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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: 0981)

SMIC REPORTS UNAUDITED RESULTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

Revenue was \$816.5 million in 3Q19, an increase of 3.2% QoQ from \$790.9 million in 2Q19, compared to \$850.7 million in 3Q18. Excluding the contribution from the Avezzano 200mm fab, revenue was \$802.8 million in 3Q19, an increase of 6.1% QoQ from \$756.6 million in 2Q19, compared to \$799.6 million in 3Q18.

Gross profit was \$169.8 million in 3Q19, an increase of 12.3% QoQ from \$151.2 million in 2Q19, compared to \$174.5 million in 3Q18. Excluding the contribution from the Avezzano 200mm fab, gross profit was \$169.3 million in 3Q19, an increase of 7.8% QoQ from \$157.1 million in 2Q19, compared to \$170.0 million in 3Q18.

Gross margin was 20.8% in 3Q19, compared to 19.1% in 2Q19, 20.5% in 3Q18. Excluding the contribution from the Avezzano 200mm fab, gross margin was 21.1% in 3Q19, compared to 20.8% in 2Q19, 21.3% in 3Q18.

Set out below is a copy of the full text of the press release by the Company and its subsidiaries (the Group) on November 12, 2019, in relation to its unaudited results for the three months ended September 30, 2019.

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

The consolidated financial information is prepared in accordance with International Financial and is presented in accordance with IFRS unless otherwise stated below.

Shanghai, China November 12, 2019. Semiconductor Manufacturing International Corporation (SEHK: 981; OTCQX: SMICY , or our), one of the leading semiconductor foundries in the world, today announced its consolidated results of operations for the three months ended September 30, 2019.

Fourth Quarter 2019 Guidance:

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

Forward-Looking Stateme The

Company expects:

Revenue to increase by 2% to 4% QoQ and to increase by 4% to 6% QoQ (excluding the contribution from the Avezzano 200mm fab).

Gross margin to range from 23% to 25%.

Non-IFRS operating expenses, excluding the effect of employee bonus accrual, government funding, impairment loss of tangible and intangible assets, gain or loss on the disposal of machinery and equipment, and gain from the disposal of living quarters, to range from \$271 million to \$277 million.

Non-controlling interests of our majority-owned subsidiaries to range from positive \$17 million to positive \$19 million (losses to be borne by non-controlling interests).

Over the past two years, we have not only narrowed the advanced technology gap, but also expanded comprehensive mature node technology platforms. We have confidence that with the wave of 5G applications, we will enter a new stage of development.

Quarter revenue exceeded guidance, as customer inventory digested, utilization rate increased, and advanced mask revenue rose. China-region customer demand was strong, contributing 60.5% to revenue in Q3 2019, a sequential increase of 10%. Consumer application revenue grew 16% quarter over quarter, with Internet of Things and smart home driving demand. We expect revenue in the fourth quarter will continue to grow.

FinFET technology development continues to push forward: the first generation of FinFET has already successfully begun mass production and will begin to contribute revenue in the fourth quarter; meanwhile, the development of second generation of FinFET is steady, and customer engagement is smooth. We believe that SMIC will benefit from the extensive business opportunities brought by the upcoming 5G product migration, and we will exit this period of transition and re-enter growth.

Conference Call / Webcast Announcement

Date: November 13, 2019

Time: 8:30 a.m. Beijing time

Dial-in numbers:

Mainland China	+86 400-620-8038	(Pass code: SMIC)
Hong Kong, China	+852 3018-6771	(Pass code: SMIC)
Taiwan, China	+886 2-5572-3895	(Pass code: SMIC)
United States	+1 845-675-0437	(Pass code: SMIC)

The call will be webcast live with audio at:

http://www.smics.com/en/site/company_activity or <https://edge.media-server.com/mmc/p/nz3ssas7>.

An archived version of the webcast, along with an electronic copy of this news release will be available on the SMIC website for a period of 12 months following the webcast.

About SMIC

SMIC (Shanghai Microelectronics Corp.; OTCQX: SMICY), one of the leading foundries in the world, is Mainland China's most advanced and largest foundry, broadest in technology coverage, and most comprehensive in semiconductor manufacturing services. SMIC provides integrated circuit (IC) foundry and technology services on process nodes from 0.35 micron to 14 nanometer. Headquartered in Shanghai, China, SMIC has an international manufacturing and service base. In China, SMIC has a 300mm wafer fabrication facility (fab), a 200mm fab and a majority-owned joint-venture 300mm fab for advanced nodes (under construction) in Shanghai; a 300mm fab and a majority-owned 300mm fab for advanced nodes in Beijing; 200mm fabs in Tianjin and Shenzhen; and a majority-owned joint-venture 300mm bumping facility in Jiangyin. SMIC 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 press release contains, in addition to historical information, forward-looking statements. These forward-looking statements, including statements under Fourth Quarter 2019 Guidance, are based on SMIC's current assumptions, expectations, beliefs, plans, objectives, and projections about future events or performance.

In addition to the information contained in this press release, you should also consider the information contained in our other filings with The Hong Kong Stock Exchange Limited ("SEHK") from time to time. Other unknown or unpredictable factors also could have material adverse effects on our future results, performance or achievements. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this press release may not occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated or, if no date is stated, as of the date of this press release. Except as required by applicable laws, SMIC undertakes no obligation and does not intend to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events after the date on which such statement is made or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or otherwise.

About Non-International Financial Reporting Standards (non-IFRS) Financial Measures

ted financial results presented in accordance with IFRS, SMIC uses in this press release non-IFRS measures of operating results that are adjusted to exclude finance cost, depreciation and amortization, income tax benefits and expenses, the effect of employee bonus accrual, government funding, impairment loss of tangible and intangible assets, gain or loss on the disposal of machinery and equipment and gain from the disposal of living quarters. This earnings release also includes fourth quarter 2019 guidance for non-IFRS operating expenses. The presentation of non-IFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with IFRS. This earnings release includes EBITDA, EBITDA margin and non-IFRS operating expenses which consist of total operating expenses as adjusted to exclude the effect of employee bonus accrual, government funding, impairment loss of tangible and intangible assets, gain or loss on the disposal of machinery and equipment and gain from the disposal of living quarters. These non-IFRS financial measures are not calculated or presented in accordance with, and are not alternatives or substitutes for financial measures prepared in accordance with IFRS, and should be read only in conjunction with the Group's financial measures prepared in accordance with IFRS. The Group's non-IFRS financial measures may be different from similarly-titled non-IFRS financial measures used by other companies.

SMIC believes that use of these non-IFRS

Group non-IFRS financial measures to understand, manage and evaluate the Group's business and make financial and operational decisions.

The accompanying table has more information and reconciliations of each non-IFRS financial measure to its most directly comparable IFRS financial measure. A reconciliation of non-IFRS guidance measures to corresponding IFRS measures is not available on a forward-looking basis because the effect of these adjustment items excluded for the purpose of non-IFRS operating expenses guidance are subject to some unpredictable conditions that cannot be estimated with reasonable certainty.

Summary of Third Quarter 2019 Operating Results

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

	3Q19	2Q19	QoQ	3Q18	YoY
Revenue	816,452	790,882	3.2%	850,662	-4.0%
Cost of sales	(646,637)	(639,724)	1.1%	(676,119)	-4.4%
Gross profit	169,815	151,158	12.3%	174,543	-2.7%
Operating expenses	(122,665)	(193,988)	-36.8%	(180,371)	-32.0%
Profit (loss) from operations	47,150	(42,830)	-	(5,828)	-
Other income, net	41,537	18,379	126.0%	17,843	132.8%
Profit (loss) before tax	88,687	(24,451)	-	12,015	638.1%
Income tax expense	(4,061)	(1,366)	197.3%	(4,424)	-8.2%
Profit (loss) for the period	84,626	(25,817)	-	7,591	1014.8%
Other comprehensive income (loss):					
Exchange differences on translating foreign operations	(20,032)	(10,057)	99.2%	(28,192)	-28.9%
Cash flow hedges	(10,617)	(9,908)	7.2%	758	-
Actuarial gains and losses on defined benefit plans	-	(775)	-	159	-
Total comprehensive income (loss) for the period	53,977	(46,557)	-	(19,684)	-
Profit (loss) for the period attributable to:					
SMIC	115,135	18,539	521.0%	26,559	333.5%
Non-controlling interests	(30,509)	(44,356)	-31.2%	(18,968)	60.8%
Profit (loss) for the period	84,626	(25,817)	-	7,591	1014.8%
Gross margin	20.8%	19.1%		20.5%	
Earnings per ordinary share ⁽¹⁾					
Basic	\$0.02	\$0.00		\$0.00	
Diluted	\$0.02	\$0.00		\$0.00	
Earnings per ADS ⁽²⁾					
Basic	\$0.11	\$0.02		\$0.02	
Diluted	\$0.10	\$0.02		\$0.02	
Wafers shipped (in Capacity utilization ⁽³⁾)	1,315,443 97.0%	1,284,451 91.1%	2.4%	1,315,007 94.7%	0.0%

Note:

(1) Based on weighted average ordinary shares of 5,052 million (basic) and 5,784 million (diluted) in 3Q19, 5,050 million (basic) and 5,064 million (diluted) in 2Q19, and 5,014 million (basic) and 5,040 million (diluted) in 3Q18. Earnings per share were \$0.0031 (basic) and \$0.0031 (diluted) in 2Q19.

(2) Each ADS represents 5 ordinary shares.

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

Revenue was \$816.5 million in 3Q19, an increase of 3.2% QoQ from \$790.9 million in 2Q19. Excluding the contribution from the Avezzano 200mm fab, revenue was \$802.8 million in 3Q19, an increase of 6.1% QoQ from \$756.6 million in 2Q19. Revenue increased in 3Q19 mainly due to the increase of wafer shipment in 3Q19.

Cost of sales was \$646.6 million in 3Q19, compared to \$639.7 million in 2Q19. Cost of sales increased in 3Q19 mainly due to the increase in wafer shipment in 3Q19.

Gross profit was \$169.8 million in 3Q19, an increase of 12.3% QoQ from \$151.2 million in 2Q19. Excluding the contribution from the Avezzano 200mm fab, gross profit was \$169.3 million in 3Q19, an increase of 7.8% QoQ from \$157.1 million in 2Q19.

Gross margin was 20.8% in 3Q19, compared to 19.1% in 2Q19. Excluding the contribution from the Avezzano 200mm fab, gross margin was 21.1% in 3Q19, compared to 20.8% in 2Q19.

Operating expenses were \$122.7 million in 3Q19, a decrease of 36.8% QoQ from \$194.0 million in 2Q19, mainly due to the reasons stated in Operating Expenses (Income) Analysis below.

Other income (expense), net was \$41.5 million gain in 3Q19, as compared to \$18.4 million gain in 2Q19. The change was mainly due to the reasons stated in Other Income (Expense), Net below.

Exchange differences on translating foreign operations were \$20.0 million losses in 3Q19 and \$10.1 million losses in 2Q19. The change was mainly due to the translation difference from the subsidiaries and associates using RMB as the functional currency caused by the depreciation of RMB against USD in 3Q19.

Non-controlling interests were \$30.5 million losses in 3Q19, as compared to \$44.4 million losses in 2Q19, mainly due to the decreased loss in some majority-owned subsidiaries in 3Q19.

Analysis of Revenue

Revenue Analysis			
By Application	3Q19	2Q19	3Q18
Computer	5.6%	4.6%	7.5%
Communications	46.1%	48.9%	

Capacity*

Fab	3Q19	2Q19
Shanghai 200mm fab	112,000	115,000
Shanghai 300mm fab	18,000	18,000
Beijing 300mm fab	112,500	112,500
Tianjin 200mm fab	58,000	57,000

Operating Expenses (Income)

<i>Amounts in US\$ thousands</i>	3Q19	2Q19	QoQ	3Q18	YoY
Operating expenses	122,665	193,988	-36.8%	180,371	-32.0%
Research and development ⁽¹⁾	185,019	182,207			

Depreciation and Amortization

Amounts in US\$ thousands	3Q19	2Q19	QoQ	3Q18	YoY
Depreciation and amortization	279,622	284,364	-1.7%	259,076	7.9%

Liquidity

Amounts in US\$ thousands	3Q19	2Q19
Cash and cash equivalent	1,182,479	1,518,578
Restricted cash	833,502	1,157,668
Derivative financial instruments	28,154	5,796
Financial assets at fair value through profit or loss	37,850	25,161
Financial assets at amortized cost	2,612,702	2,205,246
Trade and other receivables	1,498,375	904,077
Prepayment and prepaid operating expenses	42,869	51,647
Inventories	645,821	647,154
Assets classified as held-for-sale	14,229	250,670
Total current assets	6,895,981	6,765,997
Current tax liabilities	3,916	1,197
Other financial liabilities	11,593	11,928
Derivative financial instruments	2,296	1,834
Accrued liabilities	147,455	138,086
Deferred government funding	330,839	295,159
Bonds payable	500,000	499,513
Short-term notes	494,833	218,191
Lease liabilities	72,277	82,189
Short-term borrowings	338,479	756,162
Contract liabilities	86,269	65,355
Trade and other payables	925,155	1,092,458
Other liabilities	17,461	22,703
Liabilities directly associated with assets classified as held-for-sale	-	145,139
Total current liabilities	2,930,573	3,329,914
Cash ratio ⁽¹⁾	0.4x	0.5x
Quick ratio ⁽²⁾	2.1x	1.8x
Current ratio ⁽³⁾	2.4x	2.0x

Note:

(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

<i>Amounts in US\$ thousands</i>	3Q19	2Q19
Cash and cash equivalent	1,182,479	1,518,578
Financial assets at fair value		

Recent Highlights and Announcements

Notification of Board Meeting (2019-10-10)
Compensation Committee Charter (2019-9-16)
Audit Committee Charter (2019-9-16)
(1) Grant of Share Options and (2) Non-Exempt Connected Transactions - Proposed Grant of Restricted Share Units to Director (2019-9-12)
Grant of Options (2019-9-12)
Notification Letter and Request Form for Non-registered Shareholders (2019-9-4)
Notification Letter for Registered Shareholders (2019-9-4)
Notification Letter and Change Request Form to registered holders (2019-9-4)
Letter and Reply Form to New Registered Shareholders - Election of Means of Receipt and Language of Corporate Communication (2019-9-4)
2019 Interim Report (2019-9-4)
Announcement of Unaudited Interim Results for the Six Months ended June 30, 2019 (2019-9-4)
SMIC Reports Unaudited Results for the Three Months ended June 30, 2019 (2019-9-4)
List of Directors and their Roles and Functions (2019-8-7)
Appointment of Independent Non-Executive Directors and Member of Compensation Committee (2019-8-7)
2018 Corporate Social Responsibility Report (2019-7-26)
Extension of Closing Date of Discloseable Transaction in relation to Disposal of Subsidiary (2019-7-22)
Notification of Board Meeting (2019-7-10)

*Please visit SMIC's website at
<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	
	September 30, 2019 (Unaudited)	June 30, 2019 (Unaudited)
Revenue	816,452	790,882
Cost of sales	(646,637)	(639,724)
Gross profit	<u>169,815</u>	<u>151,158</u>
Research and development expenses	(185,019)	(182,207)
General and administration expenses	(70,041)	(64,578)
Sales and marketing expenses	(5,900)	(8,852)
Net impairment losses recognized on financial assets	(1,752)	(627)
Other operating income, net	140,047	62,276
Operating expenses	<u>(122,665)</u>	<u>(193,988)</u>
Profit (loss) from operations	47,150	(42,830)
Other income, net	41,537	18,379
Profit (loss) before tax	88,687	(24,451)
Income tax expense	(4,061)	(1,366)
Profit (loss) for the period	<u>84,626</u>	<u>(25,817)</u>
Other comprehensive income (loss):		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translating foreign operations	(20,032)	(10,057)
Cash flow hedges	<u>(10,617)</u>	<u>(9,908)</u>
<i>Items that will not be reclassified to profit or loss</i>		
Actuarial gains and losses on defined benefit plans	-	(775)
Total comprehensive income (loss) for the period	<u>53,977</u>	<u>(46,557)</u>
Profit (loss) for the period attributable to:		
Owners of the Company	115,135	18,539
Non-controlling interests	<u>(30,509)</u>	<u>(44,356)</u>
	<u>84,626</u>	<u>(25,817)</u>
Total comprehensive income (loss) for the period attributable to:		
Owners of the Company	84,650	(3,264)
Non-controlling interests	<u>(30,673)</u>	<u>(43,293)</u>
	<u>53,977</u>	<u>(46,557)</u>
Earnings per ordinary share		
Basic	\$0.02	\$0.00*
Diluted	\$0.02	\$0.00*
Earnings per ADS		
Basic	\$0.11	\$0.02
Diluted	\$0.10	\$0.02
Shares used in calculating basic earnings per share	5,052,100,294	5,050,196,361
Shares used in calculating diluted earnings per share	<u>5,783,614,489</u>	<u>5,063,774,623</u>
Reconciliations of Non-IFRS Financial Measures to Comparable IFRS Measures		
Non-IFRS operating expenses ⁽¹⁾	(256,587)	(249,147)
EBITDA ⁽²⁾	<u>383,496</u>	<u>276,559</u>
EBITDA margin ⁽²⁾	<u>47.0%</u>	<u>35.0%</u>

* Earnings per share were \$0.0031 (basic) and \$0.0031 (diluted) in 2Q19.

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

Note:

(1) Non-IFRS operating expenses are defined as operating expenses adjusted to exclude the effect of employee bonus accrual, government funding, gain on the disposal of subsidiaries, gain or loss on the disposal of machinery and equipment and gain from the disposal of living quarters. 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		
	September 30, 2019 (Unaudited)	June 30, 2019 (Unaudited)	September 30, 2018 (Unaudited)
Operating expenses	(122,665)	(193,988)	(180,371)
Employee bonus accrued	6,125	6,999	1,166
Government funding	(58,309)	(61,785)	(39,422)
Gain on the disposal of subsidiaries	(81,377)	-	-
Loss (gain) on the disposal of machinery and equipment	242	48	(8,210)
Gain on the disposal of living quarters	(603)	(421)	(751)
Non-IFRS operating expenses	(256,587)	(249,147)	(227,588)

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

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

board of directors concerning the

Although EBITDA is widely used by investors to
finance cost, income tax benefit

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

reported under IFRS. Some of these limitations are: it does not reflect the requirements for capital expenditures or other contractual commitments; it does not reflect changes in, or 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 cash requirements for the 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		
	September 30, 2019 (Unaudited)	June 30, 2019 (Unaudited)	September 30, 2018 (Unaudited)
Profit (loss) for the period	84,626	(25,817)	7,591
Finance costs	15,187	16,646	(8,212)
Depreciation and amortization	279,622	284,364	259,076
Income tax expense	4,061	1,366	4,424
EBITDA	383,496	276,559	262,879
Profit margin	10.4%	-3.3%	0.9%
EBITDA margin	47.0%	35.0%	30.9%

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

	As of	
	September 30, 2019	June 30, 2019
	(Unaudited)	(Unaudited)
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	7,531,408	7,610,109
Right-of-use assets	206,441	230,854
Land use right	138,176	129,338
Intangible assets	101,827	110,295
Investments in associates	1,124,819	1,131,478
Investments in joint ventures	31,918	16,631
Deferred tax assets	46,647	46,326

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

	As of	
	September 30, 2019 (Unaudited)	June 30, 2019 (Unaudited)
EQUITY AND LIABILITIES		
<i>Capital and reserves</i>		
Ordinary shares		
\$0.004 par value, 10,000,000,000 shares authorized, 5,053,576,956 and 5,051,576,430 shares outstanding at September 30, 2019 and June 30, 2019, respectively	20,214	20,206
Share premium	5,007,817	5,005,523
Reserves	50,628	80,058
Retained earnings	467,420	353,362
Equity attributable to owners of the Company	5,546,079	5,459,149
Perpetual subordinated convertible securities	563,848	563,848
Non-controlling interests	3,533,996	3,574,591
Total equity	9,643,923	9,597,588
<i>Non-current liabilities</i>		
Borrowings	2,179,017	1,849,016
Lease liabilities	142,969	157,213
Convertible bonds	430,399	426,365
Medium-term notes	211,314	217,336
Deferred tax liabilities	8,649	7,288
Deferred government funding	500,614	434,916
Derivative financial instruments	84,050	39,584
Other liabilities	22,867	46,525
Total non-current liabilities	3,579,879	3,178,243
<i>Current liabilities</i>		
Trade and other payables	925,155	1,092,458
Contract liabilities	86,269	65,355
Borrowings	338,479	756,162
Lease liabilities	72,277	82,189
Bonds payable	500,000	499,513
Short-term notes	494,833	218,191
Deferred government funding	330,839	295,159
Accrued liabilities	147,455	138,086
Derivative financial instruments	2,296	1,834
Other financial liabilities	11,593	11,928
Current tax liabilities	3,916	1,197
Other liabilities	17,461	22,703
	2,930,573	3,184,775
Liabilities directly associated with assets classified as held-for-sale	-	145,139
Total current liabilities	2,930,573	3,329,914
Total liabilities	6,510,452	6,508,157
TOTAL EQUITY AND LIABILITIES	16,154,375	16,105,745

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

	For the three months ended	
	September 30, 2019 (Unaudited)	June 30, 2019 (Unaudited)
Cash flow from operating activities:		
Profit (loss) for the period	84,626	(25,817)
Depreciation and amortization	279,622	284,364
Share of (gain) loss of investment accounted for using equity method	(19,568)	191
Changes in working capital and others	(26,915)	(68,633)
Net cash from operating activities	317,765	190,105
Cash flow from investing activities:		
Payments to acquire financial assets at fair value through profit or loss	(19,528)	(13,854)
Proceeds from sale of financial assets at fair value through profit or loss	6,192	37,190
Payments to acquire financial assets at amortized cost	(708,177)	(240,723)
Proceeds from maturity of financial assets at amortized cost	593,379	119,129
Payments for property, plant and equipment	(387,652)	(824,065)
Net proceeds after netting off land appreciation tax from disposal of property, plant and equipment and assets classified as held-for-sale	609	2,349
Payments for intangible assets	(630)	(5,085)
Deposit returned for disposal of subsidiaries	-	(72,324)
Net cash outflow for deconsolidation of subsidiaries	(3,065)	-
Proceeds from disposal of subsidiaries	86,049	-
Proceeds from release of restricted cash relating to investing activities	76,306	26,529
Payments to acquire joint ventures and associates	-	(19,206)
Deposit paid to acquire non-controlling interests	(11,564)	-
Distributions received from joint ventures and associates	761	-
Net cash used in investing activities	(367,320)	(990,060)
Cash flow from financing activities:		
Proceeds from borrowings	437,793	526,856
Repayment of borrowings	(470,318)	(212,088)
Principal elements of lease payments	(24,200)	(40,380)
Deposit paid for bonds repayment	(500,000)	-
Repayment of medium-term notes	-	(217,954)
Distribution paid to perpetual subordinated convertible securities holders	-	(5,650)
Proceeds from exercise of employee stock options	1,532	1,770
Proceeds from issuance of short-term notes	290,958	222,853
Proceeds from non-controlling interests capital contribution	-	698,603
Net cash from financing activities	(264,235)	974,010
Effects of exchange rate changes on the balance of cash held in foreign currencies	(28,362)	(12,561)
Cash and cash equivalent of disposal group held-for-sale	6,053	(12,957)
Net (decrease) increase in cash and cash equivalent	(336,099)	148,537
Cash and cash equivalent, beginning of period	1,518,578	1,370,041
Cash and cash equivalent, end of period	1,182,479	1,518,578

By order of the Board
Semiconductor Manufacturing International Corporation
Dr. Gao Yonggang
Executive Director, Chief Financial Officer and Joint Company Secretary

Shanghai, November 12, 2019

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

Executive Directors

ZHOU Zixue (Chairman)
ZHAO Haijun (Co-Chief Executive Officer)
LIANG Mong Song (Co-Chief Executive Officer)
GAO Yonggang (Chief Financial Officer and Joint Company Secretary)

Non-executive Directors

CHEN Shanzhi
ZHOU Jie
REN Kai
LU Jun
TONG Guohua

Independent Non-executive Directors

William Tudor BROWN
CONG Jingsheng Jason
LAU Lawrence Juen-Yee
FAN Ren Da Anthony
YOUNG Kwang Leei

* For identification purposes only