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SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORPORATION

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**(Incorporated in the Cayman Islands with limited liability)
(STOCK CODE: 00981)**

SMIC REPORTS UNAUDITED RESULTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

The consolidated financial information is prepared and presented in accordance with International Financial Reporting Standards unless otherwise stated below.

Revenue was \$2,171.2 million in 3Q24, compared to \$1,901.3 million in 2Q24, and \$1,620.6 million in 3Q23.

Gross profit was \$444.2 million in 3Q24, compared to \$265.1 million in 2Q24, and \$321.6 million in 3Q23.

Gross margin was 20.5% in 3Q24, compared to 13.9% in 2Q24 and 19.8% in 3Q23.

Set out below is a copy of the full text of the release by the Company on November 7, 2024.

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

Fourth Quarter 2024 Guidance

The Company expects (in accordance with IFRSs):

Revenue to be flat to up 2% QoQ.
Gross margin to range from 18% to 20%.

The Management Comments

The Company's revenue in the third quarter increased by 14% sequentially to \$2.17 billion, a record high, reaching the milestone of \$2 billion in a single quarter for the first time. Meanwhile, 12-inch monthly capacity increased by 21 thousand wafers, which further improved the product mix and increased the blended ASP. The overall utilization rate increased to 90.4% and gross margin increased to 20.5%.

In the fourth quarter, the Company's guidance is: revenue is expected to be flat to up 2% sequentially, gross margin is expected to be in the range of 18% to 20%.

The Company will strengthen our confidence in development, maintain our strategic focus, stabilize our market share and consolidate our position in the industry.

Conference Call / Webcast Announcement

Date: Friday, November 8, 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/2axei2ms/>

CONFERENCE CALL

Please register in advance for the conference call at:

<https://register.vevent.com/register/Blcb279f11a4744d38b004b10c73af896d>

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

Summary of Third Quarter 2024 Operating Results

Amounts in US\$ thousands, except for earnings per share

| | 3Q24 | 2Q24 | QoQ | 3Q23 | YoY |
|--|----------------|----------------|--------|----------------|-------|
| Revenue | 2,171,188 | 1,901,276 | 14.2% | 1,620,577 | 34.0% |
| Cost of sales | (1,727,028) | (1,636,183) | 5.6% | (1,298,957) | 33.0% |
| Gross profit | 444,160 | 265,093 | 67.5% | 321,620 | 38.1% |
| Operating expenses | (274,273) | (177,953) | 54.1% | (234,232) | 17.1% |
| Profit from operations | 169,887 | 87,140 | 95.0% | 87,388 | 94.4% |
| Other income, net | 72,985 | 99,875 | -26.9% | 80,426 | -9.3% |
| Profit before tax | 242,872 | 187,015 | 29.9% | 167,814 | 44.7% |
| Income tax expense | (19,602) | (14,753) | 32.9% | (11,438) | 71.4% |
| Profit for the period | 223,270 | 172,262 | 29.6% | 156,376 | 42.8% |
| Profit for the period attributable to: | | | | | |
| Owners of the Company | 148,800 | 164,569 | -9.6% | 93,984 | 58.3% |
| Non-controlling interests | 74,470 | 7,693 | 868.0% | 62,392 | 19.4% |
| Profit for the period | 223,270 | 172,262 | 29.6% | 156,376 | 42.8% |
| Gross margin | 20.5% | 13.9% | | 19.8% | |
| Earnings per share ⁽¹⁾ | | | | | |
| Basic | \$0.02 | \$0.02 | | \$0.01 | |
| Diluted | \$0.02 | \$0.02 | | \$0.01 | |

Notes:

(1) Based on weighted average ordinary shares of 7,960 million (basic) and 7,981 million (diluted) in 3Q24, 7,954 million (basic) and 7,977 million (diluted) in 2Q24, and 7,932 million (basic) and 7,959 million (diluted) in 3Q23.

Revenue was \$2,171.2 million in 3Q24, an increase of 14.2% QoQ from \$1,901.3 million in 2Q24. The growth was mainly due to product mix change in 3Q24.

Cost of sales was \$1,727 million in 3Q24, compared to \$1,636.2 million in 2Q24.

Gross profit was \$444.2 million in 3Q24, compared to \$265.1 million in 2Q24.

Gross margin was 20.5% in 3Q24, compared to 13.9% in 2Q24.

Operating expenses were \$274.3 million in 3Q24, compared to \$178.0 million in 2Q24. The change was mainly due to the reasons stated in Operating Expenses below.

Other income, net was \$73.0 million gain in 3Q24, compared to \$99.9 million gain in 2Q24. The change was mainly due to the reasons stated in Other Income, Net below.

Analysis of Revenue

| Revenue Analysis | | | |
|---------------------------|-------------|-------------|-------------|
| By Geography | 3Q24 | 2Q24 | 3Q23 |
| China | 86.4% | 80.3% | 84.0% |
| America | 10.6% | 16.0% | 12.9% |
| Eurasia | 3.0% | 3.7% | 3.1% |
| By Service Type | 3Q24 | 2Q24 | 3Q23 |
| Wafers | 94.4% | 92.9% | 91.1% |
| Others | 5.6% | 7.1% | 8.9% |
| Wafer Revenue Analysis | | | |
| By Application | 3Q24 | 2Q24 | 3Q23 |
| Smartphone | 24.9% | 32.0% | 25.9% |
| Computer and Tablet | 16.4% | 13.3% | 29.2% |
| Consumer Electronics | 42.6% | 35.6% | 24.1% |
| Connectivity and IoT | 8.2% | 11.0% | 11.5% |
| Industrial and Automotive | 7.9% | 8.1% | 9.3% |
| By Size | 3Q24 | 2Q24 | 3Q23 |
| | 21.5% | 26.4% | 26.0% |
| | 78.5% | 73.6% | 74.0% |

Capacity

Monthly capacity increased to 884,250 8 equivalent wafers in 3Q24 from 837,000 wafers in 2Q24.

Shipment and Utilization

| | 3Q24 | 2Q24 | QoQ | 3Q23 | YoY |
|---------------------------------|-------------|-------------|------------|-------------|------------|
| Wafer shipments ⁽¹⁾ | 2,122,266 | 2,111,880 | 0.5% | 1,536,845 | 38.1% |
| Utilization rate ⁽²⁾ | 90.4% | 85.2% | | 77.1% | |

Note:

(1) Based on , equivalent wafers.

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

Capex Summary

Capital expenditure was \$ 1,178.8 million in 3Q24, compared to \$2,251.5 million in 2Q24.

Detailed Financial Analysis

Gross Profit

| <i>Amounts in US\$ thousands</i> | 3Q24 | 2Q24 | QoQ | 3Q23 | YoY |
|----------------------------------|-------------|-------------|------------|-------------|------------|
| Cost of sales | 1,727,028 | 1,636,183 | 5.6% | 1,298,957 | 33.0% |
| Depreciation and amortisation | 686,719 | 701,547 | -2.1% | 518,092 | 32.5% |
| Other manufacturing costs | 1,040,309 | 934,636 | 11.3% | 780,865 | 33.2% |
| Gross profit | 444,160 | 265,093 | 67.5% | 321,620 | 38.1% |
| Gross margin | 20.5% | 13.9% | | 19.8% | |

Depreciation and Amortisation

| <i>Amounts in US\$ thousands</i> | 3Q24 | 2Q24 | QoQ | 3Q23 | YoY |
|----------------------------------|-------------|-------------|------------|-------------|------------|
| Depreciation and amortisation | 831,097 | 797,166 | 4.3% | 679,308 | 22.3% |

Operating Expenses

| <i>Amounts in US\$ thousands</i> | 3Q24 | 2Q24 | QoQ | 3Q23 | YoY |
|--|-------------|-------------|------------|-------------|------------|
| Operating expenses | 274,273 | 177,953 | 54.1% | 234,232 | 17.1% |
| Research and development expenses | 179,386 | 180,748 | -0.8% | 172,836 | 3.8% |
| General and administrative expenses | 136,182 | 160,630 | -15.2% | 128,128 | 6.3% |
| Selling and marketing expenses | 9,601 | 9,737 | -1.4% | 9,454 | 1.6% |
| Impairment losses on financial assets, net | 620 | (1,025) | N/A | (495) | N/A |
| Other operating income | (51,516) | (172,137) | -70.1% | (75,691) | -31.9% |

General and administrative expenses decreased to \$136.2 million in 3Q24 from \$160.6 million in 2Q24. The change was mainly due to the decrease in new fab start-up costs in 3Q24.

The change in other operating income was primarily due to the change in the recognized income of government funding during this quarter.

Other Income, Net

| <i>Amounts in US\$ thousands</i> | 3Q24 | 2Q24 | QoQ | 3Q23 | YoY |
|--|-------------|-------------|------------|-------------|------------|
| Other income, net | 72,985 | 99,875 | -26.9% | 80,426 | -9.3% |
| Interest income | 131,868 | 142,233 | -7.3% | 187,713 | -29.8% |
| Finance costs | (83,302) | (71,742) | 16.1% | (54,132) | 53.9% |
| Foreign exchange (loss)/gain | (2,065) | 4,933 | N/A | 6,540 | N/A |
| Other (losses)/gains, net | (2,927) | 7,287 | N/A | (11,821) | -75.2% |
| Share of gain/(loss) of associates and a joint venture | 29,411 | 17,164 | 71.4% | (47,874) | N/A |

The change in other (losses)/gains, net in 3Q24 was primarily caused by the change in the fair value of the investments in securities recognised as financial assets at fair value through profit or loss.

EBITDA

| Amounts in US\$ thousands | 3Q24 | 2Q24 | 3Q23 |
|-------------------------------|------------------|------------------|----------------|
| Profit for the period | 223,270 | 172,262 | 156,376 |
| Finance costs | 83,302 | 71,742 | 54,132 |
| Depreciation and amortisation | 831,097 | 797,166 | 679,308 |
| Income tax expense | 19,602 | 14,753 | 11,438 |
| EBITDA | 1,157,271 | 1,055,923 | 901,254 |
| Profit margin | 10.3% | 9.1% | 9.6% |
| EBITDA margin | 53.3% | 55.5% | 55.6% |

Liquidity

| Amounts in US\$ thousands | 3Q24 | 2Q24 |
|---|-------------------|-------------------|
| Inventories | 2,877,125 | 2,740,168 |
| Prepayment and prepaid operating expenses | 78,827 | 98,660 |
| Trade and other receivables | 938,800 | 1,235,380 |
| Financial assets at fair value through profit or loss | 232,983 | 101,109 |
| Financial assets at amortised cost | 2,869,070 | 2,963,006 |
| Derivative financial instruments | 70,518 | 85,204 |
| Restricted cash | 285,876 | 280,228 |
| Cash and cash equivalents | 3,651,385 | 3,694,277 |
| Assets classified as held-for-sale | 22,030 | 22,030 |
| Total current assets | 11,026,614 | 11,220,062 |
| Trade and other payables | 3,351,346 | 3,978,441 |
| Contract liabilities | 1,019,979 | 1,015,698 |
| Borrowings | 1,436,334 | 1,361,165 |
| Lease liabilities | 23,168 | 27,794 |
| Bonds payable | 601,027 | 604,877 |
| Deferred government funding | 157,027 | 159,591 |
| Accrued liabilities | 353,592 | 310,052 |
| Derivative financial instruments | 73,020 | 63,872 |
| Current tax liabilities | 12,376 | 18,049 |
| Total current liabilities | 7,027,869 | 7,539,539 |
| Cash ratio ⁽¹⁾ | 0.5 | 0.5 |
| Quick ratio ⁽²⁾ | 1.2 | 1.1 |
| Current ratio ⁽³⁾ | 1.6 | 1.5 |

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 | 3Q24 | 2Q24 |
|--|-------------------|-------------------|
| Cash and cash equivalents | 3,651,385 | 3,694,277 |
| Restricted cash | 379,314 | 370,445 |
| Financial assets at fair value through profit or loss - current ⁽¹⁾ | 232,983 | 101,109 |
| Financial assets at amortised cost ⁽²⁾ | 8,368,227 | 8,814,627 |
| Total cash on hand | 12,631,909 | 12,980,458 |
| Borrowings - current | 1,436,334 | 1,361,165 |
| Borrowings - non-current | 8,322,826 | 8,424,725 |
| Lease liabilities | 34,387 | 42,483 |
| Bonds payable | 601,027 | 604,877 |
| Total debt | 10,394,574 | 10,433,250 |
| Net debt ⁽³⁾ | (2,237,335) | (2,547,208) |
| Equity | 31,426,011 | 30,969,673 |
| Debt to equity ratio ⁽⁴⁾ | 33.1% | 33.7% |
| Net debt to equity ratio ⁽⁵⁾ | -7.1% | -8.2% |

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 | 3Q24 | 2Q24 |
|--|-------------|-------------|
| Net cash generated from operating activities | 1,236,416 | 19,275 |
| Net cash used in investing activities | (1,345,115) | (1,637,666) |
| Net cash (used in)/generated from financing activities | (97,009) | 46,379 |
| Effect of exchange rate changes | 162,816 | (82,429) |
| Net decrease in cash and cash equivalents | (42,892) | (1,654,441) |

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

| | For the three months ended | |
|--|-----------------------------------|----------------------|
| | September 30, 2024 | June 30, 2024 |
| | (Unaudited) | (Unaudited) |
| Revenue | 2,171,188 | 1,901,276 |
| Cost of sales | (1,727,028) | (1,636,183) |
| Gross profit | 444,160 | 265,093 |
| Research and development expenses | (179,386) | (180,748) |
| Selling and marketing expenses | (9,601) | (9,737) |
| General and administration expenses | (136,182) | (160,630) |
| Impairment losses on financial assets, net | (620) | 1,025 |
| Other operating income | 51,516 | 172,137 |
| Operating expenses | (274,273) | (177,953) |
| Profit from operations | 169,887 | 87,140 |

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

| | As of | |
|---|--------------------|-------------------|
| | September 30, 2024 | June 30, 2024 |
| | (Unaudited) | (Unaudited) |
| ASSETS | | |
| <i>Non-current assets</i> | | |
| Property, plant and equipment | 27,274,634 | 26,914,232 |
| Right-of-use assets | 442,924 | 453,217 |
| Intangible assets | 25,942 | 28,757 |
| Investments in associates | 2,076,372 | 2,027,205 |
| Investment in a joint venture | 970 | 1,482 |
| Deferred tax assets | 13,128 | 13,192 |
| Financial assets at fair value through profit or loss | 466,007 | 462,380 |
| Financial assets at amortised cost | 5,499,157 | 5,851,621 |
| Derivative financial instruments | 5,812 | 8,928 |
| Restricted cash | 379,314 | 370,445 |
| Other assets | 269 | 246 |
| Total non-current assets | 36,184,529 | 36,131,705 |
| <i>Current assets</i> | | |
| Inventories | 2,877,125 | 2,740,168 |
| Prepayment and prepaid operating expenses | 78,827 | 98,660 |
| Trade and other receivables | 938,800 | 1,235,380 |
| Financial assets at fair value through profit or loss | 232,983 | 101,109 |
| Financial assets at amortised cost | 2,869,070 | 2,963,006 |
| Derivative financial instruments | 70,518 | 85,204 |
| Restricted cash | 285,876 | 280,228 |
| Cash and cash equivalents | 3,651,385 | 3,694,277 |
| | 11,004,584 | 11,198,032 |
| Assets classified as held-for-sale | 22,030 | 22,030 |
| Total current assets | 11,026,614 | 11,220,062 |
| TOTAL ASSETS | 47,211,143 | 47,351,767 |

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

| | As of | |
|--|-----------------------------------|------------------------------|
| | September 30, 2024 (Unaudited) | June 30, 2024 (Unaudited) |
| EQUITY AND LIABILITIES | | |
| <i>Capital and reserves</i> | | |
| Ordinary shares | 31,887 | 31,825 |
| Share premium | 14,251,767 | 14,138,415 |
| Other reserves | 268,311 | 149,821 |
| Retained earnings | 6,065,488 | 5,916,688 |
| Equity attributable to owners of the Company | 20,617,453 | 20,236,749 |
| Non-controlling interests | 10,808,558 | 10,732,924 |
| Total equity | 31,426,011 | 30,969,673 |
| <i>Non-current liabilities</i> | | |
| Borrowings | 8,322,826 | 8,424,725 |
| Lease liabilities | 11,219 | 14,689 |
| Deferred tax liabilities | 58,863 | 40,393 |
| Deferred government funding | 337,730 | 306,787 |
| Derivative financial instruments | 26,625 | 55,961 |
| Total non-current liabilities | 8,757,263 | 8,842,555 |
| <i>Current liabilities</i> | | |
| Trade and other payables | 3,351,346 | 3,978,441 |
| Contract liabilities | 1,019,979 | 1,015,698 |
| Borrowings | 1,436,334 | 1,361,165 |
| Lease liabilities | 23,168 | 27,794 |
| Bonds payable | 601,027 | 604,877 |
| Deferred government funding | 157,027 | 159,591 |
| Accrued liabilities | 353,592 | 310,052 |
| Derivative financial instruments | 73,020 | 63,872 |
| Current tax liabilities | 12,376 | 18,049 |
| Total current liabilities | 7,027,869 | 7,539,539 |
| Total liabilities | 15,785,132 | 16,382,094 |
| TOTAL EQUITY AND LIABILITIES | 47,211,143 | 47,351,767 |

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

| | For the three months ended | |
|---|-----------------------------------|------------------------------|
| | September 30, 2024 (Unaudited) | June 30, 2024 (Unaudited) |
| Operating activities: | | |
| Profit for the period | 223,270 | 172,262 |
| Depreciation and amortisation | 831,097 | 797,166 |
| Share of profit of associates and a joint venture | (29,411) | (17,164) |
| Other losses/(gains), net | 2,927 | (7,287) |
| Changes in working capital and others | 208,533 | (925,702) |
| Net cash generated from operating activities | 1,236,416 | 19,275 |
| Investing activities: | | |
| Acquisition of financial assets at fair value through profit or loss | (291,812) | (142,163) |
| Proceeds from sale of financial assets at fair value through profit or loss | 162,945 | 280,657 |
| Acquisition of financial assets at amortised cost | (8,458) | (805,521) |
| Proceeds from maturity of financial assets at amortised cost | 577,279 | 1,384,989 |
| Acquisition of property, plant and equipment | (1,880,836) | (2,361,507) |
| Proceeds from disposal of property, plant and equipment | 11,419 | 1,777 |
| Acquisition of intangible assets | (1,078) | (2,110) |
| Capital injection in associates | - | (48,081) |
| Proceeds from sale of equity interests in associates and a joint venture | 49,797 | |

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

Shanghai, November 7, 2024

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

Executive Director

LIU Xunfeng

Non-executive Directors

LU Guoqing

CHEN Shanzhi

YANG Lumin

HUANG Dengshan

Independent Non-executive Directors

FAN Ren Da Anthony

LIU Ming

WU Hanming

CHEN Xinyuan