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SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORPORATION
中芯國際集成電路製造有限公司*
(Incorporated in the Cayman Islands with limited liability)
(STOCK CODE: 00981)

SMIC REPORTS UNAUDITED RESULTS FOR THE THREE MONTHS ENDED DECEMBER 31, 2023

The consolidated financial information is prepared and presented in accordance with International Financial Reporting Stand D U G V s´,)nless otherwise stated below.

- Revenue was $1,678.3 million in 4Q23, compared to $1,620.6 million in 3Q23, and $1,621.3 million in 4Q22.

- Gross profit was $275.0 million in 4Q23, compared to $321.6 million in 3Q23, and $518.7 million in 4Q22.

- Gross margin was 16.4% in 4Q23, compared to 19.8% in 3Q23 and 32.0% in 4Q22.

- Unaudited revenue was $6,321.6 million in 2023, compared to $7,273.3 million in 2022.

- Unaudited profit attributable to owners of the Company was $902.5 million in 2023, a decrease of 50.4% from $1,817.9 million in 2022. The main reasons were: over the past year, the semiconductor industry was at the bottom of the cycle. Demand in the global market was weak. Industry inventories were in high level, with slowing down of de-stocking. The competition within WKH LQGXVWU\ ZDV ILHUFH $V D UHVXOW WKH *URXS¶V shipment decreased and product mix changed. In addition, the Group was in high investment

The following statements are forward looking statements based on current expectations and involved risks and uncertainties.

First Quarter 2024 Guidance

The Company expects:

- Revenue to be flat to up 2% QoQ.
- Gross margin to range from 9% to 11%.

The Management Comments

The fourth quarter revenue increased by 3.6% sequentially to $1,678.3 million, slightly beat the guidance; gross margin was 16.4%, in line with the guidance.

The unaudited revenue in 2023 was $6.32 billion, down 13% year-over-year; gross margin was 19.3%, basically in line with the Company¶ guidance provided in the beginning of 2023. Monthly capacity was 806 thousand 8-inch equivalent wafers by the end of the year, and annualized capacity utilization rate was 75%.

Conference Call / Webcast Announcement

Date: Wednesday, February 7, 2024
Time: 8:30 A.M. - 9:30 A.M.

WEBCAST
The call will be webcast live at:
https://edge.media-server.com/mmc/p/z6jyxkgy

CONFERENCE CALL
Please register in advance for the conference call at:
https://register.vevent.com/register/Blabe3972cdbb8470abeec8626c567efbb

REPLAY
Recording will be available 1 hour after the event and it will be archived for 12 months.
https://www.smics.com/en/site/company_financialSummary

About SMIC

Semiconductor Manufacturing International Corporation (SEHK: 00981; SSE STAR MARKET: 688981) is one of the leading foundries in the world and is the front runner in manufacturing capability, manufacturing scale, and comprehensive service in the Chinese Mainland. SMIC Group provides semiconductor foundry and technology services to global customers on 8-inch and 12-inch wafers. Headquartered in Shanghai, China, SMIC Group has an international manufacturing and service base, with 8-inch and 12-inch wafer fabrication facilities in Shanghai, Beijing, Tianjin and Shenzhen. SMIC Group also has marketing and customer service offices in the U.S., Europe, Japan, and Taiwan, China, and a representative office in Hong Kong, China.

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

Forward-Looking Statements

This release contains, in addition to historical information, forward-looking statements. These forward-looking statements are based on SMIC's current assumptions, expectations, beliefs, plans, objectives, and projections about future events or performance. SMIC uses words including but not limited to ³EHOLHYH´ ³DQWLFLSDWH´ ³LQWHQG´ ³HVWLPDWH´ ³H[SHFW´ ³SU ³RXJKW WR´ ³PD\´ ³VHHN´ ³VKRXOG´ ³SODQ´ ³FRXOG³VF³KHGXOH´ ³J ³RXWORRN´ DQG RWKHU VLPLODU H[SUHVVLRQV WR LGHQWLI\ IRUZD statements are estimates made by SMIC's senior management based on their best judgment 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 er LG t

Summary of Fourth Quarter 2023 Operating Results

Amounts in US$ thousands, except for earnings per share and operating data

	4Q23	3Q23	QoQ	4Q22	YoY
Revenue	1,678,299	1,620,577	3.6%	1,621,270	3.5%
Cost of sales	(1,403,344)	(1,298,957)	8.0%	(1,102,581)	27.3%
Gross profit	274,955	321,620	-14.5%	518,689	-47.0%
Operating expenses	(167,677)	(234,232)	-28.4%	(236,343)	-29.1%
Profit from operations	107,278	87,388	22.8%	282,346	-62.0%
Other income, net	140,703	80,426	74.9%	136,777	2.9%
Profit before tax	247,981	167,814	47.8%	419,123	-40.8%
Income tax expense	(10,713)	(11,438)	-6.3%	6,351	N/A
Profit for the period	**237,268**	**156,376**	51.7%	**425,474**	-44.2%
Profit for the period attributable to:					
Owners of the Company	174,678	93,984	85.9%	385,534	-54.7%
Non-controlling interests	62,590	62,392	0.3%	39,940	56.7%
Profit for the period	**237,268**	**156,376**	51.7%	**425,474**	-44.2%
Gross margin	16.4%	19.8%		32.0%	
Earnings per share[1]					
Basic	$0.02	$0.01		$0.05	
Diluted	$0.02	$0.01		$0.05	
:DIHUV VKLSSHG LQ ´HT	1,675,002	1,536,845	9.0%	1,574,068	6.4%
Capacity utilization[2]	76.8%	77.1%		79.5%	

Notes:

(1) Based on weighted average ordinary shares of 7,946 million (basic) and 7,968 million (diluted) in 4Q23, 7,932 million (basic) and 7,959 million (diluted) in 3Q23, and 7,915 million (basic) and 7,939 million (diluted) in 4Q22.

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

- Revenue was $1,678.3 million in 4Q23, an increase of 3.6% QoQ from $1,620.6 million in 3Q23. The rise was mainly due to the increase in wafer shipment in 4Q23.
- Cost of sales was $1,403.3 million in 4Q23, compared to $1,299.0 million in 3Q23.
- Gross profit was $275.0 million in 4Q23, compared to $321.6 million in 3Q23.
- Gross margin was 16.4% in 4Q23, compared to 19.8% in 3Q23 due to the changes in product mix.
- Operating expenses were $167.7 million in 4Q23, compared to $234.2 million in 3Q23. The change was mainly due to the reasons stated in Operating Expenses/(Income) below.
- Other income, net was $140.7 million gain in 4Q23, compared to $80.4 million gain in 3Q23. The change was mainly due to the reasons stated in Other Income, Net below.

Analysis of Revenue

Revenue Analysis			
By Geography[1]	**4Q23**	**3Q23**	**4Q22**
China	80.8%	84.0%	69.1%
America	15.7%	12.9%	25.3%
Eurasia	3.5%	3.1%	5.6%
By Service Type	**4Q23**	**3Q23**	**4Q22**
Wafers	92.9%	91.1%	91.1%
Others	7.1%	8.9%	8.9%
Wafer Revenue Analysis			
By Application	**4Q23**	**3Q23**	**4Q22**
Smartphone	30.2%	25.9%	28.6%
Computer and Tablet	30.6%	29.2%	19.9%
Consumer Electronics	22.8%	24.1%	24.2%
Connectivity and IoT	8.8%	11.5%	15.0%
Industrial and Automotive	7.6%	9.3%	12.3%
By Size	**4Q23**	**3Q23**	**4Q22**
´ Z D I H U V	25.8%	26.0%	35.6%
´ Z D I H U V	74.2%	74.0%	64.4%

Note:
(1) Presenting the revenue from those companies whose headquarters are in this area, but ultimately selling and shipping the products to their global customers.

Capacity

- Monthly capacity increased to 805,500 8 ¶¶quivalent wafers in 4Q23 from ¶¶ H T X L Y D O H Q wafers in 3Q23.

Shipment and Utilization

NF FK	**4Q23**	**3Q23**	**QoQ**	**4Q22**	**YoY**
Wafer shipments	1,675,002	1,536,845	9.0%	1,574,068	6.4%
Utilization rate[1]	76.8%	77.1%		79.5%	

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

Capex Summary

- Capital expenditure was $ 2,340.9 million in 4Q23, compared to $2,134.7 million in 3Q23. The total capital expenditure in 2023 was $7.47 billion.

Detailed Financial Analysis

Gross Profit

Amounts in US$ thousands	4Q23	3Q23	QoQ	4Q22	YoY
Cost of sales	1,403,344	1,298,957	8.0%	1,102,581	27.3%
Depreciation and amortisation	602,245	518,092	16.2%	411,367	46.4%
Other manufacturing costs	801,099	780,865	2.6%	691,214	15.9%
Gross profit	274,955	321,620	-14.5%	518,689	

EBITDA

Amounts in US$ thousands	**4Q23**	**3Q23**	**4Q22**
Profit for the period	237,268	156,376	425,474
Finance costs	62,905	54,132	39,336
Depreciation and amortisation	700,034	679,308	604,324
Income tax expense	10,713	11,438	(6,351)
EBITDA	**1,010,920**	**901,254**	**1,062,783**
Profit margin	**14.1%**	**9.6%**	**26.2%**
EBITDA margin	**60.2%**	**55.6%**	**65.6%**

Liquidity

Amounts in US$ thousands	**4Q23**	**3Q23**
Inventories	2,735,921	2,576,901
Prepayment and prepaid operating expenses	106,154	96,123
Trade and other receivables	1,170,008	1,218,790
Financial assets at fair value through profit or loss	214,629	145,378
Financial assets at amortised cost	2,948,991	3,427,947
Derivative financial instruments	42,836	117,698
Restricted cash	179,536	153,208
Cash and cash equivalents	6,215,058	6,953,613
Assets classified as held-for-sale	22,030	22,030
Total current assets	**13,635,163**	**14,711,688**
Trade and other payables	3,727,922	3,434,281
Contract liabilities	2,053,222	2,093,666
Borrowings	1,216,283	2,254,605
Lease liabilities	32,340	32,264
Deferred government funding	173,097	149,092
Accrued liabilities	298,022	286,643
Derivative financial instruments	90,180	120,220
Current tax liabilities	10,516	19,979
Total current liabilities	**7,601,582**	**8,390,750**
Cash ratio[(1)]	0.8	0.8
Quick ratio[(2)]	1.4	1.4
Current ratio[(3)]	1.8	1.8

Notes:
(1) Cash and cash equivalents divided by total current liabilities.
(2) Current assets excluding inventories divided by total current liabilities.
(3) Total current assets divided by total current liabilities.

Capital Structure

Amounts in US$ thousands	**4Q23**	**3Q23**
Cash and cash equivalents	6,215,058	6,953,613
Restricted cash	435,607	403,692
Financial assets at fair value through profit or loss - current[(1)]	214,629	145,378
Financial assets at amortised cost[(2)]	9,840,224	9,854,698
Total cash on hand	**16,705,518**	**17,357,381**
Borrowings - current	1,216,283	2,254,605
Borrowings - non-current	8,334,648	6,715,297
Lease liabilities	58,620	66,652
Bonds payable	599,115	598,929
Total debt	**10,208,666**	**9,635,483**
Net debt[(3)]	(6,496,852)	(7,721,898)
Equity	30,845,616	30,583,968
Debt to equity ratio[(4)]	33.1%	31.5%
Net debt to equity ratio[(5)]	-21.1%	-25.2%

Notes:
(1) Mainly contain structural deposits and monetary funds.
(2) Mainly contain bank deposits over 3 months.
(3) Total debt minus total cash on hand.
(4) Total debt divided by equity.
(5) Net debt divided by equity.

Cash Flow

Amounts in US$ thousands	**4Q23**	**3Q23**
Net cash generated from operating activities	959,888	800,701
Net cash used in investing activities	(2,171,391)	(1,710,713)
Net cash generated from financing activities	483,441	358,107
Effect of exchange rate changes	(10,493)	(53,750)

Recent Highlights and Announcements

- Advance Announcement on Performance Meeting in 4th Quarter of 2023 (2024-1-6)
- Notification of Board Meeting (2024-1-5)
- Announcement Pursuant to Rules 13.51B(2) and 13.51(2)(h) of the Hong Kong Listing Rules (2023-12-5)
- 2023 Third Quarter Report (2023-11-9)
- SMIC Reports Unaudited Results for the Three Months Ended September 30, 2023 (2023-11-9)
- Advance Announcement on Performance Meeting in 3rd Quarter of 2023 (2023-10-11)
- Notification of Board Meeting (2023-10-10)

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https://www.smics.com/en/site/news and
https://www.smics.com/en/site/company_statutoryDocuments
for further details regarding the recent announcements.

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

	For the three months ended	
	December 31, 2023 (Unaudited)	**September 30, 2023 (Unaudited)**
Revenue	1,678,299	1,620,577
Cost of sales	(1,403,344)	(1,298,957)
Gross profit	274,955	321,620
Research and development expenses	(189,138)	(172,836)
Selling and marketing expenses	(9,348)	(9,454)
General and administration expenses	(147,821)	(128,128)
Impairment losses on financial assets, net	990	495
Other operating income	177,640	75,691
Operating expenses	(167,677)	(234,232)
Profit from operations	107,278	87,388
Other income, net	140,703	80,426
Profit before tax	247,981	167,814
Income tax expense	(10,713)	(11,438)
Profit for the period	**237,268**	**156,376**
Other comprehensive income:		
Items that may be reclassified to profit or loss in subsequent periods		
Exchange differences on translating foreign operations	24,735	11,710
Cash flow hedges	(12,707)	(32,730)
Total comprehensive income for the period	**249,296**	**135,356**
Profit for the period attributable to:		
Owners of the Company	174,678	93,984
Non-controlling interests	62,590	62,392
	237,268	156,376
Total comprehensive income for the period attributable to:		
Owners of the Company	186,706	72,964
Non-controlling interests	62,590	62,392
	249,296	135,356

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

	As of	
	December 31, 2023 (Unaudited)	**September 30, 2023 (Unaudited)**
ASSETS		
Non-current assets		
Property, plant and equipment	23,944,961	22,293,909
Right-of-use assets	473,797	484,084
Intangible assets	33,662	35,246
Investments in associates	2,042,671	2,023,917
Investment in joint venture	2,295	

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

	For the three months ended	
	December 31, 2023 (Unaudited)	**September 30, 2023 (Unaudited)**
Operating activities:		
Profit for the period	237,268	156,376
Depreciation and amortisation	700,034	679,308
Share of (profit)/loss of associates and joint venture	(12,231)	47,874
Other (gains)/losses, net	(7,203)	11,821
Changes in working capital and others	42,020	(94,678)
Net cash generated from operating activities	**959,888**	**800,701**
Investing activities:		
Acquisition of financial assets at fair value through profit or loss	(109,749)	(60,140)
Proceeds from sale of financial assets at fair value through profit or loss	53,923	51,268
Acquisition of financial assets at amortised cost	(1,095,057)	(1,376,092)
Proceeds from maturity of financial assets at amortised cost	1,265,485	1,782,008
Acquisition of property, plant and equipment	(2,317,547)	(2,253,086)
Proceeds from disposal of property, plant and equipment	-	3,480
Acquisition of intangible assets	(1,645)	-
Acquisition of land-use right	-	(543)
Proceeds from sale of equity interests in associates and joint venture	36,585	71,472
Dividends received from associates	2,091	6,382
Guarantee deposits paid	(24,168)	

By order of the Board
Semiconductor Manufacturing International Corporation
Company Secretary / Board Secretary
Guo Guangli

Shanghai, February 6,