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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, 2024

The consolidated financial information is prepared and presented in accordance with International Financial Reporting Standards ("IFRSs"), unless otherwise stated below.

- Revenue was \$2,207.3 million in 4Q24, compared to \$2,171.2 million in 3Q24, and \$1,678.3 million in 4Q23.
- Gross profit was \$499.0 million in 4Q24, compared to \$444.2 million in 3Q24, and \$275.0 million in 4Q23.
- Gross margin was 22.6% in 4Q24, compared to 20.5% in 3Q24 and 16.4% in 4Q23.
- Unaudited revenue was \$8,029.9 million in 2024, compared to \$6,321.6 million in 2023.
- Unaudited profit attributable to owners of the Company was \$492.7 million in 2024, a decrease of 45.4% from \$902.5 million in 2023, mainly due to the decrease of investment income and financial income.

Set out below is a copy of the full text of the release by the Company and its subsidiaries (the "Group") on February 11, 2025, in relation to its unaudited results for the three months ended December 31, 2024.

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

Shanghai, China – February 11, 2025 – Semiconductor Manufacturing International Corporation (SEHK: 00981; SSE STAR MARKET: 688981) ("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, 2024.

* For identification purposes only

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

First Quarter 2025 Guidance

The Company expects (in accordance with IFRSs):

- Revenue to increase by 6% to 8% QoQ.
- Gross margin to range from 19% to 21%.

The Management Comments

The Company's revenue in the fourth quarter increased by 1.7% sequentially to exceed \$2.2 billion. Gross margin increased by 2.1 percentage points sequentially to 22.6%.

According to the unaudited financial results, the Company's revenue in 2024 increased by 27% year-over-year to \$8.03 billion, and gross margin was 18%. The Company's capital expenditure in 2024 was \$7.33 billion. Monthly capacity was 948 thousand standard logic 8-inch equivalent wafers by the end of the year. Total wafer shipment exceeded 8 million and annualized capacity utilization rate was 85.6%.

The Company's first quarter guidance is as follows: revenue is expected to grow 6% to 8% sequentially, and the gross margin is expected to be in the range of 19% to 21%.

Based on the premise that there are no significant changes in the external environment, the Company's guidance for the year 2025 is: the revenue growth is expected to be higher than industry average in the same markets. The capital expenditure is expected to maintain roughly flat compared to that of previous year.

Conference Call / Webcast Announcement

Date: Wednesday, February 12, 2025

Time: 8:30 A.M. - 9:30 A.M.

WEBCAST

The call will be webcast live at:

<https://edge.media-server.com/mmc/p/ibhnk4ps>

CONFERENCE CALL

Please register in advance for the conference call at:

<https://register.vevent.com/register/Blb8860a75a7634636b8d789d5bc063b86>

REPLAY

Recording will be available 1 hour after the event and it will be archived for 12 months.

https://www.smics.com/tc/site/company_financialSummary

About SMIC

Semiconductor Manufacturing International Corporation (SEHK: 00981; SSE STAR MARKET: 688981) 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 8-inch and 12-inch wafers. Headquartered in Shanghai, China, SMIC Group has an international manufacturing and service base, with 8-inch and 12-inch wafer fabrication facilities in Shanghai, Beijing, Tianjin and Shenzhen. SMIC Group also has marketing and customer service offices in the U.S., Europe, Japan, and Taiwan, China.

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

Forward-Looking Statements

This release may contain, 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 cyclicalities 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 service supports, orders or judgments from pending litigation, common intellectual property litigation in the semiconductor industry, macro-economic conditions, fluctuations in currency exchange rates and the risk of geopolitics.

Summary of Fourth Quarter 2024 Operating Results

Amounts in US\$ thousands, except for earnings per share

	4Q24	3Q24	QoQ	4Q23	YoY
Revenue	2,207,281	2,171,188	1.7%	1,678,299	31.5%
Cost of sales	(1,708,270)	(1,727,028)	-1.1%	(1,403,344)	21.7%
Gross profit	499,011	444,160	12.3%	274,955	81.5%
Operating expenses	(284,544)	(274,273)	3.7%	(167,677)	69.7%
Profit from operations	214,467	169,887	26.2%	107,278	99.9%
Other income, net	140,791	72,985	92.9%	140,703	0.1%
Profit before tax	355,258	242,872	46.3%	247,981	43.3%
Income tax expense	(84,312)	(19,602)	330.1%	(10,713)	687.0%
Profit for the period	270,946	223,270	21.4%	237,268	14.2%
Profit for the period attributable to:					
Owners of the Company	107,587	148,800	-27.7%	174,678	-38.4%
Non-controlling interests	163,359	74,470	119.4%	62,590	161.0%
Profit for the period	270,946	223,270	21.4%	237,268	14.2%
Gross margin	22.6%	20.5%		16.4%	
Earnings per share ⁽¹⁾					
Basic	\$0.01	\$0.02		\$0.02	
Diluted	\$0.01	\$0.02		\$0.02	

Note:

(1) Based on weighted average ordinary shares of 7,975 million (basic) and 7,998 million (diluted) in 4Q24, 7,960 million (basic) and 7,981 million (diluted) in 3Q24, and 7,946 million (basic) and 7,968 million (diluted) in 4Q23.

- Revenue was \$2,207.3 million in 4Q24, an increase of 1.7% QoQ from \$2,171.2 million in 3Q24.
- Cost of sales was \$1,708.3 million in 4Q24, compared to \$1,727.0 million in 3Q24.
- Gross profit was \$499.0 million in 4Q24, compared to \$444.2 million in 3Q24.
- Gross margin was 22.6% in 4Q24, compared to 20.5% in 3Q24.
- Operating expenses were \$284.5 million in 4Q24, compared to \$274.3 million in 3Q24. The change was mainly due to the reasons stated in Operating Expenses below.
- Other income, net was \$140.8 million gain in 4Q24, compared to \$73.0 million gain in 3Q24. The change was mainly due to the reasons stated in Other Income, Net below.

Analysis of Revenue

Revenue Analysis			
By Geography	4Q24	3Q24	4Q23
China	89.1%	86.4%	80.8%
America	8.9%	10.6%	15.7%
Eurasia	2.0%	3.0%	3.5%
By Service Type	4Q24	3Q24	4Q23
Wafers	92.5%	94.4%	92.9%
Others	7.5%	5.6%	7.1%
Wafer Revenue Analysis			
By Application	4Q24	3Q24	4Q23
Smartphone	24.2%	24.9%	30.2%
Computer and Tablet	19.1%	16.4%	30.6%
Consumer Electronics	40.2%	42.6%	22.8%
Connectivity and IoT	8.3%	8.2%	8.8%
Industrial and Automotive	8.2%	7.9%	7.6%
By Size	4Q24	3Q24	4Q23
8" wafers	19.4%	21.5%	25.8%
12" wafers	80.6%	78.5%	74.2%

Capacity

- Monthly capacity increased to 947,625 standard logic 8-inch equivalent wafers for the ended 4Q24 from 884,250 standard logic 8-inch equivalent wafers for the ended 3Q24.

Shipment and Utilization

	4Q24	3Q24	QoQ	4Q23	YoY
Wafer shipments ⁽¹⁾	1,991,761	2,122,266	-6.1%	1,675,002	18.9%
Utilization rate ⁽²⁾	85.5%	90.4%		76.8%	

Notes:

(1) Based on standard logic 8-inch equivalent

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

Capex Summary

- Capital expenditure was \$1,660.1 million in 4Q24, compared to \$1,178.8 million in 3Q24. The total capital expenditure in 2024 was \$7.33 billion.

Detailed Financial Analysis

Gross Profit

<i>Amounts in US\$ thousands</i>	4Q24	3Q24	QoQ	4Q23	YoY
Cost of sales	1,708,270	1,727,028	-1.1%	1,403,344	21.7%
Depreciation and amortisation	788,055	686,719	14.8%	602,245	30.9%
Other manufacturing costs	920,215	1,040,309	-11.5%	801,099	14.9%
Gross profit	499,011	444,160	12.3%	274,955	81.5%
Gross margin	22.6%	20.5%		16.4%	

Depreciation and Amortisation

<i>Amounts in US\$ thousands</i>	4Q24	3Q24	QoQ	4Q23	YoY
Depreciation and amortisation	849,263	831,097	2.2%	700,034	21.3%

Operating Expenses

<i>Amounts in US\$ thousands</i>	4Q24	3Q24	QoQ	4Q23	YoY
Operating expenses	284,544	274,273	3.7%	167,677	69.7%
Research and development expenses	217,035	179,386	21.0%	189,138	14.7%
General and administrative expenses	166,851	136,182	22.5%	147,821	12.9%
Selling and marketing expenses	11,466	9,601	19.4%	9,348	22.7%
Impairment losses on financial assets, net	(502)	620	N/A	(990)	-49.3%
Other operating income	(110,306)	(51,516)	114.1%	(177,640)	-37.9%

- General and administrative expenses increased to \$166.9 million in 4Q24 from \$136.2 million in 3Q24. The change was mainly due to the increase in new fab start-up costs in 4Q24.

Other Income, Net

<i>Amounts in US\$ thousands</i>	4Q24	3Q24	QoQ	4Q23	YoY
Other income, net	140,791	72,985	92.9%	140,703	0.1%
Interest income	107,850	131,868	-18.2%	176,919	-39.0%
Finance costs	(75,342)	(83,302)	-9.6%	(62,905)	19.8%
Foreign exchange gain/(loss)	4,215	(2,065)	N/A	7,255	-41.9%
Other gains/(losses), net	97,363	(2,927)	N/A	7,203	1,251.7%
Share of gain of associates and a joint venture	6,705	29,411	-77.2%	12,231	-45.2%

The change in other gains/(losses), net in 4Q24 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 gain on disposal of an associate.

EBITDA

<i>Amounts in US\$ thousands</i>	4Q24	3Q24	4Q23
Profit for the period	270,946	223,270	237,268
Finance costs	75,342	83,302	62,905
Depreciation and amortisation	849,263	831,097	700,034
Income tax expense	84,312	19,602	10,713
EBITDA	1,279,863	1,157,271	1,010,920
Profit margin	12.3%	10.3%	14.1%
EBITDA margin	58.0%	53.3%	60.2%

Liquidity

<i>Amounts in US\$ thousands</i>	4Q24	3Q24
Inventories	2,958,350	2,877,125
Prepayment and prepaid operating expenses	56,394	78,827
Trade and other receivables	840,153	938,800
Financial assets at fair value through profit or loss	272,257	232,983
Financial assets at amortised cost	4,206,926	2,869,070
Derivative financial instruments	66,054	70,518
Restricted cash	-	285,876
Cash and cash equivalents	6,364,189	3,651,385
Assets classified as held-for-sale	19,392	22,030
Total current assets	14,783,715	11,026,614
Trade and other payables	3,278,966	3,351,346
Contract liabilities	1,185,932	1,019,979
Borrowings	2,926,311	1,436,334
Lease liabilities	18,529	23,168
Bonds payable	605,258	601,027
Deferred government funding	198,645	157,027
Accrued liabilities	363,353	353,592
Derivative financial instruments	97,865	73,020
Current tax liabilities	84,828	12,376
Total current liabilities	8,759,687	7,027,869
Cash ratio ⁽¹⁾	0.7	0.5
Quick ratio ⁽²⁾	1.3	1.2
Current ratio ⁽³⁾	1.7	1.6

Notes:

(1) Cash and cash equivalents 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

<i>Amounts in US\$ thousands</i>	4Q24	3Q24
Cash and cash equivalents	6,364,189	3,651,385
Restricted cash	372,514	379,314
Financial assets at fair value through profit or loss - current ⁽¹⁾	272,257	232,983
Financial assets at amortised cost ⁽²⁾	7,954,060	8,368,227
Total cash on hand	14,963,020	12,631,909
Borrowings - current	2,926,311	1,436,334
Borrowings - non-current	8,038,148	8,322,826
Lease liabilities	26,280	34,387
Bonds payable	605,258	601,027
Total debt	11,595,997	10,394,574
Net debt ⁽³⁾	(3,367,023)	(2,237,335)
Equity	31,869,658	31,426,011
Debt to equity ratio ⁽⁴⁾	36.4%	33.1%
Net debt to equity ratio ⁽⁵⁾	-10.6%	-7.1%

Notes:

(1) Mainly contain structural deposits and monetary funds.

(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

<i>Amounts in US\$ thousands</i>	4Q24	3Q24
Net cash generated from operating activities	1,449,842	1,236,416
Net cash used in investing activities	(207,300)	(1,345,115)
Net cash generated from/(used in) financing activities	1,614,792	(97,009)
Effect of exchange rate changes	(144,530)	162,816
Net increase/(decrease) in cash and cash equivalents	2,712,804	(42,892)

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

	For the three months ended	
	December 31, 2024 (Unaudited)	September 30, 2024 (Unaudited)
Revenue	2,207,281	2,171,188
Cost of sales	(1,708,270)	(1,727,028)
Gross profit	499,011	444,160
Research and development expenses	(217,035)	(179,386)
Selling and marketing expenses	(11,466)	(9,601)
General and administration expenses	(166,851)	(136,182)
Impairment losses on financial assets, net	502	(620)
Other operating income	110,306	51,516
Operating expenses	(284,544)	(274,273)
Profit from operations	214,467	169,887
Other income, net	140,791	72,985
Profit before tax	355,258	242,872
Income tax expense	(84,312)	(19,602)
Profit for the period	270,946	223,270
Other comprehensive income:		
<i>Items that may be reclassified to profit or loss in subsequent periods</i>		
Exchange differences on translating foreign operations	(26,897)	31,479
Cash flow hedges	(103,537)	146,558
Total comprehensive income for the period	140,512	401,307
Profit for the period attributable to:		
Owners of the Company	107,587	148,800
Non-controlling interests	163,359	74,470
	270,946	223,270
Total comprehensive income for the period attributable to:		
Owners of the Company	(22,683)	326,735
Non-controlling interests	163,195	74,572
	140,512	401,307

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

	As of	
	December 31, 2024	September 30, 2024
	(Unaudited)	(Unaudited)
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	28,092,037	27,274,634
Right-of-use assets	432,148	442,924
Intangible assets	24,268	25,942
Investments in associates	1,252,507	2,076,372
Investment in a joint venture	13	970
Deferred tax assets	29,212	13,128
Financial assets at fair value through profit or loss	427,373	466,007
Financial assets at amortised cost	3,747,134	5,499,157
Derivative financial instruments	-	5,812
Restricted cash	372,514	379,314
Other assets	327	269
Total non-current assets	34,377,533	36,184,529
<i>Current assets</i>		
Inventories	2,958,350	2,877,125
Prepayment and prepaid operating expenses	56,394	78,827
Trade and other receivables	840,153	938,800
Financial assets at fair value through profit or loss	272,257	232,983
Financial assets at amortised cost	4,206,926	2,869,070
Derivative financial instruments	66,054	70,518
Restricted cash	-	285,876
Cash and cash equivalents	6,364,189	3,651,385
	14,764,323	11,004,584
Assets classified as held-for-sale	19,392	22,030
Total current assets	14,783,715	11,026,614
TOTAL ASSETS	49,161,248	47,211,143

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

	As of	
	December 31, 2024 (Unaudited)	September 30, 2024 (Unaudited)
EQUITY AND LIABILITIES		
<i>Capital and reserves</i>		
Ordinary shares	31,905	31,887
Share premium	14,266,359	14,251,767
Other reserves	142,470	268,311
Retained earnings	6,173,075	6,065,488
Equity attributable to owners of the Company	20,613,809	20,617,453
Non-controlling interests	11,255,849	10,808,558
Total equity	31,869,658	31,426,011
 <i>Non-current liabilities</i>		
Borrowings	8,038,148	8,322,826
Lease liabilities	7,751	11,219
Deferred tax liabilities	73,627	58,863
Deferred government funding	374,801	337,730
Derivative financial instruments	37,576	26,625
Total non-current liabilities	8,531,903	8,757,263
 <i>Current liabilities</i>		
Trade and other payables	3,278,966	3,351,346
Contract liabilities	1,185,932	1,019,979
Borrowings	2,926,311	1,436,334
Lease liabilities	18,529	23,168
Bonds payable	605,258	601,027
Deferred government funding	198,645	157,027
Accrued liabilities	363,353	353,592
Derivative financial instruments	97,865	73,020
Current tax liabilities	84,828	12,376
Total current liabilities	8,759,687	7,027,869
Total liabilities	17,291,590	15,785,132
TOTAL EQUITY AND LIABILITIES	49,161,248	47,211,143

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

	For the three months ended	
	December 31, 2024	September 30, 2024
	(Unaudited)	(Unaudited)
Operating activities:		
Profit for the period	270,946	223,270
Depreciation and amortisation	849,263	831,097
Share of profit of associates and a joint venture	(6,705)	(29,411)
Other (gains)/losses, net	(97,363)	2,927
Changes in working capital and others	433,701	208,533
Net cash generated from operating activities	1,449,842	1,236,416
Investing activities:		
Acquisition of financial assets at fair value through profit or loss	(220,744)	(291,812)
Proceeds from sale of financial assets at fair value through profit or loss	212,525	162,945
Acquisition of financial assets at amortised cost	(41,731)	(8,458)
Proceeds from maturity of financial assets at amortised cost	421,541	577,279
Acquisition of property, plant and equipment	(1,516,058)	(1,880,836)
Proceeds from disposal of property, plant and equipment	15,953	11,419
Acquisition of intangible assets	(1,048)	(1,078)
Acquisition of land-use right	(84)	-
Proceeds from sale of equity interests in associates and a joint venture	920,588	49,797
Dividends received from associates	-	1,612
Proceeds from settlement of derivative financial instruments	1,758	34,017
Net cash used in investing activities	(207,300)	(1,345,115)
Financing activities:		
Proceeds from borrowings	1,658,024	127,683
Repayment of borrowings	(224,108)	(305,139)
Repayment of the principal portion of the lease liabilities	(8,108)	(8,100)
Proceeds from issue of shares under share incentive plans	9,879	41,935
Capital injection from non-controlling interests	281,865	-
Payments for non-controlling interests	(6,950)	-
(Payment of)/proceeds from settlement of derivative financial instruments	(95,810)	46,612
Net cash generated from/(used in) financing activities	1,614,792	(97,009)
Effects of exchange rate changes on cash and cash equivalents	(144,530)	162,816
Net increase/(decrease) in cash and cash equivalents	2,712,804	(42,892)
Cash and cash equivalents, beginning of the period	3,651,385	3,694,277
Cash and cash equivalents, end of the period	6,364,189	3,651,385

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

Shanghai, February 11, 2025

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

HUANG Dengshan

Independent Non-executive Directors

FAN Ren Da Anthony

LIU Ming

WU Hanming

CHEN Xinyuan