e e e t h e e i e D i e r W h h a e e e i i e t
 e e a m e m e r . h e m m i e e a r e e r e h a r h e e i e h a r e r e i L e a r e r m
 e e e e h e a e h a r e r h e B ar m m i e e a r e a i l a l e h e W e l e h e C m a a
 h e e h a e .

A... C... m

A h e a e h i i e r i m e r t h e C m a A i C m m i e e (h e A i C m m i e e) i e
 h e e m e m e r , a m e l r i i - B a (h a i r m a A i C m m i e e) , r . h l e a r . W i l l i a m r
 B r W . e h e m e m e r h e A i C m m i e e h a e e a e e i e i e r e m l e e h e
 C m a r a i t i i a r e .

h e e i l l i e h e A i C m m i e e i l e , a m h e r h i :

- m a i e m m e a i t h e B ar e r i h e a i m e t , l e a i m e t , e e i e e a l a i ,
 e r i h a e r m i a i h e W r h e C m a i e e e e t a i t ;
- h e l e W i h e e e r e e a l i a i a e r r m a e h e e i r m e m e r h e i e e e e t
 a i t e a m ;
- h e a r i a l l a i t e r i e t e r i e h e C m a i e e e e t a i t ;
- a r i h e e m e r a i a e r m e a e m e t h e C m a i e e e e t a i t ;
- h e l e i h e r r m h e C m a i e e e e a i t r e a r i h e i e e e e a i t r i e r a l
 a l i - r l r e e e ; a a m a r i a l i e r a i e i h e m t e e i e r a l r e e r h e l e
 h r e e , r i a i i r , h e l e W r i e e i a i e r m e t a l , r e i a l r W h e r
 h e l a r a h r i , h e e i i e e e e t a i t e h e i e e e e t a i t , a a e
 a e t e a l w i t h e e i e e a (a e h e i e e e e t a i t r i e e e e) a l l e l a i h i
 e W e e h e C m a a h e i e e e e t a i t ;



- hē a r i hē hiri a em l ee r imē em l ee hē C m a ' i ee ee a i r h a a m em ēr hē a i t eam ri hē hē ee i hē ee a r a hē hiri a em l ee r imē em l ee hē i ee ee a i r r ee i r i i hē ar lē hē hē r hā ēr w a a m em ēr hē C m a ' a i t eam;
- hē lē w i hē C m a ' a al, i t r i m a a r ē l i a ial a em ē t , a r i hē lē a e , r i j i a l a a i l i lē a r a i e ee hē a hē i a ial a em ē t , a l ē r a i e hē a m ē t i a ial i r m a i , hē ee ee i ee ee hē C m a ' i l hē r l a r ee hē a im r a t tē a ee l m ē t i i a ial hē r i r a i e a hē i tē m ē t ;
- hē lē w i hē ee l a i a a i i t ē r a l a i , hē r a i a i , hē i l i lē , l a , hē l , a a i hē C m a ' i t ē r a l A i t D e a r m ē t (a ee ee a i ee ee l w), hē a l i , a ee a a ee ee i ee ee hē C m a ' i t ē r a l r l a a i i i a t ee lē hē r m a t r i a l w a ee ee i hē ee i r r a i i t ē r a l t l ;
- i ē r i hē a ee a hē r ee , a a l i a i a ee ee ee r a i r r a m a ee hē C m a ' a i a i a ial hē r i t i ;
- hē lē w i hē C m a ' i t ē r a l r l , r i a ee m ē t a m a ee m ē t l i lē ;
- hē lē w i a lē a l m a t t ē r h a m a h a ee a m a t r i a l i m a a hē a ee a a ee ee i ee ee hē C m a ' lē a l a hē l a r m l i a ee r ee hē ;
- ee a l i h i r ee hē r hē hē a m ē t m l a i hē ee ee hē C m a hē a r i i a ial hē r i , i t ē r a l r l r i lē i m r r i lē i hē r m a t t ē r ; a
- a i i a hē lē w i hē r m m a a ee m ē t , hē C m a ' i t ē r a l a i r a hē C m a ' i ee ee a i r hē a r i m l i a ee w h a l i a lē lē a l a hē l a r hē i tē m ē t .

hē A i C m m i ee hē r i t w r , i i a hē m m e a i t t hē B a r hē l a r l .

hē A i C m m i ee m e a l e a t r i m e a a r a a r ē l a i a h hē r a i a m a ee hē i tē i a tē i i i a i ee . hē m e e i hē lē r a i ee a r i l a ee i hē hē ee i a r . hē i C m a ee hē a r i e a i hē h a i t m a hē A i C m m i ee i hē a r i hē a ee a r m e e i a a l a i t hē A i C m m i ee i m l i w t hē hē lē a r lē a hē l a i . hē hē lē a a r r hē A i C m m i ee m e e i a hē i a hē t t hē A i C m m i ee i a r a ee i h hē C w C ee m ēr hē A i C m m i ee m a i l ee m a t t ē r r i i i hē a ee a i hē ee a r i e . i h i hē a a lē i m e a r a A i C m m i ee m e e i i hē l , m i ee a hē r l a ee t hē m m ēr hē A i C m m i ee r hē i r m m e t a hē lē w r i r hē i r a r a l hē m i tē a hē l l w r a ee ee t A i C m m i ee m e e i .

A t e a h a r ē l A i C m m i ee m e e i , hē A i C m m i ee hē lē w w t hē C h i e i a ial i ē r a t hē C m a ' i ee ee a i r hē i a ial a em ē t r hē i a ial ee r i a hē i a ial a a i r i lē , l i lē a r l hē C m a a i i i a r i e . a r i l a r , hē C m m i ee t i ee (i) hē h a ee i a t i l i lē a r a i e , i a ; (ii) hē i t ē r a m l i ; (iii) m l i a ee w h a t i t a a r a a l i a lē lē a hē r lē a l hē i tē m ē t i

hela i t i a ial ke ri ; a (i) he i er al r l he C m a a he a t i a i a ial
ke ri t m . o he ke mme ai he A i C mmi ee he B ar a r e he i a ial
t t m e t .

C o n c l u s i o n

A he a e hi i erim ke ri , he mem er he C m a ' C m e ai C mmi ee (he
C m e ai C mmi ee) we e r . W illiam r B r W (W w a a i e a he ha rma
C m e ai C mmi ee e r ar 14, 2017), r i - B a , r h i e , D r . ha t - i Chia (D r .
Chia) a D r . h a (D r .) . D r . Chia a D r . we e a i e a mem er he
C m e ai C mmi ee he C m a e r ar 14, 2017. e he mem er he C m e ai
C mmi ee ha ee a ee i e i er r em l ee he C m a r a i i i a r e .

he ke i il i e he C m e ai C mmi ee i l e , am he r t hi :

- a r i a e e e i he al m e ai a a e r he C m a ' e e i e i er a a
he r i er , e al ai he e r rma e a e rmi i a a r i he m e ai t e
ai he C m a ' Chi e e i e i e r a ke le i he ke l he Chi e e i e i er
e al ai t he e r rma e he C m a ' he e e i e i er ;
- e rmi i he m e ai a a e e e i e Di e r a mai ke mme ai t he
B ar w t he e t t e e i e Di e t r ' m e ai , i l i e i - a e m e ai t ;
- a mi i e r i a e r i i all ke le i a mai ke mme ai t he B ar ke ar i he l -
e rmi e i e m e ai t e l t la ma e a a i l a le t he Di e t r , em l ee a l a t ;
- ke le i a mai ke mme ai t he B ar ke ar i e e i e m e ai hil h ,
r a e a r i i l e a ke le i e w a e i i em l m e t , i , ke i t m e t a e e r a e
a ke m e t r e r he C m a e e i e i er ; a
- e r i a r r i a e e r i h he C m a ' h ma ke r e l i l e a ke le i r a e e
e t a l i h e t i l l he C m a ' t h i al , l e al , a h ma ke r e ke i il i e .

he C m e ai C mmi ee ke ri t w r , i i a ke mme ai t he B ar e r i i all t
e w e r t ha r i m e e r e ar .

he C m e ai C mmi ee m e e a l e a r i m e e r e ar a h he r ai a ma e
ke i t e t i a e i i i a t i e a e i he m e ai l i he C m a . he
m e e i he l e r a i e e ar i l a e i he ke e i e ar . he i C m a e ke a r e a i he
ha rma he C m e ai C mmi ee i ke ar i he a e a r m e e i a al a i t t he
C m e ai C mmi ee i m l i w t h he ke a r l e a ke l a i . he ke a t a e r r he
C m e ai C mmi ee m e e i a t e i a he C m e ai C mmi ee mem er i a r a e w t h
he C y C e e m er he C m e ai C mmi ee ma i l e m a e r r i i i he a e a
t he e e ar i e . i h i ke a a l e i m e a e r a C m e ai C mmi ee m e e i i h e l , m i e a e
i r l a e t he mem er he C m e ai C mmi ee r he r m m e a ke le i r i r t t he r
a r al t he m i e a t t he l l w r a e e t C m e ai C mmi ee m e e i .



N a m

A he a e hi i erim te t, he C m a ' mi a i C mmi ee (he mi a i C mmi ee)
m ri e Dr. h i e (hairma mi a i C mmi ee), r. i -B a , r. , r. W illiam r
B r W a . Carme a Cha .

he te i illi te he mi a i C mmi ee i l e:

- te le W he t t e i e a m i i (i l i he ill, W le e a e e r i e e a W e l l a i e r t e r e i e) he B ar a l e a a all a ma i te mme a i a r e ha e t he B ar t m l e m e t he C m a ' r r a e r a e ;
- m i r i he im l e m e a i B ar D i e r i l i (i l i a m e r a l e j e i e a he r te i a h e i h e j e i e), a e r i h a a r r i a e i l te a t e m a e te a r i ar i e r i i he C r r a e z e r a e e t t t he C m a ' A a l e t ;
- i e i i i i i a l i a l a l i e t e m e B ar m e m e r , i t e W h r i e r i a a r e he B ar , a ma i te mme a i t he B ar he e l e i i l i a l m i a e r t i t e r h i ;
- a e i he i e e e e i e e e t e e i e D i t e r ; a
- m a i te mme a i he B ar he a i m e r t e a i m e t D i t e r a e i l a i r D i t e r , i t a r i l a r he Chairma t he B ar a he C h e e t i e i e r .

he mi a i C mmi ee m e e a l e a e a e a r a h h e r a i a m a e te i t e i a t e i i i a t i e t e l a i B ar m i i . he i C m a e t e a r t e a i t he hairma he mi a i C mmi ee i t e a r i he a e a r m e e i a a l a i t he mi a i C mmi ee i m l i i h h e t e l e a r l e a t e l a i . he t e l e a a e r t he mi a i C mmi ee m e e i a t e i a h e mi a i C mmi ee m e m e r i a r a e i h he C y C e v e m e r he mi a i C mmi ee m a i l e m a t t e r i i i i h e a e a i t e e a r i e . W i h i t e a a l e i m e a r a m i a i C mmi ee m e e i i h e l , m i t e a t e i r l a e t he mi a i C mmi ee m e m e r r h e i r m m e t a t e l e W r i t t h e i r a r a l he m i t e a t he l l w i r a e e t m i a i t C mmi ee m e e i

I a A - D , a m

t e r a l A i D e a r m e t W i h a t h e y r ' m a a e m e t e a m a he A i C mmi ee t e a l a e t h e e e i e e a a r i t e t h e i m r e m e t r i m a a e m e t i t e r a l r l , a r r a e e r a e e m . a a a l a i , h e r i - a e a i l a a t e t e a t e l e W e a a r e t he A i C mmi ee . a i i t i t a t e e l a , h e t e r a l A i D e a r m e t a i t a t e a e r i e i l e e i r m a a e m e t r t e l e W a i e t i a i a a h a i t . A i t t e l a t e t e t he Chairma he B ar , he C h e e i e i e r a t e l e a m a a e m e t a t e e a r m e t . A m m a r a t t e r t i a t e r l t e t e t t he A i C mmi ee .

Ba... hi a... al a... i... la, the... al A... i... De... ar... me... t... a... i... the... ra... i... e, r... e... ke... e... e... i... ke... a... i... r... ma... i... r... l... the... a... ri... e... ar... me... t... i... the... y... r... . he... e... the... a... i... i... l... e... :

- the... e... W... i... ma... a... e... me... t... r... l... e... the... he... k... e... l... i... a... i... the... r... i... i... a... i... a... l... a... e... r... a... i... i... r... ma... i... a... the... me... a... e... t... i... e... t... i... , me... a... ke... l... a... i... , a... the... t... hi... r... ma... i... ;
- the... e... W... i... the... t... e... m... e... t... a... l... i... he... r... t... e... e... t... a... l... i... he... t... e... the... m... l... i... a... e... i... h... l... i... e... , l... a... , r... e... ke... , l... a... W... , a... the... l... a... i... ha... t... l... ha... e... a... i... i... l... a... t... i... m... a... t... e... r... a... i... a... ke... t... , a... e... e... r... m... i... W... h... e... h... e... r... the... y... r... i... i... m... l... i... a... e... ;
- the... e... W... i... the... me... a... a... e... a... r... i... a... e... a... , W... h... e... a... r... r... i... a... e... e... r... i... the... e... i... f... e... e... a... e... ;
- a... r... a... i... the... e... m... a... e... i... e... W... i... h... h... i... h... ke... r... e... a... k... e... m... l... e... ;
- i... e... i... i... i... i... a... r... i... , i... l... i... r... a... r... i... , the... a... i... l... i... the... y... r... t... me... a... i... i... e... j... e... i... e... , m... m... i... a... i... the... m... ma... a... e... me... t... a... e... r... i... t... ha... t... ma... a... e... me... t... ha... t... a... e... a... r... r... i... a... e... a... i... t... a... r... a... a... l... t... h... e... r... i... ; a...
- e... a... l... a... i... the... e... e... i... e... e... r... l... r... i... the... e... r... a... i... the... y... r... a... r... i... i... the... m... m... e... a... i... a... t... h... W... h... e... t... r... l... l... e... i... m... r... e... .

i... the... e... a... i... , the... e... r... al A... i... De... ar... me... t... ha... k... e... a... l... l... a... e... t... all... e... e... a... r... t... i... , the... r... , r... e... f... e... l... e... a... e... r... e... l... .

A... e... r... m... l... e... i... a... a... i... , the... e... r... al A... i... De... ar... me... t... r... i... h... e... the... y... r... '... ma... a... e... me... t... t... e... a... m... i... h... a... l... i... , a... r... a... i... a... l... , the... m... m... e... a... i... , e... l... , a... i... r... ma... i... e... r... i... the... a... i... i... l... e... the... e... W... e... . A... r... r... i... a... e... ma... a... e... r... the... y... r... a... i... e... t... i... e... a... e... i... e... i... e... the... e... r... al A... i... De... ar... me... t... W... h... i... h... W... i... l... l... W... i... h... the... i... m... l... e... m... e... a... i... a... i... the... m... m... e... a... i... . a... i... i... , the... e... r... al A... i... De... ar... me... t... the... r... t... h... e... r... i... i... i... e... l... t... t... the... A... i... C... m... m... i... t... e... e... a... l... e... a... a... r... e... l... a... i... .

the... e... r... al A... i... De... ar... me... t... ha... i... z... e... a... e... t... the... B... a... r... h... r... h... h... e... h... a... i... r... m... a... the... A... i... C... m... m... i... t... e... e... a... m... a... m... e... a... r... i... a... e... l... W... i... h... the... A... i... C... m... m... i... t... e... e... , W... i... h... the... k... e... e... e... m... e... m... e... r... the... y... r... t... t... , ma... a... e... me... t... r... the... i... e... e... e... t... a... t... i... m... k... e... e... t... .

CODE OF BUSINESS CONDUCT AND ETHICS

the... B... a... r... h... a... a... e... a... e... i... e... a... e... h... i... (the... C... e... C... t...)... W... h... i... h... r... i... e... i... a... e... a... i... t... e... i... e... W... i... h... i... e... r... i... a... t... r... e... i... a... l... i... m... the... C... e... C... t... a... k... e... e... i... e... i... l... i... a... m... t... h... e... r... , r... a... , l... i... i... e... e... t... , r... r... a... e... r... i... e... , r... e... i... i... t... e... l... e... t... a... l... r... e... t... , r... a... a... i... i... the... C... m... a... '... e... r... i... e... , e... the... C... m... a... '... a... e... , a... k... e... l... a... i... h... i... W... i... h... t... m... e... r... a... t... h... i... r... a... r... i... e... . A... i... l... a... i... the... C... e... C... t... i... k... e... k... e... t... the... C... m... a... t... , C... m... l... i... a... e... i... e... , W... h... i... h... t... i... l... l... e... e... l... k... e... r... t... h... i... l... a... i... t... the... A... i... C... m... m... i... t... e... e... .



U.S. C a G a Pa

C m a l e l i e h e w A r t h a m m l w i h e r a i r r a e e r a e a a r
e r e i 303A h e w A r t h a e i e C m a a a l , r h e A a a r . B e a e
h e C m a ' A m e r i a D e i a r t h a e a e e i e e w i h h e U i e a e e r i t e a h a e
C m m i i a a e l i e h e w A r t h a e h e C m a i a l e t e r a i U .
r r a e e r a e e i t e m e t , i l i m a r i i h e a r a e - L e A 2002. w e r ,
e a e h e C m a i a e l i r i a e i e r , h e C m a i e r m i t t e t l l w r r a e e r a e
r a i e i a r a e w i h C a m a l a l a a h e K h a e i i L e i l i e
e r a i r r a e e r a e t a a r t a i e i h e A a a r t .

e r h e l w i a r e m m a r h e i i i a i e e e w e e r r r a e e r a e r a i e
a h e r r a e e r a e t a a r a l i a l e t U . m e t m a l e l i e h e A , r U .
m e i i e r :

No requirement for majority of independent directors

A e i 303A.01 e i t e a A - l i e U . m e i m a t h a e a m a j r i i e e e t
i e r h e a r i e t r . W e h a e e l e e t l l w h e K h a e i i l e ,
h i h e i t e a m a ' a r w i l e a l e a t e h i r (t h e h a t h e e) h e m e m e r a
w m a ' a r e i e e e t e e t i e i t e r . h e l a w h e C a m a l a t m e m e r a
e i i i r e i t e m e t e l a i t i e e e t i t e r r i e i t e a m e m e r a m a t , a r
e i e e e e .

Different standards to evaluate director independence

A e i 303A.02 r i e a i l e e t h a A - l i e U . m e i i e r m t e r e r m i i
i e e e e e i t e r . W h i l e w e m a e i i a l a l h e A e t , r B a r , h r h i
m i a i m m i e e a e e i e e e e i a r a e w i h K h a e i i l e ,
a i a r a e w i h L e 10A-3 e r h e h a e A i h e a e a t m m i e e m e m e r , a
i e r h e h e r h e e a e a e l a i h i r i r m a e h a a e l i e t a e t h i t e r
i e e e e e r m m a a e m e t .

Executive sessions

A e i 303A.03 e i t e h e e e e i e i t e r a A - l i e U . m e i m a t m e e
i t e l a r h e l e e e i e e i r l e - r e i w i h m a a e m e t a l e a t e a e a r .
r e e e i e i t e r a i e e e e t i t e r m e e w i h h e C h a i r m a h e B a r , w h i a
e e i e i t e r , a l e a t e a e a r . r e e e i e i t e r a m a a e m e t a e t e e e t t t
m e e l .

No nominating/corporate governance committee composed entirely of independent directors

A e i 303A.04 e i t e A - l i e U . m e i i e r t h a e a m i a i / r r a e e r a e
m m i e e m e e e i t e l i e e e t i t e r . h e m i a i / r r a e e r a e m m i e e m t
h a e a w i h h a r t h a e t t a e e r a e r a i m i m m e i l i l e e i t e e r A
e i 303A.04 () (i) a r i e r a a a l e r m a e e a l a i h e m m i e e .
e a a m i a i / r r a e e r a e m m i e e r B a r h a e t a l i h e a m i a i m m i e e
w i h i e m m e r . h e e m m e r a e i e e e e t e e e i e i t e r w h i l e e m e m e r i a e e i e
w i t h e r a e i a e e e i e i t e r . W e a e e e i t e e r h e l a w h e C a m a l a r
h e K h a e i i l e t h a e a m i a i / r r a e e r a e m m i e e m e



While the hir... the Ca ma la... m a

Audit committee requirements

303A.06 a 303A.07... m a

We... m a

Internal audit requirements

303A.07()... m a

No shareholder vote on equity compensation plans

303A.08... m a

No explicit requirement for Board self-evaluation and succession planning

303A.09... m a

Code of Business Conduct and Ethics

Article 303A.10 of the California Constitution requires that every public agency have a code of business conduct and ethics. We have a Code of Business Conduct and Ethics, which is available on the Commission's website. We have similar policies for all of our employees.

No explicit requirement for corporate governance certification

Article 303A.12(a) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(b) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(c) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(d) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(e) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(f) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(g) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(h) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(i) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(j) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(k) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(l) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(m) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(n) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(o) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(p) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(q) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(r) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(s) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(t) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(u) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(v) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(w) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(x) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(y) of the California Constitution requires that every public agency have a code of business conduct and ethics. Article 303A.12(z) of the California Constitution requires that every public agency have a code of business conduct and ethics.

1. DIVIDENDS

The Board is pleased to announce the interim dividend for the month ending 30, 2017 (in million Hong Kong dollars) (2016: nil).

2. SHARE CAPITAL

As at the month ending 30, 2017, the Company has 4,142,430 and 3,102,735 ordinary shares in issue under the warrant issued under the Company's 2004 warrant (the 2004 warrant) and the Company's 2004 warrant (the 2004 warrant) respectively. As at the month ending 30, 2017, the Company has 585,720 and 7,376,607 ordinary shares in issue under the warrant issued under the Company's 2014 warrant (the 2014 warrant) and the Company's 2014 warrant (the 2014 warrant) respectively. The Company has no shares in issue under the 2004 warrant as at the month ending 30, 2017.

Number of Shares

Ordinary Shares as at 30, 2017:

4,650,874,001

Under the terms of the Company's 2014 warrant, the Company may, at its discretion, issue up to 25% of the number of ordinary shares in issue under the 2014 warrant (the 2014 warrant) as at the date of the grant of the 2014 warrant. The Company has no shares in issue under the 2014 warrant as at the month ending 30, 2017.



3. SUBSTANTIAL SHAREHOLDERS' INTERESTS



4. DIRECTOR'S INTERESTS IN SECURITIES OF THE COMPANY

As at 30, 2017, the interests of the Director in the securities of the Company are as follows:

(1) The Director's interests in the securities of the Company are as follows:

(i) The Director's interests in the securities of the Company are as follows:

(ii) The Director's interests in the securities of the Company are as follows:

Name of Director	Type of Securities	Number of Shares	Number of Shares		Total Number of Shares	Percentage of Total Shares
			Owned	Beneficially Owned		
Mr. [Name]	Ordinary Shares	49,311	188,233	237,544	0.005%	

For further information, please refer to the notes to the financial statements.

- (3) a 20, 2015, Dr. h wa ra fe i r ha 2,521,163 r i ar ha e a a ri e \$8.30 r i ar ha e r a t t h e 2014 i la . h e e i w i l l e i t e h e a r l i e r a 19, 2025 r 120 a a f e r m i a i h i e r i e a a D i t e r t h e B a r . A e 30, 2017, e h e e i h a e e e r i e .
- (4) a 20, 2015, Dr. h wa ra fe a a w a r 1,080,498 e r i e h a e u i (e a h e e e i h e r i h e e e e r i ar ha e) r a t t h e 2014 i e i e l a . h e e u , 25% w i h w i l l e t e a h a i e r a r a r h 6, 2015, h a l l l e t a r h 6, 2019. A e 30, 2017, 540,249 e r i e h a e u i w e e e e .
- (5) h e e i m r i e : (a) i w i h w e e r a f e t D r . z a a 24, 2010 r h a e 314,531 r i ar ha e a a ri e \$6.4 e r r i ar ha e r a t t h e 2004 i l a a w i l l e i t e h e a r l i e r a 23, 2020 r 120 a a f e r m i a i h i e r i e a a D i t e r t h e B a r . () i w i h w e e r a f e t D r . z a e 17, 2013 r h a e 1,360,824 r i ar ha e a a ri e \$6.24 e r r i ar ha e r a t t h e 2004 i l a a w i l l e i t e h e a r l i e r e 16, 2023 r 120 a a f e r m i a i h i e r i e a a D i t e r t h e B a r . () i w i h w e e r a f e t D r . z a e 12, 2014 r h a e 288,648 r i ar ha e a a ri e \$6.4 e r r i ar ha e r a t t h e 2014 i l a a w i l l e i t e h e a r l i e r e 11, 2024 r 120 a a f e r m i a i h i e r i e a a D i t e r t h e B a r . A e 30, 2017, e h e e i h a e e e r i e .
- (6) e m e r 17, 2014, Dr. z a w a ra fe a a w a r 291,083 e r i e h a e u i r a t t h e 2014 i e i e l a , i i (a) 240,145 e r i e h a e u i , 25% w i h e t e a h a i e r a r e 17, 2013 a w i h h a l l l e e 17, 2017, a () 50,938 e r i e h a e u i , 25% w i h e t e a h a i e r a r a r h 1, 2014 a w i h h a l l l e t a r h 1, 2018. A e 30, 2017, a t t a l 205,578 e r i e h a e u i w e e e e , a w e e e e i a h .
- (7) h e e i m r i e : (a) e m e r 8, 2011, Dr. C h i w a ra fe i r h a e 8,698,753 r i ar ha e a a ri e \$4.55 e r r i ar ha e r a t t h e 2004 i l a . h e e i w i l l e i t e h e a r l i e r e m e r 7, 2021 r 120 a a f e r m i a i h i e r i e a a D i t e r t h e B a r . () a 25, 2016, i r h a e 703,106 h a e a a ri e \$6.42 e r r i ar ha e r a t t h e 2014 i l a w e e r a f e t D r . C h i . h e e i a k e e e i m m e i a e l a w i l l e i t e h e a r l i e r a 24, 2026 r 120 a a f e r m i a i h i e r i e a a D i t e r t h e B a r . () e m e r 12, 2016, i r h a e 150,252 h a e a a ri e \$8.72 e r r i ar ha e r a t t h e 2014 i l a w e e r a f e t D r . C h i . h e e i a k e e e i m m e i a e l a w i l l e i t e h e a r l i e r e m e r 11, 2026 r 120 a a f e r m i a i h i e r i e a a D i t e r t h e B a r . () A r i l 5, 2017, i r h a e 2,109,318 h a e a a ri e \$9.834 e r r i ar ha e r a t t h e 2014 i l a w e e r a f e t D r . C h i . h e e i a k e e e i m m e i a e l a w i l l e i t e h e a r l i e r A r i l 4, 2027 r 120 a a f e r m i a i h i e r i e a a D i t e r t h e B a r . (a) a 22, 2017, i r h a e 1,054,659 h a e a a ri e \$8.48 e r r i ar ha e r a t t h e 2014 i l a w e e r a f e t D r . C h i . h e e i a k e e e e 30, 2017 a w i l l e i t e h e a r l i e r e 29, 2027 r 120 a a f e r m i a i h i e r i e a a D i t e r t h e B a r . A e 30, 2017, 1,800,000 h e e i h a e e e r i e .
- (8) h e e e r i e h a e i m r i e : (a) a 25, 2016, 703,106 e r i e h a e u i w e e r a f e t D r . C h i r a t t h e 2014 i e i e l a . D r . C h i e r i e h a e u i a k e e e i m m e i a e l . () e m e r 12, 2016, 150,252 e r i e h a e u i w e e r a f e t D r . C h i r a t t h e 2014 i e i e l a . D r . C h i ' e r i e h a e u i a k e e e i m m e i a e l . () A r i l 5, 2017, 2,109,318 e r i e h a e u i w e e r a f e t D r . C h i r a t t h e 2014 i e i e l a . D r . C h i ' e r i e h a e u i a k e e e i m m e i a e l . () a 22, 2017, 1,054,659 e r i e h a e u i w e e r a f e t D r . C h i r a t t h e 2014 i e i e l a . D r . C h i ' e r i e h a e u i a k e e e e 30, 2017 a i e t t h e e e e t h a e h l e r ' a r e a t h e z w . A e 30, 2017, 853,358 e r i e h a e u i w e e e e r i e .
- (9) h e e i m r i e : (a) a 24, 2010, Dr. C h e w a ra fe i r h a e 314,531 r i ar ha e a a ri e \$6.4 e r r i ar ha e r a t t h e 2004 i l a . h e e i w i l l e i t e h e a r l i e r a 23, 2020 r 120 a a f e r m i a i h i e r i e a a D i t e r t h e B a r . () a 25, 2016, i r h a e 98,958 h a e a a ri e \$6.42 e r r i ar ha e r a t t h e 2014 i l a w e e r a f e t D r . C h e . h e e i a k e e e i m m e i a e l a w i l l e i t e h e a r l i e r a 24, 2026 r 120 a a f e r m i a i h i



... a Dițe... h... B...) ... 12, 2016, ... 1,198 hațe... a... ri... \$8.72 ...
 ... h... 2014 ... la ... Dr. Ch... h... i... ațe... im... i...
 a ... ițe ... h... 11, 2026 ... 120 a ... i... a Dițe... h... B...
 () A ril 5, 2017, ... h... 62,500 hațe... a... ri... \$9.834 ...
 ... h... Dr. Ch... h... i... ațe... im... i... a ...
 a ... ițe ... h... A ril 4,
 2027 ... 120 a ... i... a Dițe... h... B... A ... 30, 2017, ... h... i
 ha ... e... i... .

(10) h... ri... h... i... m... (a) ... a 25, 2016, 98,958 ... h... i... w... r... Dr. Ch... r...
 h... 2014 ... i... la ... Dr. Ch... h... i... ațe... im... i... () ... 12, 2016,
 1,198 ... h... i... w... r... Dr. Ch... r... h... 2014 ... i... la ... Dr. Ch... h... i...
 h... i... ațe... im... i... () A ril 5, 2017, 62,500 ... h... i... w... r... Dr. Ch... r...
 h... 2014 ... i... la ... Dr. Ch... h... i... ațe... im... i... A ... 30, 2017, ...
 h... i... ha ... e... i... .

(11) A ril 5, 2017, Dr. ... w... r... i... r... h... 187,500 ... h... a... ri... \$9.834 ...
 h... r... h... 2014 ... i... la ... h... i... w... i... h... A ril 4, 2027 ... 120 a ...
 i... h... i... a Dițe... h... B... A ... 30, 2017, ... h... i... ha ... e... i... .

(12) A ril 5, 2017, Dr. ... w... r... a ... w... r... 187,500 ... h... i... w... r... (ca h... i... h... h...
 ... r... h... r... h... 2014 ... i... la ... h... i... w... i... h... a... h... r...
 33%, 33% a ... 34% w... i... h... w... i... h... a... i... r... r... 14, 2017, h... ll ... r... 14, 2020. A
 ... 30, 2017, ... h... i... ha ... e... i... .

(13) h... i... m... (a) ... i... r... a ... r... 17, 2009 ... h... 100,000 ... h... a... ri...
 \$2.7 ... r... h... r... h... 2004 ... i... la , w... i... h... w... i... h... h... r... 16, 2019
 ... 120 a ... i... a Dițe... h... B... , () ... i... r... a ... r...
 23, 2010 ... h... 313,487 ... h... a... ri... \$7.7 ... r... h... r... h... 2004 ...
 la , w... i... h... w... i... h... h... r... 22, 2020 ... 120 a ... i... a Dițe... h... B... , ()
 ... i... r... a ... a 25, 2016 ... h... 114,583 hațe... a... ri... \$6.42 ...
 ... h... 2014 ... i... la ... h... i... ațe... im... i... a ...
 a 24, 2026 ... 120 a ... i... a Dițe... h... B... , () ... i... r... a ...
 ... 12, 2016 ... h... 856 hațe... a... ri... \$8.72 ... r... h... r... h... 2014 ...
 la ... h... i... ațe... im... i... a ...
 a ... ițe ... h... 11, 2026 ... 120 a ... i... a Dițe... h... B... , a ...
 () ... i... r... a ... A ril 5, 2017 ... h... 62,500 hațe...
 a ... ri... \$9.834 ... r... h... r... h... 2014 ... i... la ... h... i... ațe... im... i...
 a ... ițe ... h... A ril 4, 2027 ... 120 a ... i... a Dițe... h... B... A ...
 ... 30, 2017, ... h... i... ha ... e... i... .

(14) h... ri... h... i... m... (a) ... a 25, 2016, 114,583 ... h... i... w... r... r... a ...
 h... 2014 ... i... la ... r... a ... h... i... ațe... im... i... () ... 12, 2016, 856
 ... h... i... w... r... r... a ... r... h... 2014 ... i... la ... r... a ...
 ațe... im... i... () A ril 5, 2017, 62,500 ... h... i... w... r... r... a ...
 h... 2014 ... i... la ... h... i... ațe... im... i... A ... 30, 2017, 115,439 ... h... i...
 h... i... w... r... .

(15) ... 6, 2013, ... Br ... w... w... r... i... r... h... 449,229 ... h... a... ri... \$5.62 ...
 ... h... r... h... 2004 ... i... la ... h... i... w... i... h... h... 5, 2023 ...
 ... 120 a ... i... a Dițe... h... B... A ... 30, 2017, ... h... i... ha ... e... i... .

- (16) 2017-18-17, 2014, Dr. Chia Wa ra fa i i t r ha e 488,730 r i ar ha e a a ri e \$8.5 e r r i ar ha e r a t t h e 2014 t i la . h e e i w i l l e i z e h e a r l i e r e m e r 16, 2024 r 120 a a f e r f e r m i a i h e r e i e a a D i e t r t h e B a r . A e 30, 2017, e h e e i h a e e e e r i e .
- (17) A ril 5, 2017, Dr. Chia Wa ra fa i i t r ha e 187,500 r i ar ha e a a ri e \$9.834 e r r i ar ha e r a t t h e 2014 t i la . h e e i w i l l e i z e h e a r l i e r A ril 4, 2027 r 120 a a f e r f e r m i a i h i e r i e a a D i e t r t h e B a r . A e 30, 2017, e h e e i h a e e e e r i e .
- (18) A ril 5, 2017, Dr. Chia Wa ra fa e a a w a r 187,500 e r i e h a e u i (e a h e e e e i h e r i h t e e e e e r i ar ha e) r a t t h e 2014 t i e i e l a . h e e u , e f a e r i h e e e a r a t h e r a e 33%, 33% a 34% w h i h w i l l e e t e a h a i e r a r D e e m e r 20, 2016, h a l l I I e t D e e m e r 20, 2019. A e 30, 2017, e h e e u h a e e e e r i e .
- (19) A ril 5, 2017, Dr. C Wa ra fa e i i t r ha e 187,500 r i ar ha e a a ri e \$9.834 e r r i ar ha e r a t t h e 2014 t i la . h e e i w i l l e i z e h e a r l i e r A ril 4, 2027 r 120 a a f e r f e r m i a i h i e r i e a a D i e t r t h e B a r . A e 30, 2017, e h e e i h a e e e e r i e .
- (20) A ril 5, 2017, Dr. C Wa ra fa e a a w a r 187,500 e r i e h a e u i (e a h e e e e i h e r i h t e e e e e r i ar ha e) r a t t h e 2014 t i e i e l a . h e e u , e f a e r i h e e e a r a t h e r a e 33%, 33% a 34% w h i h w i l l e e t e a h a i e r a r e r a r 14, 2017, h a l l I I e t e r a r 14, 2020. A e 30, 2017, e h e e u h a e e e e r i e .
- (21) h e e i e e e h a e e e a j e h e h a e C l i a i h e a i e e e r e r i ar ha e u \$0.0004 e a h i t e r i ar ha e u \$0.004 e a h a i e e e t r m D e e m e r 7, 2016.

2004 STOCK OPTION PLAN

Na	Da	P	N	E	Q	A	Q	R	Q	Q	Q	W	W
me	g	er	u	x	a	g	l	o	e	ca	a	a	a
nt	a	y	m	ch	12/31/16	12/31/16	12/31/16	12/31/16	12/31/16	6/30/17	6/30/17	6/30/17	6/30/17
er	g	r	o	g	(\$ D)	(\$ D)	(\$ D)	(\$ D)	(\$ D)	(\$ D)	(\$ D)	(\$ D)	(\$ D)
m l	16/05/2007	5/16/2007-5/15/2017	122,828,000	\$1.48	2,949,800		2,862,200					\$1.56	\$1.38
h	16/05/2007	5/16/2007-5/15/2017	5,421,000	\$1.48	30,000		30,000					\$	\$1.38
m l	28/12/2007	12/28/2007-12/27/2017	89,839,000	\$1.00	769,500					192,700	576,800	\$1.26	\$1.04
m l	12/02/2008	2/12/2008-2/11/2018	126,941,000	\$0.83	1,293,580					117,050	1,176,530	\$1.37	\$0.81
h	12/02/2008	2/12/2008-2/11/2018	600,000	\$0.83	30,000						30,000	\$	\$0.81
m l	18/11/2008	11/18/2008-11/17/2018	117,224,090	\$0.23	902,623					127,700	774,923	\$1.32	\$0.20
m l	17/02/2009	2/17/2009-2/16/2019	131,943,000	\$0.35	1,143,100					82,000	1,061,100	\$1.24	\$0.32
i-B	17/02/2009	2/17/2009-2/16/2019	1,000,000	\$0.35	100,000						100,000	\$	\$0.32
h	17/02/2009	2/17/2009-2/16/2019	400,000	\$0.35	5,000						5,000	\$	\$0.32
m l	11/05/2009	5/11/2009-5/10/2019	24,102,002	\$0.43	293,800						293,800	\$	\$0.44
i B	23/02/2010	2/23/2010-2/22/2020	3,134,877	\$0.99	313,487						313,487	\$	\$1.00
m l	23/02/2010	2/23/2010-2/22/2020	337,089,466	\$0.99	9,063,841		10,900			592,431	8,460,510	\$1.39	\$1.00
A	24/05/2010	5/24/2010-5/23/2020	3,145,319	\$0.82	314,531						314,531	\$	\$0.72
ha	24/05/2010	5/24/2010-5/23/2020	3,145,319	\$0.82	314,531						314,531	\$	\$0.72
m l	24/05/2010	5/24/2010-5/23/2020	18,251,614	\$0.82	154,100						154,100	\$	\$0.72
m l	08/09/2010	9/8/2010-9/7/2020	46,217,577	\$0.67	387,031					53,000	334,031	\$1.45	\$0.68
m l	12/11/2010	11/12/2010-11/11/2020	39,724,569	\$0.83	1,015,515					103,454	912,061	\$1.24	\$0.78
m l	31/05/2011	5/31/2011-5/30/2021	148,313,801	\$0.85	4,961,834		282,400			269,041	4,410,393	\$1.35	\$0.83
h	08/09/2011	9/8/2011-9/7/2021	21,746,883	\$0.58	624,688					30,000	594,688	\$1.53	\$0.56
i	08/09/2011	9/8/2011-9/7/2021	86,987,535	\$0.58	6,898,753						6,898,753	\$	\$0.56
m l	08/09/2011	9/8/2011-9/7/2021	42,809,083	\$0.58	582,200		1,925			22,900	557,375	\$1.37	\$0.56
m l	17/11/2011	11/17/2011-11/16/2021	16,143,147	\$0.51	351,827		1,800			18,998	331,029	\$1.39	\$0.51
m l	22/05/2012	5/22/2012-5/21/2022	252,572,706	\$0.45	9,593,346		1,600			702,380	8,889,366	\$1.35	\$0.45
i	22/05/2012	5/22/2012-5/21/2022	5,480,000	\$0.45	96,000						96,000	\$	\$0.45
m l	12/09/2012	9/12/2012-9/11/2022	12,071,250	\$0.37	197,031		2,200			15,350	179,481	\$1.31	\$0.37
i	12/09/2012	9/12/2012-9/11/2022	3,500,000	\$0.37	350,000					215,000	135,000	\$1.08	\$0.37
m l	15/11/2012	11/15/2012-11/14/2022	18,461,000	\$0.47	367,215		1,662			21,887	343,666	\$1.27	\$0.47
m l	07/05/2013	5/7/2013-5/6/2023	24,367,201	\$0.76	905,737		495			73,809	831,433	\$1.25	\$0.77
m l	11/06/2013	6/11/2013-6/10/2023	102,810,000	\$0.82	5,907,832		10,979			392,199	5,504,654	\$1.31	\$0.79
i	11/06/2013	6/11/2013-6/10/2023	74,755,756	\$0.82	1,957,194					598,951	1,358,243	\$1.03	\$0.79
A	17/06/2013	6/17/2013-6/16/2023	13,608,249	\$0.80	1,360,824						1,360,824	\$	\$0.78
h	17/06/2013	6/17/2013-6/16/2023	4,490,377	\$0.80	336,778					336,778		\$1.29	\$0.78
W	06/09/2013	9/6/2013-9/5/2023	4,492,297	\$0.72	449,229						449,229	\$	\$0.73
m l	06/09/2013	9/6/2013-9/5/2023	22,179,070	\$0.72	750,015		2,291			35,840	711,884	\$1.32	\$0.73
m l	04/11/2013	11/4/2013-11/3/2023	19,500,000	\$0.74	721,138		4,762			53,362	663,014	\$1.11	\$0.72
					55,492,080		3,213,214			4,142,430	48,136,436		

2014 EQUITY INCENTIVE PLAN

Name	Grant Date	Performance Period	Number of Shares	Exercise Price	RSU Balance at 12/31/16	RSU Balance at 6/30/17	Weighted Average Price	
							(\$/D)	(\$/D)
Chairman	17/11/2014	2014/11/17-2024/11/16	2,910,836	\$0.00	85,505	85,505	\$1.17	\$1.10
Executive Director	17/11/2014	2014/11/17-2024/11/16	2,476,456	\$0.00	123,822	118,022	\$1.29	\$1.10
Director	17/11/2014	2014/11/17-2024/11/16	109,339,600	\$0.00	4,894,837	2,402,302	\$1.29	\$1.10
Director	20/05/2015	5/20/2015-5/19/2025	134,008,000	\$0.00	9,316,050	6,103,800	\$1.29	\$1.05
Executive Director	20/05/2015	5/20/2015-5/19/2025	10,804,985	\$0.00	1,080,498	1,080,498	\$1.29	\$1.05
Director	11/09/2015	9/11/2015-9/10/2025	1,640,000	\$0.00	93,000	72,000	\$1.15	\$0.91
Director	23/11/2015	11/23/2015-11/22/2025	400,000	\$0.00	30,000	30,000	\$	\$1.11
Director	25/05/2016	5/25/2016-5/24/2026	68,070,000	\$0.00	6,635,400	4,934,550	\$1.29	\$0.83
Chairman	25/05/2016	5/25/2016-5/24/2026	989,583					

5. REPURCHASE SALE OR REDEMPTION OF SECURITIES

The Company repurchased its ordinary shares of \$200.0 million in 2018, of which \$86.8 million was repurchased in 2018, of which \$95.0 million was repurchased in 2018 and \$22.2 million was repurchased in 2018 (the "Repurchase"). On March 10, 2017, the Company announced that it had repurchased all the B shares of the Company at a price of 100% of the closing price of the B shares of \$7.965, and a premium of \$1.027. On March 3, 2017, the Company repurchased the B shares of the Company at a price of 100% of the closing price of the B shares of \$7.965, and a premium of \$1.027. All the B shares of the Company were repurchased on March 3, 2017. The Company has not repurchased any of its ordinary shares since March 3, 2017. On March 30, 2017, the Company repurchased the B shares of the Company at a price of 100% of the closing price of the B shares of \$7.965, and a premium of \$1.027.

6. UPDATES TO INFORMATION RELATING TO DIRECTORS AND CHIEF EXECUTIVE

- Chairman, Executive Director**
- At the meeting on March 13, 2017, the Board of Directors has elected Mr. Wang Xiaohua as the Chairman of the Board of Directors and Mr. Wang Xiaohua as the Chairman of the Board of Directors.
- On March 14, 2017:
 - Dr. Wang Xiaohua has been elected as a member of the Company's Board of Directors;
 - Dr. Wang Xiaohua has been elected as a member of the Company's Board of Directors;
 - Mr. Wang Xiaohua has been elected as the Chairman of the Company's Board of Directors and Mr. Wang Xiaohua as the Chairman of the Company's Board of Directors;
 - Mr. Wang Xiaohua has been elected as the Chairman of the Company's Board of Directors.
 - Dr. Wang Xiaohua has been elected as the Chairman of the Company's Board of Directors on March 10, 2017. Mr. Wang Xiaohua has been elected as the Chairman of the Company's Board of Directors on March 11, 2017.
 - Dr. Wang Xiaohua has been elected as the Chairman of the Company's Board of Directors on March 10, 2017. Mr. Wang Xiaohua has been elected as the Chairman of the Company's Board of Directors on March 11, 2017.
 - Mr. Wang Xiaohua has been elected as the Chairman of the Company's Board of Directors on March 10, 2017. Mr. Wang Xiaohua has been elected as the Chairman of the Company's Board of Directors on March 11, 2017.

7. WAIVER FROM COMPLIANCE WITH THE HONG KONG STOCK EXCHANGE LISTING RULES

On 18 March 2017, the Company applied to the Exchange for a waiver from compliance with the Listing Rules. The Exchange has granted the waiver on the basis that the Company is a listed issuer and the waiver will not prejudice the interests of investors.

8. REVIEW BY AUDIT COMMITTEE

The Audit Committee has reviewed the financial statements of the Company for the year ended 31 December 2017. The Audit Committee has confirmed that the financial statements of the Company for the year ended 31 December 2017 are true and fair.

By order of the Board
S. Ma, Chairman
D. Ha, Z. a
Chief Executive Officer

Ma Hai, C
30, 2017

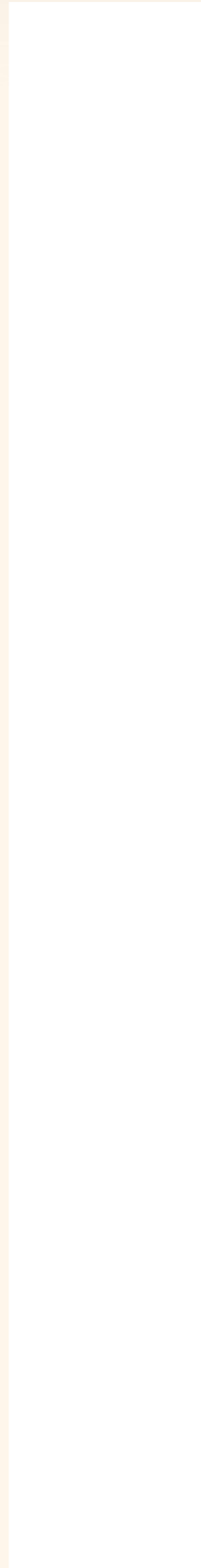


(in USD'000, as at)

		S	m
		06/30/17	06/30/16
		(a)	(a)
6		1,544,278	1,324,533
		(1,129,327)	(952,967)
		414,951	371,566
		(218,963)	(118,024)
		(19,816)	(17,938)
		(93,593)	(60,988)
7		16,439	6,940
		99,018	181,556
		12,248	3,524
8		(21,507)	(12,548)
		(10,201)	153
9		29,287	(15,907)
		(7,658)	(9,490)

C D C A AC A A C A A D B DA
 C D DC DA D A A CA
 A 30, 2017 a December 31, 2016

(In USD'000)



C D C A A C A A D B DA
 C D DC DA D A C A
 30, 2017 a 2016

(I USD'000)

	(22)	(23)	(27)	(24)							
Ba a D b 30, 2015											
(g)	16,830	4,903,861	70,459	(3,956)	447	29,564	130	(1,287,479)	3,729,856	460,399	4,190,255
h i h e i								159,061	159,061	(12,808)	146,253
h e m h e i e i m e				(7,326)	(472)		4	(7,794)		(4)	(7,798)
h e m h e i e i m e				(7,326)	(472)		4	159,061	151,267	(12,812)	138,455
h e i e i	46	10,524	(9,902)					668			668
h e a e m e i			7,960					7,960		103	8,063
C a i i i i m											636,000
h e i	46	10,524	(1,942)					8,628	636,103		644,731
Ba a J 30, 2016											
(g)	16,876	4,914,385	68,517	(11,282)	(25)	29,564	134	(1,128,418)	3,889,751	1,083,690	4,973,441
Ba a D b 30, 2016											
(g)	17,012	4,950,948	65,703	(22,087)	1,245	81,678	1,520	(34,627)	131	(910,849)	4,150,674
h i h e i								106,062	106,062	(8,533)	97,529
h e m h e i e i m e				8,600	(1,840)		88	30,118	(131)	36,835	450
h e m h e i e i m e				8,600	(1,840)		88	30,118	(131)	106,062	142,897
h e i e i	60	15,380	(11,767)					3,673			3,673
h e a e m e i			10,848					10,848		217	11,065
C e i i i i h e	1,531	419,517				(28,743)			392,305		392,305
h e e m i m e i *		(910,849)						910,849			
h e i	1,591	(475,952)	(919)			(28,743)		910,849	406,826	217	407,043
Ba a J 30, 2017											
(g)	18,603	4,474,996	64,784	(13,487)	(595)	52,935	1,608	(4,509)	106,062	4,700,397	1,244,687

* h e i r t h a l 2017, h e B a r i e t e e h e a m t t a i t h e e i t h e h e e m i m a t h e C m a a a m t \$910.8 m i l l i a t a l h a m t t e l i m i a e h e a m l a e l e h e C m a a D e m e t 31, 2016. h e i e h e e m i m e i h a e a i e h e h e h l e r a t h e A a l a e e r a l v e e i h e l e 23, 2017.



C D C A AC A A C A A D B DA
 C D DC DA D A CA W
 the im h e e e 30, 2017 a 2016

(in USD'000)

	06/30/17	06/30/16
	(a -)	(a i e)
Ca		
Ca h e e r a t e r i m e r a i	415,501	386,617
f e e t a i	(31,554)	(16,873)
f e e t e e l e e	8,517	3,165
m e p a e a i	(322)	(755)
N	392,142	372,154
Ca		
a m e t r i t e f , l a t a e i m e t	(1,239,784)	(1,511,323)
a m e t r i a i l e a	(29,128)	(37,012)
h a e i t e r i e a h t e l a i t i e i a i i l e	63,361	(288)
a m e t t a i l e i a i a l a	(643,470)	(378,518)
r e e a l e i a i a l a	162,438	359,675
r e e a t e r i l a a t e i a i a r m i a l		
r e f , l a t a e i m e t a a t l a i l e a h e l		
r a l e	259,054	5,098
r e e r m i a l a a i l e r a l e i e m e t		3,083
a m e t t a i l e l e r m i e m e t	(422,748)	(64,650)
a m e t r i e m i a i		(3,391)
N	(1,850,277)	(1,627,326)
Ca		
r e e r m r r	529,558	1,026,044
e a m e t r r	(238,525)	(134,770)
r e e r m i a e m e i m e r m a h t e r m e		316,627
e a m e t h t e r m	(87,858)	
r e e r m e e r l e e m l e e t	3,673	668
r e e r m - r l l i i t e e t a t a l r i i		636,000
N	206,848	1,844,569
N (a) a a a a	(1,251,287)	589,397
Ca a a , b	2,126,011	1,005,201
E a a , b a a	1,394	(7,927)
Ca a a	876,118	1,586,671

1. GENERAL INFORMATION

The company is a subsidiary of the parent company (the Company) which is a
 a company registered in the State of California, USA, on April 3, 2000. The
 the principal office is located at 18 Harrison Avenue, Alhambra, California, 91803.
 The principal office is located at 309, 1st Street, Alhambra, California, 91803.
 The principal office is located at 309, 1st Street, Alhambra, California, 91803.
 The principal office is located at 309, 1st Street, Alhambra, California, 91803.

2. BASIS OF PREPARATION

The financial statements have been prepared on the basis of the
 accounting principles generally accepted in the United States of America.
 The financial statements have been prepared on the basis of the
 accounting principles generally accepted in the United States of America.
 The financial statements have been prepared on the basis of the
 accounting principles generally accepted in the United States of America.

3. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared on the basis of the
 accounting principles generally accepted in the United States of America.
 The financial statements have been prepared on the basis of the
 accounting principles generally accepted in the United States of America.
 The financial statements have been prepared on the basis of the
 accounting principles generally accepted in the United States of America.

4. ESTIMATES

The financial statements have been prepared on the basis of the
 accounting principles generally accepted in the United States of America.
 The financial statements have been prepared on the basis of the
 accounting principles generally accepted in the United States of America.
 The financial statements have been prepared on the basis of the
 accounting principles generally accepted in the United States of America.

5. FINANCIAL RISK MANAGEMENT

he zyr ' a i i l e e e i t t a a r i e i a i a l r i : m a r e r i (i l i i r t e r i , a i r a l e i t e e t r a e r i , a h l w i t e e t r a e r i a r i e r i) , t e i t r i a l i i t r i .

he e e e l i a e i a i a l a e m e t i l e a l l i a i a l r i m a a e m e t i r m a i a i l t e t e i t e i h e a a l i a i a l a e m e t , a h l e t e a i j t i w h t h e z y r ' a a l i a i a l a e m e t a a D e e m e r 31 , 2016 .

h e t e h a e e e h a e i h e r i m a a e m e t e a t m e t i e D e e m e r 31 , 2016 r i a r i m a a e m e t l i e i e D e e m e r 31 , 2016 .

6. SEGMENT INFORMATION

he z y r i e a e r i i a l l i h e m e t r a i e e i , m a a r i a r a i i t e r a e i r i t . h e z y r ' h i e e r a i e e i m a e r h a e e i e i l e a h e C h i e e i e i e r , w h t e i e w l i a e t e l t w h e m a i e i i a t e r e a l l a i a a e i e r r m a e h e z y r . h e z y r e r a e i e e m e t h e m e a t e m e t e m e t r i t i a e r i t r m e r a i a e e e t h e a e m e t r i t r l a t h e r m t h e i e i m e .

he z y r e r a e i t h e e r i i a l e r a h i a l a t e a o i e t e a e , r e a A i a a i i . h e z y r ' e r a i e e e e r m t m e r , a e h e l a i t h e r h e a a r e r , i e a i l e e l w i

	R	m
	S	m
	06/30/17	06/30/16
	USD'000	D'000
o i e t a e ⁽²⁾	618,058	369,205
ai la Chi a a	710,040	658,453
ra ia ⁽¹⁾	216,180	296,875
	1,544,278	1,324,533

⁽¹⁾ i l i a i l a Chi a a

⁽²⁾ e e e i t h e e e e e t h e m a i e w h e h e a a r e r a t e i t h e o i e t a e , t l i m a e l e l l i r t t h e r l a l t m e r .

6. SEGMENT INFORMATION (CONTINUED)

Segment information is reported in the following table:

	RMB	USD
	06/30/17	06/30/16
	USD'000	USD'000
Operating income	1,496,585	1,268,195
Operating expenses	(47,693)	(56,338)
Operating profit	1,544,278	1,324,533

Segment information is reported in the following table:

	RMB	USD
	06/30/17	12/31/16
	USD'000	USD'000
Operating income	56	69
Operating expenses	(137,431)	(125,339)
Operating loss	(83)	(97)
Operating profit	2,720	2,839
Operating profit	6,342,236	5,559,013
Operating profit	6,482,526	5,687,357

* Operating profit is reported in the following table:

9. OTHER GAINS AND LOSSES, NET

For the month ended June 30, 2017, net gain from other gains and losses was \$29.3 million, which includes gain from the sale of intangible assets of \$0.4 million, gain from the sale of investment securities of \$1.5 million, gain from the sale of property and equipment of \$0.2 million, gain from the sale of other assets of \$2.0 million, gain from the sale of investments in subsidiaries of \$18.5 million, and gain from the sale of other assets of \$7.2 million.

For the month ended June 30, 2016, net gain from other gains and losses was \$15.9 million, which includes gain from the sale of intangible assets of \$2.5 million, gain from the sale of investment securities of \$5.6 million, gain from the sale of property and equipment of \$0.2 million, gain from the sale of other assets of \$16.8 million, and gain from the sale of other assets of \$1.8 million.

10. PROFIT BEFORE TAX

	\$ million	
	06/30/17	06/30/16
	USD'000	USD'000
Income from operations	443,400	301,558
Amortization of intangible assets	1,124	678
Amortization of investment securities	31,921	26,356
Impairment loss on investment securities	31,137	13,175
Impairment loss on investment securities (reversal)	2,535	(490)
Net gain from other gains and losses	10,201	(153)

11. INCOME TAX EXPENSE

	S	
	06/30/17	06/30/16
	USD'000	D'000
Current income tax	1,117	22
Current income tax	127	670
Deferred tax	2,414	343
Total income tax expense	3,658	1,035

On June 1, 2008, the Company's wholly owned subsidiary, SMIC (China) Limited, entered into a tax sharing agreement with the Chinese government. Pursuant to the agreement, SMIC (China) Limited will be liable for the income tax expense of the Company's wholly owned subsidiary, SMIC (China) Limited, for the period from June 1, 2008 to the end of the fiscal year 2008. The Company's wholly owned subsidiary, SMIC (China) Limited, will be liable for the income tax expense of the Company's wholly owned subsidiary, SMIC (China) Limited, for the period from June 1, 2008 to the end of the fiscal year 2008.

11. INCOME TAX EXPENSE (C D)

Pe 28 martie 2011, compania a achiziționat un teren în București (Căminarii Noi) în valoare de 4 milioane de lei (Căminarii Noi 4), care a fost clasificat ca teren de dezvoltare în bilanțul de la 31 decembrie 2011. În urma vânzării terenului în valoare de 1 milion de lei pe 31 decembrie 2011, compania a înregistrat o pierdere de 3 milioane de lei.

Pe 20 aprilie 2012, compania a achiziționat un teren în București (Căminarii Noi) în valoare de 27 milioane de lei (Căminarii Noi 27), care a fost clasificat ca teren de dezvoltare în bilanțul de la 31 decembrie 2012. În urma vânzării terenului în valoare de 1 milion de lei pe 31 decembrie 2012, compania a înregistrat o pierdere de 26 milioane de lei.

Pe 25 iulie 2013, compania a achiziționat un teren în București (Căminarii Noi) în valoare de 43 milioane de lei (Căminarii Noi 43), care a fost clasificat ca teren de dezvoltare în bilanțul de la 31 decembrie 2013. În urma vânzării terenului în valoare de 1 milion de lei pe 31 decembrie 2013, compania a înregistrat o pierdere de 42 milioane de lei.

Pe 4 februarie 2016, compania a achiziționat un teren în București (Căminarii Noi) în valoare de 49 milioane de lei (Căminarii Noi 49), care a fost clasificat ca teren de dezvoltare în bilanțul de la 31 decembrie 2016. În urma vânzării terenului în valoare de 1 milion de lei pe 31 decembrie 2016, compania a înregistrat o pierdere de 48 milioane de lei.

Compania a achiziționat terenurile de dezvoltare în valoare de 123 milioane de lei (Căminarii Noi 43 + Căminarii Noi 27 + Căminarii Noi 49) pe 28 martie 2011, pe 20 aprilie 2012, pe 25 iulie 2013 și pe 4 februarie 2016.

1) Sistemul de evaluare al terenurilor de dezvoltare (SMIS)

În conformitate cu prevederile Legii nr. 10/2004 privind evaluarea bunurilor imobiliare în scopul însușirii și al vânzării acestora, valoarea de piață a terenurilor de dezvoltare este evaluată în funcție de valoarea de piață a terenurilor similare în aceeași zonă la data evaluării. Valoarea de piață este evaluată în funcție de valoarea de piață a terenurilor similare în aceeași zonă la data evaluării. Valoarea de piață este evaluată în funcție de valoarea de piață a terenurilor similare în aceeași zonă la data evaluării.

2) Sistemul de evaluare al terenurilor de dezvoltare (SMIT)

În conformitate cu prevederile Legii nr. 10/2004 privind evaluarea bunurilor imobiliare în scopul însușirii și al vânzării acestora, valoarea de piață a terenurilor de dezvoltare este evaluată în funcție de valoarea de piață a terenurilor similare în aceeași zonă la data evaluării. Valoarea de piață este evaluată în funcție de valoarea de piață a terenurilor similare în aceeași zonă la data evaluării.

11. INCOME TAX EXPENSE (C D)

3) S mMa, a, I a a (B) C, a (SMIB SMIC B)

a r a e i h Cir lar . 43 a Cir lar . 1, B i a l i e a a i e r a e i r i t e r i e a e j i a 10- e a r a h l i a (i e e a r l l e e m i l l w e i e e a r h a l e i) e i i r m 2015 a e r i l i i a l l r i r e a l e . h e i m e a r a e r B a 0% r m 2015 t 2019 a 12.5% r m 2020 t 2024. A e r h a , h e i m e a r a e w l e 15%.

4) S mMa, a, I a a (S) C, a (SMIC S), S mMa, a, N C a (B) C, a (SMNC) a S J S m(Ja,) C, a (SJ Ja,)

a r a e i h Cir lar . 43, Cir lar . 1 a Cir lar . 27, C h e h e , C a i a i a e e i l e t t h e e e e i a l a r a e 15% a 10- e a r a h l i a (i e e a r l l e e m i l l w e i e e a r h a l e i) e e t t i r i - m a i e a r a e r i l i i a l l r i r a l e r e e D e e m e r 31, 2017. C h e h e , C a i a i w e i a m l a i e l i i a e 30, 2017 a t h e a h l i a h a t e t t a e e e t .

All h e h e r C e i l e C a e j e t t i m e a r a e 25%. e r h e l a w t a l e e r i e i m e a , r . l' (r , a m a j r i - w e i a r i A e a , a l) i m e a () r a e i 24%.

12. DIVIDEND

h e B a r i t e m m e h e a m e t a i i e r h e i m t h e e e 30, 2017 (i m t h e e e 30, 2016: i l).

13.



16. INVESTMENTS IN ASSOCIATES

Detail here 'a' iae, whi h ake all li se m a le se se t r C li se t he ha hai
t ha se at t here t he se ri t i se ri ake a ll w :



16. INVESTMENTS IN ASSOCIATES (C D)

- * ...
- ** ...
- *** ...

... li a i a i a l

17. INVESTMENTS IN JOINT VENTURES

Detail ...

Name	Partners	Percentage	
		06/30/17	12/31/16
... (im...)	... C ...	49.0%	49.0%
... (im...)	... C ...	42.0%	42.0%

18. INVENTORIES

	06/30/17	12/31/16
	USD'000	D'000
Raw material	136,321	126,526
Work in process	328,493	280,216
Finished goods	112,365	57,474
Total	577,179	464,216

19. TRADE AND OTHER RECEIVABLES

	06/30/17	12/31/16
	USD'000	D'000
Trade receivable	490,875	491,018
All other receivables	(4,026)	(1,491)
Total	486,849	489,527
	236,062	156,295
Total	722,911	645,822

The carrying amount of trade receivables is determined based on the aging method. The carrying amount of trade receivables is determined based on the aging method. The carrying amount of trade receivables is determined based on the aging method.

The carrying amount of trade receivables is determined based on the aging method. The carrying amount of trade receivables is determined based on the aging method. The carrying amount of trade receivables is determined based on the aging method.

	06/30/17	12/31/16
	USD'000	D'000
Within 30 days	273,348	274,087
Between 31-60 days	151,116	179,453
Over 60 days	66,411	37,478
Total	490,875	491,018

The carrying amount of trade receivables (net of allowance for doubtful accounts) is determined based on the aging method. The carrying amount of trade receivables (net of allowance for doubtful accounts) is determined based on the aging method.

	06/30/17	12/31/16
	USD'000	D'000
Contract receivable	409,850	444,145
Contract receivable		
Within 30 days	51,639	34,872
Between 31-60 days	14,082	8,875
Over 60 days	11,278	1,635
Total	486,849	489,527

20. OTHER FINANCIAL ASSETS

	06/30/17	12/31/16
	USD'000	D'000
Non-derivative		
Derivatives		
Contractual swap	4,120	
Chinese		
Derivatives		
Contractual swap	1,951	
Contractual swap	636	
Short-term investments		
Financial instrument	86,763	24,931
Bank bill maturity < 3 months	426,652	6,612
	516,002	31,543

21. RESTRICTED CASH

	06/30/17	12/31/16
	USD'000	D'000
Restricted cash		
Contract	12,788	20,080
Contract	344,100	337,699
	356,888	357,779

1) Restricted cash

As of June 30, 2017, the restricted cash balance is USD \$12.8 million (USD \$11.2 million), mainly related to (December 31, 2016: USD \$20.1 million) lease agreement term contract with China Capital Finance Co., Ltd. USD \$1.3 million (USD \$1.1 million) and term deposit with bank USD \$11.5 million (USD \$10.1 million).

2) Restricted cash

As of June 30, 2017, the restricted cash balance is USD \$8.1 million, mainly related to (December 31, 2016: USD \$2.9 million), which includes USD \$1.7 million lease agreement term contract with bank, USD \$5.3 million (USD \$4.7 million) lease agreement term contract with bank, USD \$0.5 million (USD \$0.5 million) and term deposit with bank USD \$4.8 million (USD \$4.2 million), and USD \$1.1 million (USD \$1.0 million) related to the investment in the A-share of the listed company with the same name as the restricted cash.

As of June 30, 2017, the restricted cash balance is USD \$232.4 million (December 31, 2016: USD \$191.9 million) related to the main business of the company.

As of June 30, 2017, the restricted cash balance is USD \$103.6 million (December 31, 2016: USD \$142.9 million) mainly related to the CDB deposit with the China Development Bank, which is related to the lease agreement with the bank.

22. SHARES AND ISSUED CAPITAL

Balance sheet as at December 31, 2017 and December 31, 2016

	December 31, 2017		December 31, 2016	
	Number of shares	Amount	Number of shares	Amount
		USD'000		USD'000
Balance at January 1	4,252,922,259	17,012	4,207,374,896	16,830
Issuance of shares				
Common stock				
Preferred stock	15,207,492	60	11,656,849	46
Conversion of preferred stock	382,744,250	1,531		
Balance at December 31	4,650,874,001	18,603	4,219,031,745	16,876

All shares are common shares, which have a par value of \$0.004, and are convertible into common shares at any time.

In the first half of 2017, the Board of Directors issued 10,000,000,000 common shares at a price of \$0.42 per share, for a total amount of \$4,200,000,000. In addition, the Board of Directors issued 500,000,000 preferred shares at a price of \$0.30 per share, for a total amount of \$150,000,000. The total amount of shares issued during the first half of 2017 was 10,500,000,000 shares, for a total amount of \$4,350,000,000. The Board of Directors also issued 1,531,531 common shares in exchange for 382,744,250 preferred shares on December 23, 2017.

* The number of shares of the preferred stock is subject to change if the holders of the shares exercise their conversion rights. The number of shares of the preferred stock is subject to change if the holders of the shares exercise their conversion rights. The number of shares of the preferred stock is subject to change if the holders of the shares exercise their conversion rights.

23. SHARE-BASED PAYMENTS

Share-based payments

The Company's share-based payments consist of all common shares issued to employees and directors in connection with the Company's share-based payment plans.

The following table shows the number of shares issued to employees and directors in connection with the Company's share-based payment plans during the first half of 2017 and the first half of 2016.

	Share-based payments	
	06/30/17	06/30/16
	USD'000	USD'000
Share-based payments to employees	11,065	8,063

23. SHARE-BASED PAYMENTS (CONTINUED)

M

(i) The following table illustrates the movement in the weighted average share price (WASP), a measure of the fair value of the equity (excluding restricted shares) at the end of the reporting period (WASP) and the weighted average share price (WASP) at the beginning of the reporting period:

	2017	2017	2016	2016
	NYB	WASP	WASP*	WASP
At the beginning of the year	72,482,764	US\$0.82	100,295,578	US\$0.82
Weighted average share price	4,196,477	US\$1.20	1,459,247	US\$0.83
Share-based payments	(3,348,691)	US\$1.38	(3,618,791)	US\$1.21
Share repurchases	(4,728,150)	US\$0.77	(1,203,176)	US\$0.52
At the end of the year	68,602,400	US\$0.81	96,932,858	US\$0.81

The restricted share plan, which was approved by the Board on 5 April 2017 and 22 April 2017, has an average share price of approximately US\$0.51 at the end of the reporting period.

The weighted average share price of the Company has increased from US\$1.29 at the end of the reporting period to US\$1.20 at the end of the reporting period.

The following table illustrates the movement in the weighted average share price (WASP) at the end of the reporting period (WASP) and the weighted average share price (WASP) at the beginning of the reporting period:

	2017	2016
Dividend yield (%)		
Weighted average share price	43.38%	45.66%
Share-based payments	1.91%	1.47%
Share repurchases	6%	5%

The restricted share plan, which was approved by the Board on 5 April 2017 and 22 April 2017, has an average share price of approximately US\$0.51 at the end of the reporting period. The weighted average share price of the Company has increased from US\$1.29 at the end of the reporting period to US\$1.20 at the end of the reporting period.

The following table illustrates the movement in the weighted average share price (WASP) at the end of the reporting period (WASP) and the weighted average share price (WASP) at the beginning of the reporting period:

* The weighted average share price (WASP) at the end of the reporting period (WASP) and the weighted average share price (WASP) at the beginning of the reporting period (WASP) are based on the weighted average share price (WASP) at the end of the reporting period (WASP) and the weighted average share price (WASP) at the beginning of the reporting period (WASP) of US\$0.0004 each share and US\$0.004 each share, which was approved by the Board on 7 December 2016.

23. SHARE-BASED PAYMENTS (C and D)

M (ii) (C and D)

(ii) The following table illustrates the number of weighted average shares (WAV) and the weighted average share price (WASP) for the period from January 1, 2017 to December 31, 2017 (see Note 14 to the consolidated financial statements):

	2017	2017	2016	2016
	Number	WAV	Number*	WAV
at January 1	26,489,152	US\$0.98	30,451,267	\$0.99
issued during the period	11,696,477	US\$1.13	7,745,648	\$0.82
expired during the period	(344,786)	US\$1.08	(624,900)	\$1.00
retired during the period	(10,479,342)	US\$0.96	(10,453,673)	\$0.92
at December 31	27,361,501	US\$1.05	27,118,342	\$0.97

The weighted average share price for the period from January 1, 2017 to December 31, 2017 is based on the closing price of the Company's common stock on the New York Stock Exchange (NYSE) at the end of the period, which was \$1.13.

The weighted average share price for the period from January 1, 2016 to December 31, 2016 is based on the closing price of the Company's common stock on the NYSE at the end of the period, which was \$0.97.

The following table illustrates the number of weighted average shares (WAV) and the weighted average share price (WASP) for the period from January 1, 2017 to December 31, 2017:

	2017	2016
Dividend (%)		
Weighted average	39.72%	39.60%
Weighted average	1.22%	0.91%
Weighted average	2	2

The weighted average share price for the period from January 1, 2017 to December 31, 2017 is based on the closing price of the Company's common stock on the NYSE at the end of the period, which was \$1.13. The weighted average share price for the period from January 1, 2016 to December 31, 2016 is based on the closing price of the Company's common stock on the NYSE at the end of the period, which was \$0.97.

The weighted average share price for the period from January 1, 2017 to December 31, 2017 is based on the closing price of the Company's common stock on the NYSE at the end of the period, which was \$1.13. The weighted average share price for the period from January 1, 2016 to December 31, 2016 is based on the closing price of the Company's common stock on the NYSE at the end of the period, which was \$0.97.

* The number of weighted average shares for the period from January 1, 2017 to December 31, 2017 is based on the closing price of the Company's common stock on the NYSE at the end of the period, which was \$1.13. The number of weighted average shares for the period from January 1, 2016 to December 31, 2016 is based on the closing price of the Company's common stock on the NYSE at the end of the period, which was \$0.97.

23. SHARE-BASED PAYMENTS (C D)

M (C D)

(iii) The following table illustrates the number of weighted average shares (WAEP) that have been issued to employees under the share-based payment plan (the "Share-Based Payment Plan") for the period from January 1, 2016 to December 31, 2017:

	2017	2017	2016	2016
	Number	WAEP	Number	WAEP
As of January 1	14,598,750	US\$0.19	7,000,000	US\$0.06
Granted during the period	(315,000)	US\$0.31	-	-
As of December 31	14,283,750	US\$0.19	7,000,000	US\$0.06

The weighted average share price for the period from January 1, 2016 to December 31, 2017 was US\$0.05 to US\$0.31 (the weighted average share price for the period from January 1, 2016 to December 31, 2016 was US\$0.05 to US\$0.08).

24. CASH FLOW HEDGES

The following table illustrates the amount of cash flow hedges that were designated as cash flow hedges for the period from January 1, 2016 to December 31, 2017. As of January 1, 2016, the amount of cash flow hedges was US\$26,692,000. As of December 31, 2017, the amount of cash flow hedges was US\$30,118,000. The amount of cash flow hedges as of January 1, 2016 was US\$26,692,000, which was the amount of cash flow hedges as of December 31, 2015. The amount of cash flow hedges as of January 1, 2017 was US\$30,118,000, which was the amount of cash flow hedges as of December 31, 2016.

The following table illustrates the amount of cash flow hedges that were designated as cash flow hedges for the period from January 1, 2016 to December 31, 2017. As of January 1, 2016, the amount of cash flow hedges was US\$26,692,000. As of December 31, 2017, the amount of cash flow hedges was US\$30,118,000. The amount of cash flow hedges as of January 1, 2016 was US\$26,692,000, which was the amount of cash flow hedges as of December 31, 2015. The amount of cash flow hedges as of January 1, 2017 was US\$30,118,000, which was the amount of cash flow hedges as of December 31, 2016.

	06/30/17
	USD'000
Balance as of January 1	(34,627)
Granted during the period	56,810
Expired during the period	(26,692)
Balance as of December 31	30,118
Balance as of January 1	(4,509)

The following table illustrates the amount of cash flow hedges that were designated as cash flow hedges for the period from January 1, 2016 to December 31, 2017.

25. TRADE AND OTHER PAYABLES

	06/30/17	12/31/16
	USD'000	D'000
Trade payable	1,038,577	781,161
Accounts payable	66,351	60,157
Deferred liabilities	48,545	41,324
Other payable	114,685	57,911
	1,268,158	940,553

Trade payable are classified as current liability for 30- and 60- day term.

As at June 30, 2017, trade payable were \$1,038.6 million (as at December 31, 2016: \$781.2 million), which is higher than the trade payable at year-end, the accounts payable were \$726.9 million (as at December 31, 2016: \$483.0 million).

The following table details trade payable by the line of business at the end of the period.

	06/30/17	12/31/16
	USD'000	D'000
At June 30	861,533	630,896
Between 31-60 day	50,041	43,984
At 60 day	127,003	106,281
Total	1,038,577	781,161

Accounts payable by the trade payable is as follows:

	06/30/17	12/31/16
	USD'000	D'000
Current	899,036	659,094
At June 30	51,832	55,394
Between 31-60 day	19,624	7,658
At 60 day	68,085	59,015
	1,038,577	781,161

26. BORROWINGS

	06/30/17	12/31/16
	USD'000	D'000
A a		
h t-term mmer ial a l a	256,685	176,957
	256,685	176,957
2013 D a t (C h a t hai)	10,760	10,760
2015 D a (C ha hai)	33,034	39,641
2015 B a (C ha hai)	147,189	144,155
2015 B a (C ha hai)	69,915	68,473
2015 CDB D a ia i)	2,000	2,000
2015 CDB B a (C B eiji)	28,702	28,110
2016 CDB B a (C B eiji)	214,895	210,466
2015 X B a (C ha hai)	73,594	72,077
2017 X B a (C ha hai)	147,189	
2016 X B a (C B eiji)	35,325	34,597
2016 X B a (C B eiji)	58,875	57,662
2016 X B a (C)	73,594	72,077
2017 X B a (C ia ji)	73,594	
2014 Ca a De iie i e i i l a (r)	26,426	26,026
2014 Ca ial e r i e l a (r)	4,924	4,578
2014 C i e i e h i a a (r)	4,003	3,926
2017 B a e l e i r a (r)	1,455	
i a e e a e a a l e	6,666	7,057
a r m - r l l i i e e t h a t h l e r	10,634	1,627
t h e r	482,547	482,579
	1,505,321	1,265,811

26. BORROWINGS (C and D)

As at 30, 2017, the firm's borrowings were \$482.5 million (December 31, 2016: \$482.6 million). The firm's borrowings are primarily in the form of bank loans, which are denominated in US dollars. As at 30, 2017, the firm's borrowings were \$482.5 million, of which \$1.0 million was denominated in US dollars. The firm's borrowings are primarily in the form of bank loans, which are denominated in US dollars.

27. CONVERTIBLE BONDS

(A) RMB Convertible Bonds

The Company issued RMB convertible bonds of \$200.0 million in 2018, of which \$86.8 million was denominated in RMB and \$113.2 million was denominated in US dollars. The RMB convertible bonds were issued on March 10, 2017, with a maturity date of March 10, 2022. The RMB convertible bonds are convertible into the Company's common shares at a conversion price of RMB 7.965 per share, which is equivalent to \$1.027 per share. The RMB convertible bonds are convertible into the Company's common shares at a conversion price of RMB 7.965 per share, which is equivalent to \$1.027 per share.

(B) US\$450.0 million Convertible Bonds 2022

On July 7, 2016, the Company issued US\$450.0 million convertible bonds (the 2016 Convertible Bonds). The 2016 Convertible Bonds are convertible into the Company's common shares at a conversion price of US\$4.00 per share. The 2016 Convertible Bonds are convertible into the Company's common shares at a conversion price of US\$4.00 per share. The 2016 Convertible Bonds are convertible into the Company's common shares at a conversion price of US\$4.00 per share.

	D'000
Convertible Bonds	450,000
Bank Loans	(9,194)
Other Borrowings	(387,871)
Total	52,935

27. CONVERTIBLE BONDS (C D)

(C) US\$450.0 million, 2022 (C D)

The initial liability of the 2016 Convertible Bonds was approximately US\$450.0 million. The interest rate of the 2016 Convertible Bonds was 3.78% per annum. The liability of the 2016 Convertible Bonds was approximately US\$450.0 million at the end of 2017.

	Contractual	Estimated	Total
	USD'000	USD'000	USD'000
As at December 31, 2016	395,210	52,935	448,145
Interest payable	7,339		7,339
As at December 31, 2017	402,549	52,935	455,484

The interest will be paid in cash. The interest expense is included in the income statement.

28. MEDIUM-TERM NOTES

On August 8, 2016, the Company issued the three-year medium-term notes of B1,500.0 million (approximately \$226.2 million) with a fixed annual interest rate of 3.35% per annum. The medium-term notes will mature on August 8, 2017, August 8, 2018 and August 8, 2019. As at the end of the reporting period, the liability of the medium-term notes was approximately B1,485.2 million (approximately \$223.9 million).

	D'000
Interest payable	226,162
Interest payable	(2,226)
As at December 31, 2017	223,936

The medium-term notes are included in the liability of the Company at the end of 2017.

	D'000
As at the end of the reporting period	223,936
Interest payable	691
Interest payable	(631)
As at December 31, 2016	223,996
As at December 31, 2016	214,502
Interest payable	4,012
Interest payable	(3,662)
As at December 31, 2017	219,370

29. BONDS PAYABLE

On December 31, 2014, the City has issued 5-year bonds with a face value of \$500.0 million. The bonds are issued at a coupon rate of 4.125% with semi-annual payments on March 31 and September 30. As of December 31, 2014, the City has \$491.2 million of bonds outstanding, consisting of (1) \$5.2 million of bonds issued in 2014 and (2) \$486.0 million of bonds issued in 2013. The City has \$3.6 million of bonds maturing in 2015.

	D'000
Original issue	500,000
Discount	(5,185)
Amortization	(8,634)
Bonds payable, December 31, 2014	491,181
As of December 31, 2017, the City has the following bonds payable:	
	D'000
As of December 31, 2015	493,207
Amortization	11,154
Discount	(10,313)
As of December 31, 2016	494,048
As of December 31, 2016	

31. OTHER LIABILITIES

	06/30/17	12/31/16
	USD'000	D'000
Deferred tax liabilities	26,035	24,213
Other	3,736	13,284
	29,771	37,497

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

	Valuation Method	06/30/17			
		L1	L2	L3	Total
		USD'000	USD'000	USD'000	USD'000
Financial Assets	FVTPL				
Derivative financial instruments	Derivative financial instruments		86,763		86,763
Derivative financial instruments	Derivative financial instruments		1,951		1,951
Available-for-sale financial assets	Quoted market prices	2,942			2,942
Available-for-sale financial assets	Other			16,406	16,406
Contractual	Derivative financial instruments		4,756		4,756
Total		2,942	93,470	16,406	112,818

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (C D)

Va... () a	06/30/17			
	L 1	L 2	L 3	T a
	USD'000	USD'000	USD'000	USD'000
F a ... a FVTPL				
Cr... Di... 27,792		27,792		27,792
... 6,666		6,666		6,666
T a		34,458		34,458
	12/31/16			
Va... () a	Level 1	Level 2	Level 3	Total
	USD'000	USD'000	USD'000	USD'000
F a ... a FVTPL				
h... Di... 24,931		24,931		24,931
A... Q... 4,713	4,713			4,713
A... 16,067		16,067		16,067
D... 32,894			32,894	32,894
T a	4,713	24,931	48,961	78,605

34. RELATED PARTY TRANSACTIONS (CONTINUED)

Table 34.1

Details of the related party transactions with related parties that are members of the Group:

	Sales		Sales	
	in million		in million	
	06/30/17	06/30/16	06/30/17	06/30/16
	USD'000	USD'000	USD'000	USD'000
Direct sales to related parties	10,105	5,453		
Direct sales to related parties	119	528		
Indirect sales to related parties	2,953	757		
Other sales			2,197	1,923
Bridge	24,688	19,308		
China Research			31	33
China Research	17	6	16	1

	Purchases		Purchases	
	in million		in million	
	06/30/17	06/30/16	06/30/17	06/30/16
	USD'000	USD'000	USD'000	USD'000
Direct purchases from related parties	5,570	4,515	24	138
Indirect purchases from related parties				4
Bridge		25	857	898
China Research			461	17
China Research				15
China Research			869	1,218
China Research (Taiwan) Company			16,696	

34. RELATED PARTY TRANSACTIONS (C D)

Table 34.1 (C D)

The following table sets forth a summary of the related party transactions:

	As at		As at	
	June 30, 2017		December 31, 2016	
	USD'000	D'000	USD'000	D'000
Debt payable to related parties	6,446	6,354		
Accounts payable to related parties	1,715			
Accounts payable	1,254	615	619	2,414
Bridge loan	11,563	6,507		279
China related expenses		38		
China related liabilities	34	2	2	192

35. SUBSEQUENT EVENTS

() Ca a C b S ICL a ,

In 2017, the Company's total assets were RMB600.0 million (RMB588.3 million at the end of 2016), an increase of 2.1% compared with the end of 2016. Total liabilities were RMB117.8 million (RMB105.2 million at the end of 2016), an increase of 11.5% compared with the end of 2016.

() Fa A a , S ICL a ,

In 2017, the Company's total assets were RMB410.8 million (RMB395.5 million at the end of 2016), an increase of 3.9% compared with the end of 2016. Total liabilities were RMB117.8 million (RMB105.2 million at the end of 2016), an increase of 11.5% compared with the end of 2016. The Company's total assets were RMB410.8 million (RMB395.5 million at the end of 2016), an increase of 3.9% compared with the end of 2016. Total liabilities were RMB117.8 million (RMB105.2 million at the end of 2016), an increase of 11.5% compared with the end of 2016.

() Ca a C b SMNC

As of December 31, 2017, the Company's total assets were RMB2,224 million (RMB2,117 million at the end of 2016), an increase of 5.1% compared with the end of 2016. Total liabilities were RMB1,117 million (RMB1,052 million at the end of 2016), an increase of 6.2% compared with the end of 2016. The Company's total assets were RMB2,224 million (RMB2,117 million at the end of 2016), an increase of 5.1% compared with the end of 2016. Total liabilities were RMB1,117 million (RMB1,052 million at the end of 2016), an increase of 6.2% compared with the end of 2016.

