

SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORP

Form 6-K

August 14, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16

UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of August, 2018

Commission File Number: 001-31994

Semiconductor Manufacturing International Corporation

(Translation of registrant's name into English)

18 Zhangjiang Road

Pudong New Area, Shanghai 201203

People's Republic of China

(Address of principal executive office)

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

Form 20-F      Form 40-F

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

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

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

Yes      No

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

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Semiconductor Manufacturing International Corporation

Date: August 14, 2018 By: /s/ Dr. Gao Yonggang

Name: Dr. Gao Yonggang

Title: Executive Director, Chief Financial Officer and Joint Company Secretary

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Semiconductor Manufacturing International Corporation

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(incorporated in the Cayman Islands with limited liability)

(Stock Code: 981)

CONNECTED TRANSACTION IN RELATION TO

THE SUBSCRIPTION OF THE ORIENTED DEBT FINANCING INSTRUMENT

THE SUBSCRIPTION

Reference is made to the announcement dated 6 July 2018 of the Company in relation to the Previous Subscription.

On 10 August 2018, pursuant to the terms of the Asset Management Agreement, the Issuer has issued and the Subscriber has subscribed for, an amount of RMB100 million out of the total issue of an aggregate principal amount of RMB500 million of Oriented Debt Financing Instrument, using funds from the Entrusted Assets.

IMPLICATIONS UNDER THE LISTING RULES

As China IC Fund holds approximately 14.82% equity interest in the Company through its wholly-owned subsidiary, Xinxin (Hongkong) Capital Co., Limited, it is a substantial shareholder and a connected person of the Company under the Listing Rules. China IC Fund also holds approximately 32.31% of equity interest in the Issuer. The Issuer is therefore an associate of China IC Fund and is a connected person of the Company under the Listing Rules. Accordingly, the Subscription pursuant to the terms of the Asset Management Agreement constitute connected

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transactions of the Company under Chapter 14A of the Listing Rules.

\*For identification purposes only

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As announced by the Company on 6 July 2018, the Subscriber has subscribed for an amount of RMB200 million out of the total issue of an aggregate principal amount of RMB500 million of oriented debt financing instrument issued on 6 July 2018 in cash. Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under Subscription are required to be aggregated with the Previous Subscription. As the highest applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the Two Subscriptions (after aggregation) exceed 0.1% but are less than 5%, the Two Subscriptions constitute connected transactions of the Company and are subject to the reporting and announcement requirements under the Listing Rules, but are exempt from the circular and the independent Shareholders' approval requirements of Chapter 14A of the Listing Rules.

## INTRODUCTION

Reference is made to the announcement dated 6 July 2018 of the Company in relation to the Previous Subscription.

On 18 May 2018, SMIC Beijing, the Subscriber (as manager) and the Custodian Bank (as custodian trustee) entered into the Asset Management Agreement, pursuant to which, among others, the Subscriber shall provide SMIC Beijing with asset management and investment services in respect of the Entrusted Assets in accordance with the terms under the Asset Management Agreement, which would include investment in Oriented Debt Financing Instrument.

On 10 August 2018, pursuant to the terms of the Asset Management Agreement, the Issuer has issued and the Subscriber has subscribed for, an amount of RMB100 million out of the total issue of an aggregate principal amount of RMB500 million of Oriented Debt Financing Instrument, using funds from the Entrusted Assets.

## THE SUBSCRIPTION

Date

10 August 2018

Parties

- 1) The Subscriber; and
  
- 2) The Issuer (a connected person of the Company).

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, save as disclosed above, the Subscriber and its respective ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company.

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Subscription amount

The Subscriber has subscribed for an amount of RMB100 million out of the total issue of an aggregate principal amount of RMB500 million of Oriented Debt Financing Instrument in cash. The consideration was determined based on arm's length negotiations between the Subscriber and the Issuer.

ORIENTED DEBT FINANCING INSTRUMENT

The principal terms of the Oriented Debt Financing Instrument are set out below: Date

|                                 |  |
|---------------------------------|--|
| of issue                        | : 10 August 2018   |
| Issuer                          | : the Issuer   |
| Principal amount                | : Subscription by the Subscriber for an amount of RMB100 million out of the total issue of an aggregate principal amount of RMB500 million of Oriented Debt Financing Instrument |
| Interest rate and payment dates | : 4.60% per annum payable on principal amount by the Issuer on the maturity date (i.e. 10 August 2019)   |
| Manager(s)                      | : China Development Bank and Bank of Beijing   |
| Maturity Date                   | : 10 August 2019   |
| Transferability                 | : The Oriented Debt Financing Instrument may be transferred in whole or in part by the holder of the Oriented Debt Financing Instrument to any person                            |
| Redemption                      | : The Issuer will redeem the Oriented Debt Financing Instrument at its outstanding principal amount on the maturity date, i.e. 10 August 2019                                    |

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Group has not participated in the negotiation of the subscription amount of the Subscription or the terms of the Oriented Debt Financing Instrument. To the best knowledge of the Company, the terms of the Oriented Debt



Financing Instrument are the same as those generally applicable to other Oriented Debt Financing Instrument issued by the Issuer.

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The subscription of the Oriented Debt Financing Instrument is considered to be beneficial to the Company through the interest earnings to the Entrusted Assets under the Asset Management Agreement, of which SMIC Beijing is the ultimate beneficiary.

The Directors (including independent non-executive Directors) consider that it is in the best interests of the Company and the Shareholders as a whole for the Subscriber to enter into the Subscription pursuant to the terms of the Asset Management Agreement and the Subscription. The Subscription and its terms are fair and reasonable, on normal commercial terms or better, and in the ordinary and usual course of business of the Group.

No Director is considered to have a material interest in the Subscription which would have required the Director to abstain from voting at the board meeting authorising the Subscription.

#### IMPLICATIONS UNDER THE LISTING RULES

As China IC Fund holds approximately 14.82% equity interest in the Company through its wholly-owned subsidiary, Xinxin (Hongkong) Capital Co., Limited, it is a substantial shareholder and a connected person of the Company under the Listing Rules. China IC Fund also holds approximately 32.31% of equity interest in the Issuer. The Issuer is therefore an associate of China IC Fund and is a connected person of the Company under the Listing Rules. Accordingly, the Subscription pursuant to the terms of the Asset Management Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As announced by the Company on 6 July 2018, the Subscriber has subscribed for an amount of RMB200 million out of the total issue of an aggregate principal amount of RMB500 million of oriented debt financing instrument issued on 6 July 2018 in cash. Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under Subscription are required to be aggregated with the Previous Subscription. As the highest applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the Two Subscriptions (after aggregation) exceed 0.1% but are less than 5%, the Two Subscriptions constitute connected transactions of the Company and are subject to the reporting and announcement requirements under the Listing Rules, but are exempt from the circular and the independent Shareholders' approval requirements of Chapter 14A of the Listing Rules.

## INFORMATION ABOUT THE COMPANY AND SMIC BEIJING

The Company (NYSE: SMI; SEHK: 981), one of the leading foundries in the world, is Mainland China's largest foundry in scale, broadest in technology coverage, and most comprehensive in semiconductor manufacturing services. The Company provides integrated circuit (IC) foundry and technology services on process nodes from 0.35 micron to 28 nanometer. Headquartered in Shanghai, China, the Company has an international manufacturing and service base. In China, the Company has a 300mm wafer fabrication facility (fab) and a 200mm fab in Shanghai; a 300mm fab and a majority-owned 300mm fab for advanced nodes in Beijing; 200mm fabs in Tianjin and Shenzhen; and a majority-owned joint-venture 300mm bumping facility in Jiangyin; additionally, in Italy the Company has a majority-owned 200mm fab. The Company also

has marketing and customer service offices in the U.S., Europe, Japan, and Taiwan, and a representative office in Hong Kong. SMIC Beijing is a wholly foreign-owned enterprise established in the PRC and a wholly-owned subsidiary of the Company.

## INFORMATION ABOUT THE ISSUER

The Issuer is primarily engaged in providing financial support to the development of the integrated circuit industry and related industries, promoting the construction and upgrade of production lines among the leading integrated circuit manufacturing companies in the PRC, attending to the underlying demands of IC design industry and its supporting companies at the same time, as well as facilitating the coordination, interaction and development of the integrated circuit equipment industry and the relevant links of the industry chain.

## DEFINITIONS

“Asset Management Agreement” the asset management agreement entered into among SMIC Beijing, the Subscriber and the Custodian Bank on 18 May 2018;

“China IC Fund” China Integrated Circuit Industry Investment Fund Co., Ltd\* ( ), a company under the laws of the PRC;

- “Company” Semiconductor Manufacturing International Corporation ( ), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange and the American depositary shares of which are listed on the New York Stock Exchange, Inc;
- “Custodian Bank” China Merchants Bank Co., Ltd. (Shanghai Branch)\* ( ), a company established under the laws of the PRC and an independent third party to the Company and the connected persons of the Company;
- “Director(s)” the director(s) of the Company;
- “Entrusted Assets” the assets of SMIC Beijing deposited in designated custodian accounts, which are managed by the Subscriber and under the custody of the Custodian Bank pursuant to the terms of the Asset Management Agreement;
- “Group” the Company and its subsidiaries;
- “Issuer” Sino IC Leasing Co., Ltd.\* ( ), a limited liability company incorporated under the laws of the PRC;
- “Listing Rules” the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
- “Oriented Debt Financing Instrument” the oriented debt financing instrument issued by the Issuer on 10 August 2018;
- “PRC” the People’s Republic of China, but for the purpose of this announcement only, excludes Hong Kong, Macau and Taiwan;
- “Previous Subscription” the subscription of oriented debt financing instrument in the amount of RMB200 million out of the total issue of an aggregate principal amount of RMB500 million of oriented debt financing instrument by the Subscriber on 6 July 2018 pursuant to the terms of the Asset Management Agreement;
- “RMB” Renminbi, the lawful currency of the PRC;
- “Shareholders” the shareholders of the Company;

“SMIC Beijing Semiconductor Manufacturing International (Beijing) Corporation\*  
( 65288;21271;20140;65289; ), a wholly foreign-owned enterprise established in the PRC and a wholly-owned subsidiary of the Company;

“Stock Exchange” the Stock Exchange of Hong Kong Limited;

“Subscriber” Shanghai Guotai Junan Securities Asset Management Co., Ltd.\*  
(19978;28023; 27888;21531;23433;35657;21048; 31649;29702; ), a company established under the laws of the PRC and an independent third party to the Company and the connected persons of the Company and the principal business of which is asset management for its customers;

“Subscription” the subscription of the Oriented Debt Financing Instrument in the amount of RMB100 million out of the total issue of an aggregate principal amount of RMB500 million of Oriented Debt Financing Instrument by the Subscriber pursuant to the terms of the Asset Management Agreement; and

“Two Subscriptions” the Subscription and the Previous Subscription.

By order of the Board

Semiconductor Manufacturing International Corporation

Gao Yonggang

Executive Director, Chief Financial Officer and Joint Company Secretary

Shanghai, PRC, 13 August 2018

As at the date of this announcement, the directors of the Company are:

Executive Directors

ZHOU Zixue (Chairman)

ZHAO Haijun (Co-Chief Executive Officer)

LIANG Mong Song (Co-Chief Executive Officer)

GAO Yonggang (Chief Financial Officer and Joint Company Secretary)

Non-executive Directors

CHEN Shanzhi

ZHOU Jie

REN Kai

LU Jun

TONG Guohua

Independent Non-executive Directors

William Tudor BROWN

CHIANG Shang-Yi

CONG Jingsheng Jason

LAU Lawrence Juen-Yee

FAN Ren Da Anthony

\* For identification purposes only

