## Conference Call / Webcast Announcement

Date: Friday, August 6, 2021
Time: 8:30 A.M. (China Standard Time)

WEBCAST
The call will be webcast live at:
http://www.smics.com/en/site/company_financialSummary
or https://edge.media-server.com/mmc/p/s68yswyb

CONFERENCE CALL
Please register in advance for the conference call at:
http://apac.directeventreg.com/registration/event/3785105

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

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## 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; 200mm fabs in Tianjin and 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.

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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 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.

Revenue was $1,344.1 million in 2Q21, an increase of 21.8% QoQ from $1,103.6 million in 1Q21. Revenue increased mainly due to the increase in wafer shipment and average selling price in 2Q21.

Cost of sales was $939.1

## Analysis of Revenue

| Revenue Analysis | | | |
|---|---|---|---|
| **By Geography** | **2Q21** | **1Q21** | **2Q20** |
| North America[1] | 23.3% | 27.7% | 21.6% |
| Chinese Mainland and Hong Kong, China | 62.9% | 55.6% | 66.1% |
| Eurasia[2] | 13.8% | 16.7% | 12.3% |
| **By Service Type** | **2Q21** | **1Q21** | **2Q20** |
| Wafers | 91.7% | 91.2% | 90.9% |
| Others | 8.3% | 8.8% | 9.1% |
| **Wafer Revenue Analysis** | | | |
| **By Application** | **2Q21** | **1Q21** | **2Q20** |
| Smart Phone | 31.6% | 35.2% | 46.7% |
| Smart Home | 12.4% | 13.9% | 16.4% |
| Consumer Electronics | 25.1% | 20.4% | 17.2% |
| Others | 30.9% | 30.5% | 19.7% |
| **By Technology** | **2Q21** | **1Q21** | **2Q20** |
| FinFET/28 nm | 14.5% | 6.9% | 9.1% |
| 40/45 nm | 14.9% | 16.3% | 15.4% |
| 55/65 nm | 29.9% | 32.8% | 30.0% |
| 90 nm | 3.2% | 4.1% | 2.8% |
| 0.11/0.13 μm | 5.9% | 6.0% | 5.4% |
| 0.15/0.18 μm | 28.4% | 30.3% | 33.0% |
| 0.25/0.35 μm | 3.2% | 3.6% | 4.3% |

*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 Chinese Mainland and Hong Kong, China.*

## Capacity

Monthly capacity increased to 561,500 8-inch equivalent wafers in 2Q21 from 540,750 8-inch equivalent wafers in 1Q21, primarily due to the capacity expansion in 200mm fabs in 2Q21.

## Shipment and Utilization

| | 2Q21 | 1Q21 | QoQ | 2Q20 | YoY |
|---|---|---|---|---|---|
| Wafer shipments | 1,745,194 | 1,558,893 | 12.0% | 1,435,591 | 21.6% |
| Utilization rate(1) | 100.4% | 98.7% | | 98.6% | |

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

## Detailed Financial Analysis

### *Gross Profit*

| *Amounts in US$ thousands* | 2Q21 | 1Q21 | QoQ | 2Q20 | YoY |
|---|---|---|---|---|---|
| Cost of sales | 939,090 | 853,535 | 10.0% | 689,874 | 36.1% |
| Depreciation and amortization | 346,050 | 279,883 | 23.6% | 210,976 | 64.0% |
| Other manufacturing costs | 593,040 | 573,652 | 3.4% | 478,898 | 23.8% |
| Gross profit | 405,012 | 250,114 | 61.9% | 248,589 | 62.9% |
| Gross margin | 30.1% | 22.7% | | 26.5% | |

Cost of sales was $939.1 million in 2Q21, compared to $853.5 million in 1Q21. Cost of sales increased mainly due to the increase in wafer shipment in 2Q21.

### *Depreciation and Amortization*

| *Amounts in US$ thousands* | 2Q21 | 1Q21 | QoQ | 2Q20 | YoY |
|---|---|---|---|---|---|
| Depreciation and amortization | 461,617 | 419,669 | 10.0% | 305,734 | 51.0% |

### *Operating (Income) Expenses*

| *Amounts in US$ thousands* | 2Q21 | 1Q21 | QoQ | 2Q20 | YoY |
|---|---|---|---|---|---|
| Operating (income) expenses | (132,751) | 125,473 | N/A | 183,923 | N/A |
| Research and development expenses | 143,052 | 156,273 | -8.5% | 157,999 | -9.5% |
| General and administrative expenses | 51,132 | 48,803 | 4.8% | 59,381 | -13.9% |
| Selling and marketing expenses | 6,537 | 5,495 | 19.0% | 5,072 | 28.9% |
| Net impairment losses recognized on financial assets | 3 | 203 | -98.5% | 1,924 | -99.8% |
| Other operating income, net | (333,475) | (85,301) | 290.9% | (40,453) | 724.4% |

Research and development expenses decreased by 8.5% to $143.1 million in 2Q21, compared to $156.3 million in 1Q21. The change was mainly caused by the decrease of R&D activities in 2Q21.

The change in other operating income, net was mainly due to the net proceeds of $231.4 million from the disposal of a subsidiary in 2Q21. The income recognized in relation to government funding was $81.3 million in 2Q21, compared to $86.3 million in 1Q21.

### *Capital Structure*

| *Amounts in US$ thousands* | **2Q21** | **1Q21** |
|---|---|---|
| Cash and cash equivalent | 7,179,067 | 9,014,492 |
| Restricted cash - Current | 218,564 | 308,356 |
| Financial assets at fair value through profit or loss - Current[1] | 7,219 | 2,821 |
| Financial assets at amortized cost[2] | 8,046,641 | 5,002,770 |
| **Total cash on hand** | **15,451,491** | **14,328,439** |
| | | |
| Borrowings - Current | 399,358 | 464,723 |
| Borrowings - Non-current | 4,544,524 | 4,288,825 |
| Lease liabilities | 261,764 | 221,563 |
| Medium-term notes | 232,082 | 228,198 |
| Convertible bonds | 1,957 | 1,947 |
| Bonds payable | 597,312 | 597,138 |
| **Total debt** | **6,036,997** | **5,802,394** |
| | | |
| Net debt[3] | (9,414,494) | (8,526,045) |
| Equity | 22,781,631 | 22,185,247 |
| Total debt to equity ratio[4] | 26.5% | 26.2% |
| Net debt to equity ratio[5] | -41.3% | -38.4% |

*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* | **2Q21** | **1Q21** |
|---|---|---|
| Net cash from operating activities | 1,039,344 | 463,637 |
| Net cash used in investing activities | (3,048,407) | (1,055,939) |
| Net cash from financing activities | 140,165 | (215,873) |
| Effect of exchange rate changes | 33,473 | (3,870) |
| Net change in cash and cash equivalent | (1,835,425) | (812,045) |

## Capex Summary

Capital expenditures were $770.8 million in 2Q21, compared to $534.1 million in 1Q21.

The planned 2021 capital expenditures are approximately $4.3 billion, the majority of which is for mature technology capacity expansion, and the remaining is for advanced technology, the infrastructure of the new Beijing joint-venture project and others.

## Recent Highlights and Announcements

2020 Corporate Social Responsibility Report 2021-07-26

Announcement on Adjusting Relevant Issues of Restricted Shares Incentive Plan of 2021 on Science and Technology Innovation Board and Announcement on Initially Granting Restricted Shares to Incentive Objects 2021-07-20

Announcement on Listing and Floating of Shares with Sales Limit in Strategic Allotment of Initial Public Offering 2021-07-08

Advance Announcement on Performance Press in Second Quarter of 2021 2021-07-06

Notification of Board Meeting 2021-07-06

Announcement on Resignation of Core Technician 2021-07-05

Poll Results of the 2021 First Extraordinary General Meeting Held on 25 June 2021 2021-06-25

Poll Results of the Annual General Meeting Held on 25 June 2021 and Change of Auditors 2021-06-25

Closure of Register of Members 2021-06-07

Form Of Proxy For Use At The 2021 First Extraordinary General Meeting To Be Held On 25 June 2021 2021-06-07

Notice of the 2021 First Extraordinary General Meeting 2021-06-07

Circular-(1) Proposed Adoption of the 2021 Star Market Restricted Share Incentive Scheme (2) Proposed Issue of New RMB Shares under the 2021 Star Market Restricted Share Incentive Scheme pursuant to Specific Mandate (3) Connected Transaction - Proposed Issue of New RMB Shares to Connected Persons under the 2021 Star Market Restricted Share Incentive Scheme pursuant to Specific Mandate and (4) Notice of the 2021 First Extraordinary General Meeting 2021-06-07

Grant of Share Options and (2) Non-Exempt Connected Transactions - Proposed Grant of Restricted Share Units 2021-06-01

Grant of Options 2021-06-01

Closure of Register of Members 2021-05-25

Notice of Annual General Meeting 2021-05-25

Form of Proxy for use at the Annual General Meeting to be Held on 25 June 2021 2021-05-25

Circular-(1) Re-election of Directors (2) Proposed General Mandate to Issue and Repurchase Shares (3) Proposed Appointment of Auditors (4) Proposal on Distribution for the Year 2020 and (5) Notice of Annual General Meeting 2021-05-25

Proposed Adoption Of The 2021 Restricted Share Incentive Scheme (2) Proposed Issue Of New Rmb Shares Under The Restricted Share Incentive Scheme Pursuant To Specific Mandate (3) Connected Transaction - Proposed Issue Of New RMB Shares to Connected Persons under the Restricted Share Incentive Scheme pursuant to Specific Mandate and (4) Inside Information 2021-05-19

Announcement on Re-election of Directors 2021-05-13

Compensation Committee Charter 2021-05-13

Proposed Change of Auditors 2021-05-13

SMIC Reports Unaudited Results for the Three Months ended March 31,2021 2021-05-13

List of Directors and their Roles and Functions 2021-05-13

Resignation of Non-executive Director and Member of Compensation Committee Appointment of Non-executive Director, Member of Compensation Committee and Member of Nomination Committee 2021-05-13

List of Directors and their Roles and Functions 2021-04-30

Announcement on Resignation of Non-executive Director 2021-04-30

2020 Annual Report 2021-04-27

Discloseable Transaction Disposal of Subsidiary 2021-04-22

Advance Announcement on Performance Press in First Quarter of 2021 2021-04-16

Notification of Board Meeting 2021-04-16

*http://www.smics.com/en/site/news and*
*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)

| | For the three months ended | |
|---|---|---|
| | **June 30, 2021 (Unaudited)** | **March 31, 2021 (Unaudited)** |
| Revenue | 1,344,102 | 1,103,649 |
| Cost of sales | (939,090) | (853,535) |
| Gross profit | 405,012 | |

*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 uW* n t3o operati.,bI