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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: 981)

PROPOSED RMB SHARE ISSUE UNDER SPECIFIC MANDATE
PROPOSED AMENDMENT TO MEMORANDUM AND
ARTICLES OF ASSOCIATION

PROPOSED RMB SHARE ISSUE UNDER SPECIFIC MANDATE

The Company is pleased to announce that, on 30 April 2020, the Board approved the proposed RMB Share Issue, Specific Mandate and related matters, conditional upon and subject to market conditions, approval by Shareholders at the EGM as well as the necessary Regulatory Approvals.

SHAREHOLDERS' APPROVAL AND GENERAL INFORMATION

The Company will convene the EGM to propose the resolutions for consideration and approval of, among other things, the proposed RMB Share Issue, Specific Mandate and related matters (including proposed amendments to the Memorandum and Articles of Association), by the Shareholders. A circular of the EGM containing, among other things, details on the aforesaid resolutions, together with the notice of EGM will be despatched to the Shareholders as soon as practicable in accordance with the requirements under the Listing Rules.

As the proposed RMB Share Issue and the Specific Mandate are subject to approval by Shareholders at the EGM and the necessary Regulatory Approvals and may or may not proceed, Shareholders and investors should exercise caution when dealing in the Hong Kong Shares of the Company. Further announcement(s) will be made to disclose any material updates and developments in respect of the proposed RMB Share Issue and the Specific Mandate in accordance with the Listing Rules and other applicable laws and regulations as and when appropriate. This announcement is for information only and is not intended to and does not constitute, or form part of, an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

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PROPOSED RMB SHARE ISSUE AND THE SPECIFIC MANDATE

Proposed RMB Share Issue and the Specific Mandate

The proposed RMB Share Issue is detailed as follows:

- (1) Nature of RMB Shares : Common shares to be subscribed for in RMB by the target subscribers (as stated below), to be listed on the Sci-Tech Board and traded in RMB, forming the same class of common shares as the Hong Kong Shares
- (2) Par value of RMB Shares : US\$0.004 each (which is the same as the par value of the Hong Kong Shares)
- (3) Number of RMB Shares to be issued : It is proposed that the initial number of RMB Shares to be issued will not exceed 1,685,620,000 Shares, representing no more than 25% of the total number of issued Shares as at 31 December 2019 as enlarged by the number of RMB Shares hereby proposed to be issued. An over-allotment option may be granted in respect of such number of RMB Shares not exceeding 15% of that initially issued. The RMB Shares will all be new Shares, and no conversion of the existing Shares will be involved.

(4) Target subscribers : Qualified off-line investors as well as natural persons, legal persons, other institutional investors (except persons prohibited by PRC laws and regulations, rules and regulatory documents) and such other target subscribers meeting the relevant qualification requirements of the CSRC, who maintain stock accounts with the SSE

If any of the aforesaid target subscribers of the RMB Share Issue are connected persons of the Company, the Company will take reasonable measures to comply with the requirements of relevant regulatory authorities

(5) Method of issuance : The Company will adopt a combination of off-line placement and on-line subscription, or such other methods of issuance as approved by the relevant securities regulatory authorities in the PRC

(6) Method of pricing : The Shareholders at the EGM will authorise the Board to work with the underwriters of the Company to (i) determine the price range through marketing and preliminary price enquiries with potential investors; and (ii) finalise the offer price in accordance with the relevant laws and regulations and the rules of relevant securities regulatory authorities in the PRC

To ensure the offer price is in the interests of the Company and the Shareholders as a whole, the Board and the underwriters of the Company will take into account (i) the operational and financial conditions of the Company; (ii) the average price-to-earning ratio of the semiconductor industry in the secondary market; (iii) the trading prices of the Hong Kong Shares on the Stock Exchange; (iv) the market conditions of the PRC stock markets; and (v) the applicable laws and regulations, when determining the final offer price

If the offer price is lower than the trading price of the Hong Kong Shares, the Board will decide whether to proceed with the RMB Share Issue after considering the market conditions, the Company's actual capital needs and development strategies at the relevant time, the trading prices of comparable companies in the secondary market, and other relevant factors

- (7) Joint sponsors and underwriters : Haitong Securities Co., Ltd. and China International Capital Corporation Limited
- (8) Principal terms of underwriting : Standby underwriting by the syndicate organised by the underwriters
- (9) Use of proceeds : After deducting the issuance expenses, the proceeds of the RMB Share Issue are intended to be used for the “12-Inch SN1 Project”, a reserve for the Company’s advanced and matured technology research and development, and replenishment of working capital

If the actual funds raised from the RMB Share Issue exceed the total investments needed for the above projects, the Company will apply the surplus to the principal business of the Company upon going through the necessary procedures in accordance with the relevant requirements. If there is any insufficiency in the actual funds raised from the RMB Share Issue, the Company will make up the shortfall by its own funds

Any proceeds raised from the issue of RMB Shares as a result of the underwriters’ exercise of the over-allotment option will be used in developing the integrated circuit production lines of the Company’s subsidiaries and any other uses permitted by applicable laws, regulations and the securities regulatory authorities

Prior to receiving the proceeds from the RMB Share Issue, the Company may support the implementation of the aforesaid projects with its own funds based on the actual progress of such projects. Upon receiving the proceeds, the Company will use such proceeds to reimburse the funds previously committed and then to cover for the outstanding investments needed for the above projects

- (10) Distribution plan of accumulated profits before the issuance : After completion of the RMB Share Issue, the undistributed profits of the Company accumulated before the RMB Share Issue will be available for distribution to all the Shareholders, including the holders of RMB Shares and holders of Hong Kong Shares, pro-rated to their respective shareholding

- (11) Place of listing of RMB Shares : The Sci-Tech Board
- (12) Valid period of the resolutions : The Specific Mandate for the RMB Share Issue is proposed to be valid for 12 months from the date of approval at the EGM

The issue of the RMB Shares pursuant to the RMB Share Issue is conditional upon:

- (1) the grant of the proposed Specific Mandate by the Shareholders to the Board having been obtained at the EGM; and
- (2) the necessary Regulatory Approvals for the RMB Share Issue being obtained.

Proposed Authorisation to the Board to Exercise Full Powers to Deal with Matters Relating to the RMB Share Issue

In accordance with the relevant laws, regulations and regulatory documents, as well as the Memorandum and Articles of Association, it is proposed that at the EGM, approval will be sought from the Shareholders to authorise the Board to exercise full powers to deal with all matters relating to the RMB Share Issue, the scope of authorisation includes without limitation:

- (1) determine and implement, through negotiation with the underwriters, the specific plan for the RMB Share Issue based on the terms approved at the EGM and pursuant to the relevant requirements of securities regulatory authorities as well as the actual circumstances of the Company, including but not limited to the size of the issue, specific plan for the exercise of the over-allotment option, potential strategic placement (including proportion and places), method of pricing, method of issuance, method of underwriting, time of issuance, target subscribers and material undertakings to be made by the Company; and make corresponding adjustments (including the suspension and termination of the implementation of the plan) to matters in relation to the specific plan for the RMB Share Issue, save for those matters required to be voted again at a general meeting under the requirements of the relevant laws, regulations, regulatory documents, and the Memorandum and Articles of Association;
- (2) handle the matters in relation to the application for the RMB Share Issue, including but not limited to processes of registration, filing, or obtaining approval or consent from the relevant governmental departments, domestic and overseas regulatory authorities, the SSE and the CSDC;
- (3) draft, modify, supplement, sign, submit, publish, disclose, execute, suspend and terminate any agreements, contracts, announcement, circular or other documents related to the RMB Share Issue, including but not limited to the prospectus, sponsorship agreements, underwriting agreements, listing agreements and service

contracts with intermediary organisations; engagement and changing of sponsors, underwriters, law firms, accounting firms and other intermediary organisations involved in the RMB Share Issue; and determining and paying the fees related to the RMB Share Issue;

- (4) make adjustments to the projects for which the proceeds are to be invested and the use of proceeds pursuant to the opinion of the domestic and overseas regulatory authorities with respect to the application for, and approval of, the RMB Share Issue as well as the actual circumstances of the Company, including but not limited to the specific uses of the proceeds raised from the exercise of the over-allotment option and adjustments of the progress and proportion of investments of the proceeds in the relevant projects, and to sign the material agreements or contracts in respect of such projects;
- (5) analyse, consider and substantiate the impacts of the RMB Share Issue on the Company's immediate financial indicators and the Shareholders' immediate return in accordance with the requirements under relevant laws and regulations and of the relevant regulatory authorities; revise, enhance and implement relevant measures and policies, and take full responsibility for handling the relevant matters;
- (6) determine the specific account for the proceeds as required prior to the RMB Share Issue; and execute relevant documents;
- (7) modify or amend the Memorandum and Articles of Association and other relevant terms of the internal management policies (where relevant) pursuant to the actual circumstances of the RMB Share Issue;
- (8) handle the matters in relation to the share registration and settlement at the CSDC upon completion of the RMB Share Issue and in accordance with the undertakings of the Shareholders, including but not limited to the registration of share custody;
- (9) make corresponding adjustments to the RMB Share Issue and related matters pursuant to any new provisions in the regulations or policies in respect of the RMB Share Issue as promulgated by relevant securities regulatory authorities; and
- (10) handle, and authorise the delegation of power to the chairman of the Board, any co-chief executive officer or any joint company secretary to handle (individually or collectively), any other matters in relation to the RMB Share Issue.

The authorisation shall be valid for 12 months from the date of approval at the EGM.

Proposed Plan for Distribution of Profits Accumulated before the RMB Share Issue

Prior to the completion of the RMB Share Issue, the Company may distribute profits in accordance with the Memorandum and Articles of Association and relevant internal rules; after completion of the RMB Share Issue, the undistributed profits of the

Company accumulated before the RMB Share Issue will be available for distribution to all the Shareholders, including the holders of RMB Shares and holders of Hong Kong Shares, pro-rated to their respective shareholding.

Proposed Policy for Stabilisation of the Price of the RMB Shares for the Three Years after the RMB Share Issue

To better protect the interests of the Shareholders, a policy for the stabilisation of the price of the RMB Shares for the three years after the RMB Share Issue formulated in accordance with and subject to applicable laws and regulations, including the Opinions of the China Securities Regulatory Commission on Further Promoting the IPO System Reform (中國證監會關於進一步推進新股發行體制改革的意見) and the Securities and Futures Ordinance of Hong Kong, will be submitted to the Shareholders for approval at the EGM. The relevant details will be set out in the circular to be despatched to the Shareholders.

Proposed Profits Distribution Policy and the Dividend Return Plan for the Three Years after the RMB Share Issue

To further improve the profits distribution mechanism, ensure the stability of the profits distribution policy, enhance the transparency and operability of the profits distribution decisions and protect the interests of the Shareholders, a profits distribution policy and a dividend return plan for the three years after the RMB Share Issue are proposed to be adopted by the Shareholders in accordance with the relevant laws, regulations and regulatory documents, including the PRC Securities Law (證券法), the Notice on Further Implementation of Cash Dividends of Listed Companies (關於進一步落實上市公司現金分紅有關事項的通知) and Guidelines No. 3 on the Supervision and Administration of Listed Companies — Distribution of Cash Dividends of Listed Companies (上市公司監管指引第3號 — 上市公司現金分紅). The relevant details will be set out in the circular to be despatched to the Shareholders.

Proposed Use of Proceeds from the RMB Share Issue

Since the issue price of the RMB Shares has yet to be determined, as described in paragraph (6) of the above section headed “Proposed RMB Share Issue and the Specific Mandate”, the total amount of proceeds from the RMB Share Issue cannot be determined at the present stage.

After deducting the issuance expenses, such proceeds are proposed to be used towards the total investments needed for the following projects in the following manner:

- (1) approximately 40% for the investment in the “12-Inch SN1 Project”;
- (2) approximately 20% as reserve for the Company’s advanced and matured technology research and development; and
- (3) approximately 40% for the replenishment of working capital.

If the actual funds raised from the RMB Share Issue exceed the total investments needed for the above projects, the Company will apply the surplus to the principal business of the Company upon going through the necessary procedures in accordance with the relevant requirements. If there is any insufficiency in the actual funds raised from the RMB Share Issue, the Company will make up the shortfall by its own funds.

Any proceeds raised from the issue of RMB Shares as a result of the underwriters' exercise of the over-allotment option will be used in developing the integrated circuit production lines of the Company's subsidiaries and any other uses permitted by applicable laws, regulations and the securities regulatory authorities.

Prior to receiving the proceeds from the RMB Share Issue, the Company may support the implementation of the aforesaid projects with its own funds based on the actual progress of such projects. Upon receiving the proceeds, the Company will use such proceeds to reimburse the funds previously committed and then to cover for the outstanding investments needed for the above projects.

Details of the "12-Inch SN1 Project" will be set out in the circular to be despatched to the Shareholders.

Proposed Remedial Measures for the Potential Dilution of Immediate Returns by the RMB Share Issue

To counter the potential dilution effect of the RMB Share Issue on the Shareholders' return for the current period, specific measures for such return are proposed to be approved by the Shareholders in accordance with applicable laws, regulations and regulatory documents, including the Opinions of the General Office of the State Council on Further Strengthening the Work of Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Markets (國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見) and the Announcement No. 31 [2015] of the CSRC — Guiding Opinions on Matters concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring (關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見). The relevant details will be set out in the circular to be despatched to the Shareholders.

Proposed Undertakings and the Corresponding Binding Measures in connection with the RMB Share Issue

To better protect the interests of the Shareholders, the Company will provide undertakings in the listing documents with respect to the RMB Share Issue and propose corresponding binding measures in the event of failure to perform the relevant undertakings in accordance with applicable laws, regulations and regulatory documents, including the Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No.41 — Prospectuses of Companies Listed on the Science and Technology Innovation Board (公開發行證券的公司信息披露內容與

格式準則第41號 — 科創板公司招股說明書), and the requirements of the securities regulatory authorities and other relevant authorities. The relevant details will be set out in the circular to be despatched to the Shareholders.

Proposed Amendments to the Memorandum and Articles of Association

Based on the following principal reasons and the actual circumstances of the Company, amendments are proposed to be made to the Memorandum and Articles of Association:

- (1) To cater for the RMB Shares to be issued, provisions relating to the issuance, listing, deposit, transfer and other matters relating to the RMB Shares are proposed to be added;
- (2) To satisfy the relevant requirements under the Rules Governing the Listing of Securities on the Science and Technology Innovation Board of the Shanghai Stock Exchange (上海證券交易所科創板股票上市規則) that the overall level of investor protection offered by the Company should not be lower than what is required under the laws and regulations of the PRC, provisions relating to the respective authorities and duties of the Board and the general meetings of the Company, Shareholders' rights to convene general meetings and nominate candidates for election as Directors, the scope of matters to be approved by special resolutions at general meetings and other matters are proposed to be added or amended; and
- (3) To reflect the Company's latest corporate information, provisions relating thereto are proposed to be updated.

The adoption of the Memorandum and Articles of Association incorporating the proposed amendments will take effect upon the listing of the RMB Shares on the Sci-Tech Board. Prior to that, the Memorandum and Articles of Association currently in force shall apply. The relevant details of the proposed amendments to the Memorandum and Articles of Association in English and Chinese respectively will be set out in the circular to be despatched to the Shareholders.

Proposed Adoption of Policy Governing the Procedures for the Holding of General Meetings

To satisfy the relevant requirements of laws, regulations and regulatory documents in respect of the RMB Share Issue, including the Rules Governing the Listing of Securities on the Science and Technology Innovation Board of the Shanghai Stock Exchange (上海證券交易所科創板股票上市規則), a policy governing the procedures for the holding of general meetings of the Company is proposed to be approved by the Shareholders. Such policy will take effect upon the listing of the RMB Shares on the Sci-Tech Board. The relevant details will be set out in the circular to be despatched to the Shareholders.

Proposed Adoption of Policy Governing the Procedures for the Holding of Board Meetings

To satisfy the relevant requirements of laws, regulations and regulatory documents in respect of the RMB Share Issue, including the Rules Governing the Listing of Securities on the Science and Technology Innovation Board of the Shanghai Stock Exchange (上海證券交易所科創板股票上市規則), a policy governing the procedures for the holding of Board meetings is proposed to be approved by the Shareholders. Such policy will take effect upon the listing of the RMB Shares on the Sci-Tech Board. The relevant details will be set out in the circular to be despatched to the Shareholders.

Approval of the Amendments to the Charters and Formulation of Internal Policies

To satisfy the relevant requirements of laws, regulations and regulatory documents in respect of the RMB Share Issue, including the Measures for the Administration of the Registration of IPO Stocks on the Science and Technology Innovation Board (for Trial Implementation) (科創板首次公開發行股票註冊管理辦法(試行)), the Rules Governing the Listing of Securities on the Science and Technology Innovation Board of the Shanghai Stock Exchange (上海證券交易所科創板股票上市規則), the Measures for the

Administration of Proceeds Raised by Listed Companies of Shanghai Stock Exchange (上海證券交易所上市公司募集資金管理辦法), the Guidelines on the Relationship between Listed Companies and Investors (上市公司與投資者關係工作指引) and the Administrative Measures for Information Disclosure of Listed Companies (上市公司信息披露管理辦法), the Board resolved to conditionally approve:

(1) the amendments to certain provisions in the following charters of the Company:

- (a) audit committee charter;
- (b) compensation committee charter;
- (c) nomination committee charter;
- (d) strategic committee charter; and
- (e) internal audit charter,

the revised charters will become effective upon the listing of the RMB Shares on the Sci-Tech Board. Prior to that, the charters currently in force will continue to apply; and

(2) the formulation of the following internal policies:

- (a) policy on management of external guarantee;
- (b) policy on management of external investment;
- (c) policy on management of connected (related-party) transactions;
- (d) policy on disclosure of information by onshore officer;
- (e) policy on management of proceeds;
- (f) policy on management of investor relations; and
- (g) policy on management of disclosure of information,

these policies will become effective upon the listing of the RMB Shares on the Sci-Tech Board.

Approval of the Appointment of Onshore Officer Responsible for Disclosure of Information

For the purpose of the RMB Share Issue, and in accordance with requirements under the Rules Governing the Listing of Securities on the Science and Technology Innovation Board of the Shanghai Stock Exchange (上海證券交易所科創板股票上市規則), the Board has approved the appointment of an onshore officer responsible for disclosure of information and communications with the regulatory authorities in the PRC with respect to the RMB Shares.

OTHER INFORMATION RELATED TO THE RMB SHARE ISSUE

Impact of the RMB Share Issue on the Shareholding Structure of the Company

For reference and illustration purposes only, assuming that the issue of all the 1,685,620,000 RMB Shares under the RMB Share Issue is approved and carried out, and all are issued to non-connected persons of the Company and there are no changes in the share capital of the Company prior to the completion of the RMB Share Issue, the shareholding structures of the Company as at the date of this announcement and immediately after the completion of the RMB Share Issue (assuming no over-allotment option is exercised) are set out as follows:

	As at the date of this announcement		Immediately after the completion of the RMB Share Issue (assuming no over-allotment option is exercised)	
	Number of Shares	Approximate percentage of the Company's issued share capital	Number of Shares	Approximate percentage of the Company's issued share capital
RMB Shares to be issued under the proposed RMB Share Issue	—	—	1,685,620,000	24.64%
Hong Kong Shares	5,155,373,771	100.00%	5,155,373,771	75.36%
— Hong Kong Shares held by core connected persons	1,656,701,409	32.14%	1,656,701,409	24.22%
— Hong Kong Shares held by the public	<u>3,498,672,362</u>	<u>67.86%</u>	<u>3,498,672,362</u>	<u>51.14%</u>
Total	<u>5,155,373,771</u>	<u>100.00%</u>	<u>6,804,993,771</u>	<u>100.00%</u>

As at the date of this announcement, according to the information publicly available to the Company, the public held no less than 67.86% of Shares issued by the Company. Assuming that the issue of all the 1,685,620,000 RMB Shares under the RMB Share Issue is approved and all are issued to non-connected persons of the Company, and no over-allotment option is exercised, the percentage of RMB Shares held by the public with respect to the total number of Shares after the issuance is expected to be 24.64%, the percentage of Hong Kong Shares held by the public with respect to the total number of Shares after the issuance is expected to be 51.14% and the percentage of Shares (both RMB Shares and Hong Kong Shares in aggregate) held by the public with respect to the total number of Shares after the issuance is expected to be 75.78%.

As at the date of this announcement, the Company had not entered or proposed to enter into any agreement in relation to subscription of RMB Shares with any connected persons of the Company.

Fund Raising Activities in the Past 12 Months

Save as disclosed below, the Company has not conducted any other fund raising activities involving issue of equity securities in the past twelve months prior to the date of this announcement:

Date of initial announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
19 November 2019	Proposed issue of convertible bonds with conversion shares to be allotted and issued pursuant to a general mandate	US\$229.5 million	For the Company's capital expenditure for capacity expansion and other general corporate purposes	All proceeds have been used for the Company's capital expenditure for capacity expansion and other general corporate purposes

Application for Listing

An application for the RMB Share Issue will be made to the SSE. The SSE, after approving the application, will apply to the CSRC for the registration of RMB Share Issue. The Company will make another application to the SSE for the listing of, and permission to deal in, the RMB Shares on the Sci-Tech Board after the CSRC agrees with the registration and the public offering of the RMB Shares has been completed. The RMB Shares will not be listed on the Hong Kong Stock Exchange.

Reasons for the RMB Share Issue

The Board considers that the RMB Share Issue will enable the Company to access the PRC capital market by way of equity financing and improve its capital structure while maintaining its international development strategy.

The Board considers that the RMB Share Issue is in line with the interests of the Company and the Shareholders as a whole, and is beneficial to strengthen the sustainable development of the Company.

Grant of Waivers from Strict Compliance with Certain Provisions of the Listing Rules

For the purpose of the RMB Share Issue, the Company has applied for, and the Hong Kong Stock Exchange has granted on 29 April 2020, the following waivers from strict compliance with the relevant provisions of the Listing Rules:

(1) One-off waiver relating to no listing of the RMB Shares on the Hong Kong Stock Exchange

As the RMB Shares will be of the same class as the Hong Kong Shares but will not be listed on the Hong Kong Stock Exchange, the Company has applied for, and the Hong Kong Stock Exchange has granted, a one-off waiver so that there is no need to seek listing of the RMB Shares to be issued under the proposed RMB Share Issue on the Hong Kong Stock Exchange under Rules 8.20 and 13.26 of the Listing Rules, on the following conditions:

- (a) Rule 6.12 of the Listing Rules is modified such that the requirement of obtaining the prior approval of shareholders for voluntary withdrawal of listing on the Hong Kong Stock Exchange by (i) at least 75% of the votes attaching to any class of listed securities held by holders voting either in person or by proxy at the meeting before voluntarily withdrawing its listing on the Hong Kong Stock Exchange; and (ii) the number of votes cast against the resolution is not more than 10% of the votes attaching to any class of listed securities held by holders permitted under Rule 6.12(1) of the Listing Rules to vote in person or by proxy at the meeting, shall apply to holders of the Hong Kong Shares only;
- (b) Rule 6.15 of the Listing Rules is modified such that the requirement of fulfilling shareholders' approval requirements under the Code on Takeovers and Mergers for voluntary withdrawal of listing on the Hong Kong Stock Exchange shall apply to holders of the Hong Kong Shares only;

- (c) Rule 13.36(2)(b) of the Listing Rules is modified such that the Shareholders (including both holders of Hong Kong Shares and holders of RMB Shares) can by ordinary resolution in a general meeting give a general mandate to the Directors under which (i) the aggregate number of Hong Kong Shares allotted or agreed to be allotted must not exceed 20% of the number of the issued Hong Kong Shares as at the date of the resolution granting the general mandate; and (ii) the aggregate number of RMB Shares allotted or agreed to be allotted must not exceed 20% of the number of the issued RMB Shares as at the date of the resolution granting the general mandate; and
- (d) Rule 13.36(2)(b) of the Listing Rules is further modified such that the Shareholders (including both holders of Hong Kong Shares and holders of RMB Shares) can by ordinary resolution in general meeting give a repurchase mandate to the Directors under which (i) only the Hong Kong Shares may be repurchased; and (ii) the maximum number of Hong Kong Shares repurchased by the Company since the granting of the general mandate will be 10% of the number of the issued Hong Kong Shares as at the date of the resolution granting the repurchase mandate.

(2) *Waiver relating to corporate communications*

As the Company is not required to (i) seek an express and positive written confirmation from each holder of the RMB Shares that corporate communications may be made available using electronic means; and (ii) physically send a circular to the holders of the RMB Shares (as the publication of corporate communications, including circulars, on the websites of the SSE and the Company and through other prescribed communication channels such as specified PRC newspapers would constitute effective delivery to the holders of the RMB Shares), the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver so that the requirements relating to corporate communications under Rule 2.07A of the Listing Rules will apply only to the holders of Hong Kong Shares.

(3) *Waiver relating to requirements for certification of transfers*

As the transfers of RMB Shares on the Sci-Tech Board can be divided into trading transfers (meaning transfers pursuant to transactions conducted between two parties holding SSE stock accounts through the paperless trading platform of the SSE, which does not involve any certificate, temporary documents or split renounceable documents) and non-trading transfers (including share transfers due to inheritance, gift and property division, for which the relevant applicant must submit materials required by the CSDC to complete the transfer, and the CSDC, which will be the Company's share registrar of the RMB Shares and the keeper of the register of holders of the RMB Shares, will provide services of certifying transfers against certificates or temporary documents and splitting renounceable documents with respect to such non-trading transfers of the RMB Shares), the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver so that the

requirements relating to certification of transfers to be completed within certain time frame under Rule 13.58 of the Listing Rules will apply only to the Hong Kong Shares and the non-trading transfers of the RMB Shares.

(4) Waiver relating to requirements for securities registration services

As the CSDC will provide securities registration services to holders of the RMB Shares, and there is no need for certificate replacement service given that the RMB Shares can be traded electronically on the Sci-Tech Board and will not require a share certificate to evidence title, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver so that the requirements relating to securities registration services under Rules 13.59 and 13.60 of the Listing Rules will apply only to the Hong Kong Shares.

SHAREHOLDERS' APPROVAL AND GENERAL INFORMATION

The Company will convene the EGM to propose for consideration by the Shareholders and seek their approval for the matters relating to the proposed RMB Share Issue, the granting of the Specific Mandate and the other matters as set out above. A circular of the EGM containing, among other things, details of the proposals, together with the notice of EGM will be despatched to the Shareholders as soon as practicable in accordance with the requirements under the Listing Rules and the Memorandum and Articles of Associations currently in force. Please note that in addition to the approval by the Shareholders, the RMB Share Issue is also subject to the necessary Regulatory Approvals.

As the RMB Share Issue and the Specific Mandate are subject to approval at the EGM and the necessary Regulatory Approvals and may or may not proceed, Shareholders and investors should exercise caution when dealing in the Hong Kong Shares of the Company. Further announcement(s) will be made to disclose any material updates and developments in respect of the RMB Share Issue and the granting of the Specific Mandate in accordance with the Listing Rules and other applicable laws and regulations as and when appropriate. This announcement is for information only and is not intended to and does not constitute, or form part of, an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

DEFINITIONS

Unless the context otherwise requires, the following expressions in this announcement have the following meanings:

“Board”	the board of Directors of the Company
“Company”	Semiconductor Manufacturing International Corporation (中芯國際集成電路製造有限公司*), a limited liability company incorporated in the Cayman Islands
“CSDC”	China Securities Depository and Clearing Corporation Limited
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“EGM”	the 2020 second extraordinary general meeting of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Shares”	the existing common Shares which are listed on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Memorandum and Articles of Association”	the memorandum and articles of association of the Company (as amended from time to time)
“PRC”	the People’s Republic of China, for the purpose of this announcement and for geographical reference only, excludes Hong Kong, Macau Special Administrative Region of the PRC, and Taiwan
“Regulatory Approvals”	the approvals or decisions from the relevant regulatory authorities and governmental departments in the PRC and Hong Kong (including but not limited to the CSRC, the Hong Kong Stock Exchange, the SSE and the CSDC)
“RMB”	Renminbi, the lawful currency of the PRC

“RMB Shares”	the common Shares to be subscribed for in RMB by investors in the PRC, listed on the Sci-Tech Board and traded in RMB
“RMB Share Issue”	the Company’s proposed issue of no more than 1,685,620,000 RMB Shares, which will be listed on the Sci-Tech Board
“Sci-Tech Board”	the Science and Technology Innovation Board of the SSE
“Shareholders”	the holders of the Shares of the Company
“Shares”	the common shares in the share capital of the Company with par value of US\$0.004 each
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the EGM to allot and issue RMB Shares pursuant to the RMB Share Issue
“SSE”	the Shanghai Stock Exchange
“US\$”	the lawful currency of the United States of America
“%”	per cent

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

Shanghai, PRC

5 May 2020

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 purpose only*