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

Third Quarter 2023 Guidance

The Company expects (in accordance with IFRS):

- Revenue to increase by 3% to 5% QoQ.
- Gross margin to range from 18% to 20%.

The Management Comments

In the second quarter of 2023, the Company's revenue increased by 6.7% sequentially to $1.56 billion, and gross margin declined 0.5 percentage points to 20.3%. The capacity demand of 12-inch were relatively full, while the customer demand of 8-inch were weak. The utilization rate for 8-inch was lower than 12-inch, but still better than the industry average.

Third quarter's revenue is expected to grow by 3%-5% sequentially, and gross margin is expected to be in the range of 18%-20%. Shipments are expected to continue to increase in the third quarter, meanwhile, the depreciation will also continue to increase. The Company's revenue in the second half of the year is expected to be better than that in the first half.

We will continue to strengthen our technology R&D and platform development, verify new products quickly, arrange the supporting capacity as soon as possible, and fully prepare for the next round of growth cycle.

Conference Call / Webcast Announcement

Date: Friday, August 11, 2023
Time: 8:30 A.M. - 9:30 A.M.

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

CONFERENCE CALL
Please register in advance for the conference call at:
https://register.vevent.com/register/BI3f07d2f157614c628c463c26f4cea116

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

About SMIC

Semiconductor Manufacturing International Corporation (SEHK: 00981; SSE STAR MARKET: 688981) and its subsidiaries is one of the leading foundries in the world and is the front runner in manufacturing capability, manufacturing scale, and comprehensive service in the Chinese Mainland. SMIC Group provides semiconductor foundry and technology services to global customers on 0.35 micron to FinFET process node technologies. Headquartered in Shanghai, China, SMIC Group has an international manufacturing and service base, with three 8-inch wafer fabrication facilities ("fabs") and four 12-inch fabs in Shanghai, Beijing, Tianjin and Shenzhen, and three 12-inch fabs under construction in Shanghai, Beijing and Tianjin. SMIC Group also has marketing and customer service offices in the U.S., Europe, Japan, and Taiwan, China, and a representative office in Hong Kong, China.

For more information, please visit www.smics.com.

Forward-Looking Statements

This release contains, in addition to historical information, forward-looking statements. These forward-looking statements are based on SMIC's current assumptions, expectations, beliefs, plans, objectives, and projections about future events or performance. SMIC uses words including but not limited to "believe", "anticipate", "intend", "estimate", "expect", "project", "target", "going forward", "continue", "ought to", "may", "seek", "should", "plan", "could", "vision", "goal", "aim", "aspire", "objective", "schedule", "outlook" and other similar expressions to identify forward looking statements. These forward-looking statements are estimates made by SMIC's senior management based on their best judgment and involve significant risks, both known and unknown, uncertainties and other factors that may cause SMIC's actual performance, financial condition or results of operations to be materially different from those suggested by the forward-looking statements including, among others, risks associated with cyclicality and market conditions in the semiconductor industry, intense competition in the semiconductor industry, timely wafer acceptance by SMIC's customers, timely introduction of new technologies, SMIC's ability to ramp new products into volume, supply and demand for semiconductor foundry services, shortages in equipment, parts, raw materials, software and their service supports, orders or judgments from pending litigation, intellectual property litigation in the semiconductor industry, general economic conditions, fluctuations in currency exchange rates and the risk of geopolitics.

Summary of Second Quarter 2023 Operating Results

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

	2Q23	1Q23	QoQ	2Q22	YoY

Analysis of Revenue

Revenue Analysis			
By Geography[1]	**2Q23**	**1Q23**	**2Q22**
China	79.6%	75.5%	76.7%
America	17.6%	19.6%	18.9%
Eurasia	2.8%	4.9%	4.4%
By Service Type	**2Q23**	**1Q23**	**2Q22**
Wafers	90.5%	92.1%	94.1%
Others	9.5%	7.9%	5.9%
Wafer Revenue Analysis			
By Application	**2Q23**	**1Q23**	**2Q22**
Smart Phone	26.8%	23.5%	25.4%
Internet of Things	11.9%	16.6%	18.1%
Consumer Electronics	26.5%	26.7%	28.6%
Others	34.8%	33.2%	27.9%
By Size	**2Q23**	**1Q23**	**2Q22**
8" wafers	25.3%	28.1%	31.7%
12" wafers	74.7%	71.9%	68.3%

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

Capacity

- Monthly capacity increased to 754,250 8'' equivalent wafers in 2Q23 from 732,250 8'' equivalent wafers in 1Q23.

Shipment and Utilization

	2Q23	1Q23	QoQ	2Q22	YoY
Wafer shipments	1,403,121	1,251,715	12.1%	1,886,530	-25.6%
Utilization rate[1]	78.3%	68.1%		97.1%	

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

Capex Summary

- Capital expenditure was $ 1,731.5 million in 2Q23, compared to $1,258.6 million in 1Q23.

Detailed Financial Analysis

Gross Profit

Amounts in US$ thousands	**2Q23**	**1Q23**	**QoQ**	**2Q22**	**YoY**
Cost of sales	1,243,896	1,157,619	7.5%	1,152,676	7.9%
Depreciation and amortisation	526,817	476,454	10.6%	415,142	26.9%
Other manufacturing costs	717,079	681,165	5.3%	737,534	-2.8%
Gross profit	316,500	304,669	3.9%	750,488	-57.8%
Gross margin	20.3%	20.8%		39.4%	

Depreciation and Amortisation

Amounts in US$ thousands	**2Q23**	**1Q23**	**QoQ**	**2Q22**	**YoY**
Depreciation and amortisation	656,452	631,497	4.0%	557,339	17.8%

Operating Expenses/(Income)

Amounts in US$ thousands	**2Q23**	**1Q23**	**QoQ**	**2Q22**	**YoY**
Operating expenses	236,702	221,386	6.9%	211,045	12.2%
Research and development expenses	177,633	167,668	5.9%	187,484	-5.3%
General and administrative expenses	106,436	99,877	6.6%	119,130	-10.7%
Selling and marketing expenses	9,307	8,053	15.6%	9,497	-2.0%
Impairment losses on financial assets, net	(414)	644	N/A	313	N/A
Other operating income	(56,260)	(54,856)	2.6%	(105,379)	-46.6%

- Research and development expenses increased to $177.6 million in 2Q23 from $167.7 million in 1Q23. The change was primarily due to an increase in R&D activities in 2Q23.

- General and administrative expenses increased to $106.4 million in 2Q23 from $99.9 million in 1Q23. The change was mainly due to the increased start-up cost associated with the new fabs in 2Q23.

Other Income, Net

Amounts in US$ thousands	**2Q23**	**1Q23**	**QoQ**	**2Q22**	**YoY**
Other income, net	415,946	192,627	115.9%	96,804	329.7%
Interest income	192,612	179,347	7.4%	74,688	157.9%
Finance costs	(48,384)	(44,003)	10.0%	(26,407)	83.2%
Foreign exchange (loss)/gain	(4,744)	2,104	N/A	7,009	N/A
Other gains, net	242,597	24,612	885.7%	6,691	3,525.7%
Share of profits and losses of joint venture and associates	33,865	30,567	10.8%	34,823	-2.8%

- The change in other gains, net in 2Q23 was primarily caused by the change in the fair value of the investments in securities recognised as financial assets at fair value through profit or loss, and the passive dilution gain caused by the change in equity in an associate.

EBITDA

Amounts in US$ thousands	**2Q23**	**1Q23**	**2Q22**
Profit for the period	464,171	267,120	629,073
Finance costs	48,384	44,003	26,407
Depreciation and amortisation	656,452	631,497	557,339
Income tax expense	31,573	8,790	7,174
EBITDA	**1,200,580**	**951,410**	**1,219,993**
Profit margin	**29.7%**	**18.3%**	**33.1%**
EBITDA margin	**76.9%**	**65.1%**	**64.1%**

Liquidity

Amounts in US$ thousands	**2Q23**	**1Q23**
Inventories	2,345,303	2,115,572
Prepayment and prepaid operating expenses	106,718	117,955
Trade and other receivables	1,044,726	1,114,978
Financial assets at fair value through profit or loss	102,571	405,426
Financial assets at amortised cost	4,491,898	4,087,495
Derivative financial instruments	124,097	29,020
Restricted cash	388,837	512,687
Cash and cash equivalents	7,559,268	8,703,465
Assets classified as held-for-sale	22,030	22,030
Total current assets	**16,185,448**	**17,108,628**
Trade and other payables	3,176,360	3,106,847
Contract liabilities	2,007,618	2,082,915
Borrowings	2,327,861	1,787,053
Lease liabilities	38,920	45,247
Deferred government funding	190,075	136,831
Accrued liabilities	281,755	255,529
Derivative financial instruments	105,501	54,364
Current tax liabilities	19,676	5,078
Total current liabilities	**8,147,766**	**7,473,864**
Cash ratio(1)	0.9	1.2
Quick ratio(2)	1.7	2.0
Current ratio(3)	2.0	2.3

Notes:
(1) Cash and cash equivalent divided by total current liabilities.
(2) Current assets excluding inventories divided by total current liabilities.
(3) Total current assets divided by total current liabilities.

Capital Structure

Amounts in US$ thousands	**2Q23**	**1Q23**
Cash and cash equivalents	7,559,268	8,703,465
Restricted cash	388,837	512,687
Financial assets at fair value through profit or loss - current[(1)]	102,571	405,426
Financial assets at amortised cost[(2)]	10,287,903	9,632,629
Total cash on hand	**18,338,579**	**19,254,207**
Borrowings - current	2,327,861	1,787,053
Borrowings - non-current	6,653,113	6,872,271
Lease liabilities	81,601	94,924
Bonds payable	598,744	598,561
Total debt	**9,661,319**	**9,352,809**

Recent Highlights and Announcements

- Announcement on Meeting Vesting Conditions in 2nd Vesting Period of Initially Granted Part and 1st Vesting Period of Reserved Granted Part under 2021 STAR Market Restricted Shares Incentive Scheme, Announcement on Canceling Some Restricted Share under 2021 STAR Market Restricted Share Incentive Scheme （2023-7-21）
- List of Directors and their Roles and Functions （2023-7-17）
- Resignation of Chairman of the Board and Executive Director, Appointment of Chairman of the Board and Change of Authorised Representative（2023-7-17）
- Advance Announcement on Performance Meeting in 2nd Quarter of 2023 （2023-7-11）
- Notification of Board Meeting （2023-7-11）
- Policy Governing the Procedures for the Holding of Board Meetings and Policy Governing the Procedures for the Holding of General Meetings（2023-6-28）
- Amended and Restated Memorandum and Articles of Association （2023-6-28）
- Poll Results of the Annual General Meeting held on 28 June 2023 （2023-6-28）
- Closure of Register of Members （2023-6-1）
- Form of Proxy for Use at the Annual General Meeting to be held on 28 June 2023 （2023-6-1）
- Notice of Annual General Meeting （2023-6-1）
- Circular of the Annual General Meeting to be held on 28 June 2023 （2023-6-1）
- Amendments of Memorandum and Articles of Association of the Company （2023-5-11）
- SMIC Reports Unaudited Results for the Three Months Ended March 31, 2023 （2023-5-11）
- List of Directors and their Roles and Functions （2023-5-11）
- Resignation of Non-executive Director and Appointment of Executive Director （2023-5-11）
- 2022 Annual Report （2023-4-20）
- Advance Announcement on Performance Meeting in 1st Quarter of 2023 （2023-4-13）
- Notification of Board Meeting （2023-4-12）
- Connected Transaction RSU Grant （2023-4-2）

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)

	For the three months ended	
	June 30, 2023 (Unaudited)	**March 31, 2023 (Unaudited)**
Revenue	1,560,396	1,462,288
Cost of sales	(1,243,896)	(1,157,619)
Gross profit	316,500	304,669
Research and development expenses	(177,633)	(167,668)
Selling and marketing expenses	(9,307)	(8,053)
General and administration expenses	(106,436)	(99,877)
Impairment losses on financial assets, net	414	(644)
Other operating income	56,260	54,856
Operating expenses	(236,702)	(221,386)
Profit from operations	79,798	83,283
Other income, net	415,946	192,627
Profit before tax	495,744	275,910
Income tax expense	(31,573)	(8,790)
Profit for the period	**464,171**	**267,120**
Other comprehensive income:		
Items that may be reclassified to profit or loss in subsequent periods		
Exchange differences on translating foreign operations	(90,148)	18,635
Cash flow hedges	(12,037)	(23,159)
Total comprehensive income for the period	**361,986**	**262,596**
Profit for the period attributable to:		
Owners of the Company	402,762	231,102
Non-controlling interests	61,409	36,018
	464,171	267,120
Total comprehensive income for the period attributable to:		
Owners of the Company	300,577	226,578
Non-controlling interests	61,409	36,018
	361,986	262,596

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

	As of	
	June 30, 2023 (Unaudited)	**March 31, 2023 (Unaudited)**
ASSETS		
Non-current assets		
Property, plant and equipment	20,593,730	

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

	As of	
	June 30, 2023 (Unaudited)	**March 31, 2023 (Unaudited)**
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary shares	31,704	31,673
Share premium	13,989,821	13,973,757
Other reserves	307,265	389,605
Retained earnings		

0 61

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

	For the three months ended	
	June 30, 2023	**March 31, 2023**
	(Unaudited)	**(Unaudited)**
Operating activities:		
Profit for the period	464,171	267,120
Depreciation and amortisation	656,452	631,497
Share of profits and losses of joint venture and associates	(33,865)	(30,567)
Other gains, net	(242,597)	(24,612)
Changes in working capital and others	(47,976)	(41,918)
Net cash generated from operating activities	**796,185**	**801,520**
Investing activities:		
Payments to acquire financial assets at fair value through profit or loss	(368,751)	(674,719)
Proceeds from sale of financial assets at fair value through profit or loss	385,684	633,959
Payments to acquire financial assets at amortised cost	(3,126,449)	(1,013,049)
Proceeds from maturity of financial assets at amortised cost	2,440,088	2,349,039
Payments for property, plant and equipment	(1,732,373)	(1,327,401)
Proceeds from disposal of property, plant and equipment and assets classified as held-for-sale	5	105
Payments for intangible assets	(60)	(517)
Payments for land-use right	-	(275)
Capital injection in associates	(60,681)	(49,371)
Proceeds from sale of equity interests in joint venture and associates	78,378	22,109
Distributions received from joint venture and associates	177	284
Proceeds from settlement of derivative financial instruments	35,903	82,447
Net cash (used in)/generated from investing activities	**(2,348,079)**	**22,611**
Financing activities:		
Proceeds from borrowings	922,219	1,736,738
Repayments of borrowings	(212,788)	(1,129,819)
Principal elements of lease payments	(14,685)	(14,512)
Proceeds from issue of shares under stock incentive plans	6,323	2,547
Capital injection from non-controlling interests	-	331,420
Proceeds from/(payments for) settlement of derivative financial instruments	2,857	(5,510)
Net cash generated from financing activities	**703,926**	**920,864**
Effects of exchange rate changes on the balance of cash held in foreign currencies	(296,229)	25,883
Net (decrease)/increase in cash and cash equivalents	(1,144,197)	1,770,878
Cash and cash equivalents, beginning of the period	8,703,465	6,932,587
Cash and cash equivalents, end of the period	**7,559,268**	**8,703,465**

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

Shanghai, August 10, 2023

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

Executive Director

LIU Xunfeng

Non-executive Directors

LU Guoqing

CHEN Shanzhi

YANG Lumin

Independent Non-executive Directors

LAU Lawrence Juen-Yee

FAN Ren Da Anthony

LIU Ming

WU Hanming