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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, 2020**

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

- **Revenue was \$981.1 million in 4Q20, compared to \$1,082.5 million in 3Q20 and \$839.4 million in 4Q19.**
- **Gross profit was \$176.8 million in 4Q20, compared to \$262.0 million in 3Q20 and \$199.4 million in 4Q19.**
- **Gross margin was 18.0% in 4Q20, compared to 24.2% in 3Q20 and 23.8% in 4Q19.**

Set out below is a copy of the full text of the release by the Company and its subsidiaries (the “Group”) on February 4, 2021, in relation to its unaudited results for the three months ended December 31, 2020.

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

Shanghai, China – February 4, 2021. Semiconductor Manufacturing International Corporation (SSE STAR MARKET: 688981; SEHK: 00981; OTCQX: SMICY) (“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 December 31, 2020.

\* For identification purposes only

## First Quarter 2021 Guidance

The following statements are forward looking statements based on current expectations and involved risks and uncertainties, some of which are set forth under “Forward-Looking Statements” below. The Company expects:

- Revenue to increase by 7% to 9% QoQ.
- Gross margin to range from 17% to 19%.

Dr. Gao Yonggang, Chief Financial Officer of SMIC commented:

“The Company’s revenue in the fourth quarter of 2020 was US\$981 million, and gross margin was 18.0%. Multiple full-year financial metrics for the Company (unaudited) hit record highs. Annual revenue was US\$3,907 million, a growth of 25.4%; gross profit was US\$921 million, a growth of 43.3%; profit attributable to the company was US\$716 million, an increase of 204.9%; and EBITDA was US\$2,123 million, a growth of 54.6%.

Looking to 2021, as SMIC was placed on the US Entity List, the Company is restricted from procuring related US items or technologies; so, there are risks and uncertainties to our annual forecasts. The forecast we give today assumes that operational continuity is not significantly adversely affected. Export license application processes must be followed, they take time and will face uncertainty. Based on the above, our targets and plan for 2021 are as follows: our annual revenue target is mid-to-high single digit percentage growth; revenue target for 1st half is around \$2.1 billion; and annual gross margin target is in the mid-teens range.”

Dr. Haijun Zhao and Dr. Liang Mong Song, Co-CEOs of SMIC commented:

“At present, the foundry industry capacity is tight, the demand for non-FinFET processes remain strong, and our capacity for non-FinFET will continue to be fully loaded. In order to meet customer needs, the Company expects capital expenditures this year to be US\$4.3 billion, in which majority is for non-FinFET capacity expansion, and remaining for FinFET, the infrastructure of the new Beijing joint-venture project, and etc. In terms of capacity expansion, we increase monthly non-FinFET capacity by 10,000 for 12-inch, and not less than 45,000 for 8-inch this year. Given the impact of being added to the Entity List, we will consider strengthening the development and deployment of our first and second generation FinFET multi-platforms and expand the reliability and competitiveness of our platforms.”

## Conference Call / Webcast Announcement

Date: February 5, 2021

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/8398227>

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 followed by your registrant ID, and you will join the conference instantly.

The call will be webcast live with audio at:

[http://www.smics.com/en/site/company\\_financialSummary](http://www.smics.com/en/site/company_financialSummary)

or <https://edge.media-server.com/mmc/p/2zpnux3o>

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.

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## About SMIC

Semiconductor Manufacturing International Corporation (“SMIC”, SSE STAR MARKET: 688981; SEHK: 00981; OTCQX: SMICY) and its subsidiaries collectively constitute one of the leading foundries in the world, is Mainland China’s most advanced and largest foundry, broadest in technology coverage, and most comprehensive in semiconductor manufacturing services. SMIC Group provides integrated circuit (IC) foundry and technology services on process nodes from 0.35 micron to 14 nanometer. Headquartered in Shanghai, China, SMIC Group has an international manufacturing and service base. In China, SMIC has a 300mm wafer fabrication facility (fab), a 200mm fab and a effectively controlled joint-venture 300mm fab for advanced nodes in Shanghai; a 300mm fab and a majority-owned 300mm fab in Beijing; 200mm fabs in Tianjin and Shenzhen; and a majority-owned joint-venture 300mm bumping facility in Jiangyin. 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](http://www.smics.com).

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## Forward-Looking Statements

This release contains, in addition to historical information, forward-looking statements. These forward-looking statements, including statements under “Quarterly Guidance”, “Capex Summary” and the statements contained in the quotes of our Co-Chief Executive Officers and Chief Financial Officer are based on SMIC’s current assumptions, expectations, beliefs, plans, objectives, and projections about future events or performance. SMIC uses words like “believe”, “anticipate”, “intend”, “estimate”, “expect”, “project”, “target”, “going forward”, “continue”, “ought to”, “may”, “seek”, “should”, “plan”, “could”, “vision”, “goals”, “aim”, “aspire”, “objective”, “schedules”, “outlook” and similar expressions to identify forward looking statements, although not all forward-looking statements contain these words. These forward-looking statements are necessary estimates reflecting 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 the semiconductor industry, general economic conditions and fluctuations in currency exchange rates.

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 occurrence of unanticipated events after the date on which such statement is made or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or otherwise.

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## **About Non-International Financial Reporting Standards ("non-IFRS") Financial Measures**

To supplement SMIC's consolidated financial results presented in accordance with IFRS, SMIC uses in this release non-IFRS measures of operating results that are adjusted to exclude finance cost, depreciation and amortization, income tax benefits and expenses, the effect of employee bonus accrual, government funding, impairment loss of tangible and intangible assets and gain or loss on the disposal of machinery and equipment. 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. This earnings release includes EBITDA, EBITDA margin and non-IFRS operating expenses which consist of total operating expenses as adjusted to exclude the effect of employee bonus accrual, government funding, impairment loss of tangible and intangible assets and gain or loss on the disposal of machinery and equipment. 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 Fourth Quarter 2020 Operating Results

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

	4Q20	3Q20	QoQ	4Q19	YoY
Revenue	981,095	1,082,505	-9.4%	839,439	16.9%
Cost of sales	(804,333)	(820,528)	-2.0%	(640,023)	25.7%
Gross profit	176,762	261,977	-32.5%	199,416	-11.4%
Operating expenses	(159,513)	(79,287)	101.2%	(179,271)	-11.0%
Profit from operations	17,249	182,690	-90.6%	20,145	-14.4%
Other income, net	228,353	101,793	124.3%	67,395	238.8%
Profit before tax	245,602	284,483	-13.7%	87,540	180.6%
Income tax expense	(16,982)	(20,959)	-19.0%	(11,866)	43.1%
<b>Profit for the period</b>	<b>228,620</b>	<b>263,524</b>	-13.2%	<b>75,674</b>	202.1%
Other comprehensive income:					
Exchange differences on translating foreign operations	39,184	29,953	30.8%	2,942	1,231.9%
Cash flow hedges	4,456	2,693	65.5%	6,573	-32.2%
<b>Total comprehensive income for the period</b>	<b>272,260</b>	<b>296,170</b>	-8.1%	<b>85,189</b>	219.6%
Profit (loss) for the period attributable to:					
Owners of the Company	257,038	256,379	0.3%	88,735	189.7%
Non-controlling interests	(28,418)	7,145	-	(13,061)	117.6%
<b>Profit for the period</b>	<b>228,620</b>	<b>263,524</b>	-13.2%	<b>75,674</b>	202.1%
Gross margin	18.0%	24.2%		23.8%	
Earnings per ordinary share <sup>(1)</sup>					
Basic	\$0.03	\$0.04		\$0.02	
Diluted	\$0.03	\$0.03		\$0.02	
Earnings per ADS <sup>(2)</sup>					
Basic	\$0.17	\$0.18		\$0.08	
Diluted	\$0.15	\$0.16		\$0.08	
Wafers shipped (in 8" equivalent wafers)	1,415,788	1,440,531	-1.7%	1,339,400	5.7%
Capacity utilization <sup>(3)</sup>	95.5%	97.8%		98.8%	

Note:

(1) Based on weighted average ordinary shares of 7,700 million (basic) and 8,316 million (diluted) in 4Q20, 7,256 million (basic) and 7,901 million (diluted) in 3Q20, and 5,055 million (basic) and 5,788 million (diluted) in 4Q19.

(2) Each ADS represents 5 ordinary shares.

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

- Revenue was \$981.1 million in 4Q20, compared to \$1,082.5 million in 3Q20. Revenue changed mainly due to the decrease in wafer shipment and other revenue in 4Q20.
- Cost of sales was \$804.3 million in 4Q20, compared to \$820.5 million in 3Q20. Cost of sales decreased mainly due to the decrease in wafer shipment in 4Q20.
- Gross profit was \$176.8 million in 4Q20, a decrease of 32.5% QoQ from \$262.0 million in 3Q20. Gross profit decreased in 4Q20 mainly due to the decrease in wafer shipment and product mix change in 4Q20.
- Gross margin was 18.0% in 4Q20, compared to 24.2% in 3Q20.
- Operating expenses were \$159.5 million in 4Q20, compared to \$79.3 million in 3Q20, mainly due to the reasons stated in Operating Expenses (Income) below.
- Other income, net was \$228.4 million gain in 4Q20, compared to \$101.8 million gain in 3Q20. The change was mainly due to the reasons stated in Other Income (Expenses), Net below.

## Analysis of Revenue

<b>Revenue Analysis</b>			
<b>By Geography</b>	<b>4Q20</b>	<b>3Q20</b>	<b>4Q19</b>
North America <sup>(1)</sup>	27.7%	18.6%	22.2%
Mainland China and Hong Kong	56.1%	69.7%	65.1%
Eurasia <sup>(2)</sup>	16.2%	11.7%	12.7%
<b>By Service Type</b>	<b>4Q20</b>	<b>3Q20</b>	<b>4Q19</b>
Wafers	89.0%	85.4%	91.6%
Others	11.0%	14.6%	8.4%
<b>Wafer Revenue Analysis</b>			
<b>By Application</b>	<b>4Q20</b>	<b>3Q20</b>	<b>4Q19</b>
Smart Phone	36.7%	46.1%	43.1%
Smart Home	15.8%	20.5%	16.7%
Consumer Electronics	20.2%	17.0%	20.8%
Others	27.3%	16.4%	19.4%
<b>By Technology</b>	<b>4Q20</b>	<b>3Q20</b>	<b>4Q19</b>
14/28 nm	5.0%	14.6%	6.0%
40/45 nm	14.8%	17.2%	16.2%
55/65 nm	34.0%	25.8%	31.0%
90 nm	3.5%	3.4%	1.5%
0.11/0.13 $\mu$ m	6.2%	4.4%	6.2%
0.15/0.18 $\mu$ m	32.5%	31.2%	35.0%
0.25/0.35 $\mu$ m	4.0%	3.4%	4.1%

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**

- Monthly capacity was 520,750 8-inch equivalent wafers in 4Q20 from 510,150 8-inch equivalent wafers in 3Q20, primarily due to the capacity expansion in the majority-owned Beijing 300mm fab in 4Q20.

## **Shipment and Utilization**

<b>8" equivalent wafers</b>	<b>4Q20</b>	<b>3Q20</b>	<b>QoQ</b>	<b>4Q19</b>	<b>YoY</b>
Wafer shipments	1,415,788	1,440,531	-1.7%	1,339,400	5.7%
Utilization rate <sup>(1)</sup>	95.5%	97.8%	-	98.8%	-

Note:

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

## **Detailed Financial Analysis**

### **Gross Profit**

<i>Amounts in US\$ thousands</i>	<b>4Q20</b>	<b>3Q20</b>	<b>QoQ</b>	<b>4Q19</b>	<b>YoY</b>
Cost of sales	804,333	820,528	-2.0%	640,023	25.7%
Depreciation and amortization expense	242,768	249,415	-2.7%	198,536	22.3%
Other manufacturing costs	561,565	571,113	-1.7%	441,487	27.2%
Gross profit	176,762	261,977	-32.5%	199,416	-11.4%
Gross margin	18.0%	24.2%	-	23.8%	-

- Cost of sales was \$804.3 million in 4Q20, compared to \$820.5 million in 3Q20. Cost of sales decreased mainly due to the decrease in wafer shipment in 4Q20.

### **Depreciation and Amortization**

<i>Amounts in US\$ thousands</i>	<b>4Q20</b>	<b>3Q20</b>	<b>QoQ</b>	<b>4Q19</b>	<b>YoY</b>
Depreciation and amortization	366,045	351,077	4.3%	285,997	28.0%

### **Operating Expenses (Income)**

<i>Amounts in US\$ thousands</i>	<b>4Q20</b>	<b>3Q20</b>	<b>QoQ</b>	<b>4Q19</b>	<b>YoY</b>
Operating expenses	159,513	79,287	101.2%	179,271	-11.0%
Research and development expenses	194,408	158,520	22.6%	169,871	14.4%
General and administrative expenses	75,794	56,970	33.0%	77,157	-1.8%
Selling and marketing expenses	12,081	6,472	86.7%	5,273	129.1%
Net impairment losses recognized (reversal) on financial assets	1,212	(1,835)	-	(2,381)	-
Other operating income, net	(123,982)	(140,840)	-12.0%	(70,649)	75.5%

- Research and development expenses increased to \$194.4 million in 4Q20, compared to \$158.5 million in 3Q20. The change was mainly due to higher level of R&D activities in 4Q20.
- General and administrative expenses increased by 33.0% to \$75.8 million in 4Q20, compared to \$57.0 million in 3Q20. The change was mainly due to the increase in the government tax surcharges and accrued employee bonus in 4Q20.
- The change in other operating income, net was mainly due to the income recognized in relation to government funding of \$125.0 million in 4Q20, compared to \$137.8 million in 3Q20.



### Other Income (Expenses), Net

Amounts in US\$ thousands	4Q20	3Q20	QoQ	4Q19	YoY
Other income, net	228,353	101,793	124.3%	67,395	238.8%
Interest income	51,960	48,842	6.4%	35,867	44.9%
Finance costs	(19,266)	(17,590)	9.5%	(16,808)	14.6%
Foreign exchange gains	26,050	60,012	-56.6%	4,118	532.6%
Other gains (losses), net	37,498	(17,099)	-	32,075	16.9%
Share of gain of investment accounted for using equity method	132,111	27,628	378.2%	12,143	988.0%

- Foreign exchange gains were mainly due to the net impact of cash flow hedging and the appreciation of RMB against USD in 4Q20. 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 and trade and other payables in RMB.
- The increase in other gains (losses), net in 4Q20 was mainly caused by 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 gain on the investments and the equity dilution of associates in 4Q20. Certain associates of the Group are investment funds with a number of investment portfolios. The gain on the equity investment of associates was a result of the fair value change of the portfolios and the increase in the operating income of certain associates in 4Q20.

### Liquidity

Amounts in US\$ thousands	4Q20	3Q20
Inventories	798,776	647,625
Prepayment and prepaid operating expenses	48,176	38,804
Trade and other receivables	975,927	1,115,825
Financial assets at fair value through profit or loss	111,477	343,521
Financial assets at amortized cost	2,806,517	2,938,086
Derivative financial instruments	4,891	-
Restricted cash	575,258	438,583
Cash and cash equivalent	9,826,537	8,619,395
Assets classified as held-for-sale	23,796	4,729
<b>Total current assets</b>	<b>15,171,355</b>	<b>14,146,568</b>
Trade and other payables	1,648,556	2,346,625
Contract liabilities	181,425	143,963
Borrowings	1,239,996	1,082,866
Lease liabilities	94,949	94,734
Deferred government funding	282,601	291,301
Accrued liabilities	253,690	140,291
Derivative financial instruments	133,814	132,365
Current tax liabilities	17,579	14,276
Other liabilities	20,039	33,650
<b>Total current liabilities</b>	<b>3,872,649</b>	<b>4,280,071</b>
Cash ratio <sup>(1)</sup>	2.5x	2x
Quick ratio <sup>(2)</sup>	3.7x	3.2x
Current ratio <sup>(3)</sup>	3.9x	3.3x

Note:

(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	4Q20	3Q20
Cash and cash equivalent	9,826,537	8,619,395
Restricted cash - Current	575,258	438,583
Financial assets at fair value through profit or loss - Current <sup>(1)</sup>	111,477	343,521
Financial assets at amortized cost <sup>(2)</sup>	4,445,238	4,495,885
<b>Total cash on hand</b>	<b>14,958,510</b>	<b>13,897,384</b>
Borrowings - Current	1,239,996	1,082,866
Borrowings - Non-current	4,050,837	2,084,253
Lease liabilities	245,270	268,791
Medium-term notes	229,217	219,567
Convertible bonds	11,131	15,403
Bonds payable	596,966	596,795
<b>Total debt</b>	<b>6,373,417</b>	<b>4,267,675</b>
Net debt <sup>(3)</sup>	(8,585,093)	(9,629,709)
Equity	21,681,738	21,037,574
Total debt to equity ratio <sup>(4)</sup>	29.4%	20.3%
Net debt to equity ratio <sup>(5)</sup>	-39.6%	-45.8%

Note:

(1) Mainly contain structural deposits.

(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	4Q20	3Q20
Net cash from operating activities	533,712	719,150
Net cash used in investing activities	(1,674,680)	(3,332,124)
Net cash from financing activities	2,170,831	7,964,151
Effect of exchange rate changes	177,279	138,150
Net change in cash and cash equivalent	1,207,142	5,489,327

## Capex Summary

- Capital expenditures were \$1,333.4 million in 4Q20, compared to \$2,279.7 million in 3Q20.
- The 2020 capital expenditures were \$5.7 billion, which were mainly for the expansion of capacity in effectively controlled Shanghai 300mm fab, majority-owned Beijing 300mm fab and Tianjin 200mm fab. The 2020 capital expenditures decreased from \$5.9 billion to \$5.7 billion mainly due to extended or uncertain delivery lead-times of certain equipment as result of the US Entity List and the delay in equipment move-in schedule caused by logistics.
- The planned 2021 capital expenditures are approximately \$4.3 billion, the majority which is for non-FinFET capacity expansion, and the remaining is for FinFET, the infrastructure of the new Beijing joint-venture project, and etc.

## **Recent Highlights and Announcements**

- Announcement in relation to Termination of American Depository Receipts Level I Programme (2021-01-31)
- Announcement in relation to Removal from OTCQX (2021-01-31)
- Announcement in relation to Reinstatement to OTCQX (2021-01-10)
- Announcement on Listing and Circulation of Offline Allotted Shares with Sales Restriction in Initial Public Offering (2021-01-08)
- Connected Transaction New JV Agreement in relation to SMEC (2021-01-08)
- Announcement in relation to Removal from OTCQX (2021-01-06)
- Advance Announcement on Convening Performance Meeting of 4th Quarter of 2020 (2021-01-05)
- Notification of Board Meeting (2021-01-05)
- List of Directors and their Roles and Functions (2020-12-31)
- Announcement on Resignation of Independent Non-Executive Director (2020-12-31)
- Connected Transaction Reduction of Percentage Equity Interest in Sino IC Leasing (2020-12-27)
- Inside Information Announcement in relation to Inclusion in the Entity List (2020-12-20)
- Connected Transaction the Second Amendment JV Agreement in relation to Sino IC Leasing (2020-12-18)
- Inside Information Announcement in relation to Possible Resignation of Executive Director and Co-Chief Executive Officer and Resumption of Trading (2020-12-16)
- Trading Halt (2020-12-16)
- Poll Results Of The 2020 Fifth Extraordinary General Meeting Held On 15 December 2020 (2020-12-15)
- Announcement In Relation To Lawsuit Filed In The United States (2020-12-15)
- List of Directors and their Roles and Functions (2020-12-15)
- Appointment of Executive Director, Vice Chairman and Member of Strategic Committee (2020-12-15)
- Connected Transaction Reduction of Percentage Equity Interest in Ningbo Semiconductor International Corporation and Supplemental Information Regarding the Inside Information (2020-12-04)
- Discloseable and Connected Transaction Formation of Joint Venture Company in Beijing (2020-12-04)
- Inside Information and Resumption of Trading (2020-12-04)
- Trading Halt (2020-12-04)
- Grant Of Options (2020-11-23)
- Announcement on Appointment of Secretary of Board of Directors (2020-11-11)
- Financial Report of 3rd Quarter of 2020 (2020-11-11)
- Information Disclosure Suspension and Exemption Management Policy (2020-11-11)
- Related / Connected Transaction Management Policy (2020-11-11)
- SMIC Reports Unaudited Results for the Three Months Ended September 30, 2020 (2020-11-11)
- Resignation of Joint Company Secretary And Appointment of Company Secretary (2020-11-11)
- 8th Anniversary of “SMIC Liver Transplant Program” – Over 500 Children Saved (2020-10-29)
- Form of Proxy for Use at the 2020 Fifth Extraordinary General Meeting to be Held on 15 December 2020 (2020-10-19)
- Notification Letter and Request Form for Non-registered Shareholders (2020-10-19)
- Notification Letter and Change Request Form to registered holders (2020-10-19)
- Closure of Register of Members (2020-10-19)
- Notice of The 2020 Fifth Extraordinary General Meeting (2020-10-19)

- Circular - Continuing Connected Transactions in relation to (1) SMNC Framework Agreement (2) Revision of the Existing Annual Caps in relation to SMSC Framework Agreement (3) Centralised Fund Management Agreement with SMSC (4) Major Transaction in relation to Sino IC Leasing Framework Agreement AND (5) Connected Transactions in relation to Proposed Grant of Restricted Share Units to Directors AND (6) Notice of the 2020 Fifth Extraordinary General Meeting (2020-10-19)
- Advance Announcement on Convening Performance Meeting of 3rd Quarter of 2020 (2020-10-16)
- SMIC Revises Up Third Quarter 2020 Revenue and Gross Margin Guidance (2020-10-15)
- Notification of Board Meeting (2020-10-12)
- Inside Information Further Information On U.S. Export Restrictions (2020-10-4)

*Please visit SMIC's website at  
<http://www.smics.com/en/site/news> and  
[http://www.smics.com/en/site/comapny\\_statutoryDocuments](http://www.smics.com/en/site/comapny_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)

	<b>For the three months ended</b>	
	<b>December 31, 2020</b> <b>(Unaudited)</b>	<b>September 30, 2020</b> <b>(Unaudited)</b>
Revenue	981,095	1,082,505
Cost of sales	(804,333)	(820,528)
Gross profit	<u>176,762</u>	<u>261,977</u>
Research and development expenses	(194,408)	(158,520)
General and administration expenses	(75,794)	(56,970)
Sales and marketing expenses	(12,081)	(6,472)
Net impairment losses (recognized) reversal on financial assets	(1,212)	1,835
Other operating income, net	<u>123,982</u>	<u>140,840</u>
Operating expenses	<u>(159,513)</u>	<u>(79,287)</u>
Profit from operations	17,249	182,690
Other income, net	<u>228,353</u>	<u>101,793</u>
Profit before tax	245,602	284,483
Income tax expense	<u>(16,982)</u>	<u>(20,959)</u>
<b>Profit for the period</b>	<b><u>228,620</u></b>	<b><u>263,524</u></b>
Other comprehensive income:		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translating foreign operations	39,184	29,953
Cash flow hedges	<u>4,456</u>	<u>2,693</u>
<b>Total comprehensive income for the period</b>	<b><u>272,260</u></b>	<b><u>296,170</u></b>
Profit (loss) for the period attributable to:		
Owners of the Company	257,038	256,379
Non-controlling interests	<u>(28,418)</u>	<u>7,145</u>
	<u>228,620</u>	<u>263,524</u>
Total comprehensive income (loss) for the period attributable to:		
Owners of the Company	300,677	288,852
Non-controlling interests	<u>(28,417)</u>	<u>7,318</u>
	<u>272,260</u>	<u>296,170</u>
Earnings per ordinary share		
Basic	\$0.03	\$0.04
Diluted	\$0.03	\$0.03
Earnings per ADS		
Basic	\$0.17	\$0.18
Diluted	\$0.15	\$0.16
Shares used in calculating basic earnings per share	7,699,704,895	7,255,778,547
Shares used in calculating diluted earnings per share	<u>8,315,996,308</u>	<u>7,900,909,418</u>
<b>Reconciliations of Non-IFRS Financial Measures to Comparable IFRS Measures</b>		
Non-IFRS operating expenses <sup>(1)</sup>	(243,322)	(215,185)
EBITDA <sup>(2)</sup>	630,913	653,150
EBITDA margin <sup>(2)</sup>	<u>64.3%</u>	<u>60.3%</u>

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

*Note:*

(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.

	<b>For the three months ended</b>		
	<b>December 31, 2020</b> <b>(Unaudited)</b>	<b>September 30, 2020</b> <b>(Unaudited)</b>	<b>December 31, 2019</b> <b>(Unaudited)</b>
Operating expenses	(159,513)	(79,287)	(179,271)
Employee bonus accrued	40,174	4,943	1,789
Government funding	(125,016)	(137,751)	(71,839)
Impairment loss of tangible and intangible assets	1,145	-	2,948
Gain on the deconsolidation of subsidiaries	-	(904)	-
Gain of the disposal of machinery and equipment and living quarters	(112)	(2,186)	(1,756)
Non-IFRS operating expenses	<u>(243,322)</u>	<u>(215,185)</u>	<u>(248,129)</u>

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 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 net finance cost, income tax benefit and expense and depreciation and amortization 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 amortization are non-cash charges, the assets being depreciated or amortized 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.

	<b>For the three months ended</b>		
	<b>December 31, 2020</b> <b>(Unaudited)</b>	<b>September 30, 2020</b> <b>(Unaudited)</b>	<b>December 31, 2019</b> <b>(Unaudited)</b>
Profit for the period	228,620	263,524	75,674
Finance costs	19,266	17,590	16,808
Depreciation and amortization	366,045	351,077	285,997
Income tax expense	16,982	20,959	11,866
<b>EBITDA</b>	<b>630,913</b>	<b>653,150</b>	<b>390,345</b>
Profit margin	23.3%	24.3%	9.0%
<b>EBITDA margin</b>	<b>64.3%</b>	<b>60.3%</b>	<b>46.5%</b>

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

	As of	
	December 31, 2020 (Unaudited)	September 30, 2020 (Unaudited)
<b>ASSETS</b>		
<i>Non-current assets</i>		
Property, plant and equipment	12,138,021	11,293,702
Right-of-use assets	491,238	401,308
Intangible assets	81,953	89,785
Investments in associates	1,440,976	1,209,846
Investments in joint ventures	31,521	27,707
Deferred tax assets	24,900	25,172
Financial assets at fair value through profit or loss	156,367	120,274
Financial assets at amortized cost	1,638,721	1,557,799
Derivative financial instruments	29,046	2,079
Restricted cash	114,811	110,017
Other assets	1,666	2,022
Total non-current assets	<u>16,149,220</u>	<u>14,839,711</u>
<i>Current assets</i>		
Inventories	798,776	647,625
Prepayment and prepaid operating expenses	48,176	38,804
Trade and other receivables	975,927	1,115,825
Financial assets at fair value through profit or loss	111,477	343,521
Financial assets at amortized cost	2,806,517	2,938,086
Derivative financial instruments	4,891	-
Restricted cash	575,258	438,583
Cash and cash equivalent	9,826,537	8,619,395
	<u>15,147,559</u>	<u>14,141,839</u>
Assets classified as held-for-sale	23,796	4,729
Total current assets	<u>15,171,355</u>	<u>14,146,568</u>
<b>TOTAL ASSETS</b>	<b><u>31,320,575</u></b>	<b><u>28,986,279</u></b>



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

	As of	
	December 31, 2020 (Unaudited)	September 30, 2020 (Unaudited)
<b>EQUITY AND LIABILITIES</b>		
<i>Capital and reserves</i>		
Ordinary shares	30,814	30,794
Share premium	13,512,397	13,505,503
Reserves	73,939	29,404
Retained earnings	1,258,056	1,004,018
Equity attributable to owners of the Company	14,875,206	14,569,719
Perpetual subordinated convertible securities	299,388	299,388
Non-controlling interests	6,507,144	6,168,467
Total equity	21,681,738	21,037,574
<i>Non-current liabilities</i>		
Borrowings	4,050,837	2,084,253
Lease liabilities	150,321	174,057
Bonds payable	596,966	596,795
Medium-term notes	229,217	219,567
Deferred government funding	707,016	531,000
Derivative financial instruments	20,700	47,559
Convertible bonds	11,131	15,403
Total non-current liabilities	5,766,188	3,668,634
<i>Current liabilities</i>		
Trade and other payables	1,648,556	2,346,625
Contract liabilities	181,425	143,963
Borrowings	1,239,996	1,082,866
Lease liabilities	94,949	94,734
Deferred government funding	282,601	291,301
Accrued liabilities	253,690	140,291
Derivative financial instruments	133,814	132,365
Current tax liabilities	17,579	14,276
Other liabilities	20,039	33,650
Total current liabilities	3,872,649	4,280,071
Total liabilities	9,638,837	7,948,705
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>31,320,575</b>	<b>28,986,279</b>

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

	For the three months ended	
	December 31, 2020 (Unaudited)	September 30, 2020 (Unaudited)
<b>Cash flow from operating activities:</b>		
Profit for the period	228,620	263,524
Depreciation and amortization	366,045	351,077
Share of gain of investment accounted for using equity method	(132,112)	(27,628)
Changes in working capital and others	71,159	132,177
<b>Net cash from operating activities</b>	<b>533,712</b>	<b>719,150</b>
<b>Cash flow from investing activities:</b>		
Payments to acquire financial assets at fair value through profit or loss	(6,592)	(345,011)
Proceeds from sale of financial assets at fair value through profit or loss	253,589	-
Payments to acquire financial assets at amortized cost	(478,809)	(2,722,515)
Proceeds from maturity of financial assets at amortized cost	539,948	1,485,551
Payments for property, plant and equipment	(2,087,988)	(1,766,133)
Proceeds from disposal of property, plant and equipment and assets classified as held-for-sale	4,199	3,041
Payments for intangible assets	(3,258)	(4,929)
Proceeds from disposal of land use right	6,798	-
Payments to acquire land use right	(24,646)	-
Payments for contingent consideration	-	(11,750)
Proceeds from disposal of equity investment	(7,604)	(223)
Payments to acquire joint ventures and associates	(83,904)	(23,336)
Proceeds from disposal of joint ventures and associates	10,048	41,753
Distributions received from joint ventures and associates	2,755	-
Proceeds from release of restricted cash relating to investing activities	200,784	11,428
<b>Net cash used in investing activities</b>	<b>(1,674,680)</b>	<b>(3,332,124)</b>
<b>Cash flow from financing activities:</b>		
Proceeds from borrowings	2,384,750	549,544
Repayment of borrowings	(355,028)	(189,823)
Principal elements of lease payments	(23,592)	(23,540)
Repayment of short-term notes	-	(214,347)
Proceeds from issue new shares	-	7,513,885
Proceeds from exercise of employee stock options	1,198	3,432
Proceeds from non-controlling interests – capital contribution	417,706	325,000
Payments to settle derivative financial instruments	(251,203)	-
Distribution paid to perpetual subordinated convertible securities holders	(3,000)	-
<b>Net cash from financing activities</b>	<b>2,170,831</b>	<b>7,964,151</b>
Effects of exchange rate changes on the balance of cash held in foreign currencies	177,279	138,150
<b>Net increase in cash and cash equivalent</b>	<b>1,207,142</b>	<b>5,489,327</b>
Cash and cash equivalent, beginning of period	8,619,395	3,130,068
<b>Cash and cash equivalent, end of period</b>	<b>9,826,537</b>	<b>8,619,395</b>

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

Shanghai, February 4, 2021

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

**Executive Directors**

ZHOU Zixue (Chairman)  
CHIANG Shang-Yi (Vice Chairman)  
ZHAO Haijun (Co-Chief Executive Officer)  
LIANG Mong Song (Co-Chief Executive Officer)  
GAO Yonggang (Chief Financial Officer and Company Secretary)

**Non-executive Directors**

CHEN Shanzhi  
ZHOU Jie  
REN Kai  
LU Jun  
TONG Guohua

**Independent Non-executive Directors**

William Tudor BROWN  
LAU Lawrence Juen-Yee  
FAN Ren Da Anthony  
YOUNG Kwang Leei  
LIU Ming