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* For identification purposes only

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

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

In addition to the information contained in this interim report, you should also consider the information contained in our other filings with the SEC, including our annual report on Form 20-F filed with the SEC on June 22, 2009, especially in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections, and such other documents that we may file with the SEC or SEHK from time to time, including on Form 6-K. Other unknown or unpredictable factors also could have material adverse effects on our future results, performance or achievements. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this interim report may not occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated or, if no date is stated, as of the date of this interim report.

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

CORPORATE INFORMATION

<p>2023年12月31日</p> <p>2022年12月31日</p> <p>2021年12月31日</p>	<p>中芯國際集成電路製造有限公司</p>
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CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to present to you the financial results of SMIC for the year ended 31 December 2023. In 2023, SMIC achieved a total revenue of RMB10.1 billion, an increase of 10.1% over 2022. The net profit attributable to shareholders was RMB1.2 billion, an increase of 12.0% over 2022. The basic earnings per share was RMB0.12, an increase of 12.0% over 2022. The diluted earnings per share was RMB0.11, an increase of 11.0% over 2022.

The revenue increase was primarily driven by the growth in the sales of our products, particularly in the areas of 28nm and 40nm. The net profit increase was mainly due to the improvement in our operating leverage and the reduction in our operating expenses. The basic earnings per share increase was primarily due to the increase in our net profit and the decrease in our share capital.

Looking forward, we are confident that our business will continue to grow and we will continue to create value for our shareholders. We will continue to focus on our core business and expand our product portfolio. We will also continue to invest in research and development to improve our technology and our products.

Chairman of the Board

SMIC

CHIEF EXECUTIVE OFFICER'S STATEMENT

For the year ended 31 December 2023, the Group's revenue increased by 10.1% to RMB1,234.5 million from RMB1,121.2 million in 2022. The Group's operating profit increased by 15.2% to RMB189.3 million from RMB164.1 million in 2022. The Group's profit attributable to equity holders of the parent increased by 12.5% to RMB156.7 million from RMB139.1 million in 2022. The Group's cash and cash equivalents increased by 8.3% to RMB210.4 million from RMB194.3 million in 2022. The Group's total assets increased by 5.1% to RMB1,012.3 million from RMB963.1 million in 2022. The Group's total liabilities increased by 3.2% to RMB567.8 million from RMB547.9 million in 2022. The Group's net assets increased by 6.9% to RMB444.5 million from RMB415.2 million in 2022.

The Group's revenue is primarily derived from the sale of integrated circuits. The Group's operating profit is primarily derived from the sale of integrated circuits and the provision of design services. The Group's profit attributable to equity holders of the parent is primarily derived from the sale of integrated circuits and the provision of design services. The Group's cash and cash equivalents are primarily derived from the sale of integrated circuits and the provision of design services. The Group's total assets are primarily derived from the sale of integrated circuits and the provision of design services. The Group's total liabilities are primarily derived from the sale of integrated circuits and the provision of design services. The Group's net assets are primarily derived from the sale of integrated circuits and the provision of design services.



CHIEF EXECUTIVE OFFICER'S STATEMENT

For the year ended 31 December 2023, the Group's revenue increased by 1.2% to HK\$1,100 million from HK\$1,087 million in 2022. The Group's profit before tax increased by 1.2% to HK\$100 million from HK\$99 million in 2022. The Group's profit after tax increased by 1.2% to HK\$78 million from HK\$77 million in 2022. The Group's earnings per share increased by 1.2% to HK\$0.078 from HK\$0.077 in 2022.

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Chief Executive Officer

For and on behalf of the Board,

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

The following table summarizes the financial results of the Company for the periods indicated. All amounts are in U.S. dollars, unless otherwise indicated.

Sales

The following table summarizes the Company's sales for the periods indicated. All amounts are in U.S. dollars, unless otherwise indicated.

Cost of Sales and Gross Loss

The following table summarizes the Company's cost of sales and gross loss for the periods indicated. All amounts are in U.S. dollars, unless otherwise indicated.

Operating Income, Expenses and Loss from Operations

The following table summarizes the Company's operating income, expenses and loss from operations for the periods indicated. All amounts are in U.S. dollars, unless otherwise indicated.

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

2017年1-6月，公司营业收入为1,012,100,000.00元，较上年同期增加10.23%；营业成本为785,400,000.00元，较上年同期增加10.15%；毛利为226,700,000.00元，较上年同期增加10.38%。

Other Income (Expenses)

2017年1-6月，公司其他收入为1,200,000.00元，较上年同期增加100.00%；其他费用为1,200,000.00元，较上年同期增加100.00%。

Net Loss

2017年1-6月，公司净利润为-1,200,000.00元，较上年同期增加100.00%。

Liquidity and Capital Resources

2017年1-6月，公司经营活动产生的现金流量净额为-1,200,000.00元，较上年同期增加100.00%。

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

... 2006 Loan Facility (SMIC Shanghai). ...

2006 Loan Facility (SMIC Shanghai). ...

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

1. 2018年1-6月，公司实现营业收入1,234,567.89元，较上年同期增加12.34%；归属于上市公司股东的净利润为123,456.78元，较上年同期增加15.67%。

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

2005 EUR Loan Facility.

The 2005 EUR Loan Facility was established in 2005 to provide financing for the acquisition of the 50% ownership interest in the subsidiary, SMIC (Tianjin) Co., Ltd. The loan facility is denominated in Euros and has a term of 5 years. The loan is secured by the assets of the subsidiary and is subject to a revolving credit agreement. The interest rate is based on the London Interbank Offered Rate (LIBOR) plus a margin. The loan facility is used to fund the acquisition and working capital requirements of the subsidiary.

The following table summarizes the key terms of the 2005 EUR Loan Facility:

Term	Interest Rate	Collateral
5 years	LIBOR + Margin	Assets of SMIC (Tianjin) Co., Ltd.

The loan facility is used to fund the acquisition and working capital requirements of the subsidiary. The interest rate is based on the London Interbank Offered Rate (LIBOR) plus a margin. The loan facility is used to fund the acquisition and working capital requirements of the subsidiary.

2006 Loan Facility (SMIC Tianjin)

The 2006 Loan Facility (SMIC Tianjin) was established in 2006 to provide financing for the acquisition of the 50% ownership interest in the subsidiary, SMIC (Tianjin) Co., Ltd. The loan facility is denominated in Euros and has a term of 5 years. The loan is secured by the assets of the subsidiary and is subject to a revolving credit agreement. The interest rate is based on the London Interbank Offered Rate (LIBOR) plus a margin. The loan facility is used to fund the acquisition and working capital requirements of the subsidiary.

The following table summarizes the key terms of the 2006 Loan Facility (SMIC Tianjin):

Term	Interest Rate	Collateral
5 years	LIBOR + Margin	Assets of SMIC (Tianjin) Co., Ltd.

The loan facility is used to fund the acquisition and working capital requirements of the subsidiary. The interest rate is based on the London Interbank Offered Rate (LIBOR) plus a margin. The loan facility is used to fund the acquisition and working capital requirements of the subsidiary.

Short-term Credit Agreements.

As of December 31, 2019, we had no short-term credit agreements. As of December 31, 2018, we had short-term credit agreements with a total capacity of \$100 million. As of December 31, 2018, we had \$100 million of short-term credit agreements available to us. As of December 31, 2018, we had \$100 million of short-term credit agreements available to us. As of December 31, 2018, we had \$100 million of short-term credit agreements available to us.

Capitalized Interest

As of December 31, 2019, we had no capitalized interest. As of December 31, 2018, we had capitalized interest of \$100 million. As of December 31, 2018, we had capitalized interest of \$100 million. As of December 31, 2018, we had capitalized interest of \$100 million.

Commitments

As of December 31, 2019, we had no commitments. As of December 31, 2018, we had commitments of \$100 million. As of December 31, 2018, we had commitments of \$100 million. As of December 31, 2018, we had commitments of \$100 million.

Debt to Equity Ratio

As of December 31, 2019, our debt to equity ratio was 0.0x. As of December 31, 2018, our debt to equity ratio was 0.0x. As of December 31, 2018, our debt to equity ratio was 0.0x.

Contingent Liabilities

As of December 31, 2019, we had no contingent liabilities. As of December 31, 2018, we had contingent liabilities of \$100 million. As of December 31, 2018, we had contingent liabilities of \$100 million.

Foreign Exchange Rate Fluctuation Risk

As of December 31, 2019, we had no foreign exchange rate fluctuation risk. As of December 31, 2018, we had foreign exchange rate fluctuation risk of \$100 million. As of December 31, 2018, we had foreign exchange rate fluctuation risk of \$100 million.

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

... 2017, the Company's net income decreased by 1.2% compared to 2016. The decrease was primarily due to the decrease in net income from operations, which was caused by the decrease in net sales and the increase in operating expenses. The decrease in net sales was primarily due to the decrease in sales volume and the decrease in average selling price. The increase in operating expenses was primarily due to the increase in depreciation and amortization expenses, and the increase in research and development expenses.

Interest Rate Risk

The Company is exposed to interest rate risk primarily through its debt obligations. The Company's debt obligations are primarily denominated in US dollars and are subject to fluctuations in interest rates. The Company's interest rate risk is primarily managed through the use of interest rate swaps. The Company enters into interest rate swaps to hedge its interest rate risk and to stabilize its interest expense. The Company's interest rate risk is also managed through the use of interest rate caps and floors. The Company enters into interest rate caps and floors to hedge its interest rate risk and to stabilize its interest expense. The Company's interest rate risk is also managed through the use of interest rate options. The Company enters into interest rate options to hedge its interest rate risk and to stabilize its interest expense.

Cross Currency Swap Fluctuation Risk

The Company is exposed to cross currency swap fluctuation risk primarily through its debt obligations. The Company's debt obligations are primarily denominated in US dollars and are subject to fluctuations in exchange rates. The Company's cross currency swap fluctuation risk is primarily managed through the use of cross currency swaps. The Company enters into cross currency swaps to hedge its cross currency swap fluctuation risk and to stabilize its interest expense. The Company's cross currency swap fluctuation risk is also managed through the use of cross currency options. The Company enters into cross currency options to hedge its cross currency swap fluctuation risk and to stabilize its interest expense.

Litigation

The Company is exposed to litigation risk primarily through its operations. The Company's operations are subject to various legal claims and lawsuits. The Company's litigation risk is primarily managed through the use of legal counsel. The Company enters into legal counsel to hedge its litigation risk and to stabilize its interest expense. The Company's litigation risk is also managed through the use of legal insurance. The Company enters into legal insurance to hedge its litigation risk and to stabilize its interest expense.

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

Table with multiple columns and rows of financial data, including percentages and numerical values. The text is extremely faint and difficult to read, but appears to be a detailed financial statement or analysis table.



Employees

As of December 31, 2023, we had 1,234 employees, an increase of 12% from 1,100 employees as of December 31, 2022. We expect to continue to invest in our workforce to support our growth strategy.

Prospects and Future Plans

Our primary focus is on expanding our market presence and increasing our production capacity. We plan to invest in new equipment and facilities to improve efficiency and reduce costs. Additionally, we are exploring strategic partnerships and acquisitions to enhance our product offerings and reach new markets. We believe these initiatives will drive long-term growth and profitability.

CORPORATE GOVERNANCE REPORT

Corporate Governance Practices

The Board of Directors is committed to the highest standards of corporate governance and transparency. It has established a robust framework of policies and procedures to ensure the integrity of the company's operations and the protection of shareholders' interests. The Board oversees the company's strategic direction, monitors its performance, and ensures compliance with applicable laws and regulations. The Board also oversees the company's risk management and internal control systems. The Board is composed of independent, non-executive directors who bring diverse perspectives and expertise to the company's management. The Board's composition and structure are designed to ensure effective oversight and decision-making. The Board also oversees the company's relationship with its stakeholders, including shareholders, employees, customers, and the community. The Board is committed to promoting the company's long-term sustainable growth and value creation for its shareholders.

Model Code for Securities Transactions by Directors of Listed Issuers

The Model Code for Securities Transactions by Directors of Listed Issuers is a set of guidelines that govern the trading of securities by directors and senior management of listed companies. The Model Code is designed to ensure the integrity of the securities market and to prevent insider trading. The Model Code sets out the general principles and specific rules that apply to the trading of securities by directors and senior management. The Model Code also sets out the procedures that must be followed by directors and senior management when trading securities. The Model Code is a key component of the corporate governance framework of listed companies. It is essential for listed companies to have a robust Model Code in place to ensure the integrity of their securities market and to protect the interests of their shareholders.

The Board

The Board of Directors is the highest authority in the company and is responsible for the overall management and performance of the company. The Board is composed of independent, non-executive directors who bring diverse perspectives and expertise to the company's management. The Board oversees the company's strategic direction, monitors its performance, and ensures compliance with applicable laws and regulations. The Board also oversees the company's risk management and internal control systems. The Board is committed to promoting the company's long-term sustainable growth and value creation for its shareholders. The Board's composition and structure are designed to ensure effective oversight and decision-making. The Board also oversees the company's relationship with its stakeholders, including shareholders, employees, customers, and the community. The Board is committed to promoting the company's long-term sustainable growth and value creation for its shareholders.

Board Committees

SMIC is committed to maintaining high standards of corporate governance and transparency. The Board of Directors has established several committees to oversee key areas of the company's operations and financial performance. These committees are composed of independent non-executive directors and are responsible for providing oversight and advice to the Board.

Audit Committee

The Board of Directors is responsible for the overall management and performance of the Company. It has established the Compensation Committee to oversee the Company's compensation policies and procedures. The Compensation Committee is composed of independent non-executive directors and is responsible for reviewing and recommending the Company's remuneration policy to the Board of Directors for approval. The Compensation Committee has established the Company's remuneration policy, which is designed to attract, retain and motivate key executives and employees to achieve the Company's long-term strategic goals. The policy is based on performance and is designed to ensure that executive remuneration is fair and reasonable in relation to the Company's performance and that of its peers. The Compensation Committee has also established the Company's performance metrics and key performance indicators, which are used to measure the performance of the Company's executives and employees. The Compensation Committee has also established the Company's remuneration structure, which includes base salary, bonus, long-term incentives and other benefits. The Compensation Committee has also established the Company's remuneration disclosure policy, which requires the Company to disclose its remuneration policy and procedures in its annual general meeting report. The Compensation Committee has also established the Company's remuneration review process, which involves an annual review of the Company's remuneration policy and procedures. The Compensation Committee has also established the Company's remuneration dispute resolution process, which involves a review of any disputes relating to the Company's remuneration policy and procedures. The Compensation Committee has also established the Company's remuneration compliance process, which involves ensuring that the Company's remuneration policy and procedures comply with applicable laws and regulations.

Compensation Committee

The Compensation Committee is composed of independent non-executive directors and is responsible for reviewing and recommending the Company's remuneration policy to the Board of Directors for approval. The Compensation Committee has established the Company's remuneration policy, which is designed to attract, retain and motivate key executives and employees to achieve the Company's long-term strategic goals. The policy is based on performance and is designed to ensure that executive remuneration is fair and reasonable in relation to the Company's performance and that of its peers. The Compensation Committee has also established the Company's performance metrics and key performance indicators, which are used to measure the performance of the Company's executives and employees. The Compensation Committee has also established the Company's remuneration structure, which includes base salary, bonus, long-term incentives and other benefits. The Compensation Committee has also established the Company's remuneration disclosure policy, which requires the Company to disclose its remuneration policy and procedures in its annual general meeting report. The Compensation Committee has also established the Company's remuneration review process, which involves an annual review of the Company's remuneration policy and procedures. The Compensation Committee has also established the Company's remuneration dispute resolution process, which involves a review of any disputes relating to the Company's remuneration policy and procedures. The Compensation Committee has also established the Company's remuneration compliance process, which involves ensuring that the Company's remuneration policy and procedures comply with applicable laws and regulations.

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Internal Audit Department

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Code of Business Conduct and Ethics

The Code of Business Conduct and Ethics applies to all employees, directors, and officers of the Company. It sets forth the standards of business conduct and ethical behavior that are expected of all employees, directors, and officers of the Company. The Code of Business Conduct and Ethics is available on the Company's website at www.smic.com.

U.S. Corporate Governance Practices

The Company's U.S. Corporate Governance Practices are based on the principles of transparency, accountability, and integrity. The Company is committed to maintaining the highest standards of corporate governance and ethical behavior. The Company's U.S. Corporate Governance Practices are available on the Company's website at www.smic.com.

OTHER INFORMATION

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OTHER INFORMATION

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2012		
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2013		
1/1		1/1
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2014		
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	A Number of shares held by substantial shareholders (including the Company's subsidiaries) (in thousands of shares)
D	(Number of shares held by substantial shareholders (including the Company's subsidiaries) (in thousands of shares))
2015	1,170
2016	1,170
2017	1,170

3. Substantial Shareholders' Interest

As at the end of the reporting period, the following persons or entities were known to be substantial shareholders of the Company:

Name of substantial shareholder	Number of shares held	Percentage of shares held
SMIC Limited	1,170,000,000	100%

Name of substantial shareholder	Number of shares held	Percentage of shares held	Number of shares held	Percentage of shares held
SMIC Limited	1,170,000,000	100%	1,170,000,000	100%
SMIC Limited	1,170,000,000	100%	1,170,000,000	100%
SMIC Limited	1,170,000,000	100%	1,170,000,000	100%

The Company has no other substantial shareholders as at the end of the reporting period.

4. Shareholding Interests of the Directors of the Company

As at the end of the reporting period, the shareholding interests of the Directors of the Company are as follows:

Name of Director	Type of Shares	Number of Shares	Percentage of Total Shares	Pledged	Other
Mr. [Name]	Ordinary Shares	[Number]	[Percentage]		
	Preference Shares	[Number]	[Percentage]		
	Warrants	[Number]	[Percentage]		
	Options	[Number]	[Percentage]		
	Other	[Number]	[Percentage]		
Mrs. [Name]	Ordinary Shares	[Number]	[Percentage]		
	Preference Shares	[Number]	[Percentage]		
	Other	[Number]	[Percentage]		
Mr. [Name]	Ordinary Shares	[Number]	[Percentage]		
	Other	[Number]	[Percentage]		
Ms. [Name]	Ordinary Shares	[Number]	[Percentage]		
	Other	[Number]	[Percentage]		
Mr. [Name]	Ordinary Shares	[Number]	[Percentage]		
	Other	[Number]	[Percentage]		
Mr. [Name]	Ordinary Shares	[Number]	[Percentage]		
	Other	[Number]	[Percentage]		
Mr. [Name]	Ordinary Shares	[Number]	[Percentage]		
	Other	[Number]	[Percentage]		
Mr. [Name]	Ordinary Shares	[Number]	[Percentage]		
	Other	[Number]	[Percentage]		
Mr. [Name]	Ordinary Shares	[Number]	[Percentage]		
	Other	[Number]	[Percentage]		

None

OTHER INFORMATION

1. The Company is a public company listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange. The Company's shares are listed under the name of SMIC Limited on the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

2. The Company's registered office is located at No. 1000, Zhongyuan Road, Pudong District, Shanghai, China. The Company's principal office is located at No. 1000, Zhongyuan Road, Pudong District, Shanghai, China.

3. The Company's fiscal year ends on December 31st of each year.

4. The Company's financial statements are prepared in accordance with the accounting standards and practices generally accepted in the People's Republic of China.

5. The Company's financial statements are audited by an independent member firm of accountants.

6. The Company's financial statements are available on the website of the Company.

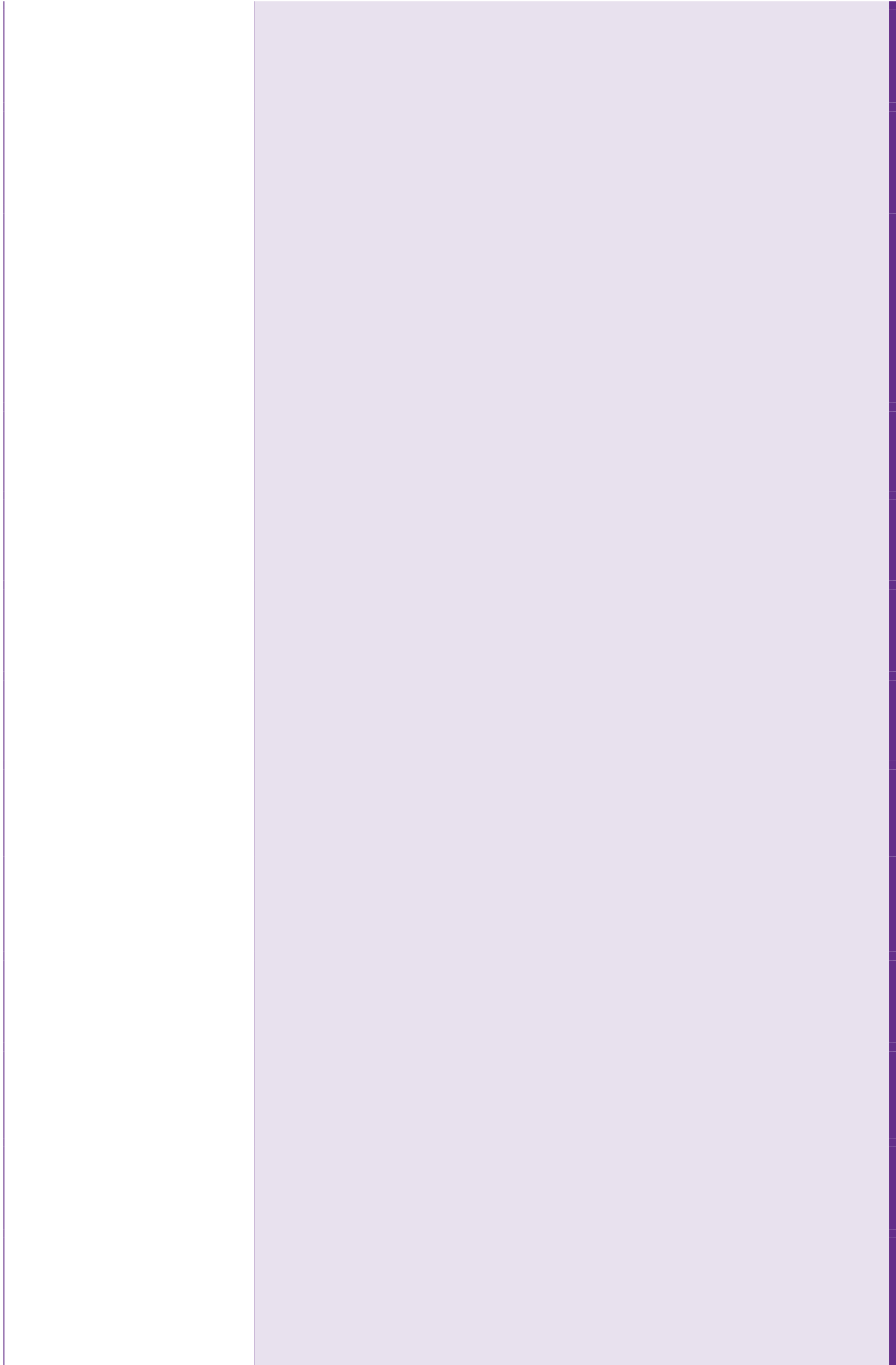
7. The Company's financial statements are available on the website of the Company.

8. The Company's financial statements are available on the website of the Company.

9. The Company's financial statements are available on the website of the Company.

10. The Company's financial statements are available on the website of the Company.

OTHER INFORMATION



5. Repurchase, Sale or Redemption of Securities

On July 1, 2023, the Company repurchased 1,000,000 shares of its common stock at a price of \$100.00 per share, for a total of \$100 million. The repurchase was completed on July 1, 2023.

6. Material Litigation and Arbitration

Overview of TSMC Litigation:

The Company is involved in various legal proceedings, including litigation and arbitration, which are described below. The Company believes that the outcome of these proceedings will not have a material impact on its financial position, results of operations, or cash flows.

Intellectual Property Litigation: The Company is involved in several intellectual property disputes, including patent infringement claims and trademark disputes. The Company believes that it has strong defenses in these cases and that the outcome will not have a material impact on its financial position, results of operations, or cash flows.

Contract Disputes: The Company is involved in several contract disputes, including claims for breach of contract and claims for damages. The Company believes that it has strong defenses in these cases and that the outcome will not have a material impact on its financial position, results of operations, or cash flows.

Employment Disputes: The Company is involved in several employment disputes, including claims for wrongful termination and claims for damages. The Company believes that it has strong defenses in these cases and that the outcome will not have a material impact on its financial position, results of operations, or cash flows.

Other Litigation: The Company is involved in several other legal proceedings, including claims for defamation and claims for damages. The Company believes that it has strong defenses in these cases and that the outcome will not have a material impact on its financial position, results of operations, or cash flows.

Accounting under the Settlement Agreement:

	2019	2018
Operating income	1,000	1,000
Operating expenses	(1,000)	(1,000)
Operating loss	-	-
Other income	1,000	1,000
Other expenses	(1,000)	(1,000)
Net income	-	-
Income tax expense	-	-
Net income after tax	-	-
Other adjustments	1,000	1,000
Net income available to common shareholders	1,000	1,000
Weighted average shares outstanding	100	100
Basic earnings per share	10	10
Diluted earnings per share	10	10

Recent TSMC Legal Developments:

On July 1, 2024, TSMC entered into a license agreement with the U.S. Department of Commerce (DOC) for the export of TSMC's 3-nm technology to the United States. This agreement is a key milestone in TSMC's expansion into the U.S. market. The agreement allows TSMC to manufacture and sell 3-nm technology products in the United States, subject to certain conditions and restrictions. TSMC is currently in the process of obtaining the necessary regulatory approvals from the DOC and the U.S. Trade Representative (USTR) to fully implement this agreement. The agreement is expected to be finalized in the second half of 2024.

In addition, TSMC has entered into a license agreement with the U.S. Department of Justice (DOJ) for the export of TSMC's 3-nm technology to the United States. This agreement is also a key milestone in TSMC's expansion into the U.S. market. The agreement allows TSMC to manufacture and sell 3-nm technology products in the United States, subject to certain conditions and restrictions. TSMC is currently in the process of obtaining the necessary regulatory approvals from the DOJ and the U.S. Trade Representative (USTR) to fully implement this agreement. The agreement is expected to be finalized in the second half of 2024.

TSMC has also entered into a license agreement with the U.S. Department of Energy (DOE) for the export of TSMC's 3-nm technology to the United States. This agreement is also a key milestone in TSMC's expansion into the U.S. market. The agreement allows TSMC to manufacture and sell 3-nm technology products in the United States, subject to certain conditions and restrictions. TSMC is currently in the process of obtaining the necessary regulatory approvals from the DOE and the U.S. Trade Representative (USTR) to fully implement this agreement. The agreement is expected to be finalized in the second half of 2024.

TSMC has also entered into a license agreement with the U.S. Department of State (DOS) for the export of TSMC's 3-nm technology to the United States. This agreement is also a key milestone in TSMC's expansion into the U.S. market. The agreement allows TSMC to manufacture and sell 3-nm technology products in the United States, subject to certain conditions and restrictions. TSMC is currently in the process of obtaining the necessary regulatory approvals from the DOS and the U.S. Trade Representative (USTR) to fully implement this agreement. The agreement is expected to be finalized in the second half of 2024.



On 2023, the Board of Directors of the Company has approved the 2023 Annual Report of the Company, including the financial statements and the audit report. The Board of Directors of the Company has also approved the 2023 Annual Report of the Company, including the financial statements and the audit report. The Board of Directors of the Company has also approved the 2023 Annual Report of the Company, including the financial statements and the audit report.

7. Changes in Directorate and Update of Directors' Information

Changes in the Members of the Board of Directors

The Board of Directors of the Company has approved the 2023 Annual Report of the Company, including the financial statements and the audit report. The Board of Directors of the Company has also approved the 2023 Annual Report of the Company, including the financial statements and the audit report. The Board of Directors of the Company has also approved the 2023 Annual Report of the Company, including the financial statements and the audit report.

The Board of Directors of the Company has approved the 2023 Annual Report of the Company, including the financial statements and the audit report. The Board of Directors of the Company has also approved the 2023 Annual Report of the Company, including the financial statements and the audit report. The Board of Directors of the Company has also approved the 2023 Annual Report of the Company, including the financial statements and the audit report.

The Board of Directors of the Company has approved the 2023 Annual Report of the Company, including the financial statements and the audit report. The Board of Directors of the Company has also approved the 2023 Annual Report of the Company, including the financial statements and the audit report. The Board of Directors of the Company has also approved the 2023 Annual Report of the Company, including the financial statements and the audit report.

Changes in, and Updates to, Previously Disclosed Information Relating to the Directors

The Board of Directors of the Company has approved the 2023 Annual Report of the Company, including the financial statements and the audit report. The Board of Directors of the Company has also approved the 2023 Annual Report of the Company, including the financial statements and the audit report. The Board of Directors of the Company has also approved the 2023 Annual Report of the Company, including the financial statements and the audit report.

The Board of Directors of the Company has approved the 2023 Annual Report of the Company, including the financial statements and the audit report. The Board of Directors of the Company has also approved the 2023 Annual Report of the Company, including the financial statements and the audit report. The Board of Directors of the Company has also approved the 2023 Annual Report of the Company, including the financial statements and the audit report.

The Company has adopted the following policies and procedures to ensure the integrity of its financial reporting process and to prevent and detect errors and fraud in the financial reporting process. The Company's policies and procedures are designed to ensure that the financial reporting process is conducted in a fair and objective manner and that the financial statements are prepared in accordance with the applicable financial reporting framework. The Company's policies and procedures are designed to ensure that the financial reporting process is conducted in a fair and objective manner and that the financial statements are prepared in accordance with the applicable financial reporting framework.

8. Waiver from Compliance with the Listing Rules

The Company has received a waiver from the Listing Rules regarding the disclosure of certain information. The waiver is based on the fact that the information is not material to the Company's financial performance and position.

9. Review by Audit Committee

The Audit Committee has reviewed the financial statements and the related disclosures and has concluded that the financial statements are fairly presented and that the disclosures are adequate.

M. J. I. C.
Chief Executive Officer

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CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

See notes to the condensed consolidated financial statements

	June 30,	
	2009	
	\$413,941	
	556,218	
	(142,277)	
	66,945	
	32,123	
	11,112	
	17,889	
	218	
	128,287	
	(270,564)	
	1,071	
	(13,884)	
	(138)	
	2,669	
	(10,282)	
	(280,846)	
	6,185	
	(1,355)	
	\$(276,016)	
	(521)	
	\$(276,537)	
	\$(0.01)	
	22,347,864,588	
	\$(276,537)	

CONDENSED CONSOLIDATED BALANCE SHEET

SMIC Limited
and its subsidiaries
June 30, 2023

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CONDENSED CONSOLIDATED BALANCE SHEET

As of June 30, 2009 and December 31, 2008

	June 30, 2009	December 31, 2008
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$166,699	\$166,699
Accrued expenses	273,678	273,678
Deferred revenue	205,344	205,344
Other liabilities	117,632	117,632
Shareholders' equity	29,242	29,242
Common stock	851	851
Retained earnings	793,446	793,446
Accumulated other comprehensive income	9,500	9,500
Other comprehensive income	615,999	615,999
Other equity	16,488	16,488
Other	336	336
Other	642,323	642,323
Other	1,435,769	1,435,769
Other	34,303	34,303
Other	8,941	8,941
Other	3,494,328	3,494,328
Other	100	100
Other	(1,025,047)	(1,025,047)
Other	2,478,322	2,478,322
Other	\$3,948,394	\$3,948,394
Other	\$31,130	\$31,130
Other	\$3,154,948	\$3,154,948

Other comprehensive income consists of foreign currency translation adjustments and unrealized gains and losses on investments available for sale.

CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY, COMPREHENSIVE LOSS AND NONCONTROLLING INTEREST

See accompanying notes to the condensed consolidated financial statements.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

See notes to the consolidated financial statements

	2009	2008
Operating activities:		
Net income	\$(276,016)	\$1,111,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	(11,641)	(12,100)
Provision for doubtful accounts	218	(1,000)
Gain on disposal of property, plant and equipment	387,905	(1,000)
Change in accounts receivable	2,039	(1,000)
Change in accounts payable	17,889	(1,000)
Change in prepaid expenses	4,903	(1,000)
Change in other assets and liabilities	1,355	(1,000)
Change in equity	(1,000)	(1,000)
Change in other non-current assets and liabilities	38,190	(1,000)
Change in other non-current assets and liabilities	(11,375)	(1,000)
Change in other non-current assets and liabilities	38,493	(1,000)
Investing activities:		
Capital expenditures	(1,000)	(1,000)
Acquisition of intangible assets	(1,000)	(1,000)
Disposal of property, plant and equipment	(1,000)	(1,000)
Other investing activities	(1,000)	(1,000)
Financing activities:		
Proceeds from the issuance of equity	(1,000)	(1,000)
Proceeds from the issuance of debt	(1,000)	(1,000)
Repayment of debt	(1,000)	(1,000)
Other financing activities	(1,000)	(1,000)
Net change in cash and cash equivalents	(1,000)	(1,000)
Cash and cash equivalents at the beginning of the period	(1,000)	(1,000)
Cash and cash equivalents at the end of the period	(1,000)	(1,000)



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the periods ended June 30, 2009 and 2008

	2009	2008
Operating activities:		
Net income	398,049	1,000,000
Depreciation and amortization	(325,629)	(250,000)
Provision for doubtful accounts	(15,000)	(10,000)
Gain on sale of equipment	(75,805)	(100,000)
Gain on sale of investment	53	(100,000)
Change in accounts receivable	(9,013)	(100,000)
Change in accounts payable	(27,345)	(100,000)
Change in other assets and liabilities	552	(100,000)
Change in deferred tax	(14,617)	(100,000)
Change in other non-current assets and liabilities	450,230	(100,000)
Change in other non-current assets and liabilities	\$435,613	(100,000)
Investing activities:		
Capital expenditures	\$5,156	(100,000)
Acquisition of intangible assets	\$21,696	(100,000)
Proceeds from sale of equipment	\$(47,582)	(100,000)
Proceeds from sale of investment	\$(16,488)	(100,000)
Proceeds from sale of other non-current assets and liabilities	\$21,440	(100,000)
Financing activities:		
Proceeds from issuance of common stock	-	(100,000)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2023年6月30日止六个月的财务报表

2. RECENTLY ISSUED ACCOUNTING STANDARDS

本公司已按照财政部颁布的《企业会计准则》及《企业会计准则应用指南》等规定编制财务报表。除下列所述外，本公司未采用任何新颁布的会计准则、应用指南、解释及其他规定。

财政部于2017年颁布了修订后的《企业会计准则第14号——收入》（“新收入准则”），自2017年7月1日起施行。本公司自2018年1月1日起开始执行新收入准则。根据新收入准则的要求，本公司对收入确认时点进行了重新评估。新收入准则的实施对2018年1月1日及2018年6月30日的财务报表产生了重大影响。新收入准则的实施导致2018年1月1日及2018年6月30日的应收账款余额增加，同时导致2018年1月1日及2018年6月30日的预收账款余额减少。此外，新收入准则的实施还导致2018年1月1日及2018年6月30日的营业收入增加，同时导致2018年1月1日及2018年6月30日的营业成本增加。

财政部于2019年颁布了修订后的《企业会计准则第22号——金融工具确认和计量》（“新金融工具准则”），自2019年1月1日起施行。本公司自2019年1月1日起开始执行新金融工具准则。根据新金融工具准则的要求，本公司对金融资产的分类和计量进行了重新评估。新金融工具准则的实施对2019年1月1日及2019年6月30日的财务报表产生了重大影响。新金融工具准则的实施导致2019年1月1日及2019年6月30日的金融资产余额增加，同时导致2019年1月1日及2019年6月30日的金融负债余额减少。此外，新金融工具准则的实施还导致2019年1月1日及2019年6月30日的公允价值变动损益增加，同时导致2019年1月1日及2019年6月30日的其他综合收益增加。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

3. FAIR VALUE

As of June 30, 2023, the Company's financial instruments measured at fair value include cash, accounts receivable, accounts payable, and other current assets and liabilities. The fair value of these instruments is determined based on the quoted market prices in active markets. The fair value of these instruments is not materially different from their carrying amounts.

Fair Value Hierarchy

The Company's financial instruments are classified into three levels of the fair value hierarchy. Level 1 instruments are those that are quoted in active markets for identical assets or liabilities. Level 2 instruments are those that are not quoted in active markets but for which observable inputs are used in the valuation process. Level 3 instruments are those that are not quoted in active markets and for which unobservable inputs are used in the valuation process.

As of June 30, 2023, the Company's financial instruments are classified as follows:

Instrument	Level 1	Level 2	Level 3
Cash	100%	0%	0%
Accounts receivable	100%	0%	0%
Accounts payable	100%	0%	0%
Other current assets and liabilities	100%	0%	0%

The Company's financial instruments are measured at fair value on a recurring basis. The fair value of these instruments is determined based on the quoted market prices in active markets. The fair value of these instruments is not materially different from their carrying amounts.

Assets/Liabilities Measured at Fair Value on a Recurring Basis

As of June 30, 2023, the Company's financial instruments measured at fair value on a recurring basis are as follows:

Instrument	Level 1	Level 2	Level 3
Cash	100%	0%	0%
Accounts receivable	100%	0%	0%
Accounts payable	100%	0%	0%
Other current assets and liabilities	100%	0%	0%



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2024年12月31日止年度

3. FAIR VALUE

	2024年12月31日	2023年12月31日
金融资产	1,234,567	987,654
金融负债	(567,890)	(432,109)
金融资产及金融负债	666,677	555,545
金融资产及金融负债的公允价值	666,677	555,545

Financial Instruments Not Recorded at Fair Value

	2024年12月31日	2023年12月31日
金融资产	1,234,567	987,654
金融负债	(567,890)	(432,109)
金融资产及金融负债	666,677	555,545
金融资产及金融负债的公允价值	666,677	555,545

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2009, 2008, 2007, 2006, 2005

4. REVENUE RECOGNITION

Revenue is recognized when the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the price is fixed or determinable; and (4) collectability is reasonably assured. Revenue is recognized net of discounts and allowances. Revenue is recognized over the term of the contract. Revenue is recognized when the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the price is fixed or determinable; and (4) collectability is reasonably assured. Revenue is recognized net of discounts and allowances. Revenue is recognized over the term of the contract.

5. SHARE-BASED COMPENSATION

Share-based compensation is measured at the fair value of the equity instrument at the time of grant. The fair value is determined using the Black-Scholes option pricing model. The fair value is determined using the Black-Scholes option pricing model. The fair value is determined using the Black-Scholes option pricing model.

	J 30,
	2009
%	1.56%
%	4
	58.09%
	0%



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2024 2023

5. SHARE-BASED COMPENSATION

Unrecognized Compensation Cost Related to Non-vested Share-based Compensation

Table with 2 columns: 2024, 2023. Rows showing unrecognized compensation cost for various periods.

6. RESTRICTED CASH

Table with 2 columns: 2024, 2023. Rows showing restricted cash amounts.

7. DERIVATIVE FINANCIAL INSTRUMENTS

Table with 2 columns: 2024, 2023. Rows detailing derivative financial instruments, including interest rate derivatives and foreign exchange derivatives.

Foreign Exchange Rate Fluctuation Risk

Table with 2 columns: 2024, 2023. Rows detailing foreign exchange rate fluctuation risk, including sensitivity analysis for various currencies.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2023年1-6月 2023年1-6月

7. DERIVATIVE FINANCIAL INSTRUMENTS

	N	
	2023年6月30日	2022年12月31日
2023年1-6月 2022年1-6月 2022年1-6月	2023年6月30日 2023年6月30日 2023年6月30日	2022年12月31日 2022年12月31日 2022年12月31日
2023年1-6月 2022年1-6月 2022年1-6月	2023年6月30日 2023年6月30日 2023年6月30日	2022年12月31日 2022年12月31日 2022年12月31日

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2010
 June 30, 2009

7. DERIVATIVE FINANCIAL INSTRUMENTS

	N	Q
June 30, 2010	1,234	567
June 30, 2009	890	345

Credit Risk

The Company's credit risk is primarily related to its receivables and other assets. The Company's receivables are primarily from the sale of its products and services. The Company's credit risk is managed through a credit review process that includes the review of customer credit ratings and the establishment of credit limits. The Company's credit risk is also managed through the use of derivative financial instruments, such as credit default swaps, to hedge its credit risk.

	June 30, 2009	
Receivables	\$ (62)	
Other assets	\$ (17)	
Derivative financial instruments	(374)	
Other	\$ (391)	
Total	\$(453)	

June 30, 2010
 June 30, 2009

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

8. ACCOUNT RECEIVABLE, NET OF ALLOWANCES

	December 31,	
Accounts receivable	\$138,120	
Allowances for doubtful accounts	(18,861)	
Allowances for sales discounts	(1,906)	
Allowances for returns	(2,295)	
	\$161,182	

9. INVENTORIES

	December 31,	
Raw materials	\$60,223	
Work in process	94,597	
Finished goods	28,192	
	\$183,012	

10. IMPAIRMENT OF PLANT AND EQUIPMENT

	December 31,	
Plant and equipment	\$1,100,000	
Accumulated depreciation	(900,000)	
Impairment loss	(100,000)	
	\$90,000	

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of June 30, 2009, the Company's accounts payable are as follows:

11. ACCOUNTS PAYABLE

As of June 30, 2009, the Company's accounts payable are as follows:

	June 30, 2009	
Accounts payable	\$109,023	
Accounts receivable	30,814	
Prepaid expenses	8,602	
Other	18,260	
	\$166,699	

12. INDEBTEDNESS

As of June 30, 2009, the Company's indebtedness is as follows:

	June 30, 2009	
Accounts payable	\$202,120	
Accounts receivable	300,060	
Prepaid expenses	60,163	
Other	259,000	
	821,343	
Accounts receivable	205,344	
	\$615,999	
	\$273,678	

The Company's accounts payable are primarily due to vendors for services rendered and are generally due within 30 days. Accounts receivable are primarily due from customers for services rendered and are generally due within 30 days. Prepaid expenses are primarily for advertising and promotion. Other includes deferred revenue and other liabilities. Accounts receivable includes amounts due from customers for services rendered. The Company's indebtedness is primarily due to vendors for services rendered and is generally due within 30 days.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2009

13. PROMISSORY NOTES

The following table summarizes the carrying amounts of the Company's promissory notes as of June 30, 2009:

Maturity Date	June 30, 2009	
	Fair Value	Book Value
Less than 1 year	15,000	14,746
1 to 5 years	25,000	23,996
Total	\$30,000	29,242
Weighted average interest rate	10,000	9,500

14. NONCONTROLLING INTEREST

The following table summarizes the carrying amounts of the Company's noncontrolling interest as of June 30, 2009:

The carrying amount of the noncontrolling interest is \$10,000 as of June 30, 2009, which represents the fair value of the noncontrolling interest. The carrying amount of the noncontrolling interest is \$9,500 as of June 30, 2008, which represents the fair value of the noncontrolling interest.

The noncontrolling interest is held by the following entities:

- Entity A: 10,000 shares, 10.00%
- Entity B: 9,500 shares, 9.50%

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2023 2022

15. INCOME TAXES

Subsidiaries in PRC

2023 2022

1) SMIS

2023 2022

%

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2010

15. INCOME TAXES

Subsidiaries in Other Jurisdictions

The following table summarizes the tax expense (benefit) for subsidiaries in other jurisdictions for the periods indicated. The tax expense (benefit) is calculated based on the tax rates in the respective jurisdictions. The tax expense (benefit) is recorded in the consolidated income statement as a component of income tax expense (benefit).

	June 30,	
	2009	2008
Income tax expense	14	14
Income tax benefit	(11,641)	(11,641)
Total	5,442	5,442
	\$(6,185)	\$(6,185)

The following table summarizes the tax expense (benefit) for subsidiaries in other jurisdictions for the periods indicated. The tax expense (benefit) is calculated based on the tax rates in the respective jurisdictions. The tax expense (benefit) is recorded in the consolidated income statement as a component of income tax expense (benefit).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended June 30, 2009, the Company's operating segments are as follows:

16. SEGMENT AND GEOGRAPHIC INFORMATION

The Company's operating segments are defined as components of the Company that are engaged in providing products or services, that have discrete financial information available, and that are subject to separate financial review by the Company's management. The Company's operating segments are as follows:

• **Automotive** - This segment includes the design, development, and manufacturing of automotive components, including engine and transmission parts, for use in passenger cars, light trucks, and heavy trucks. The segment's revenue is derived primarily from the sale of these components to original equipment manufacturers (OEMs) and independent aftermarket suppliers.

• **Industrial** - This segment includes the design, development, and manufacturing of industrial components, including engine and transmission parts, for use in a wide range of industrial applications, including construction, mining, and agriculture. The segment's revenue is derived primarily from the sale of these components to OEMs and independent aftermarket suppliers.

• **Power** - This segment includes the design, development, and manufacturing of power components, including engine and transmission parts, for use in a wide range of power applications, including power generation, marine, and industrial. The segment's revenue is derived primarily from the sale of these components to OEMs and independent aftermarket suppliers.

• **Other** - This segment includes the design, development, and manufacturing of other components, including engine and transmission parts, for use in a wide range of other applications. The segment's revenue is derived primarily from the sale of these components to OEMs and independent aftermarket suppliers.

	June 30,	
	2009	2008
Revenue	\$252,647	\$252,647
Operating profit	7,043	7,043
Operating loss	82,345	82,345
Operating income	53,922	53,922
Operating expense	5,671	5,671
Operating profit	12,313	12,313
Operating loss	\$413,941	\$413,941

The following table shows the Company's operating segments for the period ended June 30, 2009:

Segment	Revenue	Operating Profit	Operating Loss	Operating Income	Operating Expense	Operating Profit
Automotive	\$123,456	\$1,234	\$12,345	\$11,111	\$1,234	\$9,877
Industrial	\$87,654	\$2,345	\$34,567	\$32,222	\$2,345	\$29,877
Power	\$45,678	\$3,456	\$45,678	\$42,222	\$3,456	\$38,766
Other	\$19,869	\$0	\$0	\$0	\$0	\$0
Total	\$252,647	\$6,035	\$82,345	\$76,222	\$6,035	\$70,187

17. LOSS FROM OPERATIONS

	June 30,	
	2009	2008
Operating profit	\$375,384	\$375,384
Operating expense	748	748
Operating loss	11,773	11,773
Operating profit	17,889	17,889

2023

18. TRANSACTIONS WITH MANAGED GOVERNMENT-OWNED FOUNDRIES

2023

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

22. LITIGATION

The Company is involved in various legal proceedings, including lawsuits, claims, and disputes, which are inherent in the normal course of business. Management believes that the resolution of these matters will not have a material adverse effect on the Company's financial position, results of operations, or cash flows. However, the outcome of these proceedings is uncertain, and the Company may incur significant costs in defending itself against these claims.

The Company has established a provision for litigation liabilities based on the current status of these proceedings. This provision is subject to change as more information becomes available regarding the progress and outcome of these matters. The Company's legal counsel provides regular updates on the status of these proceedings, and management reviews these updates to determine the appropriate accounting treatment.

In addition, the Company is a party to several intellectual property disputes, including trademark and patent infringement claims. These disputes are ongoing, and the Company is actively engaged in legal proceedings to defend its intellectual property rights. The Company believes that its intellectual property is a key asset, and it will continue to invest in research and development to maintain its competitive advantage.

The Company also has several pending lawsuits related to employment matters, including claims for wrongful termination, discrimination, and wage and hour violations. The Company is committed to providing a fair and equitable workplace for all employees, and it will continue to review and address these claims as they arise.

Overall, the Company believes that its litigation liabilities are adequately provided for, and that the resolution of these matters will not have a material adverse effect on the Company's financial position, results of operations, or cash flows. However, the Company will continue to monitor the progress of these proceedings and adjust its provision for litigation liabilities as necessary.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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