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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 MARCH 31, 2023

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

- **Revenue was \$1,462.3 million in 1Q23, compared to \$1,621.3 million in 4Q22, and \$1,841.9 million in 1Q22.**
- **Gross profit was \$304.7 million in 1Q23, compared to \$518.7 million in 4Q22, and \$750.3 million in 1Q22.**
- **Gross margin was 20.8% in 1Q23, compared to 32.0% in 4Q22 and 40.7% in 1Q22.**

Set out below is a copy of the full text of the release by the Company and its subsidiaries (the "Group") on May 11, 2023, in relation to its unaudited results for the three months ended March 31, 2023.

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

Shanghai, China – May 11, 2023 – Semiconductor Manufacturing International Corporation (SEHK: 00981; SSE STAR MARKET: 688981) ("SMIC", the "Company" or "we"), one of the leading semiconductor foundries in the world, today announced its consolidated results of operations for the three months ended March 31, 2023.

* For identification purposes only

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

Second Quarter 2023 Guidance

The Company expects (in accordance with IFRS):

- Revenue to increase by 5% to 7% QoQ.
- Gross margin to range from 19% to 21%.

The Management Comments

According to the International Financial Reporting Standards, in the first quarter, the Company's revenue slightly beat guidance, gross margin was close to the high end of our guided range; in the second quarter, the Company expects the capacity utilization rate and shipments will perform better than first quarter. Revenue is expected to increase by 5% to 7% sequentially, with a decline in blended ASP due to the impact of changes in product mix; gross margin is expected to be between 19% and 21%.

The Company carries out capital expenditures in line with the expansion plan. Currently, SMIC Shenzhen has entered mass production; SMIC Jingcheng is expected to enter mass production in the second half of the year; SMIC Oriental is expected to start the mini-line by the end of this year; SMIC Xiqing is still under the construction.

Looking ahead to the full year of 2023, although the revenue bottoms out in the second quarter, the visibility of recovery magnitude for the second half of the year is still not clear. Overall, we haven't seen the sign of market full recovery. Thus, the full year's guidance remains unchanged, revenue is expected to decline by low-teens percentage year-over-year, and the gross margin is expected to be around 20%. We will strive to do better based on the current situation.

Facing the dynamic market changes, we will continue to follow the strategy of being market-oriented and customer-focused, strengthen communication with the end market; we will fully cooperate with the launch of new products, and make adjustments to fix bottleneck issues, so as to meet the next round of growth cycle.

Conference Call / Webcast Announcement

Date: Friday, May 12, 2023

Time: 8:30 A.M. - 9:30 A.M.

WEBCAST

The call will be webcast live at:

<https://edge.media-server.com/mmc/p/496fcwj6>

CONFERENCE CALL

Please register in advance for the conference call at:

<https://register.vevent.com/register/BI8af784294cda4ffd922600e49250090e>

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) and its subsidiaries 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 0.35 micron to FinFET process node technologies. Headquartered in Shanghai, China, SMIC Group has an international manufacturing and service base, with three 8-inch wafer fabrication facilities (“fabs”) and four 12-inch fabs in Shanghai, Beijing, Tianjin and Shenzhen, and three 12-inch fabs under construction in Shanghai, Beijing and Tianjin. 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 “believe”, “anticipate”, “intend”, “estimate”, “expect”, “project”, “target”, “going forward”, “continue”, “ought to”, “may”, “seek”, “should”, “plan”, “could”, “vision”, “goal”, “aim”, “aspire”, “objective”, “schedule”, “outlook” and other similar expressions to identify forward looking statements. These forward-looking 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 different from those suggested by the forward-looking statements including, among others, risks associated with cyclicalities and market conditions in the semiconductor industry, intense competition in the semiconductor industry, 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, parts, raw materials and software, availability of manufacturing capacity, orders or judgments from pending litigation, intellectual property litigation in the semiconductor industry, general economic conditions, fluctuations in currency exchange rates and the risk of geopolitics.

In addition to the information contained in this release, you should also consider the information contained in our other filings with The Stock Exchange of Hong Kong Limited (“SEHK”) and Shanghai Stock Exchange (“SSE”) from time to time. 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 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 release. Except as required by applicable laws, SMIC undertakes no obligation and does not intend to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the possible or actual occurrence of unanticipated events after the date on which such statement is made, whether as a result of new information, future events or otherwise.

About Non-International Financial Reporting Standards (“non-IFRS”) Financial Measures

To supplement SMIC’s consolidated financial results presented in accordance with IFRS, SMIC uses the presentation of non-IFRS financial measures, including EBITDA, EBITDA margin and non-IFRS operating expenses in this release. The presentation of non-IFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with IFRS. These non-IFRS financial measures are not calculated or presented in accordance with, and are not alternatives or substitutes for financial measures prepared in accordance with IFRS, and should be read only in conjunction with the Group’s financial measures prepared in accordance with IFRS. The Group’s non-IFRS financial measures may be different from similarly-titled non-IFRS financial measures used by other companies.

SMIC believes that use of these non-IFRS financial measures facilitates investors’ and management’s comparisons to SMIC’s historical performance. The Group’s management regularly uses these non-IFRS financial measures to understand, manage and evaluate the Group’s business and make financial and operational decisions.

The accompanying table has more information and reconciliations of each non-IFRS financial measure to its most directly comparable IFRS financial measure.

Summary of First Quarter 2023 Operating Results

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

	1Q23	4Q22	QoQ	1Q22	YoY
Revenue	1,462,288	1,621,270	-9.8%	1,841,894	-20.6%
Cost of sales	(1,157,619)	(1,102,581)	5.0%	(1,091,639)	6.0%
Gross profit	304,669	518,689	-41.3%	750,255	-59.4%
Operating expenses	(221,386)	(236,343)	-6.3%	(214,284)	3.3%
Profit from operations	83,283	282,346	-70.5%	535,971	-84.5%
Other income, net	192,627	136,777	40.8%	38,179	404.5%
Profit before tax	275,910	419,123	-34.2%	574,150	-51.9%
Income tax expense	(8,790)	6,351	N/A	(4,989)	76.2%
Profit for the period	267,120	425,474	-37.2%	569,161	-53.1%
Profit for the period attributable to:					
Owners of the Company	231,102	385,534	-40.1%	447,227	-48.3%
Non-controlling interests	36,018	39,940	-9.8%	121,934	-70.5%
Profit for the period	267,120	425,474	-37.2%	569,161	-53.1%
Gross margin	20.8%	32.0%		40.7%	
Earnings per share ⁽¹⁾					
Basic	\$0.03	\$0.05		\$0.06	
Diluted	\$0.03	\$0.05		\$0.06	
Wafers shipped (in 8" equivalent wafers)	1,251,715	1,574,068	-20.5%	1,840,189	-32.0%
Capacity utilization ⁽²⁾	68.1%	79.5%		100.4%	

Notes:

(1) Based on weighted average ordinary shares of 7,913 million (basic) and 7,941 million (diluted) in 1Q23, 7,915 million (basic) and 7,939 million (diluted) in 4Q22, and 7,904 million (basic) and 7,945 million (diluted) in 1Q22.

(2) Based on total 8" equivalent wafers out divided by estimated total quarterly capacity.

- Revenue was \$1,462.3 million in 1Q23, a decrease of 9.8% QoQ from \$1,621.3 million in 4Q22. The decline was mainly due to the decrease in wafer shipment in 1Q23.
- Cost of sales was \$1,157.6 million in 1Q23, compared to \$1,102.6 million in 4Q22.
- Gross profit was \$304.7 million in 1Q23, compared to \$518.7 million in 4Q22.
- Gross margin was 20.8% in 1Q23, compared to 32.0% in 4Q22 due to the decrease in wafer shipment and capacity utilization in 1Q23.
- Operating expenses were \$221.4 million in 1Q23, compared to \$236.3 million in 4Q22. The change was mainly due to the reasons stated in Operating Expenses/(Income) below.
- Other income, net was \$192.6 million gain in 1Q23, compared to \$136.8 million gain in 4Q22. The change was mainly due to the reasons stated in Other Income, Net below.

Analysis of Revenue

Revenue Analysis			
By Geography⁽¹⁾	1Q23	4Q22	1Q22
China	75.5%	69.1%	75.4%
America	19.6%	25.3%	19.0%
Eurasia	4.9%	5.6%	5.6%
By Service Type	1Q23	4Q22	1Q22
Wafers	92.1%	91.1%	92.5%
Others	7.9%	8.9%	7.5%
Wafer Revenue Analysis			
By Application	1Q23	4Q22	1Q22
Smart Phone	23.5%	28.6%	28.7%
Internet of Things	16.6%	15.0%	17.7%
Consumer Electronics	26.7%	24.2%	27.8%
Others	33.2%	32.2%	25.8%
By Size	1Q23	4Q22	1Q22
8" wafers	28.1%	35.6%	33.5%
12" wafers	71.9%	64.4%	66.5%

Note:

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

Capacity

- Monthly capacity increased to 732,250 8" equivalent wafers in 1Q23 from 714,000 8" equivalent wafers in 4Q22.

Shipment and Utilization

<i>8" equivalent wafers</i>	1Q23	4Q22	QoQ	1Q22	YoY
Wafer shipments	1,251,715	1,574,068	-20.5%	1,840,189	-32.0%
Utilization rate ⁽¹⁾	68.1%	79.5%		100.4%	

Note:

(1) Based on total 8" equivalent wafers out divided by estimated total quarterly capacity.

Detailed Financial Analysis

Gross Profit

<i>Amounts in US\$ thousands</i>	1Q23	4Q22	QoQ	1Q22	YoY
Cost of sales	1,157,619	1,102,581	5.0%	1,091,639	6.0%
Depreciation and amortisation	476,454	411,367	15.8%	393,263	21.2%
Other manufacturing costs	681,165	691,214	-1.5%	698,376	-2.5%
Gross profit	304,669	518,689	-41.3%	750,255	-59.4%
Gross margin	20.8%	32.0%		40.7%	

Depreciation and Amortisation

<i>Amounts in US\$ thousands</i>	1Q23	4Q22	QoQ	1Q22	YoY
Depreciation and amortisation	631,497	604,324	4.5%	533,828	18.3%

Operating Expenses/(Income)

<i>Amounts in US\$ thousands</i>	1Q23	4Q22	QoQ	1Q22	YoY
Operating expenses	221,386	236,343	-6.3%	214,284	3.3%
Research and development expenses	167,668	197,455	-15.1%	165,269	1.5%
General and administrative expenses	99,877	127,338	-21.6%	94,591	5.6%
Selling and marketing expenses	8,053	7,850	2.6%	9,130	-11.8%
Impairment losses on financial assets, net	644	617	4.4%	(412)	N/A
Other operating income	(54,856)	(96,917)	-43.4%	(54,294)	1.0%

- Research and development expenses decreased to \$167.7 million in 1Q23 from \$197.5 million in 4Q22. The change was primarily due to the lower level of R&D activities in 1Q23.
- General and administrative expenses decreased to \$99.9 million in 1Q23 from \$127.3 million in 4Q22. The change was mainly because a new majority-owned fab entered into production in 4Q22 and the start-up cost decreased thereof.
- The change in other operating income was primarily caused by the change in the income recognized in relation to government funding and gain or loss on the disposal of fixed assets.

Other Income, Net

Amounts in US\$ thousands	1Q23	4Q22	QoQ	1Q22	YoY
Other income, net	192,627	136,777	40.8%	38,179	404.5%
Interest income	179,347	120,615	48.7%	51,933	245.3%
Finance costs	(44,003)	(39,336)	11.9%	(28,445)	54.7%
Foreign exchange gain/(loss)	2,104	(10,793)	N/A	6,260	-66.4%
Other gains/(losses), net	24,612	32,253	-23.7%	(7,957)	N/A
Share of profits and losses of joint venture and associates	30,567	34,038	-10.2%	16,388	86.5%

- The change in other gains/(losses), net in 1Q23 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.

Liquidity

Amounts in US\$ thousands	1Q23	4Q22
Inventories	2,115,572	1,911,487
Prepayment and prepaid operating expenses	117,955	103,368
Trade and other receivables	1,114,978	1,302,642
Financial assets at fair value through profit or loss	405,426	375,776
Financial assets at amortised cost	4,087,495	5,122,706
Derivative financial instruments	29,020	146,669
Restricted cash	512,687	676,937
Cash and cash equivalents	8,703,465	6,932,587
Assets classified as held-for-sale	22,030	22,030
Total current assets	17,108,628	16,594,202
Trade and other payables	3,106,847	3,217,001
Contract liabilities	2,082,915	1,977,058
Borrowings	1,787,053	1,268,218
Lease liabilities	45,247	51,849
Deferred government funding	136,831	153,812
Accrued liabilities	255,529	309,183
Derivative financial instruments	54,364	45,217
Current tax liabilities	5,078	2,591
Total current liabilities	7,473,864	7,024,929
Cash ratio ⁽¹⁾	1.2	1.0
Quick ratio ⁽²⁾	2.0	2.1
Current ratio ⁽³⁾	2.3	2.4

Notes:

(1) Cash and cash equivalent 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	1Q23	4Q22
Cash and cash equivalents	8,703,465	6,932,587
Restricted cash - current	512,687	676,937
Financial assets at fair value through profit or loss - current ⁽¹⁾	405,426	375,776
Financial assets at amortised cost ⁽²⁾	9,632,629	10,676,151
Total cash on hand	19,254,207	18,661,451
Borrowings - current	1,787,053	1,268,218
Borrowings - non-current	6,872,271	6,718,304
Lease liabilities	94,924	109,531
Bonds payable	598,561	598,379
Total debt	9,352,809	8,694,432
Net debt ⁽³⁾	(9,901,398)	(9,967,019)
Equity	29,584,682	28,961,421
Debt to equity ratio ⁽⁴⁾	31.6%	30.0%
Net debt to equity ratio ⁽⁵⁾	-33.5%	-34.4%

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	1Q23	4Q22
Net cash generated from operating activities	801,520	563,308
Net cash generated from/(used in) investing activities	22,611	(2,419,975)
Net cash generated from financing activities	920,864	1,135,197
Effect of exchange rate changes	25,883	109,283
Net increase/(decrease) in cash and cash equivalents	1,770,878	(612,187)

Capex Summary

- Capital expenditure was \$ 1,258.6 million in 1Q23, compared to \$1,987.1 million in 4Q22.

Recent Highlights and Announcements

- 2022 Annual Report (2023-4-20)
- Indicative Announcement on Change of Domestic Stocks of SMIC Held by Huaxia SSE STAR Market 50 Component Trading Open-End Index Securities Investment Fund (2023-4-13)
- Advance Announcement on Performance Meeting in 1st Quarter of 2023 (2023-4-13)
- Notification of Board Meeting (2023-4-12)
- Connected Transaction RSU Grant (2023-4-2)
- Announcement on Estimated Amount of Outward Guarantees in 2023 (2023-3-29)
- Announcement on Resolutions of Board of Directors (2023-3-29)
- Announcement on Estimated Amount of Daily Connected Transactions in 2023 (2023-3-29)
- Special Report on Storage and Actual Use of Raised Funds in 2022 (2023-3-29)
- 2022 Audit Report (2023-3-28)
- 2022 Annual Report (2023-3-28)
- 2022 Environmental, Social and Governance Report (2023-3-28)
- Announcement on 2022 Annual Results (2023-3-28)
- Notification of Approval of the Publication of 2022 Annual Results by the Board (2023-3-14)
- Announcement on Preliminary Earnings Estimate for 4th Quarter of 2022 (2023-2-9)
- SMIC Reports Unaudited Results for the Three Months Ended December 31, 2022 (2023-2-9)
- Resignation of Chief Financial Officer and Appointment of Person-in-charge of Finance and Senior Management (2023-2-9)
- Change of Company Secretary (2023-2-9)
- Advance Announcement on Performance Meeting in 4th Quarter of 2022 (2023-1-10)
- Notification of Board Meeting (2023-1-10)

*Please visit SMIC's website at
<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 except share data)

	For the three months ended	
	March 31, 2023 (Unaudited)	December 31, 2022 (Unaudited)
Revenue	1,462,288	1,621,270
Cost of sales	(1,157,619)	(1,102,581)
Gross profit	<u>304,669</u>	<u>518,689</u>
Research and development expenses	(167,668)	(197,455)
Selling and marketing expenses	(8,053)	(7,850)
General and administration expenses	(99,877)	(127,338)
Impairment losses on financial assets, net	(644)	(617)
Other operating income	54,856	96,917
Operating expenses	<u>(221,386)</u>	<u>(236,343)</u>
Profit from operations	83,283	282,346
Other income, net	192,627	136,777
Profit before tax	275,910	419,123
Income tax expense	(8,790)	6,351
Profit for the period	<u>267,120</u>	<u>425,474</u>
Other comprehensive income:		
<i>Items that may be reclassified to profit or loss in subsequent periods</i>		
Exchange differences on translating foreign operations	18,635	35,616
Cash flow hedges	(23,159)	26,458
Total comprehensive income for the period	<u>262,596</u>	<u>487,548</u>
Profit for the period attributable to:		
Owners of the Company	231,102	385,534
Non-controlling interests	36,018	39,940
	<u>267,120</u>	<u>425,474</u>
Total comprehensive income for the period attributable to:		
Owners of the Company	226,578	447,608
Non-controlling interests	36,018	39,940
	<u>262,596</u>	<u>487,548</u>
Earnings per share		
Basic	\$0.03	\$0.05
Diluted	\$0.03	\$0.05
Shares used in calculating basic earnings per share	7,913,161,975	7,914,977,437
Shares used in calculating diluted earnings per share	<u>7,940,627,521</u>	<u>7,938,862,418</u>
Non-IFRS Financial Measures		
Non-IFRS operating expenses ⁽¹⁾	(267,082)	(324,591)
EBITDA ⁽²⁾	951,410	1,062,783
EBITDA margin ⁽²⁾	<u>65.1%</u>	<u>65.6%</u>

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

Notes:

(1) Non-IFRS operating expenses are defined as operating expenses adjusted to exclude the effect of items listed in the following table. SMIC reviews non-IFRS 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-IFRS financial measures has material limitations as an analytical tool. One of the limitations of using non-IFRS financial measures is that they do not include all items that impact our net profit for the period. In addition, because non-IFRS 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-IFRS 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-IFRS 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, 2023	December 31, 2022	March 31, 2022
	(Unaudited)	(Unaudited)	(Unaudited)
Operating expenses	(221,386)	(236,343)	(214,284)
Employee bonus accrued	9,160	8,669	13,640
Government funding	(55,667)	(49,405)	(44,968)
Loss/(gain) on the disposal of machinery and equipment and other assets	811	(47,512)	(9,326)
Non-IFRS operating expenses	(267,082)	(324,591)	(254,938)

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 amortisation, and income tax credit 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 Group's annual operating budget; to allocate resources to enhance the financial performance of the Group's business; to evaluate the effectiveness of the Group's business strategies; and in communications with SMIC's board of directors concerning the Group's financial performance. Although EBITDA is widely used by investors to measure a company's operating performance without regard to items, such as finance cost, income tax expense and credit and depreciation and amortisation that can vary substantially from company to company depending upon their respective financing structures and accounting policies, the book values of their assets, their capital structures and the methods by which their assets were acquired, EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of the Group's results of operations as reported under IFRS. Some of these limitations are: it does not reflect the Group's capital expenditures or future requirements for capital expenditures or other contractual commitments; it does not reflect changes in, or cash requirements for, the Group's working capital needs; it does not reflect finance cost; it does not reflect cash requirements for income taxes; that, although depreciation and amortisation are non-cash charges, the assets being depreciated or amortised will often have to be replaced in the future, and these measures do not reflect any cash requirements for these replacements; and that other companies in SMIC's industry may calculate these measures differently than SMIC does, limiting their usefulness as comparative measures.

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, 2023	December 31, 2022	March 31, 2022
	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period	267,120	425,474	569,161
Finance costs	44,003	39,336	28,445
Depreciation and amortisation	631,497	604,324	533,828
Income tax expense	8,790	(6,351)	4,989
EBITDA	951,410	1,062,783	1,136,423
Profit margin	18.3%	26.2%	30.9%
EBITDA margin	65.1%	65.6%	61.7%

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

	As of	
	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	19,499,744	18,855,532
Right-of-use assets	513,478	529,795
Intangible assets	42,368	45,331
Investments in associates	1,983,834	1,912,042
Investment in joint venture	4,828	9,051
Deferred tax assets	13,926	14,244
Financial assets at fair value through profit or loss	233,606	208,307
Financial assets at amortised cost	5,545,134	5,553,445
Derivative financial instruments	30,450	32,958
Other assets	39,734	52,877
Total non-current assets	27,907,102	27,213,582
<i>Current assets</i>		
Inventories	2,115,572	1,911,487
Prepayment and prepaid operating expenses	117,955	103,368
Trade and other receivables	1,114,978	1,302,642
Financial assets at fair value through profit or loss	405,426	375,776
Financial assets at amortised cost	4,087,495	5,122,706
Derivative financial instruments	29,020	146,669
Restricted cash	512,687	676,937
Cash and cash equivalents	8,703,465	6,932,587
	17,086,598	16,572,172
Assets classified as held-for-sale	22,030	22,030
Total current assets	17,108,628	16,594,202
TOTAL ASSETS	45,015,730	43,807,784

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

	As of	
	March 31, 2023	December 31, 2022
	(Unaudited)	(Audited)
EQUITY AND LIABILITIES		
<i>Capital and reserves</i>		
Ordinary shares	31,673	31,651
Share premium	13,973,757	13,963,465
Other reserves	389,605	377,059
Retained earnings	5,008,903	4,777,801
Equity attributable to owners of the Company	19,403,938	19,149,976
Non-controlling interests	10,180,744	9,811,445
Total equity	29,584,682	28,961,421
 <i>Non-current liabilities</i>		
Borrowings	6,872,271	6,718,304
Lease liabilities	49,677	57,682
Bonds payable	598,561	598,379
Deferred tax liabilities	38,763	34,980
Deferred government funding	378,645	396,803
Derivative financial instruments	19,267	15,286
Total non-current liabilities	7,957,184	7,821,434
 <i>Current liabilities</i>		
Trade and other payables	3,106,847	3,217,001
Contract liabilities	2,082,915	1,977,058
Borrowings	1,787,053	1,268,218
Lease liabilities	45,247	51,849
Deferred government funding	136,831	153,812
Accrued liabilities	255,529	309,183
Derivative financial instruments	54,364	45,217
Current tax liabilities	5,078	2,591
Total current liabilities	7,473,864	7,024,929
Total liabilities	15,431,048	14,846,363
TOTAL EQUITY AND LIABILITIES	45,015,730	43,807,784

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

	For the three months ended	
	March 31, 2023	December 31, 2022
	(Unaudited)	(Unaudited)
Operating activities:		
Profit for the period	267,120	425,474
Depreciation and amortisation	631,497	604,324
Share of profits and losses of joint venture and associates	(30,567)	(34,038)
Changes in working capital and others	(66,530)	(432,452)
Net cash generated from operating activities	801,520	563,308
Investing activities:		
Payments to acquire financial assets at fair value through profit or loss	(674,719)	(315,637)
Proceeds from sale of financial assets at fair value through profit or loss	633,959	226,901
Payments to acquire financial assets at amortised cost	(1,013,049)	(8,257,376)
Proceeds from maturity of financial assets at amortised cost	2,349,039	7,750,521
Payments for property, plant and equipment	(1,327,401)	(2,004,517)
Proceeds from disposal of property, plant and equipment and assets classified as held-for-sale	105	14,549
Payments for intangible assets	(517)	(1,062)
Payments for land-use right	(275)	-
Capital injection in associates	(49,371)	(17,977)
Proceeds from disposal of joint venture and associates	22,109	16,990
Distributions received from associates	284	881
Proceeds from settlement of derivative financial instruments	82,447	166,752
Net cash generated from/(used in) investing activities	22,611	(2,419,975)
Financing activities:		
Proceeds from borrowings	1,736,738	709,982
Repayments of borrowings	(1,129,819)	(90,895)
Principal elements of lease payments	(14,512)	(15,179)
Proceeds from issue of shares under stock incentive plans	2,547	1,313
Capital injection from non-controlling interests	331,420	527,400
(Payments for)/proceeds from settlement of derivative financial instruments	(5,510)	2,576
Net cash generated from financing activities	920,864	1,135,197
Effects of exchange rate changes on the balance of cash held in foreign currencies	25,883	109,283
Net increase/(decrease) in cash and cash equivalents	1,770,878	(612,187)
Cash and cash equivalents, beginning of the period	6,932,587	7,544,774
Cash and cash equivalents, end of the period	8,703,465	6,932,587

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

Shanghai, May 11, 2023

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

Executive Director

GAO Yonggang

LIU Xunfeng

Non-executive Directors

LU Guoqing

CHEN Shanzhi

YANG Lumin

Independent Non-executive Directors

LAU Lawrence Juen-Yee

FAN Ren Da Anthony

LIU Ming

WU Hanming