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NEWS RELEASE

SMIC Reports 2018 First Quarter Results

All currency figures stated in this report are in US Dollars unless stated otherwise.

*The consolidated financial statements are prepared in accordance with International Financial
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Shanghai, China May 9, 2018. Semiconductor Manufacturing International Corporation (NYSE: SMI; or our), one of the leading semiconductor foundries in the world, today announced its consolidated results of operations for the three months ended March 31, 2018.

First Quarter 2018 Highlights

Revenue was \$831.0 million, and \$723.4 million excluding the recognition of the technology li and \$793.1 million in 1Q17.

Gross profit was \$220.2 million, and \$112.6 million excluding the effect of the Licensing Revenue in 1Q18, compared to \$148.5 million in 4Q17 and \$220.8 million in 1Q17.

Gross margin was 26.5%, and 15.6% excluding the effect of the Licensing Revenue in 1Q18, compared to 18.9% in 4Q17 and 27.8% in 1Q17.

Second Quarter 2018 Guidance

The following statements are forward looking statements based on current expectations and involved The Company expects:

Revenue to increase by 7% to 9% QoQ, including the forecast to recognize the technology licensing revenue estimated at \$56 million.

Gross margin to range from 23% to 25%.

Non-GAAP operating expenses, excluding the effect of employee bonus accrual, government funding, gain or loss on the disposal of machinery and equipment and gain from the disposal of living quarters, to range from \$227 million to \$233 million.

Non-controlling interests of our majority-owned subsidiaries to range from positive \$17 million to positive \$19 million (losses to be borne by non-controlling interests).

Dr. Zhao HaiJun and Dr. Liang

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is undergoing a period of transition. We are confronting many challenges; however, through the efforts of the past quarter, we are pleased that things are looking better than originally expected, with customer demand picking up, utilizations rebounding, and encouraging progress on R&D and business platform development.

Our revenue in the first quarter from the China region grew 28% sequentially and 40% year over year, and when excluding the technology license revenue, the China region grew 2% sequentially and 11% year over year. We work to develop our business platforms into comprehensive service offerings in areas that are aligned with meaningful opportunities stemming from the China market.

Meanwhile, we accelerate the development of our technology, aiming to build up complete technology platforms, which integrate competitive technology, ready-to-use IP, and comprehensive design services, in order to increase competitiveness and capture the needs of customers.

Conference Call / Webcast Announcement

Date: May 10, 2018

Time: 8:30 a.m. Beijing time

Dial-in numbers and pass code:

China	+86 400-620-8038	(Pass code: SMIC)
Hong Kong	+852 3018-6771	(Pass code: SMIC)
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The call will be webcast live with audio at http://www.smics.com/eng/investors/ir_presentations.php or <https://edge.media-server.com/m6/p/arbytiq5>.

An archived version of the webcast, along with an electronic copy of this news release will be available on the SMIC website for a period of 12 months following the webcast.

About SMIC

Semiconductor Manufacturing International Corporation ("SMIC"; NYSE: SMI; SEHK: 981) is one of the leading semiconductor foundries in the world and the largest and most advanced foundry in mainland China. SMIC provides integrated circuit (IC) foundry and technology services on process nodes from 0.35 micron to 28 nanometer. Headquartered in Shanghai, China, SMIC has an international manufacturing and service base. In China, SMIC has a 300mm wafer fabrication facility (fab) and a 200mm fab in Shanghai; a 300mm fab and a 200mm fab in Shenzhen; a 300mm fab and a majority-owned 300mm fab for advanced nodes in Beijing; a 200mm fab in Tianjin and a majority-owned joint-venture 300mm bumping facility in Jiangyin; additionally, in Italy SMIC has a majority-owned 200mm fab. SMIC also has marketing and customer service offices in the U.S., Europe, Japan, and Taiwan, and a representative office in Hong Kong.

For more information, please visit www.smics.com.

Safe Harbor Statements

(Under the Private Securities Litigation Reform Act of 1995)

This press release 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, including statements under Second Quarter 2018 Guidance

Co-Chief Executive Officers are based on SMIC's current assumptions, expectations and projections about future events. SMIC uses words like "believe," "anticipate," "intend," "estimate," "expect," "project," "target" 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 in the semiconductor industry, SMIC's reliance on a small number of customers, 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, financial stability in end markets, orders or judgments from pending litigation, intensive intellectual property litigation in semiconductor industry, general economic conditions and fluctuations in currency exchange rates.

In addition to the information contained in this press release, 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 April 27, 2018, especially in the "Risk Factors" section and such other documents that we may file with the SEC or The Hong Kong Stock Exchange Limited ("SEHK") from time to time, including current reports 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 press release 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 press release. Except as may be 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.

Summary of First Quarter 2018 Operating Results

Amounts in US\$ thousands, except for EPS and operating data

	1Q18	4Q17	QoQ	1Q17	YoY
Revenue	831,044	787,174	5.6%	793,085	4.8%
Cost of sales	(610,868)	(638,678)	-4.4%	(572,266)	6.7%
Gross profit	220,176	148,496	48.3%	220,819	-0.3%
Operating expenses	(177,914)	(145,323)	22.4%	(143,433)	24.0%
Profit from operations	42,262	3,173	1231.9%	77,386	-45.4%
Other income (expense), net	776	(6,086)	-	(12,371)	-
Profit (loss) before tax	43,038	(2,913)	-	65,015	-33.8%
Income tax (expense) benefit	(15,958)	1,217	-	(802)	1889.8%
Profit (loss) for the period	27,080	(1,696)	-	64,213	-57.8%
Other comprehensive income (loss):					
Exchange differences on translating foreign operations	18,384	8,458	117.4%	2,773	563.0%
Change in value of available-for-sale financial assets	-	(67)	-	(809)	-
Cash flow hedges	17,881	(595)	-	24,239	-26.2%
Actuarial gains and losses on defined benefit plans	(39)	(556)	-93.0%	200	-
Share of other comprehensive income of joint ventures accounted for using equity method	-	11,755	-	-	-
Total comprehensive income for the period	63,306	17,299	266.0%	90,616	-30.1%
Profit (loss) for the period attributable to:					
SMIC	29,377	47,718	-38.4%	69,791	-57.9%
Non-controlling interests	(2,297)	(49,414)	-95.4%	(5,578)	-58.8%
Profit (loss) for the period	27,080	(1,696)	-	64,213	-57.8%
Gross margin	26.5%	18.9%		27.8%	
Earnings per ordinary share ⁽¹⁾					
Basic	\$0.01	\$0.01		\$0.02	
Diluted	\$0.01	\$0.01		\$0.01	
Earnings per ADS ⁽²⁾					
Basic	\$0.03	\$0.05		\$0.08	
Diluted	\$0.03	\$0.05		\$0.07	
equivalent wafers)					
Capacity utilization ⁽³⁾	1,083,630	1,124,821		1,095,761	
	88.3%	85.8%		91.8%	

Note:

(1) Based on weighted average ordinary shares of 4,918 million (basic) and 4,962 million (diluted) in 1Q18, 4,729 million (basic) and 5,159 million (diluted) in 4Q17, and 4,483 million (basic) and 5,064 million (diluted) in 1Q17.

(2) Each ADS represents 5 ordinary shares.

(3) Based on total equivalent wafers out divided by estimated total quarterly capacity.

Revenue increased by 5.6% QoQ from \$787.2 million in 4Q17 to \$831.0 million in 1Q18, including the recognition of the technology licensing revenue of \$107.6 million (the Licensing Revenue). The technology licensing internally developed and not capitalized was authorized to a related party (an associate of the Group) with no related cost of sales recognized by the Group in 1Q18.

Revenue decreased by 8.1% QoQ from \$787.2 million in 4Q17 to \$723.4 million excluding the effect of the Licensing Revenue in 1Q18, mainly due to product-mix change, a lower average selling price and a decrease in wafer shipment in 1Q18.

Cost of sales was \$610.9 million in 1Q18, a decrease of 4.4% QoQ from \$638.7 million in 4Q17, mainly due to the decrease in wafer shipment in 1Q18.

Gross profit was totally \$220.2 million, and \$112.6 million excluding the effect of the Licensing Revenue in 1Q18, compared to \$148.5 million in 4Q17.

Gross margin was 26.5%, and 15.6% excluding the effect of the Licensing Revenue in 1Q18, compared to 18.9% in 4Q17, primarily due to product-mix change and a lower average selling price in 1Q18.

Operating expenses were \$177.9 million in 1Q18, an increase of 22.4% QoQ from \$145.3 million in 4Q17, mainly due to the reasons stated in Operating Expenses (Income) Analysis below.

Other income (expense), net was \$0.1 million gain in 1Q18, as compared to \$6.1 million loss in 4Q17. The change was mainly due to the reasons stated in Other Income (Expense), Net below.

Income tax expense

Analysis of Revenue

Revenue Analysis			
By Application	1Q18	4Q17	1Q17
Computer	6.8%	6.6%	6.4%
Communications	33.6%	42.5%	45.6%
Consumer	35.6%	37.6%	37.4%
Auto/Industrial	8.5%	8.8%	6.6%
Others	15.5%	4.5%	4.0%
By Service Type	1Q18	4Q17	1Q17
Wafers	83.5%	99.7%	97.0%
Mask making, testing, others ⁽³⁾	16.5%	0.3%	3.0%
By Geography	1Q18	4Q17	1Q17
North America	28.6%	38.1%	38.4%
China ⁽¹⁾	62.4%	51.3%	46.6%
Eurasia ⁽²⁾	9.0%		

Capacity*

Fab	1Q18	4Q17
Shanghai 200mm Fab	109,000	109,000
Shanghai 300mm Fab	38,250	38,250
Beijing 300mm Fab	103,500	103,500
Tianjin 200mm Fab	50,000	50,000
Shenzhen 200mm Fab	35,000	30,000
Shenzhen 300mm Fab	6,750	6,750
Majority-Owned Beijing 300mm Fab	65,250	65,250
Majority-Owned Avezzano 200mm Fab	40,000	40,000
Total monthly wafer fabrication capacity	447,750	442,750

Note:

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ers, calculated on a 30-day basis for comparison purposes

Monthly capacity increased to 447,750 8-inch equivalent wafers in 1Q18 from 442,750 8-inch equivalent wafers in 4Q17, primarily because of the capacity expansion in our Shenzhen 200mm fab in 1Q18.

Shipment and Utilization

	1Q18	4Q17	QoQ	1Q17	YoY
Wafer shipments	1,083,630	1,124,821	-3.7%	1,095,761	-1.1%
Utilization rate ⁽¹⁾	88.3%	85.8%	-	91.8%	-

Note:

(1) Based on total equivalent wafers out divided by estimated total quarterly capacity.

Detailed Financial Analysis

Gross Profit Analysis

Amounts in US\$ thousands	1Q18	4Q17	QoQ	1Q17	YoY
Cost of sales	610,868	638,678	-4.4%	572,266	6.7%
Depreciation	195,171	210,385	-7.2%	180,035	8.4%
Other manufacturing costs	414,874	427,262	-2.9%	391,327	6.0%
Share-based compensation	823	1,031	-20.2%	904	-9.0%
Gross profit	220,176	148,496	48.3%	220,819	-0.3%
Gross margin	26.5%	18.9%	-	27.8%	-

Cost of sales was \$610.9 million in 1Q18, a decrease of 4.4% QoQ from \$638.7 million in 4Q17, mainly due to the decrease in wafer shipment in 1Q18.

Depreciation within the cost of sales decreased by 7.2% to \$195.2 million in 1Q18, compared to \$210.4 million in 4Q17.

Other manufacturing costs within the cost of sales decreased by 2.9% to \$414.9 million in 1Q18, compared to \$427.3 million in 4Q17.

Gross profit was totally \$220.2 million, and \$112.6 million excluding the effect of the Licensing Revenue in 1Q18, compared to \$148.5 million in 4Q17.

Gross margin was 26.5%, and 15.6% excluding the effect of the Licensing Revenue in 1Q18, compared to 18.9% in 4Q17, primarily due to a product-mix change and a lower average selling price in 1Q18.

Operating Expenses (Income) Analysis

<i>Amounts in US\$ thousands</i>	1Q18	4Q17	QoQ	1Q17	YoY
Operating expenses	177,914	145,323	22.4%	143,433	24.0%
Research and development, net	122,995	101,300	21.4%	107,805	14.1%
General and administrative	51,506	58,201	-11.5%	39,394	30.7%
Selling and marketing	8,513	6,393	33.2%	10,375	-17.9%
Other operating income	(5,100)	(20,571)	-75.2%	(14,141)	-63.9%

R&D expenses increased by \$21.7 million QoQ to \$123.0 million in 1Q18, compared to \$101.3 million in 4Q17. Excluding the funding of R&D contracts from the government, R&D expenses increased by \$4.8 million QoQ to \$139.9 million in 1Q18. The change was mainly due to higher level of R&D activities in 1Q18. Funding of R&D contracts from the government was \$16.9 million in 1Q18, compared to \$33.8 million in 4Q17.

General and administrative expenses decreased by 11.5% to \$51.5 million in 1Q18, compared to \$58.2 million in 4Q17. The change was mainly due to a decrease in accrued employee bonus in 1Q18.

The decrease in other operating income was mainly due to less government funding received in 1Q18.

Other Income (Expense), Net

<i>Amounts in US\$ thousands</i>	1Q18	4Q17	QoQ	1Q17	YoY
Other income (expense), net	776	(6,086)	-	(12,371)	-
Interest income	12,855	8,297	54.9%	5,593	129.8%
Finance costs	(13,525)	(9,420)	43.6%	(11,958)	13.1%
Foreign exchange gains or losses	(4,221)	9,192	-	(2,802)	50.6%
Other gains or losses, net	2,324	(11,132)	-	2,167	-27.6%
Share of gain (loss) of investment accounted for using equity method	3,343	(3,023)	-	(5,371)	-

Foreign exchange gains or losses were mainly due to the net impact of cash flow hedging and an

Depreciation and Amortization

Amounts in US\$ thousands

Capital Structure

<i>Amounts in US\$ thousands</i>	1Q18	4Q17
Cash and cash equivalent	1,008,483	1,838,300

Recent Highlights and Announcements

Connected Transaction in Relation to Entering Into Partnership Agreement for the Establishment of IPV Capital Global Technology Fund (2018-05-03)
Annual Report (2018-04-27)
Circulars - Notification Letter and Request Form for Non-registered Shareholders (2018-04-27)
Circulars - Notification Letter for Registered Shareholders (2018-04-27)
Circulars - Notification Letter and Change Request Form to Registered Holders (2018-04-27)
Circulars - Letter and Reply Form to New Registered Shareholders - Election of Means of Receipt and Language of Corporate Communication (2018-04-27)
Non-exempt Connected Transactions the Datang Subscription and the China IC Fund Subscription (2018-04-24)
Notification of Board Meeting (2018-04-12)
Announcement of 2017 Annual Results (2018-03-29)
Poll Results of the Extraordinary General Meeting Held on 27 March 2018 (2018-03-27)
Connected Transaction in Relation to (1) Equity Transfer in Ningbo Semiconductor International Corporation and (2) Capital Contribution in Ningbo Semiconductor International Corporation (2018-03-26)
Notification of Approval of the Publication of 2017 Annual Results by the Board (2018-03-19)
Circulars - Notification Letter and Request Form for Non-registered Shareholders (2018-03-05)
Circulars - Notification Letter for Registered Shareholders (2018-03-05)
Proxy Forms - Form of Proxy for Use at the Extraordinary General Meeting to be Held on 27 March 2018 (2018-03-05)
Circulars - (1) Discloseable and Connected Transactions in Relation to Proposed Capital Contribution and Deemed Disposal of Equity Interest in SMSC and (2) Notice of Extraordinary General Meeting (2018-03-05)
Closure of Register of Members (2018-03-05)
Notice of Extraordinary General Meeting (2018-03-05)
Semiconductor Manufacturing Electronics (Shaoxing) Corporation Formally Signed a Joint Venture Agreement (2018-03-01)
SMIC Reports Unaudited Results for the Three Months Ended December 31, 2017 (2018-02-08)
Poll Results of the Extraordinary General Meeting Held on 8 February 2018 (2018-02-08)
Discloseable Transaction and Connected Transaction Proposed Capital Contribution and Deemed Disposal of Equity Interest in SMSC (2018-01-30)
Notification of Board Meeting (2018-01-18)
Notice of Extraordinary General Meeting (2018-01-17)
Closure of Register of Members (2018-01-17)
Circulars - Notification Letter for Registered Shareholders (2018-01-17)
Circulars - Notification Letter and Request Form for Non-registered Shareholders (2018-01-17)
Proxy Forms - Form of Proxy for Use at the Extraordinary General Meeting to be Held on 8 February 2018 (2018-01-17)
Circulars (1) Discloseable and Continuing Connected Transactions in Relation to Framework Agreement and (2) Notice of Extraordinary General Meeting (2018-01-17)
Connected Transaction Disposal of Assets (2018-01-02)

*http://www.smics.com/eng/press/press_releases.php and
http://www.smics.com/eng/investors/ir_filings.php
for further details regarding the recent announcements.*

Semiconductor Manufacturing International Corporation
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(In US\$ thousands except share data)

For the three months ended

Semiconductor Manufacturing International Corporation
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(In US\$ thousands except share data)

Note:

(1) Non-GAAP operating expenses are defined as operating expenses adjusted to exclude the effect of employee bonus accrual, government funding, gain or loss on the disposal of machinery and equipment and gain from the disposal of living quarters. SMIC reviews non-GAAP operating expenses together with operating expenses to understand, manage and evaluate its business and make financial and operational decisions. The Group also believes it is useful supplemental information for investors and analysts to assess its operating performance. However, the use of non-GAAP financial measures has material limitations as an analytical tool. One of the limitations of using non-GAAP financial measures is that they do not include all items that impact our net profit for the period. In addition, because non-GAAP financial measures are not calculated in the same manner by all companies, they may not be comparable to other similarly titled measures used by other companies. In light of the foregoing limitations, you should not consider the non-GAAP operating expenses in isolation from or as an alternative to operating expenses prepared in accordance with IFRS.

The following table sets forth the reconciliation of the non-GAAP operating expenses to its most directly comparable financial measure presented in accordance with IFRS, for the periods indicated.

	For the three months ended		
	March 31, 2018	December 31, 2017	March 31, 2017
	(Unaudited)	(Unaudited)	(Unaudited)
Operating expenses	(177,914)	(145,323)	(143,433)
Employee bonus accrued	4,665	776	6,713
Government funding	(21,561)	(46,833)	(26,750)
Loss (gain) on the disposal of machinery and equipment	497	(5,913)	(1,858)
Gain from the disposal of living quarters	(1,680)	(3,268)	(1,033)
Non-GAAP o			

Semiconductor Manufacturing International Corporation
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(In US\$ thousands except share data)

The following table sets forth the reconciliation of EBITDA and EBITDA margin to their most directly comparable financial measures presented in accordance with IFRS, for the periods indicated.

	For the three months ended		
	March 31, 2018	December 31, 2017	March 31, 2017
	(Unaudited)	(Unaudited)	(Unaudited)
Profit (loss) for the period	27,080	(1,696)	64,213
Finance costs	13,525	9,420	11,958
Depreciation and amortization	268,516	251,741	235,400
Income tax expense (benefit)	15,958	(1,217)	802
EBITDA	<u>325,079</u>	<u>258,248</u>	<u>312,373</u>
Profit margin	<u>3.3%</u>	<u>-0.2%</u>	<u>8.1%</u>
EBITDA margin	<u>39.1%</u>	<u>32.8%</u>	<u>39.4%</u>

- (3) The new IFRS 15 standard, effective on January 1, 2018, establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The Group has performed a detailed assessment on the impact of the adoption of IFRS 15 and decided to adopt a modified retrospective approach. The changes of the accounting policies have no

Semiconductor Manufacturing International Corporation
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In US\$ thousands)

	As of	
	March 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	6,584,938	6,523,403
Land use right	92,621	97,477
Intangible assets	208,466	219,944
Investments in associates	786,799	758,241
Investments in joint ventures	27,261	31,681
Deferred tax assets	44,300	44,875
Other financial assets	60,140	17,598
Restricted cash	13,826	13,438
Other assets	35,663	42,810
Total non-current assets	<u>7,854,014</u>	<u>7,749,467</u>
<i>Current assets</i>		
Inventories	699,820	622,679
Prepayment and prepaid operating expenses	56,881	34,371
Trade and other receivables	783,450	616,308
Other financial assets ⁽¹⁾	1,289,064	683,812
Restricted cash	311,550	336,043
Cash and cash equivalent	1,008,483	1,838,300
	<u>4,149,248</u>	<u>4,131,513</u>
Assets classified as held-for-sale	26,704	37,471
Total current assets	<u>4,175,952</u>	<u>4,168,984</u>
TOTAL ASSETS	<u>12,029,966</u>	<u>11,918,451</u>
EQUITY AND LIABILITIES		
<i>Capital and reserves</i>		
Ordinary shares, \$0.004 par value, 10,000,000,000 shares authorized, 4,928,729,013 and 4,916,106,889 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively	19,715	19,664
Share premium	4,841,281	4,827,619
Reserves ⁽²⁾	143,990	134,669
Retained earnings ⁽²⁾	232,919	187,008
Equity attributable to owners of the Company	<u>5,237,905</u>	<u>5,168,960</u>
Perpetual subordinated convertible securities	64,073	64,073
Non-controlling interests	1,487,050	1,488,302
Total equity	<u>6,789,028</u>	<u>6,721,335</u>
<i>Non-current liabilities</i>		
Borrowings	1,740,722	1,743,939
Convertible bonds	407,074	403,329
Bonds payable	497,144	496,689
Medium-term notes	237,604	228,483
Deferred tax liabilities	15,554	16,412
Deferred government funding	285,665	299,749
Other financial liabilities	-	1,919
Other liabilities	137,290	99,817
Total non-current liabilities	<u>3,321,053</u>	<u>3,290,337</u>
<i>Current liabilities</i>		
Trade and other payables	1,002,886	1,050,460
Borrowings	523,434	440,608
Deferred government funding	197,598	193,158
Accrued liabilities	137,284	180,912
Other financial liabilities	11	744
Current tax liabilities	16,405	270
Other liabilities	42,267	40,627
Total current liabilities	<u>1,919,885</u>	<u>1,906,779</u>
Total liabilities	<u>5,240,938</u>	<u>5,197,116</u>
TOTAL EQUITY AND LIABILITIES	<u>12,029,966</u>	<u>11,918,451</u>

Semiconductor Manufacturing International Corporation
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In US\$ thousands)

Note:

- (1) Other financial assets current increased from \$683.8 million as of December 31, 2017 to \$1,289.0 million as of March 31, 2018 due to acquire financial products sold by bank. Please refer to the cash flow from investing activities of financial assets in the condensed consolidated statements of cash flows.
- (2) As the adoption of IFRS 9 since January 1, 2018, the Group and its joint ventures recognized the changes in value of available-for-sale financial assets through profit or loss and reclassified the opening balance of \$16.5 million from the reserve to retained earnings.

Semiconductor Manufacturing International Corporation
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In US\$ thousands)

	For the three months ended	
	March 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)
Cash flow from operating activities		
Profit (loss) for the period	27,080	(1,696)
Depreciation and amortization	268,516	251,741
Share of (gain) loss of investment accounted for using equity method	(3,343)	3,023
(Increase) decrease in working capital and others	(196,445)	70,630
Net cash from operating activities	95,808	323,698
Cash flow from investing activities:		
Payments for property, plant and equipment	(366,321)	(410,945)
Payments for intangible assets	(10,554)	(7,410)
Net proceeds after netting off land appreciation tax from disposal of property, plant and equipment and assets classified as held for sale	10,738	10,182
Changes in restricted cash relating to investing activities	4,802	26,732
Payments to acquire financial assets	(3,381,382)	(86,233)
Proceeds on sale of financial assets	2,788,824	14,200
Payment to acquire long-term investment	(15,790)	(15,095)
Proceeds from disposal of equity investment	4,847	1,028
Net cash used in investing activities	(964,836)	(467,541)
Cash flow from financing activities:		
Proceeds from borrowings	152,582	389,547
Repayment of borrowings	(144,745)	(240,076)
Proceeds from exercise of employee stock options	1,653	13,078
Proceeds from issuance of perpetual subordinated convertible securities	-	64,350
Proceeds from non-controlling interest capital contribution	-	294,000
Proceeds from issuance of shares	-	326,351
Net cash from financing activities	9,490	847,250
Effects of exchange rate changes on the balance of cash held in foreign currencies	29,721	15,744
Net (decrease) increase in cash and cash equivalent	(829,817)	719,151
Cash and cash equivalent, beginning of period	1,838,300	1,119,149
Cash and cash equivalent, end of period	1,008,483	1,838,300