Fourth Quarter 2021 Guidance

The following statements are forward looking statements based on current expectations and involved risks and uncertainties. The Company expects (in accordance with IFRS):

- Revenue to increase by 11%

Conference Call / Webcast Announcement

Date: Friday, November 12, 2021
Time: 8:30 A.M. (China Standard Time)

WEBCAST
The call will be webcast live at:
https://www.smics.com/site/company_financialSummary
or https://edge.media-server.com/mmc/p/3d3ttt24

CONFERENCE CALL
Please register in advance for the conference call at:
https://apac.directeventreg.com/registration/event/1454006

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

About SMIC

Semiconductor Manufacturing International Corporation (SMIC , SEHK: 00981; SSE STAR MARKET: 688981) and its subsidiaries constituting one of the leading foundries in the world, is the most advanced and the largest foundry with the broadest technology coverage and the most comprehensive semiconductor manufacturing services in Chinese Mainland. 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 200mm wafer fabrication facility (fab) and an effectively controlled joint-venture 300mm fab for advanced nodes in Shanghai; a 300mm fab and a majority-owned 300mm fab in Beijing; a 200mm fab in Tianjin and a majority-owned 200mm fab in 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, including statements under Quarterly Guidance , Capex Summary and the statements contained in the SMIC Management Comments 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 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 cyclicality 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, raw materials and software, 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 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

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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-B KL
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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 Third Quarter 2021 Operating Results

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

	3Q21	2Q21	QoQ	3Q20	YoY
Revenue	1,415,302	1,344,102	5.3%	1,082,505	30.7%
Cost of sales	(947,441)	(939,090)	0.9%	(820,528)	15.5%
Gross profit	467,861	405,012	15.5%	261,977	78.6%
Operating (expenses)/income	(157,817)	132,751	N/A	(79,287)	99.0%
Profit from operations	310,044	537,763	-42.3%	182,690	69.7%
Other income, net	76,961	142,666	-46.1%	101,793	-24.4%
Profit before tax	387,005	680,429	-43.1%	284,483	36.0%
Income tax (expense)/credit	(14,229)	27,673	N/A	(20,959)	-32.1%
Profit for the period	**372,776**	**708,102**	-47.4%	**263,524**	41.5%

Analysis of Revenue

Revenue Analysis			
By Geography	**3Q21**	**2Q21**	**3Q20**
Chinese Mainland and Hong Kong, China	66.7%	62.9%	69.7%
North America[(1)]	20.3%	23.3%	18.6%
Eurasia[(2)]	13.0%	13.8%	11.7%
By Service Type	**3Q21**	**2Q21**	**3Q20**
Wafers	93.9%	91.7%	85.4%
Others	6.1%	8.3%	14.6%
Wafer Revenue Analysis			
By Application	**3Q21**	**2Q21**	**3Q20**
Smart Phone	31.5%	31.6%	46.1%
Smart Home	12.5%	12.4%	20.5%
Consumer Electronics	24.1%	25.1%	17.0%
Others	31.9%	30.9%	16.4%
By Technology	**3Q21**	**2Q21**	**3Q20**
FinFET/28 nm	18.2%	14.5%	14.6%
40/45 nm	13.9%	14.9%	17.2%
55/65 nm	28.5%	29.9%	25.8%
90 nm	3.1%	3.2%	3.4%
0.11/0.13 µm	5.4%	5.9%	4.4%
0.15/0.18 µm	27.9%	28.4%	31.2%
0.25/0.35 µm	3.0%	3.2%	3.4%

Note:
(1) Presenting the revenue to those to

Capacity

- Monthly capacity increased to 593,875 8-inch equivalent wafers in 3Q21 from 561,500 8-inch equivalent wafers in 2Q21.

Shipment and Utilization

t wafers	3Q21	2Q21	QoQ	3Q20	YoY
Wafer shipments	1,719,743	1,745,194	-1.5%	1,440,531	19.4%
Utilization rate(1)	100.3%	100.4%		97.8%	

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

Detailed Financial Analysis

Gross Profit

Amounts in US$ thousands	3Q21	2Q21	QoQ	3Q20	YoY
Cost of sales	947,441	939,090	0.9%	820,528	15.5%
Depreciation and amortization	364,228	346,050	5.3%	249,415	46.0%
Other manufacturing costs	583,213	593,040	-1.7%	571,113	2.1%
Gross profit	467,861	405,012	15.5%	261,977	78.6%
Gross margin	33.1%	30.1%		24.2%	

Depreciation and Amortization

Amounts in US$ thousands	3Q21	2Q21	QoQ	3Q20	YoY
Depreciation and amortization	479,750	461,617	3.9%	351,077	36.7%

Operating Expenses/(Income)

Amounts in US$ thousands	3Q21	2Q21	QoQ	3Q20	YoY
Operating expenses/(income)	157,817	(132,751)	N/A	79,287	99.0%
Research and development expenses	167,412	143,052	17.0%	158,520	5.6%
General and administrative expenses	71,671	51,132	40.2%	56,970	25.8%
Selling and marketing expenses	7,446	6,537	13.9%	6,472	15.0%
Net impairment losses (reversal)/ recognized on financial assets	(1,088)	3	N/A	(1,835)	-40.7%
Other operating income, net	(87,624)	(333,475)	-73.7%	(140,840)	-37.8%

- Research and development expenses increased to $167.4 million in 3Q21 from $143.1 million in 2Q21. The change was mainly caused by the higher level of R&D activities in 3Q21.

- General and administrative expenses increased to $71.7 million in 3Q21 from $51.1 million in 2Q21. The change was mainly due to the increased start-up cost associated with the majority-owned Shenzhen new fab and the amortized cost of the first grant of restricted shares in 3Q21.

- The decrease in other operating income, net was mainly because the one-off net proceeds of $231.4 million from the disposal of a subsidiary in 2Q21. The income recognized in relation to government funding was $84.6 million in 3Q21, compared to $81.3 million in 2Q21.

Other Income/(Expenses), Net

Amounts in US$ thousands	**3Q21**	**2Q21**	**QoQ**	**3Q20**	**YoY**
Other income, net	76,961	142,666	-46.1%	101,793	-24.4%
Interest income	56,616	53,705	5.4%	48,842	15.9%
Finance costs	(27,097)	(34,111)	-20.6%	(17,590)	54.0%
Foreign exchange (losses)/gains	(934)	3,578	N/A	60,012	N/A
Other gains, net	18,436	18,764	-1.7%	(17,099)	N/A
Share of gain of investment accounted for using equity method	29,940	100,730	-70.3%	27,628	8.4%

- Foreign exchange (losses)/gains were mainly due to the net impact of cash flow hedging and the differences arising from currency conversion in 3Q21. 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 change in share of gain of investment accounted for using equity method was due to the decreased gain on the investments in associates in 3Q21. 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 operating profit of certain associates in 3Q21.

Liquidity

Amounts in US$ thousands	**3Q21**	**2Q21**
Inventories	1,105,443	973,004
Prepayment and prepaid operating expenses	42,972	61,140
Trade and other receivables	1,084,482	996,076
Financial assets at fair value through profit or loss	75,395	7,219
Financial assets at amortized cost	4,189,930	4,628,937
Derivative financial instruments	22,255	25,363
Restricted cash	280,971	218,564
Cash and cash equivalent	7,503,520	7,179,067
Assets classified as held-for-sale	22,165	22,755
Total current assets	**14,327,133**	**14,112,125**
Trade and other payables	1,526,429	1,423,673
Contract liabilities	789,869	783,830
Borrowings	681,726	399,358
Lease liabilities	108,459	107,797
Convertible bonds	1,968	-
Medium-term notes	231,829	232,082
Deferred government funding	290,649	230,578
Accrued liabilities	204,111	212,004
Derivative financial instruments	41,999	49,187
Current tax liabilities	11,708	5,782
Other liabilities	14,727	14,764
Total current liabilities	**3,903,474**	**3,459,055**
Cash ratio[(1)]	1.9x	2.1x
Quick ratio[(2)]	3.4x	3.8x
Current ratio[(3)]	3.7x	4.1x

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	**3Q21**	**2Q21**
Cash and cash equivalent	7,503,520	7,179,067
Restricted cash - Current	280,971	218,564
Financial assets at fair value through profit or loss - Current[1]	75,395	7,219
Financial assets at amortized cost[2]	7,830,377	8,046,641
Total cash on hand	**15,690,263**	**15,451,491**
Borrowings - Current	681,726	399,358
Borrowings - Non-current	4,649,497	4,544,524
Lease liabilities	237,103	261,764
Medium-term notes		

Recent Highlights and Announcements

- Advance Announcement on Convening Performance Meeting in 3rd Quarter of 2021 （2021-10-12）
- Notification of Board Meeting （2021-10-12）
- Grant of Options （2021-09-15）
- 2021 Interim Report （2021-09-07）
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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	
	September 30, 2021 (Unaudited)	**June 30, 2021 (Unaudited)**
Revenue	1,415,302	1,344,102
Cost of sales	(947,441)	(939,090)
Gross profit	467,861	405,012
Research and development expenses	(167,412)	(143,052)
General and administration expenses	(71,671)	(51,132)
Sales and marketing expenses	(7,446)	(6,537)
Net impairment losses reversal/(recognized) on financial assets	1,088	(3)
Other operating income, net	87,624	333,475
Operating (expenses)/income	(157,817)	132,751
Profit from operations	310,044	537,763
Other income, net	76,961	142,666
Profit before tax	387,005	680,429
Income tax (expense)/credit	(14,229)	27,673
Profit for the period	**372,776**	**708,102**
Other comprehensive income:		
Item that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	(2,023)	19,624
Cash flow hedges	7,469	(5,216)
Total comprehensive income for the period	**378,222**	**722,510**
Profit for the period attributable to:		
Owners of the Company	321,351	687,803
Non-controlling interests	51,425	20,299
	372,776	708,102
Total comprehensive income for the period attributable to:		
Owners of the Company	326,797	702,211
Non-controlling interests	51,425	20,299
	378,222	722,510
Earnings per ordinary share		
Basic	$0.04	$0.09
Diluted	$0.04	$0.09
Shares used in calculating basic earnings per share	7,901,250,802	7,900,199,330
Shares used in calculating diluted earnings per share	7,943,397,159	7,924,457,244
Reconciliations of Non-IFRS Financial Measures to Comparable IFRS Measures		
Non-IFRS operating expenses[(1)]	(236,803)	(191,699)
EBITDA[(2)]	893,852	1,176,157
EBITDA margin[(2)]	63.2%	87.5%

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.

	For the three months ended		
	September 30, 2021 (Unaudited)	**June 30, 2021 (Unaudited)**	**September 30, 2020 (Unaudited)**
Operating (expenses)/income	(157,817)	132,751	(79,287)
Employee bonus accrued	8,638	9,025	4,943
Government funding	(84,614)	(81,312)	(137,751)
Gain on disposal of subsidiaries	-	(231,382)	(904)
Gain of the disposal of machinery and equipment and living quarters	(3,010)	(20,781)	(2,186)
Non-IFRS operating expenses	(236,803)	(191,699)	(215,185)

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

	As of	
	September 30, 2021 (Unaudited)	**June 30, 2021 (Unaudited)**
ASSETS		
Non-current assets		
Property, plant and equipment	12,727,222	12,097,966
Right-of-use assets	473,629	499,677
Intangible assets	69,054	74,918
Investments in associates	1,626,714	1,590,487
Investments in joint ventures	26,933	28,232

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

	As of	
	September 30, 2021 (Unaudited)	**June 30, 2021 (Unaudited)**
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary shares	31,614	31,604
Share premium	13,835,974	13,832,049
Reserves	207,296	92,599
Retained earnings	2,426,086	2,104,735
Equity attributable to owners of the Company	16,500,970	16,060,987
Non-controlling interests	6,913,727	6,720,644
Total equity	23,414,697	22,781,631
Non-current liabilities		
Borrowings	4,649,497	4,544,524
Lease liabilities	128,644	153,967
Bonds payable	597,486	597,312
Deferred tax liabilities	19,432	17,753
Deferred government funding	525,779	596,211
Derivative financial instruments	20,876	20,284
Convertible bonds	-	1,957
Total non-current liabilities	5,941,714	5,932,008
Current liabilities		
Trade and other payables	1,526,429	1,423,673
Contract liabilities	789,869	783,830
Borrowings	681,726	399,358
Lease liabilities	108,459	107,797
Convertible bonds	1,968	-
Medium-term notes	231,829	232,082
Deferred government funding	290,649	230,578
Accrued liabilities	204,111	212,004
Derivative financial instruments	41,999	49,187
Current tax liabilities	11,708	5,782
Other liabilities	14,727	14,764
Total current liabilities	3,903,474	3,459,055
Total liabilities	9,845,188	9,391,063
TOTAL EQUITY AND LIABILITIES	**33,259,885**	**32,172,694**

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

	For the three months ended	
	September 30, 2021 (Unaudited)	**June 30, 2021 (Unaudited)**
Cash flow from operating activities:		
Profit for the period	372,776	708,102
Depreciation and amortization	479,750	461,617
Share of gain of investment accounted for using equity method	(29,940)	(100,730)
Changes in working capital and others	(263,230)	(29,645)
Net cash from operating activities	**559,356**	**1,039,344**
Cash flow from investing activities:		
Payments to acquire financial assets at fair value through profit or loss	(96,532)	(22,716)
Proceeds from sale of financial assets at fair value through profit or loss	34,635	10,760
Payments to acquire financial assets at amortized cost	(1,653,753)	(3,714,530)
Proceeds from maturity of financial assets at amortized cost	1,883,994	794,235
Payments for property, plant and equipment	(988,017)	(675,430)
Proceeds from disposal of property, plant and equipment and assets classified as held-for-sale	5,898	192,760
Payments for intangible assets	(498)	(2,616)
Proceeds from disposal of land use right	4,852	-
Proceeds from disposal of subsidiaries	-	340,222
Payments for investment of joint ventures and associates	(32,539)	(40,867)
Proceeds from disposal of joint ventures and associates	24,269	2,636
Distributions received from joint ventures and associates	1,938	134
Proceeds from release of restricted cash relating to investing activities	-	67,005
Net cash used in investing activities	**(815,753)**	**(3,048,407)**
Cash flow from financing activities:		
Proceeds from borrowings	642,718	380,648
Repayment of borrowings	(249,067)	(184,725)
Principal elements of lease payments	(26,756)	(23,581)
Proceeds from exercise of employee stock options	2,145	1,428
Proceeds from non-controlling interests capital contribution	224,890	-
Payments to settle derivative financial instruments	(8,201)	(33,605)
Net cash from financing activities	**585,729**	**140,165**
Effects of exchange rate changes on the balance of cash held in foreign currencies	(4,879)	33,473
Net increase/(decrease) in cash and cash equivalent	**324,453**	**(1,835,425)**
Cash and cash equivalent, beginning of period	7,179,067	9,014,492
Cash and cash equivalent, end of period	**7,503,520**	**7,179,067**

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

Shanghai, November 11, 2021

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

Executive Directors

GAO Yonggang (*Acting Chairman and Chief Financial Officer*)
ZHOU Zixue
ZHAO Haijun (*Co-Chief Executive Officer*)

Non-executive Directors

LU Guoqing
CHEN Shanzhi
HUANG Dengshan
REN Kai

Independent Non-executive Directors

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