Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORPORATION
] 8ß ; LËLö @M+D ?- FP 9 L€ œ (*
(Incorporated in the Cayman Islands with limited liability)
(STOCK CODE: 0981)

SMIC REPORTS UNAUDITED RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2020

Revenue was $ 904.9 million in 1Q20 , an increase of 7 .8% QoQ from $839.4 mil lion in 4Q19, and 35.3% YoY from $668.9 million in 1Q19.

Gross profit was $233.6 million in 1Q20, an increase of 17.1% QoQ from $199.4 million in 4Q19 and 91.4% YoY from $122.1 million in 1Q19.

Gross margin was 25.8% in 1Q20, compared to 23.8% in 4 Q19 and 18.2% in 1Q19.

Set out below is a copy of the full text of the press release by the Company and its subsidiaries (the ³ * U R XoS´May 13, 2020, in relation to its unaudited results for the three months ended March 31, 2020.

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

The consolidated financial information is prepared in accordance with International Financial 5H S R U W L Q J 6W D Q G D U G V ³,)56´ D Q G L V S U H V H Q W H G L Q D F F R U G D Q below.

Shanghai, China ±May 13, 2020. Semiconductor Manufacturing International Corporation (SEHK: 981; OTCQX: SMICY ³6 0 „ &W K H ³& R PSU D Q\´ R U one of the leading semiconductor foundries in the world, today announced its consolidated results of operations for the three months ended March 31, 2020.

* For identification

2020 Second Quarter Guidance

The following statements are forward looking statements based on current expectations and involved risks and uncertainties. Forward-looking statements made herein are as of the date hereof and the Company expects:

- Revenue to increase by 3% to 5% QoQ.
- Gross margin to range from 26% to 28%.
- Non-IFRS operating expenses to range from $240 million to $245 million.
- Non-controlling interests of our majority-owned subsidiaries to range from $0 to positive $10 million (losses to be borne by non-controlling interests).

'U =KDR +DLMXQ DQG 'U /LDQJ 4XDQ Chief Executive Officers, commented, "The company's revenue in the first quarter has reached a historical high of $905 million, an increase of 8% quarter over quarter, and 35% year over year, as market demand and product mix are better than expected. Revenue related to communications, computer and consumer electronics grew, gradually increasing in market share.

Our capacity for mature technology platform applications continue to be fully loaded; the demand for CIS related ICs, power management, fingerprint sensors, specialty memory and other related applications are strong. Advanced technology R&D and business are progressing smoothly, as we continue to expand in communications, smartphone, automotive and consumer electronics related fields. Our customers' demand remains strong in communications, computer and consumer and automotive sectors with applications including low-end application processors, baseband and consumer related products. We decided to increase capital expenditure by $1.1 billion to a total of $4.3 billion, to meet the market demand.

We are confident in leading the company in continued growth momentum, focusing on building up competitiveness under uncertainty, providing comprehensive technology and business platform solutions for domestic and global customers, and capturing growth opportunities in the semiconductor industry."

Conference Call / Webcast Announcement

Date: May 14, 2020
Time: 8:30 a.m. Beijing time

Dial-in:

Teleconference call services are affected by the COVID-19, operator assisted conference calls are not available at the moment. You must preregister online in order to receive the dial-in numbers.

Online registration:
You may register for the conference call at:
http://apac.directeventreg.com/registration/event/1749469

Once preregistration has been complete, you will receive dial-in numbers, the passcode, and a unique registrant ID. To join the conference, dial the number you receive in the email, enter the passcode

Summary of First Quarter 2020 Operating Results

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

	1Q20	4Q19	QoQ	1Q19	YoY
Revenue	904,912	839,439	7.8%	668,899	35.3%
Cost of sales	(671,327)	(640,023)	4.9%	(546,829)	22.8%
Gross profit	233,585	199,416	17.1%	122,070	91.4%
Operating expenses	(186,244)	(179,271)	3.9%	(97,625)	90.8%
Profit from operations	47,341	20,145	135.0%	24,445	93.7%
Other income, net	18,317	67,395	-72.8%	6,055	202.5%
Profit before tax	65,658	87,540	-25.0%	30,500	115.3%
Income tax expense	(14,340)	(11,866)	20.8%	(6,123)	134.2%
Profit for the period	51,318	75,674	-32.2%	24,377	110.5%
Other comprehensive income (loss):					
Exchange differences on translating foreign operations	1,919	2,942	-34.8%	10,378	-81.5%
Cash flow hedges	(13,858)	6,573	-	(12,572)	10.2%
Actuarial gains and losses on defined benefit plans	-	-	-	(757)	-
Total comprehensive income for the period	39,379	85,189	-53.8%	21,426	83.8%
Profit (loss) for the period attributable to:					
Owners of the Company	64,164	88,735	-27.7%	12,272	422.8%
Non-controlling interests	(12,846)	(13,061)	-1.6%	12,105	-
Profit for the period	51,318	75,674	-32.2%	24,377	110.5%
Gross margin	25.8%	23.8%		18.2%	
Earnings per ordinary share[(1)]					
Basic	$0.01	$0.02		$0.00	
Diluted	$0.01	$0.02		$0.00	
Earnings per ADS[(2)]					
Basic	$0.06	$0.08		$0.01	
Diluted	$0.06	$0.08		$0.01	
Wafers shipped (in [illegible])	1,406,714	1,339,400	5.0%	1,089,502	29.1%
Capacity utilization[(3)]	98.5%	98.8%		89.2%	

Note:

(1) Based on weighted average ordinary shares of 5,095 million (basic) and 5,968 million (diluted) in 1Q20, 5,055 million (basic) and 5,788 million (diluted) in 4Q19, and 5,041 million (basic) and 5,060 million (diluted) in 1Q19.

(2) Each ADS represents 5 ordinary shares.

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

Revenue was $904.9 million in 1Q20, an increase of 7.8% QoQ from $839.4 million in 4Q19. Revenue increased in 1Q20 mainly due to the increase of wafer shipment in 1Q20.

Cost of sales was $671.3 million in 1Q20, compared to $640.0 million in 4Q19. Cost of sales increased in 1Q20 mainly due to the increase in wafer shipment and the product-mix change in 1Q20.

Gross profit was $233.6 million in 1Q20, an increase of 17.1% QoQ from $199.4 million in 4Q19. Gross profit increased in 1Q20 due to the increase in wafer shipment and the product-mix change in 1Q20.

Gross margin was 25.8% in 1Q20, compared to 23.8% in 4Q19.

Operating expenses were $186.2 million in 1Q20, an increase of 3.9% QoQ from $179.3 million in 4Q19, mainly due to the reasons stated in Operating Expenses (Income) Analysis below.

Other income (expense), net was $18.3 million gain in 1Q20, as compared to $67.4 million gain in 4Q19. The change was mainly due to the reasons stated in Other Income (Expense), Net below.

Analysis of Revenue

Revenue Analysis			
By Application	1Q20	4Q19	1Q19
Computer	5.1%	5.5%	5.1%
Communications	48.9%	44.4%	43.0%
Consumer	35.4%	38.1%	32.5%
Auto/Industrial	2.9%	3.1%	9.8%
Others	7.7%	8.9%	9.6%
By Service Type	1Q20	4Q19	1Q19
Wafers	91.1%	91.6%	94.2%
Mask making, testing, others	8.9%	8.4%	5.8%
By Geography	1Q20	4Q19	1Q19
United States[(1)]	25.5%	22.2%	32.3%
Mainland China and Hong Kong	61.6%	65.1%	53.9%
Eurasia[(2)]	12.9%	12.7%	13.8%
Wafer Revenue Analysis			
By Technology	1Q20	4Q19	1Q19
14 nm	1.3%	1.0%	-
28 nm	6.5%	5.0%	3.0%
40/45 nm	14.9%	16.2%	15.3%
55/65 nm	32.6%	31.0%	21.8%
90 nm	1.6%	1.5%	2.2%
0.11/0.13 µm	5.4%	6.2%	7.4%
0.15/0.18 µm	33.4%	35.0%	46.0%
0.25/0.35 µm	4.3%	4.1%	4.3%

Note:
(1) Presenting the revenue to those companies whose headquarters are in the United States, but ultimately selling and shipping the products to their global customers.
(2) Excluding Mainland China and Hong Kong.

Capacity *

Fab	1Q20	4Q19
Shanghai 200mm fab	115,000	115,000
Shanghai 300mm fab	4,500	4,500
Beijing 300mm fab	117,000	117,000
Tianjin 200mm fab	63,000	58,000
Shenzhen 200mm fab	55,000	55,000
Majority-owned Beijing 300mm fab	112,500	92,250
Majority-owned Shanghai 300mm fab	9,000	6,750
Total monthly wafer fabrication capacity	476,000	448,500

Note:
** , calculated on a 30-day basis for comparison purposes.*

Monthly capacity was 476,000 8-inch equivalent wafers in 1Q20 from 448,500 8-inch equivalent wafers in 4Q19, primarily due to capacity expansion in the majority-owned Beijing 300mm fabs in 1Q20.

Shipment and Utilization

	1Q20	4Q19	QoQ	1Q19	YoY
Wafer shipments	1,406,714	1,339,400	5.0%	1,089,502	29.1%
Utilization rate(1)	98.5%	98.8%	-	89.2%	-

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

Detailed Financial Analysis

Gross Profit

Amounts in US$ thousands	1Q20	4Q19	QoQ	1Q19	YoY
Cost of sales	671,327	640,023	4.9%	546,829	22.8%
Depreciation and amortization	213,832	198,536	7.7%	161,750	32.2%
Other manufacturing costs	457,382	441,020	3.7%	384,705	18.9%
Share-based compensation	113	467	-75.8%	374	-69.8%
Gross profit	233,585	199,416	17.1%	122,070	91.4%
Gross margin	25.8%	23.8%	-	18.2%	-

Depreciation and amortization in the cost of sales was $213.8 million in 1Q20, compared to $198.5 million in 4Q19, mainly due to the increase in wafer shipment and the product-mix change in 1Q20.

Operating Expenses (Income)

Amounts in US$ thousands	1Q20	4Q19	QoQ	1Q19	YoY
Operating expenses	186,244	179,271	3.9%	97,625	90.8%
Research and development	166,486	169,871	-2.0%	150,272	10.8%
General and administrative	74,231	77,157	-3.8%	43,148	72.0%
Selling and marketing	5,841	5,273	10.8%	6,811	-14.2%
Net impairment losses (reversal) recognized on financial assets	(1,102)	(2,381)	-53.7%	1,078	-
Other operating income	(59,212)	(70,649)	-16.2%	(103,684)	-42.9%

The change in other operating income was mainly due to other operating income recognized in relation to government funding of $59.3 million in 1Q20, compared to $71.8 million in 4Q19.

Other Income (Expense), Net

Amounts in US$ thousands	1Q20	4Q19	QoQ	1Q19	YoY
Other income, net	18,317	67,395	-72.8%	6,055	202.5%
Interest income	33,923	35,867	-5.4%	29,699	14.2%
Finance costs	(18,158)	(16,808)	8.0%	(14,819)	22.5%
Foreign exchange gains	1,866	4,118	-54.7%	11,112	-83.2%
Other gains, net	2,553	32,075	-92.0%	6,222	-59.0%
Share of (loss) gain of investment accounted for using equity method	(1,867)	12,143	-	(26,159)	-92.9%

Foreign exchange gains were mainly due to the net impact of cash flow hedging and the depreciation of RMB against USD in 1Q20. Foreign monetary assets mainly consist of cash and cash equivalent and trade and other receivables in RMB. Foreign monetary liabilities mainly consist of borrowings, medium-term notes, short-term notes and trade and other payables in RMB.

The decrease in other gains, net in 1Q20 was mainly caused by the decrease in the gain of the fair value change of the investments in equity securities recognized as financial assets at fair value through profit or loss.

The change in share of gain of investment accounted for using equity method was due to the loss of the investments in associates in 1Q20.

Depreciation and Amortization

Amounts in US$ thousands	1Q20	4Q19	QoQ	1Q19	YoY
Depreciation and amortization	289,838	285,997	1.3%	277,773	4.3%

Liquidity

Amounts in US$ thousands	1Q20	4Q19
Inventories	616,688	628,885
Prepayment and prepaid operating expenses	79,509	34,256
Trade and other receivables	1,001,303	836,143
Financial assets at fair value through profit or loss	-	42,985
Financial assets at amortized cost	3,619,729	2,276,370
Derivative financial instruments	18,018	-
Restricted cash	721,977	804,547
Cash and cash equivalent	1,663,808	2,238,840
Assets classified as held-for-sale	7,214	11,815
Total current assets		

Capital Structure

Amounts in US$ thousands	1Q20	4Q19
Cash and cash equivalent	1,663,808	2,238,840
Financial assets at fair value through profit or loss - current[1]	-	42,985
Financial assets at amortized cost[2]	3,619,729	2,276,370
Total current financial assets, cash and cash equivalent	5,283,537	4,558,195
Borrowings - Current	916,346	562,833
Borrowings - Non-current	1,829,925	2,003,836
Lease liabilities	314,639	247,732
Short-term notes	496,827	286,512
Medium-term notes	212,317	214,193
Convertible bonds	605,994	630,428
Bonds payable	596,457	-
Total debt	4,972,505	3,945,534
Net debt [3]	(311,032)	(612,661)
Equity	10,273,117	10,197,862
Total debt to equity ratio[4]	48.4%	38.7%
Net debt to equity ratio[5]	-3.0%	-6.0%

Note:
(1) Mainly contain financial products sold by bank.
(2) Mainly contain bank deposits over 3 months.
(3) Total debt minus total current financial assets, cash and cash equivalent.
(4) Total debt divided by equity.
(5) Net debt divided by equity.

Cash Flow

Amounts in US$ thousands	1Q20	4Q19
Net cash from operating activities	259,829	345,037
Net cash (used in) from investing activities	(1,816,977)	235,898
Net cash from financing activities	991,448	462,110
Effect of exchange rate changes	(9,332)	13,316
Net change in cash and cash equivalent	(575,032)	1,056,361

Capex Summar y

Capital expenditures were $777.2 million in 1Q20, compared to $491.9 million in 4Q19.

The planned 2020 capital expenditures increase from approximately $3.2 billion to $4.3 billion. The incremental capital expenditures are mainly for the equipment and facility in Shanghai 300mm fab and mature technology production lines.

Recent Highlights and Announcements

Notification Letter and Request Form for Non-registered Shareholders (2020-5-8)
Notification Letter for Registered Shareholders (2020-5-8)
Postponement of Extraordinary General Meeting Change of Book Closure Period (2020-5-8)
Form of Proxy for Use at the Extraordinary General Meeting to Be Held on 1 June 2020 (2020-5-8)
Notice of 2020 Second Extraordinary General Meeting (2020-5-8)
Circular ±Proposed RMB Share Issue under Specific Mandate Proposed Amendments to Memorandum and Articles of Association and Notice of the Extraordinary General Meeting (2020-5-8)
Closure of Register of Members for Extraordinary General Meeting (2020-5-6)
Proposed RMB Share Issue under Specific Mandate Proposed Amendment to

ne

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

	For the three months ended	
	March 31, 2020 (Unaudited)	December 31, 2019 (Unaudited)
Revenue	904,912	839,439
Cost of sales	(671,327)	(640,023)
Gross profit	233,585	199,416
Research and development expenses	(166,486)	(169,871)
General and administration expenses	(74,231)	(77,157)
Sales and marketing expenses	(5,841)	(5,273)
Net impairment losses reversal on financial assets	1,102	2,381
Other operating income, net	59,212	70,649
Operating expenses	(186,244)	(179,271)
Profit from operations	47,341	20,145
Other income, net	18,317	67,395
Profit before tax	65,658	87,540
Income tax expense		

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

(2) EBITDA is defined as profit for the period excluding the impact of the finance cost, depreciation and amortization, and income tax benefit and expense. EBITDA margin is defined as EBITDA divided by revenue. SMIC uses EBITDA margin as a measure of operating performance; for planning purposes, including the preparation of the *URXS¶V DQQXDO RSHUDWLQJ EXGJHW WR DOORFDWH UHVRXUFHV WR EXVLQHVV WR HYDOXDWH WKH HIIHFWLYHQHVV RI LWV RSHUDWLRQV DQG DVVLVW LQ

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

	As of	
	March 31, 2020 (Unaudited)	December 31, 2019 (Unaudited)
ASSETS		
Non-current assets		
Property, plant and equipment	8,278,206	7,757,247
Right-of-use assets	444,349	376,867
Intangible assets	91,170	96,943
Investments in associates	1,138,235	1,139,317

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

	As of	
	March 31, 2020	December 31, 2019

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

	For the three months ended	
	March 31, 2020 (Unaudited)	December 31, 2019 (Unaudited)
Cash flow from operating activities:		
Profit for the period	51,318	75,674
Depreciation and amortization	289,838	285,997
Share of gain of investment accounted for using equity method		

By order of the Board
Semiconductor Manufacturing International Corporation
Dr. Gao Yonggang
Executive Director, Chief Financial Officer and Joint Company Secretary

Shanghai, May 13, 2020

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
CONG Jingsheng Jason
LAU Lawrence ET3g 0Williado Tm [( )] TJ ET EMC /PSP <</M1 153.62 508.27 Tm [(-)] TJ 9c[(20)] TJ ET EMC