Second Quarter 2022 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 1% to 3% QoQ.
- Gross margin to range from 37% to 39%.

conflicts occurring overseas have brought uncertainties to the development of the global IC industry. While the demand for consumer electronics is soft, the demand growth in new energy vehicles, display panels and industrial sectors has led to a short-term intensification of the structural shortage of semiconductor manufacturing capacity. Thanks to the company's planning and deployment to address the shortage in the market, in the past six months, the company has further strengthened close cooperation with global customers and suppliers, carried out early capacity allocation optimization and adjustment, and has orderly promoted capacity construction.

This year, the cities where some of the company's fabs are located have experienced the epidemic at different times. Facing this challenge, the company went full force to implement various preventative and control measures to guard against the epidemic, in order to build a safety barrier for employees and ensure production, making every effort to assure customer demand.

With the efforts and dedication of all employees, the first quarter revenue and gross margin maintained growth. Gross margin exceeded guidance primarily due to two reasons: first, due to the epidemic, the company postponed the scheduled maintenance of some fabs; second, the impact of the epidemic on the Tianjin and Shenzhen fabs was lower than expected.

In the second quarter, the company expects revenue to increase 1% to 3% sequentially and gross margin to be in the range of 37% to 39%, due to the deferral of annual maintenance at some fabs into the current quarter and the short-term impact of the epidemic on utilization at the Shanghai fabs.

capacity, if there is no significant material adverse change in external conditions, it is expected that our annual revenue growth rate this year will be better than the foundry industry average, and the
he year.

Here we would like to thank all employees, customers, suppliers, investors and the community for their trust and support!

Conference Call / Webcast Announcement

Date: Friday, May 13, 2022
Time: 8:30 A.M. - 9:30 A.M. (China Standard Time)

WEBCAST
The call will be webcast live at:
https://edge.media-server.com/mmc/p/2e2m8aak

CONFERENCE CALL
Please register in advance for the conference call at:
http://apac.directeventreg.com/registration/event/9846958

REPLAY
Recording will be available approximately 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 micpabilit c40.000008871 0 5

In addition to the information contained in this release, you should also consider the information contained in our oth and Shanghai Stock Exchange (SSE

Summary of First Quarter 2022 Operating Results

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

	1Q22	4Q21	QoQ	1Q21	YoY
Revenue	1,841,894	1,580,059	16.6%	1,103,649	66.9%
Cost of sales	(1,091,639)	(1,027,276)	6.3%	(853,535)	27.9%
Gross profit	750,255	552,783	35.7%	250,114	200.0%
Operating expenses	(214,284)	(132,669)	61.5%	(125,473)	70.8%
Profit from operations	535,971	420,114	27.6%	124,641	330.0%
Other income, net	38,179	211,276	-81.9%	16,859	126.5%
Profit before tax	574,150	631,390	-9.1%	141,500	305.8%
Income tax expense	(4,989)	(53,037)	-90.6%	(25,573)	-80.5%
Profit for the period	**569,161**	**578,353**	-1.6%	**115,927**	391.0%
Other comprehensive income:					
Exchange differences on translating foreign operations	1,145	23,461	-95.1%	(4,272)	N/A
Cash flow hedges	21,103	432	4,785.0%	8,541	147.1%
Total comprehensive income for the period	**591,409**	**602,246**	-1.8%	**120,196**	392.0%
Profit for the period attributable to:					
Owners of the Company	447,227	533,773	-16.2%	158,876	181.5%
Non-controlling interests	121,934	44,580	173.5%	(42,949)	N/A
Profit for the period	**569,161**	**578,353**	-1.6%	**115,927**	391.0%
Gross margin	40.7%	35.0%		22.7%	
Earnings per ordinary share[1]					
Basic	$0.06	$0.07		$0.02	
Diluted	$0.06	$0.07		$0.02	
	1,840,189	1,723,360	6.8%	1,558,893	18.0%
Capacity utilization[2]	100.4%	99.4%		98.7%	

Notes:

(1) Based on weighted average ordinary shares of 7,904 million (basic) and 7,945 million (diluted) in 1Q22, 7,904 million (basic) and 7,944 million (diluted) in 4Q21, and 7,884 million (basic) and 7,924 million (diluted) in 1Q21.

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

- Revenue was $1,841.9 million in 1Q22, an increase of 16.6% QoQ from $1,580.1 million in 4Q21. The growth was primarily attributable to product-mix change, price adjustment and shipment increase in 1Q22.

- Cost of sales was $1,091.6 million in 1Q22, compared to $1,027.3 million in 4Q21.

- Gross profit was $750.3 million in 1Q22, an increase of 35.7% QoQ from $ $552.8 million in 4Q21.

- Gross margin was 40.7% in 1Q22, compared to 35.0% in 4Q21. The fluctuation was mainly due to mainly

Analysis of Revenue

Revenue Analysis			
By Geography[1]	**1Q22**	**4Q21**	**1Q21**
Chinese Mainland and Hong Kong, China	68.4%	68.3%	55.6%
North America	19.0%	19.6%	27.7%
Europe and Asia[2]	12.6%	12.1%	16.7%
By Service Type	**1Q22**	**4Q21**	**1Q21**
Wafers	92.5%	89.5%	91.2%
Others	7.5%	10.5%	8.8%
Wafer Revenue Analysis			
By Application	**1Q22**	**4Q21**	**1Q21**
Smart Phone	28.7%	31.2%	35.2%
Smart Home	13.8%	12.7%	13.9%
Consumer Electronics	23.1%	23.7%	20.4%
Others	34.4%	32.4%	30.5%
By Size	**1Q22**	**4Q21**	**1Q21**
wafers	33.5%	35.5%	38.8%
12 s	66.5%	64.5%	61.2%

Notes:
(1) Presenting the revenue to those companies whose headquarters are in this area, but ultimately selling and shipping the products to their global customers.
(2) Excluding Chinese Mainland and Hong Kong, China.

Capacity

- Monthly capacity increased to 649,125 8-inch equivalent wafers in 1Q22 from 621,000 8-inch equivalent wafers in 4Q21.

Shipment and Utilization

	1Q22	4Q21	QoQ	1Q21	YoY
Wafer shipments	1,840,189	1,723,360	6.8%	1,558,893	18.0%
Utilization rate(1)	100.4%	99.4%		98.7%	

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

Detailed Financial Analysis

Gross Profit

Amounts in US$ thousands	1Q22	4Q21	QoQ	1Q21	YoY
Cost of sales	1,091,639	1,027,276	6.3%	853,535	27.9%
Depreciation and amortization	393,263	392,221	0.3%	279,883	40.5%
Other manufacturing costs	698,376	635,055	10.0%	573,652	21.7%
Gross profit	750,255	552,783	35.7%	250,114	200.0%
Gross margin	40.7%	35.0%		22.7%	

Depreciation and Amortization

Amounts in US$ thousands	1Q22	4Q21	QoQ	1Q21	YoY
Depreciation and amortization	533,828	508,266	5.0%	419,669	27.2%

Operating Expenses

Amounts in US$ thousands	1Q22	4Q21	QoQ	1Q21	YoY
Operating expenses	214,284	132,669	61.5%	125,473	70.8%
Research and development expenses	165,269	172,105	-4.0%	156,273	5.8%
General and administrative expenses	94,591	104,097	-9.1%	48,803	93.8%
Selling and marketing expenses	9,130	8,164	11.8%	5,495	66.2%
Impairment losses on financial assets, net	(412)	(115)	N/A	203	N/A
Other operating income	(54,294)	(151,582)	-64.2%	(85,301)	-36.4%

- The change in other operating income was mainly due to the income recognized in relation to government funding of $45.0 million in 1Q22, compared to $126.1 million in 4Q21.

Other Income, Net

Amounts in US$ thousands	**1Q22**	**4Q21**	**QoQ**	**1Q21**	**YoY**
Other income, net	38,179	211,276	-81.9%	16,859	126.5%
Interest income	51,933	59,205	-12.3%	53,509	-2.9%
Finance costs	(28,445)	(27,204)	4.6%	(21,731)	30.9%
Foreign exchange gain/(loss)	6,260	913	585.7%	(2,150)	N/A
Other (losses)/gains, net	(7,957)	41,577	N/A	2,643	N/A
Share of gain/(loss) of investment accounted for using equity method	16,388	136,785	-88.0%	(15,412)	N/A

- The change in other (losses)/gains, net in 1Q22 was primarily attributable to the change on the fair value of the investments in equity securities recognized as financial assets at fair value through profit or loss.

- The decrease in share of gain/(loss) of investment accounted for using equity method was due to the decrease in the gain on the investments in associates in 1Q22. Certain associates of the Group are investment funds with a number of investment portfolios. The change in the gain on the equity investment of associates was primarily the result of the fair value change of the portfolios.

Liquidity

Amounts in US$ thousands	**1Q22**	**4Q21**
Inventories	1,317,126	1,193,811
Prepayment and prepaid operating expenses	77,378	43,368
Trade and other receivables	1,181,926	1,215,473
Financial assets at fair value through profit or loss	322,975	78,184
Financial assets at amortized cost	6,598,723	3,838,129
Derivative financial instruments	36,570	31,371
Restricted cash	266,045	214,191
Cash and cash equivalent	6,099,908	8,581,746
Assets classified as held-for-sale	26,469	21,592
Total current assets	**15,927,120**	**15,217,865**
Trade and other payables	1,889,744	1,830,415
Contract liabilities	1,572,050	1,022,660
Borrowings	798,489	789,316
Lease liabilities	88,234	100,763
Convertible bonds	1,989	1,978
Medium-term notes	-	235,515
Deferred government funding	202,518	203,368
Accrued liabilities	173,028	234,107
Derivative financial instruments	11,978	8,848
Current tax liabilities	26,044	26,650
Total current liabilities		

Capital Structure

Amounts in US$ thousands	**1Q22**	**4Q21**
Cash and cash equivalent	6,099,908	8,581,746
Restricted cash - current	266,045	214,191
Financial assets at fair value through profit or loss - current[1]	322,975	78,184
Financial assets at amortized cost[2]	10,586,163	7,564,091
Total cash on hand	**17,275,091**	**16,438,212**
Borrowings - current	798,489	789,316
Borrowings -		

Recent Highlights and Announcements

- 2021 Annual Report (2022-04-26)
- Advance Announcement on Performance Meeting in 1st Quarter of 2022 (2022-04-13)
- Notification of Board Meeting (2022-04-13)
- Non-Exempt Connected Transactions - Proposed Grant of Restricted Share Units (2022-04-10)
- Donation of RMB10 Million to Support Shanghai to Fight the Novel Coronavirus Epidemic (2022-04-06)
- Announcement on Predicted Line of Daily Connected Transactions in 2022, Announcement on Prediction on Outward Guarantee Line in 2022 and Special Report on Deposit and Actual Usage of Raised Funds in 2021 (2022-03-30)
- Announcement on Resolutions of the Board (2022-03-30)
- 2021 Environmental, Social and Governance Report (2022-03-30)
- 2021 Audit Report (2022-03-30)
- 2021 Annual Report (2022-03-30)
- Announcement of 2021 Annual Results (2022-03-30)
- List of Directors and their Roles and Functions (2022-03-17)
- Appointment of Chairman of the Board; Resignation of Executive Director and Change of Authorised Representative (2022-03-17)
- Notification of Approval of the Publication of 2021 Annual Results by the Board (2022-03-10)
- Announcement in relation to Unaudited Financial Information for the two Months ended 28 February 2022 (2022-03-08)
- Express on Performance in 4th Quarter of 2021 (2022-02-10)
- SMIC Reports Unaudited Results for the three Months ended December 31, 2021 (2022-02-10)
- Continuing Connected Transactions in relation to the 2022 Framework Agreement with Datang Holdings (2022-02-10)
- Advance Announcement on Convening Performance Meeting of 4th Quarter of 2021 (2022-01-11)
- Notification of Board Meeting (2022-01-11)

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, 2022 (Unaudited)	**December 31, 2021 (Unaudited)**
Revenue	1,841,894	1,580,059
Cost of sales	(1,091,639)	(1,027,276)
Gross profit	750,255	552,783
Research and development expenses	(165,269)	(172,105)
General and administration expenses	(94,591)	(104,097)
Sales and marketing expenses	(9,130)	(8,164)
Impairment losses on financial assets, net	412	115
Other operating income	54,294	151,582
Operating expenses	(214,284)	(132,669)
Profit from operations	535,971	420,114
Other income, net	38,179	211,276
Profit before tax	574,150	631,390
Income tax expense	(4,989)	(53,037)
Profit for the period	**569,161**	**578,353**
Other comprehensive income:		
Items that may be reclassified		

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, 2022 (Unaudited)	**December 31, 2021 (Unaudited)**	**March 31, 2021 (Unaudited)**
Operating expenses	(214,284)	(132,669)	(125,473)
Employee bonus accrued	13,640	4,807	6,062
Government funding	(44,968)	(126,112)	(86,281)
(Gain)/loss of the disposal of machinery and equipment and living quarters	(9,326)	(25,470)	980
Non			

(2) EBITDA is defined as profit for the period excluding the impact of the finance cost, depreciation and amortization, 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

rmance. Although EBITDA is widely used by investors to
uch as finance cost, income tax credit 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 no

requirements for capital expenditures or other contractual commitments; it does not reflect changes in, or cash
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

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, 2022	**December 31, 2021**	**March 31, 2021**

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

	As of	
	March 31, 2022 (Unaudited)	**December 31, 2021 (Audited)**
ASSETS		
Non-current assets		
Property, plant and equipment	14,632,601	14,260,783
Right-of-use assets	524,939	553,729
Intangible assets	54,081	67,616
Investments in associates	1,907,790	1,859,151
Investments in joint ventures	9,439	17,639
Deferred tax assets	14,602	14,624
Financial assets at fair value through profit or loss	210,080	223,024
Financial assets at amortized cost	3,987,440	3,725,962
Derivative financial instruments	70,320	51,073
Restricted cash	117,988	117,787
Other assets	1,657	1,688
Total non-current assets	21,530,937	20,893,076
Current assets		
Inventories	1,317,126	1,193,811
Prepayment and prepaid operating expenses	77,378	43,368
Trade and other receivables	1,181,926	1,215,473
Financial assets at fair value through profit or loss	322,975	78,184

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

	As of	
	March 31, 2022 (Unaudited)	**December 31, 2021 (Audited)**
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary shares	31,626	31,615
Share premium	13,869,623	13,836,614
Reserves	350,229	321,576
Retained earnings	3,407,086	2,959,859
Equity attributable to owners of the Company	17,658,564	17,149,664
Non-controlling interests	8,659,077	8,288,479
Total equity	26,317,641	25,438,143
Non-current liabilities		
Borrowings	5,109,660	4,937,671
Lease liabilities	94,876	109,461
Bonds payable	597,839	597,663
Deferred tax liabilities	28,321	32,188
Deferred government funding	515,770	538,992
Derivative financial instruments	29,876	3,203
Total non-current liabilities	6,376,342	6,219,178

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