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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 JUNE 30, 2025

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

- Revenue was \$2,209.1 million in 2Q25, compared to \$2,247.2 million in 1Q25, and \$1,901.3 million in 2Q24.
- Gross profit was \$449.8 million in 2Q25, compared to \$505.9 million in 1Q25, and \$265.1 million in 2Q24.
- Gross margin was 20.4% in 2Q25, compared to 22.5% in 1Q25 and 13.9% in 2Q24.

Set out below is a copy of the full text of the release by the Company and its subsidiaries (the "Group") on August 7, 2025, in relation to its unaudited results for the three months ended June 30, 2025.

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

Shanghai, China – August 7, 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 June 30, 2025.

* For identification purposes only

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

Third Quarter 2025 Guidance

The Company expects (in accordance with IFRSs):

- Revenue to increase by 5% to 7% QoQ.
- Gross margin to range from 18% to 20%.

The Management Comments

In the second quarter, the Company's revenue of \$2,209 million, a sequential decrease of 1.7%; gross margin decreased by 2.1 percentage points sequentially to 20.4%; the capacity utilization rate increased by 2.9 percentage points sequentially to 92.5%.

According to the unaudited results for the first and second quarters, the Company's revenue in the first half of 2025 was \$4,456 million, up 22.0% comparing to the same period last year; gross margin was 21.4%, up 7.6 percentage points comparing to the same period last year.

In the third quarter, the revenue is expected to increase 5% to 7% sequentially; gross margin is expected to be in the range of 18% to 20%.

Conference Call / Webcast Announcement

Date: Friday, August 8, 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/spdd9qgv>

CONFERENCE CALL

Please register in advance for the conference call at:

<https://register-conf.media-server.com/register/Bleefd2cad50c5456bbd1d06a9f2c22115>

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) 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 Second Quarter 2025 Operating Results

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

	2Q25	1Q25	QoQ	2Q24	YoY
Revenue	2,209,066	2,247,201	-1.7%	1,901,276	16.2%
Cost of sales	(1,759,267)	(1,741,333)	1.0%	(1,636,183)	7.5%
Gross profit	449,799	505,868	-11.1%	265,093	69.7%
Operating expenses	(299,122)	(196,297)	52.4%	(177,953)	68.1%
Profit from operations	150,677	309,571	-51.3%	87,140	72.9%
Other income, net	9,725	39,705	-75.5%	99,875	-90.3%
Profit before tax	160,402	349,276	-54.1%	187,015	-14.2%
Income tax expense	(13,721)	(25,854)	-46.9%	(14,753)	-7.0%
Profit for the period	146,681	323,422	-54.6%	172,262	-14.9%
Profit for the period attributable to:					
Owners of the Company	132,487	188,035	-29.5%	164,569	-19.5%
Non-controlling interests	14,194	135,387	-89.5%	7,693	84.5%
Profit for the period	146,681	323,422	-54.6%	172,262	-14.9%
Gross margin	20.4%	22.5%		13.9%	
Earnings per share ⁽¹⁾					
Basic	\$0.02	\$0.02		\$0.02	
Diluted	\$0.02	\$0.02		\$0.02	

Note:

(1) Based on weighted average ordinary shares of 7,986 million (basic) and 8,007 million (diluted) in 2Q25, 7,979 million (basic) and 8,005 million (diluted) in 1Q25, and 7,954 million (basic) and 7,977 million (diluted) in 2Q24.

- Revenue was \$2,209.1 million in 2Q25, compare to \$2,247.2 million in 1Q25.
- Cost of sales was \$1,759.3 million in 2Q25, compared to \$1,741.3 million in 1Q25.
- Gross profit was \$449.8 million in 2Q25, compared to \$505.9 million in 1Q25.
- Gross margin was 20.4% in 2Q25, compared to 22.5% in 1Q25.
- Operating expenses were \$299.1 million in 2Q25, compared to \$196.3 million in 1Q25. The change was mainly due to the reasons stated in Operating Expenses below.
- Other income, net was \$9.7 million gain in 2Q25, compared to \$39.7 million gain in 1Q25. The change was mainly due to the reasons stated in Other Income, Net below.

Analysis of Revenue

Revenue Analysis			
By Geography	2Q25	1Q25	2Q24
China	84.1%	84.3%	80.3%
America	12.9%	12.6%	16.0%
Eurasia	3.0%	3.1%	3.7%
By Service Type	2Q25	1Q25	2Q24
Wafers	94.6%	95.2%	92.9%
Others	5.4%	4.8%	7.1%
Wafer Revenue Analysis			
By Application	2Q25	1Q25	2Q24
Smartphone	25.2%	24.2%	32.0%
Computer and Tablet	15.0%	17.3%	13.3%
Consumer Electronics	41.0%	40.6%	35.6%
Connectivity and IoT	8.2%	8.3%	11.0%
Industrial and Automotive	10.6%	9.6%	8.1%
By Size	2Q25	1Q25	2Q24
8" wafers	23.9%	21.9%	26.4%
12" wafers	76.1%	78.1%	73.6%

Capacity

- Monthly capacity increased to 991,250 standard logic 8-inch equivalent wafers in 2Q25 from 973,250 standard logic 8-inch equivalent wafers in 1Q25.

Shipment and Utilization

	2Q25	1Q25	QoQ	2Q24	YoY
Wafer shipments ⁽¹⁾	2,390,236	2,292,153	4.3%	2,111,880	13.2%
Utilization rate ⁽²⁾	92.5%	89.6%		85.2%	

Notes:

(1) Based on standard logic 8-inch equivalent wafers.

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

Capex Summary

- Capital expenditure was \$1,885.1 million in 2Q25, compared to \$1,415.5 million in 1Q25.

Detailed Financial Analysis

Gross Profit

<i>Amounts in US\$ thousands</i>	2Q25	1Q25	QoQ	2Q24	YoY
Cost of sales	1,759,267	1,741,333	1.0%	1,636,183	7.5%
Depreciation and amortisation	751,492	799,491	-6.0%	701,547	7.1%
Other manufacturing costs	1,007,775	941,842	7.0%	934,636	7.8%
Gross profit	449,799	505,868	-11.1%	265,093	69.7%
Gross margin	20.4%	22.5%		13.9%	

Depreciation and Amortisation

<i>Amounts in US\$ thousands</i>	2Q25	1Q25	QoQ	2Q24	YoY
Depreciation and amortisation	878,816	865,564	1.5%	797,166	10.2%

Operating Expenses

<i>Amounts in US\$ thousands</i>	2Q25	1Q25	QoQ	2Q24	YoY
Operating expenses	299,122	196,297	52.4%	177,953	68.1%
Research and development expenses	181,912	148,899	22.2%	180,748	0.6%
General and administrative expenses	188,893	149,318	26.5%	160,630	17.6%
Selling and marketing expenses	12,939	11,362	13.9%	9,737	32.9%
Impairment losses on financial assets, net	497	245	102.9%	(1,025)	N/A
Other operating income	(85,119)	(113,527)	-25.0%	(172,137)	-50.6%

- Research and development expenses increased to \$181.9 million in 2Q25 from \$148.9 million in 1Q25. The change was mainly due to the higher level of R&D activities in 2Q25.
- General and administrative expenses increased to \$188.9 million in 2Q25 from \$149.3 million in 1Q25. The change was mainly due to the increase in start-up costs in 2Q25.
- The change in other operating income was primarily due to the decrease of recognised income of government funding during this quarter.

Other Income, Net

<i>Amounts in US\$ thousands</i>	2Q25	1Q25	QoQ	2Q24	YoY
Other income, net	9,725	39,705	-75.5%	99,875	-90.3%
Interest income	100,350	122,437	-18.0%	142,233	-29.4%
Finance costs	(90,166)	(76,989)	17.1%	(71,742)	25.7%
Foreign exchange gain	11,234	4,833	132.4%	4,933	127.7%
Other (losses)/gains, net	(365)	(821)	-55.5%	7,287	N/A
Share of profit or loss of associates and a joint venture	(11,328)	(9,755)	16.1%	17,164	N/A

- The change in other (losses)/gain, net was primarily caused by the fair value change in equity securities recognised as financial assets at fair value through profit or loss.

EBITDA

<i>Amounts in US\$ thousands</i>	2Q25	1Q25	2Q24
Profit for the period	146,681	323,422	172,262
Finance costs	90,166	76,989	71,742
Depreciation and amortisation	878,816	865,564	797,166
Income tax expense	13,721	25,854	14,753
EBITDA	1,129,384	1,291,829	1,055,923
Profit margin	6.6%	14.4%	9.1%
EBITDA margin	51.1%	57.5%	55.5%

Liquidity

<i>Amounts in US\$ thousands</i>	2Q25	1Q25
Inventories	3,143,020	3,047,932
Prepayment and prepaid operating expenses	63,409	67,713
Trade and other receivables	1,206,725	1,147,403
Financial assets at fair value through profit or loss	106,115	113,928
Financial assets at amortised cost	4,777,766	3,835,539
Derivative financial instruments	15,343	19,890
Cash and cash equivalents	5,082,675	4,587,349
Assets classified as held-for-sale	3,917	7,536
Total current assets	14,398,970	12,827,290
Trade and other payables	2,925,059	2,636,009
Contract liabilities	725,103	711,317
Borrowings	3,100,702	3,270,702
Lease liabilities	13,899	13,875
Deferred government funding	190,300	181,083
Accrued liabilities	406,548	346,026
Derivative financial instruments	80,763	106,302
Current tax liabilities	20,755	77,819
Total current liabilities	7,463,129	7,343,133
Cash ratio ⁽¹⁾	0.7	0.6
Quick ratio ⁽²⁾	1.5	1.3
Current ratio ⁽³⁾	1.9	1.7

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

Amounts in US\$ thousands	2Q25	1Q25
Cash and cash equivalents	5,082,675	4,587,349
Restricted cash	379,078	375,807
Financial assets at fair value through profit or loss - current ⁽¹⁾	106,115	113,928
Financial assets at amortised cost ⁽²⁾	7,486,436	7,625,386
Total cash on hand	13,054,304	12,702,470
Borrowings - current	3,100,702	3,270,702
Borrowings - non-current	8,828,546	7,966,390
Lease liabilities	14,689	18,154
Total debt	11,943,937	11,255,246
Net debt ⁽³⁾	(1,110,367)	(1,447,224)
Equity	32,741,774	32,226,482
Debt to equity ratio ⁽⁴⁾	36.5%	34.9%
Net debt to equity ratio ⁽⁵⁾	-3.4%	-4.5%

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

Amounts in US\$ thousands	2Q25	1Q25
Net cash generated from/(used in) operating activities	1,069,672	(160,415)
Net cash used in investing activities	(1,559,603)	(1,327,526)
Net cash generated from/(used in) financing activities	958,185	(353,914)
Effect of exchange rate changes	27,072	65,015
Net increase/(decrease) in cash and cash equivalents	495,326	(1,776,840)

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, 2025	March 31, 2025
	(Unaudited)	(Unaudited)
Revenue	2,209,066	2,247,201
Cost of sales	(1,759,267)	(1,741,333)
Gross profit	449,799	505,868
Research and development expenses	(181,912)	(148,899)
Selling and marketing expenses	(12,939)	(11,362)
General and administration expenses	(188,893)	(149,318)
Impairment losses on financial assets, net	(497)	(245)
Other operating income	85,119	113,527
Operating expenses	(299,122)	(196,297)
Profit from operations	150,677	309,571
Other income, net	9,725	39,705
Profit before tax	160,402	349,276
Income tax expense	(13,721)	(25,854)
Profit for the period	146,681	323,422
Other comprehensive income:		
<i>Items that may be reclassified to profit or loss in subsequent periods</i>		
Exchange differences on translating foreign operations	2,494	3,280
Cash flow hedges	71,455	14,558
Total comprehensive income for the period	220,630	341,260
Profit for the period attributable to:		
Owners of the Company	132,487	188,035
Non-controlling interests	14,194	135,387
	146,681	323,422
Total comprehensive income for the period attributable to:		
Owners of the Company	206,436	205,869
Non-controlling interests	14,194	135,391
	220,630	341,260

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

	As of	
	June 30, 2025	March 31, 2025
	(Unaudited)	(Unaudited)
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	29,812,316	28,800,022
Right-of-use assets	385,571	421,853
Intangible assets	20,031	21,870
Investments in associates	1,289,373	1,281,807
Investment in a joint venture	78	90
Deferred tax assets	31,001	29,088
Financial assets at fair value through profit or loss	417,030	417,474
Financial assets at amortised cost	2,708,670	3,789,847
Restricted cash	379,078	375,807
Other assets	4,045	243
Total non-current assets	35,047,193	35,138,101
<i>Current assets</i>		
Inventories	3,143,020	3,047,932
Prepayment and prepaid operating expenses	63,409	67,713
Trade and other receivables	1,206,725	1,147,403
Financial assets at fair value through profit or loss	106,115	113,928
Financial assets at amortised cost	4,777,766	3,835,539
Derivative financial instruments	15,343	19,890
Cash and cash equivalents	5,082,675	4,587,349
	14,395,053	12,819,754
Assets classified as held-for-sale	3,917	7,536
Total current assets	14,398,970	12,827,290
TOTAL ASSETS	49,446,163	47,965,391

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

	As of	
	June 30, 2025	March 31, 2025
	(Unaudited)	(Unaudited)
EQUITY AND LIABILITIES		
<i>Capital and reserves</i>		
Ordinary shares	31,944	31,927
Share premium	14,298,320	14,284,798
Other reserves	231,661	158,941
Retained earnings	6,493,597	6,361,110
Equity attributable to owners of the Company	21,055,522	20,836,776
Non-controlling interests	11,686,252	11,389,706
Total equity	32,741,774	32,226,482
<i>Non-current liabilities</i>		
Borrowings	8,828,546	7,966,390
Lease liabilities	790	4,279
Deferred tax liabilities	62,259	70,294
Deferred income	349,665	354,813
Total non-current liabilities	9,241,260	8,395,776
<i>Current liabilities</i>		
Trade and other payables	2,925,059	2,636,009
Contract liabilities	725,103	711,317
Borrowings	3,100,702	3,270,702
Lease liabilities	13,899	13,875
Deferred income	190,300	181,083
Accrued liabilities	406,548	346,026
Derivative financial instruments	80,763	106,302
Current tax liabilities	20,755	77,819
Total current liabilities	7,463,129	7,343,133
Total liabilities	16,704,389	15,738,909
TOTAL EQUITY AND LIABILITIES	49,446,163	47,965,391

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

	For the three months ended	
	June 30, 2025 (Unaudited)	March 31, 2025 (Unaudited)
Operating activities:		
Profit for the period	146,681	323,422
Depreciation and amortisation	878,816	865,564
Share of profit or loss of associates and a joint venture	11,328	9,755
Other losses, net	365	821
Changes in working capital and others	32,482	(1,359,977)
Net cash generated from/(used in) operating activities	1,069,672	(160,415)
Investing activities:		
Acquisition of financial assets at fair value through profit or loss	(25,052)	(179,699)
Proceeds from sale of financial assets at fair value through profit or loss	37,980	351,668
Acquisition of financial assets at amortised cost	(1,189,777)	(111,290)
Proceeds from maturity of financial assets at amortised cost	1,257,126	488,377
Acquisition of property, plant and equipment	(1,587,185)	(1,831,368)
Proceeds from disposal of property, plant and equipment and assets classified as held-for-sale	4,491	8,250
Proceeds from disposal of land-use right	5,168	-
Capital injection in associates	(30,117)	(47,659)
Payments for sale of equity interests in associates	(40,793)	(10,235)
Dividends received from associates	-	1,794
Proceeds from settlement of derivative financial instruments	8,556	2,636
Net cash used in investing activities	(1,559,603)	(1,327,526)
Financing activities:		
Proceeds from borrowings	2,167,048	461,495
Repayment of borrowings	(1,498,726)	(209,760)
Repayment of the principal portion of the lease liabilities	(3,465)	(6,837)
Repayment of bonds	-	(600,000)
Proceeds from issue of shares under share incentive plans	1,309	9,798
Capital injection from non-controlling interests	276,899	-
Payments for non-controlling interest	-	(2,314)
Proceeds from/(Payments for) settlement of derivative financial instruments	15,120	(6,296)
Net cash generated from/(used in) financing activities	958,185	(353,914)
Effects of exchange rate changes on cash and cash equivalents	27,072	65,015
Net increase/ (decrease) in cash and cash equivalents	495,326	(1,776,840)
Cash and cash equivalents at the beginning of the period	4,587,349	6,364,189
Cash and cash equivalents at the end of the period	5,082,675	4,587,349

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

Shanghai, August 7, 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