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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Semiconductor Manufacturing International Corporation (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

- (1) RE-ELECTION OF DIRECTORS**  
**(2) PROPOSED GENERAL MANDATE TO ISSUE AND REPURCHASE  
SHARES**  
**(3) PROPOSED APPOINTMENT OF AUDITORS**  
**(4) PROPOSAL ON DISTRIBUTION FOR THE YEAR 2020  
AND**  
**(5) NOTICE OF ANNUAL GENERAL MEETING**

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The notice convening an annual general meeting of the Company to be held at Evergreen Laurel Hotel Shanghai at Conference Hall on the 2nd Floor, 1136 Zuchongzhi Road, Pu Dong New Area, Shanghai, People’s Republic of China on 25 June 2021 at 2:00 p.m. is contained in this circular. Shareholders are advised to read the notice and to complete and return the enclosed form of proxy for use at the annual general meeting in accordance with the instructions printed thereon.

Whether you are able to attend the annual general meeting or not, please complete and return the enclosed form of proxy to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the annual general meeting in person. All persons who are registered holders of the Hong Kong Shares whose names appear on the register of members of Hong Kong Shares on 25 June 2021 or, registered holders of the RMB Shares whose names appear on the register members of RMB Shares on 21 June 2021, will be entitled to attend and vote at the annual general meeting. Further announcement will be made by the Company on the website of the SSE regarding the record date and arrangements for holders of Shares listed on the Science and Technology Innovation Board of the SSE in accordance with the requirements of the SSE.

\* *for identification purposes only*

26 May 2021

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“2004 Stock Option Plan”	the 2004 stock option plan adopted by the Company by way of a Shareholders’ resolution on 16 February 2004 but terminated by the Company on 15 November 2013;
“2014 Equity Incentive Plan”	the 2014 equity incentive plan adopted by the Company pursuant to a resolution passed by the Shareholders at the annual general meeting of the Company held on 13 June 2013 and effective from 15 November 2013 upon its registration with the PRC State Administration of Foreign Exchange, a summary of which is set out in the annual report of the Company for the year ended 31 December 2015;
“2014 Stock Option Plan”	the 2014 stock option plan adopted by the Company by way of a Shareholders’ resolution on 13 June 2013 which became effective from 15 November 2013;
“AGM”	the annual general meeting of the Company to be held at Evergreen Laurel Hotel Shanghai at Conference Hall on the 2nd Floor, 1136 Zuchongzhi Road, Pu Dong New Area, Shanghai, the PRC on 25 June 2021 at 2:00 p.m.;
“Articles of Association”	the Twelfth Amended and Restated Articles of Association of the Company adopted by special resolution passed at the extraordinary general meeting of the Company held on 1 June 2020 which became effective on 16 July 2020;
“associate(s)”	has the meaning as ascribed to it in the Hong Kong Listing Rules;
“Board”	the board of Directors;
“Common Shares”	the common shares of US\$0.004 each in the share capital of the Company;
“Company”	Semiconductor Manufacturing International Corporation (中芯國際集成電路製造有限公司*), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange and the Science and Technology Innovation Board of the SSE;
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules;
“controlling shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules;
“Director(s)”	director(s) of the Company;

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## DEFINITIONS

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“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Hong Kong Shares”	the Common Shares which are listed on the Stock Exchange;
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to, among other things, allot and issue Hong Kong Shares set out as resolution numbered 5 in the notice of AGM at pages 22 to 28 of this circular;
“Latest Practicable Date”	18 May 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“PRC”	the People’s Republic of China (for the purpose of this circular excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan China);
“Preferred Shares”	preferred share(s) of US\$0.004 each in the share capital of the Company;
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Hong Kong Shares set out as resolution numbered 6 in the notice of the AGM at pages 22 to 28 of this circular;
“RMB”	Renminbi, the lawful currency of the PRC;
“RMB Shares”	the Common Shares which are listed on the Science and Technology Innovation Board of the SSE and subscribed for and traded in RMB by investors in the PRC;
“RSU”	an unsecured promise of the Company to pay eligible individuals a specific number of Shares on a specified date pursuant to the 2014 Equity Incentive Plan, subject to all applicable laws, rules, regulations and the applicable vesting, transfer or forfeiture restrictions as set out in the 2014 Equity Incentive Plan and the applicable award document;
“SFC”	the Securities and Futures Commission of Hong Kong;

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## DEFINITIONS

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“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	the common shares in the share capital of the Company with par value of US\$0.004 each (including Hong Kong Shares and RMB Shares)
“Shareholder(s)”	the holder(s) of the Shares;
“SSE”	The Shanghai Stock Exchange;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules;
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC;
“US” or “United States”	the United States of America;
“US\$”, “USD” or “US Dollars”	United States dollars, the lawful currency of the United States; and
“%”	per cent.

\* *for identification purposes only*

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Zhou Zixue (*Chairman*)

Chiang Shang-Yi (*Vice Chairman*)

Zhao Haijun (*Co-Chief Executive Officer*)

Liang Mong Song (*Co-Chief Executive Officer*)

Gao Yonggang (*Chief Financial Officer and*

*Company Secretary*)

*Non-executive Directors:*

Chen Shanzhi

Zhou Jie

Ren Kai

Huang Dengshan

Lu Guoqing

*Independent Non-executive Directors:*

William Tudor Brown

Lau Lawrence Juen-Yee

Fan Ren Da Anthony

Young Kwang Leei

Liu Ming

*Registered Office:*

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

*Principal Place of Business:*

18 Zhangjiang Road

Pudong New Area

Shanghai 201203

People's Republic of China

26 May 2021

*To the Shareholders*

Dear Sir or Madam,

- (1) RE-ELECTION OF DIRECTORS**  
**(2) PROPOSED GENERAL MANDATE TO ISSUE AND REPURCHASE**  
**SHARES**  
**(3) PROPOSED APPOINTMENT OF AUDITORS**  
**(4) PROPOSAL ON DISTRIBUTION FOR THE YEAR 2020**  
**AND**  
**(5) NOTICE OF ANNUAL GENERAL MEETING**

\* *for identification purposes only*

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## LETTER FROM THE BOARD

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### INTRODUCTION

The purpose of this circular is to provide you with information on the businesses to be transacted at the AGM in respect of, among other matters, (i) the re-election of Directors; (ii) the proposed grant to the Directors of the Issue Mandate and Repurchase Mandate; (iii) the proposed appointment of auditors; and (iv) the proposal on distribution to the Shareholders for the year 2020.

### RE-ELECTION OF DIRECTORS

The Board currently consists of four Class I Directors, namely Dr. Zhou Zixue, Dr. Gao Yonggang, Mr. William Tudor Brown and Mr. Lu Guoqing, six Class II Directors, namely Dr. Chiang Shang-Yi, Dr. Chen Shanzhi, Dr. Zhao Haijun, Professor Lau Lawrence Juen-Yee, Mr. Fan Ren Da Anthony and Mr. Huang Dengshan and five Class III Directors, namely Mr. Zhou Jie, Mr. Ren Kai, Dr. Liang Mong Song, Dr. Young Kwang Leei and Dr. Liu Ming.

Four Class II Directors, namely Dr. Chen Shanzhi, Dr. Zhao Haijun, Professor Lau Lawrence Juen-Yee and Mr. Fan Ren Da Anthony, shall retire from office at the AGM pursuant to Article 95 of the Articles of Association. Each of Dr. Chen Shanzhi, Dr. Zhao Haijun, Professor Lau Lawrence Juen-Yee and Mr. Fan Ren Da Anthony will, being eligible, offer himself for re-election as a Class II Director at the AGM. If re-elected at the AGM, each of them will hold office for a term ending on the earlier of (a) the end of three years after the date of re-election; or (b) the date of the 2024 annual general meeting of the Company, subject to the provisions of the Articles of Association and any other applicable law, regulations or rules of stock exchange.

One Class I Director, Mr. Lu Guoqing, whose initial appointment as a Director took effect on 13 May 2021, two Class II Directors, Dr. Chiang Shang-Yi and Mr. Huang Dengshan whose initial appointments as Directors took effect on 15 December 2020 and 13 May 2021, respectively, and one Class III Director, Dr. Liu Ming, whose initial appointment as a Director took effect on 4 February 2021, shall retire from office at the AGM pursuant to Article 132 of the Articles of Association. Each of Mr. Lu Guoqing, Dr. Chiang Shang-Yi, Mr. Huang Dengshan and Dr. Liu Ming will, being eligible, offer himself or herself for re-election as a Class I Director, Class II Director or Class III Director, accordingly, at the AGM. If re-elected at the AGM, the Class I Director, Mr. Lu Guoqing, will hold office for a term ending on the earlier of (a) the end of three years after the date of re-election; or (b) the date of the 2023 annual general meeting of the Company. The Class II Directors, Dr. Chiang Shang-Yi and Mr. Huang Dengshan, will hold office for a term ending on the earlier of (a) the end of three years after the date of re-election; or (b) the date of the 2024 annual general meeting of the Company; and the Class III Director, Dr. Liu Ming, will hold office for a term ending on the earlier of (a) the end of three years after the date of re-election; or (b) the date of the 2022 annual general meeting of the Company, subject to the provisions of the Articles of Association and any other applicable law, regulations or rules of stock exchange.

Each of the three independent non-executive Directors Professor Lau Lawrence Juen-Yee, Mr. Fan Ren Da Anthony and Dr. Liu Ming has provided an annual confirmation of independence to the Company, and confirmed that they have fully complied with each of the factors for assessing independence set out in rule 3.13 of the Hong Kong Listing Rules. The independent non-executive Directors who will stand for re-

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## LETTER FROM THE BOARD

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election at the AGM, have provided valuable contributions to the Company and demonstrated their ability to exercise independence of judgement and provide a balanced and objective view in relation to the Company's affairs which continue to be of significant benefit to the Company.

Details of the above-mentioned retiring Directors proposed to be re-elected at the AGM are set out in Appendix I to this circular.

### GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 23 June 2020, the Shareholders passed resolutions granting general mandates to the Directors to issue and purchase shares of the Company. These general mandates will lapse upon the conclusion of the AGM. Resolutions will therefore be proposed at the AGM to renew the grant of these general mandates. The relevant resolutions, in summary, are:

- an ordinary resolution to give the Directors a general and unconditional mandate to allot, issue, grant, distribute and otherwise deal with additional Hong Kong Shares, not exceeding 20% of the number of issued Hong Kong Shares of the Company as at the date of passing such resolution (as adjusted in accordance with such resolution), for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in such resolution);
- an ordinary resolution to give the Directors a general and unconditional mandate to exercise the powers of the Company to repurchase an amount of Hong Kong Shares, not exceeding 10% of the number of issued Hong Kong Shares of the Company as at the date of passing such resolution, for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in such resolution); and
- conditional on the passing of the resolutions to grant the Issue Mandate and the Repurchase Mandate in the preceding paragraphs, an ordinary resolution to authorize the Directors to exercise the powers of the Company to allot, issue, grant, distribute and otherwise deal with additional Hong Kong Shares under the Issue Mandate in respect of the total number of issued Hong Kong Shares in the Company purchased by the Company.

As at the Latest Practicable Date, the total number of each of the Hong Kong Shares and RMB Shares in issue was 5,961,601,794 and 1,938,463,000, respectively. Subject to the passing of resolution no. 5 in relation to the Issue Mandate and in accordance with the terms therein, the Company would be allowed to issue additional Hong Kong Shares of up to the aggregate amount of a maximum of 1,192,320,358 Hong Kong Shares, representing 20% of the existing number of issued Hong Kong Shares of the Company, on the basis that no further Hong Kong Shares will be issued or repurchased prior to the date of the AGM.

As at the Latest Practicable Date, a total of 1,679,502 Hong Kong Shares remained to be issued on exercise of the conversion rights under US\$200 million zero coupon convertible bonds due 2022 issued by the Company on 9 December 2019, the outstanding balance of which are US\$2 million and can be convertible into 1,679,502 Hong Kong Shares upon full conversion at the initial conversion price of HK\$9.25 per Hong Kong Share. Save as disclosed above and in the 2020 annual report of the Company,



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## LETTER FROM THE BOARD

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there were no other outstanding options, warrants and other derivatives and there were no exercise of any outstanding options, warrants and other derivatives during the year ended 31 December 2020 and up to the Latest Practicable Date.

An explanatory statement providing the requisite information regarding the Repurchase Mandate is set out in Appendix II to this circular.

### **PROPOSED APPOINTMENT OF AUDITORS**

As disclosed in the announcement of the Company dated 13 May 2021, PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian LLP (collectively referred to as “PwC”) will retire as auditors of the Company for the financial reporting in accordance with International Financial Reporting Standards (“IFRS”) and the financial reporting in accordance with China Accounting Standards for Business Enterprises (“CAS”) purposes upon expiration of their current term of office at the conclusion of the AGM.

The Board has unanimously resolved, with the recommendation from the audit committee of the Board, to propose the appointment of Ernst & Young and Ernst & Young Hua Ming LLP as the auditors of the Company for the financial reporting in accordance with IFRS and the financial reporting in accordance with CAS purposes (the “**Proposed Appointment**”), respectively, at the AGM following the retirement of PwC and to hold office from the conclusion of the AGM until the conclusion of the next following annual general meeting of the Company, subject to the approval of the Shareholders at the AGM.

PwC has been the auditors of the Company since 2014. Consistent with good corporate governance practice, the Board considers that change of auditors will help enhance the independence of the auditors and the effectiveness of the audit services. The Board is of the view that the Proposed Appointment would be in the best interests of the Company and the Shareholders as a whole.

The Board has confirmed that there are no disagreements or outstanding matters between the Company and PwC, and the Board is not aware of any other matters in relation to the change of auditors that need to be brought to the attention of the Shareholders.

### **PROPOSAL ON DISTRIBUTION FOR THE YEAR 2020**

The Company’s profit distribution policy adopted pursuant to the ordinary resolution passed by the Shareholders on 1 June, 2020 stipulates that before the Company declares any cash dividend, the Company shall meet certain conditions that, among other things, the Company has no major external investment plan or significant cash expenditure in the next twelve months (i.e. the cumulative expenditure of the proposed construction project, external investment, acquisition of assets or purchase of equipment reaches or exceeds 10% of the Company’s audited net assets in the most recent period).

The Company expects its capital expenditure will be US\$4.3 billion for the year 2021, exceeding 10% of the Company’s audited net assets for 2020, with most of the capital expenditure to be spent on the expansion of mature processes, a small portion on advanced processes, civil engineering and other new joint venture projects in Beijing. In view of the large capital demand of the Company in 2021, in order to ensure

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## LETTER FROM THE BOARD

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the Company's normal production and operation and its needs of future development are being met, the Board did not recommend the payment of cash dividends for the year 2020, nor distribute bonus shares, nor transfer capital reserve fund to increase equity or any other forms of distribution.

The above proposal on distribution for the year 2020 was considered and approved by the Board on 31 March 2021 and was also approved by the independent non-executive Directors. In light of the foregoing, a resolution will be proposed to the Shareholders at the AGM for consideration and, if thought fit, approval.

### GENERAL

Your attention is drawn to the appendices to this circular.

The full text of the resolutions referred to above is set out in the notice of AGM, attached at pages 22 to 28 of this circular.

### RECOMMENDATIONS

The Directors (including independent non-executive Directors) are of the opinion that the proposed resolutions set out in the notice of AGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors (save in respect of any particular resolution relating to the election of himself/herself as a Director) recommend the Shareholders to vote in favour of the proposed resolutions as set out in the notice of AGM.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules and the SSE for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### ANNUAL GENERAL MEETING

The voting at the AGM will be taken by a poll. The Company will make an announcement of the poll results in accordance with the relevant requirements under the Hong Kong Listing Rules as soon as possible.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholders; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby it/he/she has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its/his Shares to a third party, either generally or on a case-by-case basis.

A form of proxy for the AGM is enclosed with this circular. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183

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## LETTER FROM THE BOARD

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Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the AGM. The completion of a form of proxy will not preclude you from attending and voting at the AGM in person.

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 22 June 2021 to 25 June 2021 (both days inclusive), during which period no transfer of shares in the Company will be registered. In order to qualify for attending and voting at the AGM, all transfers of Hong Kong Shares, accompanied by the relevant certificates, must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Monday, 21 June 2021. All persons who are registered holders of the Hong Kong Shares whose names appear on the register of members of Hong Kong Shares on 25 June 2021 or, registered holders of the RMB Shares whose names appear on the register members of RMB Shares on 21 June 2021, will be entitled to attend and vote at the annual general meeting. Further announcement will be made by the Company on the website of the SSE regarding the record date and arrangements for holders of Shares listed on the Science and Technology Innovation Board of the SSE in accordance with the requirements of the SSE.

### MISCELLANEOUS

This circular has been prepared in both English and Chinese. In the case of inconsistency, the English text of this circular shall prevail over the Chinese text.

This circular, together with the notice of the AGM and the proxy form, have also been posted on the websites of the Company and the Stock Exchange respectively.

Yours faithfully,

On behalf of the Board of Directors of  
**Semiconductor Manufacturing International Corporation**  
**Gao Yonggang**

*Executive Director, Chief Financial Officer and Company Secretary*

*The following sets out the details of the Directors who shall retire and, being eligible, offer themselves for re-election at the AGM pursuant to the Articles of Association.*

**Chiang Shang-Yi, aged 74, Vice Chairman, Executive Director**

Dr. Chiang Shang-Yi, was appointed as a Vice Chairman of the Board and executive Director of the Company on 15 December 2020. During his 40-year career in the semiconductor industry, has devoted his career to advancing the semiconductor technology and developing the semiconductor industry. Dr. Chiang worked at Texas Instruments and Hewlett-Packard. Then, he returned to Taiwan in 1997 to serve as a Vice President of Research and Development of Taiwan Semiconductor Manufacturing Corporation (“TSMC”). He was Co-Chief Operating Officer when he retired at the end of 2013. After that, Dr. Chiang served as the Adviser to Chairman at TSMC, the independent non-executive Director of the Company and Chief Executive Officer of Wuhan Hongxin Semiconductor Manufacturing Co., Ltd. Dr. Chiang was made a Life Fellow of the Institute of Electrical and Electronics Engineers (“IEEE”) in 2002.

Dr. Chiang earned his Bachelor of Science degree from National Taiwan University in 1968, his Master of Science degree from Princeton University in 1970 and his Doctorate from Stanford University in 1974, all in Electrical Engineering.

Dr. Chiang will enter into a service contract with the Company immediately after being re-elected in the AGM. Dr. Chiang will hold office for a term ending on the earlier of (a) the end of three years after the date of re-election or (b) the date of the 2024 annual general meeting of the Company, subject to the provisions of the Articles of Association and any other applicable law, regulations or rules of stock exchange. Dr. Chiang is currently entitled to an annual cash compensation of US\$670,000 and annual incentive in accordance with his employment contract for serving as a vice chairman. Dr. Chiang’s remuneration package was determined by the Board according to the Company’s Policy on Directors’ and Senior Management’s Remuneration and with reference to the recommendation of the compensation committee. The total amount of Dr. Chiang’s emoluments for the year ended 31 December 2020 comprised salaries and bonus of US\$31,558. Dr. Chiang is subject to retirement by rotation at least once every three years in accordance with the Articles of Association.

As at the Latest Practicable Date, Dr. Chiang does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Dr. Chiang does not have any relationships with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

**Zhao Haijun, aged 57, Executive Director, Co-Chief Executive Officer**

Dr. Zhao Haijun, became an executive Director and Co-Chief Executive Officer of the Company on 16 October 2017. He has 28 years of experience in semiconductor operations and technology development. From 2010 to 2016, he successively served as a Chief Operating Officer and Executive Vice President of the Company as well as a General Manager of Semiconductor Manufacturing North China (Beijing) Corporation. Dr. Zhao has served as an independent director of Zhejiang Juhua Co., Ltd. (600160.SH) since November 2016. Dr. Zhao also serves as a director of certain subsidiaries of the Company.

Dr. Zhao obtained a Bachelor of Science degree and a Doctor of Philosophy in Electronic Engineering degree from Tsinghua University (Beijing) and a Master's Degree in Business Administration from the University of Chicago.

Dr. Zhao will enter into a service contract with the Company immediately after being re-elected in the AGM. Dr. Zhao will hold office for a term ending on the earlier of (a) the end of three years after the date of re-election or (b) the date of the 2024 annual general meeting of the Company, subject to the provisions of the Articles of Association and any other applicable law, regulations or rules of stock exchange. Dr. Zhao is currently entitled to an annual base salary of US\$311,055 and annual target performance-based bonus of US\$388,818 which is subject to the completion rate of the Company's achievement of annual goals, options to subscribe for cash value of US\$427,700.50 Hong Kong Shares of the Company and cash value of US\$427,700.50 RSU which are subject to the completion rate of the Company's performance achievement of annual goals to be granted. Dr. Zhao's remuneration package was determined by the Board according to the Company's Policy on Directors' and Senior Management's Remuneration and with reference to the recommendation of the compensation committee and the prevailing market conditions. The total amount of Dr. Zhao's emoluments for the year ended 31 December 2020 was US\$1,111,336 comprising (i) salaries and bonus of US\$972,063 and (ii) share-based compensation of US\$139,273. Dr. Zhao is subject to retirement by rotation at least once every three years in accordance with the Articles of Association.

As at the Latest Practicable Date, Dr. Zhao held 163 Hong Kong Shares and was interested in (i) the share options of the Company exercisable into 2,095,439 Hong Kong Shares granted to him by the Company pursuant to the 2004 Stock Option Plan and the 2014 Stock Option Plan; and (ii) 86,603 RSUs granted to him by the Company pursuant to the 2014 Equity Incentive Plan within the meaning of Part XV of the SFO.

Dr. Zhao does not have any relationships with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

#### **Chen Shanzhi, aged 51, Non-Executive Director**

Dr. Chen Shanzhi has been a non-executive Director of the Company since 23 June 2009. Dr. Chen has over 20 years of experience in the field of information and communication technology and product, during which he has been involved in research and development, technology and strategy management. He is the vice president of China Information and Communication Technology Group Co., Ltd. ("CICT"), and head of the specialist committee.

Dr. Chen is a fellow of IEEE and also serves as a director of The Chinese Institute of Electronics, an executive director of China Institute of Communications and a director of China EV100.

Dr. Chen obtained a bachelor's degree from Xidian University, master's degree from the China Academy of Posts and Telecommunications of the Ministry of Posts and Telecommunications, and Ph.D. from the Beijing University of Posts and Telecommunications.

Dr. Chen will enter into a service contract with the Company immediately after being re-elected in the AGM. Dr. Chen will hold office for a term ending on the earlier of (a) the end of three years after the date of re-election or (b) the date of the 2024 annual general meeting of the Company, subject to the

provisions of the Articles of Association and any other applicable law, regulations or rules of stock exchange. Dr. Chen is currently entitled to an annual base salary of US\$55,000 (including US\$10,000 for serving as the chairman of the Strategic Advisory Committee of the Company) and options to subscribe for 62,500 Hong Kong Shares of the Company and 62,500 RSUs to be granted in accordance with the employment contract for serving as a non-executive Director. Dr. Chen's remuneration package was determined by the Board according to the Company's Policy on Directors' and Senior Management's Remuneration and with reference to the recommendation of the compensation committee and the prevailing market conditions. The total amount of Dr. Chen's emoluments for the year ended 31 December 2020 comprised share-based compensation of US\$217,940. Dr. Chen is subject to retirement by rotation at least once every three years in accordance with the Articles of Association.

As at the Latest Practicable Date, Dr. Chen was interested in (i) the share options of the Company exercisable into 412,656 Hong Kong Shares granted to him by the Company pursuant to the 2014 Stock Option Plan; and (ii) 412,656 RSUs granted to him by the Company pursuant to the 2014 Equity Incentive Plan within the meaning of Part XV of the SFO.

Save for the fact that Dr. Chen is the vice president and head of the specialist committee of CICT, Dr. Chen does not have any relationships with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

#### **Huang Dengshan, aged 53, Non-Executive Director**

Mr. Huang Dengshan became a director on May 13, 2021. Mr. Huang worked in the Budget Management Department, the Infrastructure Department and the Economic Development Department of the Ministry of Finance of the PRC from July 1989 to September 2014. Since May 2015, he has been serving as the vice president of China Integrated Circuit Industry Investment Fund Co., Ltd. ("**China IC Fund**"). Since September 2019, he has been serving as vice president of China Integrated Circuit Industry Investment Fund Phase II Co., Ltd. In addition, Mr. Huang is a director and vice chairman of Semiconductor Manufacturing North China (Beijing) Corporation and a director of Semiconductor Manufacturing South China Corporation since December 2017 and June 2020, respectively.

Mr. Huang obtained a bachelor's degree in economics from Dongbei University of Finance and Economics in July 1989.

Mr. Huang will enter into a service contract with the Company immediately after being re-elected in the AGM. Mr. Huang will hold office for a term ending on the earlier of (a) the end of three years after the date of re-election or (b) the date of the 2024 annual general meeting of the Company, subject to the provisions of the Articles of Association and any other applicable law, regulations or rules of stock exchange. Mr. Huang is currently entitled to an annual base salary of US\$50,000 (including US\$5,000 for serving a member of the Nomination Committee of the Company) and options to subscribe for 187,500 Hong Kong Shares of the Company and 187,500 RSUs to be granted in accordance with the employment contract for serving as a non-executive Director. Mr. Huang's remuneration package was determined by the Board according to the Company's Policy on Directors' and Senior Management's Remuneration and with

reference to the recommendation of the compensation committee and the prevailing market conditions. Mr. Huang is subject to retirement by rotation at least once every three years in accordance with the Articles of Association.

As at the Latest Practicable Date, Mr. Huang does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Save for the fact that Mr. Huang is the vice president of China IC Fund, Mr. Huang does not have any relationships with any directors, senior management, other substantial or controlling shareholders of the Company.

**Lu Guoqing, aged 58, Non-Executive Director**

Mr. Lu Guoqing became a director on May 13, 2021. Mr. Lu served as the vice chairman of the Research Office of System Department, deputy director of the Science and Technology Division, director of the Device Institute, assistant to the president of the Wuhan Research Institute of Posts and Telecommunications, and general manager of Accelink Technologies Co., Ltd. from July 1985 to July 2001. Since July 2001, he successively served as the vice president and the secretary of the Party Committee of the Wuhan Research Institute of Posts and Telecommunications, and the secretary of the Party Committee, director, president of Wuhan FiberHome Technologies Group Co., Ltd. Since August 2016, he has been the secretary of the Party Committee, chairman, president of FiberHome Technologies Group Co., Ltd. Since December 2017, Mr. Lu has been the secretary of the Party Committee, chairman, general manager of Wuhan Research Institute of Posts and Telecommunications. From June 2018 to February 2021, he served as general manager, deputy secretary of the Party Committee, vice chairman of CICT. He has been the secretary of the Party Committee, chairman and general manager of CICT since February 2021. In addition, Mr. Lu has been the chairman of Fiberhome Communication Technology Co., Ltd. (600498.SH) since August 2016, and the chairman of Wuhan Ligong Guangke Co., Ltd. (300557.SZ) from August 2016 to May 2020.

Mr. Lu obtained a bachelor's degree in industrial instrumentation and automation from Tsinghua University in July 1985, a master's degree in management from Huazhong University of Science and Technology in 2002, and is a professorate senior engineer.

Mr. Lu will enter into a service contract with the Company immediately after being re-elected in the AGM. Mr. Lu will hold office for a term ending on the earlier of (a) the end of three years after the date of re-election or (b) the date of the 2023 annual general meeting of the Company, subject to the provisions of the Articles of Association and any other applicable law, regulations or rules of stock exchange. Mr. Lu is currently entitled to an annual base salary of US\$50,000 (including US\$5,000 for serving as a member of the Compensation Committee of the Company) and options to subscribe for 187,500 Hong Kong Shares of the Company and 187,500 RSUs to be granted in accordance with the employment contract for serving as a non-executive Director. Mr. Lu's remuneration package was determined by the Board according to the Company's Policy on Directors' and Senior Management's Remuneration and with reference to the recommendation of the compensation committee and the prevailing market conditions. Mr. Lu is subject to retirement by rotation at least once every three years in accordance with the Articles of Association.

As at the Latest Practicable Date, Mr. Lu does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Save for the fact that Mr. Lu is the secretary of the Party Committee, chairman and general manager of CICT, Mr. Lu does not have any relationships with any directors, senior management, other substantial or controlling shareholders of the Company.

Save as disclosed above, as at the date of this announcement, Mr. Lu is not interested in any shares of the Company within the meaning of Part XV of the SFO.

**Lau Lawrence Juen-Yee, aged 76, Independent Non-Executive Director**

Professor Lau Lawrence Juen-Yee, has been an independent non-executive Director of the Company since 22 June 2018. From 1966 to 2014, Professor Lau successively served as a Professor at Stanford University, a Co-Director of the Asia-Pacific Research Center at Stanford University, the Director of the Stanford Institute for Economic Policy Research, Vice-Chancellor (President) of The Chinese University of Hong Kong and the Chairman of CIC International (Hong Kong) Co., Limited. Since 2007, Professor Lau has also been serving as the Ralph and Claire Landau Professor of Economics at The Chinese University of Hong Kong. He serves as an independent non-executive director of AIA Group Limited (1299.HK), an independent non-executive director of CNOOC Limited (0883.HK), and an independent director of Far EasTone Telecommunications Company Limited (4904.TW).

From 2008 to 2018, Professor Lau was a member of the 11th and 12th National Committees of the Chinese People's Political Consultative Conference and a Vice-Chairman of its Subcommittee of Economics. He currently serves as a Vice-Chairman of the China Center for International Economic Exchanges, a Vice-President of the China Science Center of the International Eurasian Academy of Sciences, a member of the International Advisory Council of the China Development Bank and Chairman of the Board of Directors of The Chinese University of Hong Kong (Shenzhen) Finance Institute, a member of the Currency Board Subcommittee of the Exchange Fund Advisory Committee of the Hong Kong Special Administrative Region, a member of the Hong Kong Trade Development Council (HKTDC) Belt and Road and Greater Bay Area Committee, a Vice-Chairman of Our Hong Kong Foundation, a Member and Chairman of the Prize Recommendation Committee, LUI Che Woo Prize Company, as well as a member of the Board of Directors of the Chiang Ching-kuo Foundation for International Scholarly Exchange, Taipei.

Professor Lau received his B.S. degree (with Great Distinction) in Physics from Stanford University in 1964 and his M.A. and Ph.D. degrees in Economics from the University of California at Berkeley in 1966 and 1969, respectively.

Professor Lau will enter into a service contract with the Company immediately after being re-elected in the AGM. He will hold office for a term ending on the earlier of (a) the end of three years after the date of re-election; or (b) the date of the 2024 annual general meeting of the Company, subject to the provisions of the Articles of Association and any other applicable law, regulations or rules of stock exchange.



Professor Lau is currently entitled to (i) an annual cash salary of US\$60,000 (including US\$5,000 for serving as a member of the Compensation Committee, US\$5,000 for serving as a member of Nomination Committee, and US\$5,000 for serving as a member of Strategic Advisory Committee of the Company) and (ii) equity awards, which shall be additional granted every year to subscribe for 62,500 Hong Kong Shares of the Company and 62,500 RSUs to be granted in accordance with his service contract with the Company. Professor Lau's compensation package was determined by the Board in accordance with the Company's Policy on Directors and Senior Management Remuneration and with reference to the recommendation of the Compensation Committee and the prevailing market conditions. The total amount of Professor Lau's emoluments for the year ended 31 December 2020 was US\$143,196 comprising (i) salaries and bonus of US\$78,000 and (ii) share-based compensation of US\$65,196. Professor Lau is subject to retirement by rotation at least once every three years in accordance with the Articles of Association.

As at the Latest Practicable Date, Professor Lau was interested in (i) the share options of the Company exercisable into 187,500 Hong Kong Shares granted to him by the Company pursuant to the 2014 Stock Option Plan; and (ii) 187,500 RSUs granted to him by the Company pursuant to the 2014 Equity Incentive Plan within the meaning of Part XV of the SFO.

Professor Lau does not have any relationships with any directors, senior management, other substantial or controlling shareholders of the Company.

**Fan Ren Da Anthony, aged 60, Independent Non-Executive Director**

Mr. Fan Ren Da Anthony, has been an independent non-executive Director of the Company since 22 June 2018. He is currently the chairman and managing director of AsiaLink Capital Limited, an independent non-executive director of CITIC Resources Holdings Limited (1205.HK), an independent non-executive director of Uni-President China Holdings Ltd. (0220.HK), an independent non-executive director of Raymond Industrial Limited (0229.HK), an independent non-executive director of Shanghai Industrial Urban Development Group Limited (0563.HK), an independent non-executive director of China Development Bank International Investment Limited (1062.HK), an independent non-executive director of Technovator International Limited (1206.HK), an independent non-executive director of China Dili Group (1387.HK), an independent non-executive director of Neo-Neon Holdings Limited (1868.HK), an independent non-executive director of Hong Kong Resources Holdings Company Limited (2882.HK) and an independent non-executive director of Tenfu (Cayman) Holdings Company Limited (6868.HK).

Mr. Fan is the Founding President of The Hong Kong Independent Non-Executive Director Association, and holds a Master's Degree in Business Administration from the United States.

Mr. Fan will enter into a service contract with the Company immediately after being re-elected in the AGM. He will hold office for a term ending on the earlier of (a) the end of three years after the date of re-election; or (b) the date of the 2024 annual general meeting of the Company, subject to the provisions of the Articles of Association and any other applicable law, regulations or rules of stock exchange.

Mr. Fan is currently entitled to (i) an annual cash salary of US\$65,000 (including US\$15,000 for serving as the Chairman of Audit Committee and US\$5,000 as a member of the Nomination Committee of the Company) and (ii) equity awards, which shall be additional granted every year to subscribe for 62,500

Hong Kong Shares of the Company and 62,500 RSUs to be granted in accordance with his service contract with the Company. Mr. Fan's compensation package was determined by the Board in accordance with the Company's Policy on Directors and Senior Management Remuneration and with reference to the recommendation of the Compensation Committee and the prevailing market conditions. The total amount of Mr. Fan's emoluments for the year ended 31 December 2020 was US\$148,196 comprising (i) salaries and bonus of US\$83,000 and (ii) share-based compensation of US\$65,196. Mr. Fan is subject to retirement by rotation at least once every three years in accordance with the Articles of Association.

As at the Latest Practicable Date, Mr. Fan was interested in (i) the share options of the Company exercisable into 187,500 Hong Kong Shares granted to him by the Company pursuant to the 2014 Stock Option Plan; and (ii) 187,500 RSUs granted to him by the Company pursuant to the 2014 Equity Incentive Plan within the meaning of Part XV of the SFO.

Mr. Fan does not have any relationships with any directors, senior management, other substantial or controlling shareholders of the Company.

#### **Liu Ming, aged 56, Independent Non-Executive Director**

Dr. Liu Ming, has been an independent non-executive Director of the Company since 4 February 2021. She was an assistant professor in University of Yantai from 1988 to 1995. She served as an associate professor and a professor in Institute of Microelectronics of the Chinese Academy of Sciences from 1999 to 2020. Since 2021, she has been a professor in Fudan University. Dr. Liu has been an independent director of Unisound AI Technology Co. Ltd since June 2019.

During Dr. Liu's 33-year career in the semiconductor industry, she has contributed to research in micro/nanofabrication, NVM device and circuit, modeling and simulation, and reliability. Dr. Liu has published five Books and Chapters, more than 300 Journal papers, and more than 100 Conference Papers (including more than 40 keynote or invited papers). She has served in many important academic positions, some of which are the Chapter Chair of the Beijing Section Chapter of the IEEE Electron Devices Society (the "EDS"), and the editor to both the EDS Newsletter and Journal of Semiconductors.

Dr. Liu earned her Bachelor of Science degree in semiconductor from Hefei University of Technology in 1985, her Master of Science degree in semiconductor from Hefei University of Technology in 1988 and her Doctorate in material engineering from Beijing University of Aeronautics and Astronauts in 1998.

Dr. Liu will enter into a service contract with the Company immediately after being re-elected in the AGM. She will hold office for a term ending on the earlier of (a) the end of three years after the date of re-election; or (b) the date of the 2022 annual general meeting of the Company, subject to the provisions of the Articles of Association and any other applicable law, regulations or rules of stock exchange.

Dr. Liu is currently entitled to (i) an annual cash salary of US\$50,000 comprising US\$45,000 for serving as an independent non-executive Director and US\$5,000 for serving a member of the Strategic Committee and (ii) an option to subscribe for 187,500 Hong Kong Shares of the Company and 187,500 RSUs to be granted in accordance with the service contract entered into with the Company on 4 February

2021. Dr. Liu's compensation package was determined by the Board in accordance with the Company's Policy on Directors and Senior Management Remuneration and with reference to the recommendation of the Compensation Committee. There were no emoluments paid to Dr. Liu for the year ended 31 December 2020. Dr. Liu is subject to retirement by rotation at least once every three years in accordance with the Articles of Association.

As at the Latest Practicable Date, Dr. Liu does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Dr. Liu does not have any relationships with any directors, senior management, other substantial or controlling shareholders of the Company.

Save as disclosed herein, no Director holds any position with the Company or any other member of the Group, nor has any directorships in other listed companies in the past three years and there is no other matter relating to any of the abovementioned Directors that needs to be brought to the attention of the Shareholders and there is no other information relating to the abovementioned Directors which is required to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Hong Kong Listing Rules.

*This is an explanatory statement given to all Shareholders relating to resolution no. 6 on the notice of AGM at pages 22 to 28 of this circular (the “Resolution”) to be considered, and if thought fit, passed by the Shareholders at the AGM authorizing the Repurchase Mandate.*

## **HONG KONG LISTING RULES RELATING TO REPURCHASE OF SHARES**

This explanatory statement contains the information required by the Hong Kong Listing Rules, which provide that all repurchases of its own shares by a company with its primary listing on the Stock Exchange must be approved by shareholders in advance by an ordinary resolution, either by way of a general mandate to its directors to make such repurchases or by specific approval in relation to specific transactions and that the shares to be repurchased must be fully paid up.

## **SHARE CAPITAL**

It is proposed that the Repurchase Mandate will authorize the repurchase by the Company of up to 10% of the Hong Kong Shares in issue as at the date of passing the Resolution. As at the Latest Practicable Date, the authorized share capital of the Company is US\$42,000,000 consisting of 10,000,000,000 Common Shares, each with a par value of US\$0.004 and 500,000,000 Preferred Shares, each with a par value of US\$0.004; and the issued share capital of the Company is approximately US\$31,600,259 comprising 7,900,064,794 Common Shares in issue, which comprises 5,961,601,794 Hong Kong Shares and 1,938,463,000 RMB Shares. Subject to the passing of the Resolution at the AGM and on the basis that no new Common Shares will be issued or repurchased up to the date of passing the Resolution, the Company would be authorized under the Repurchase Mandate to repurchase a maximum of 596,160,179 Hong Kong Shares (being 10% of the Hong Kong Shares in issue) during the period in which the Repurchase Mandate remains in force.

## **REASONS FOR REPURCHASE**

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase the Hong Kong Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings (in each case on a per Share basis) and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

## **FUNDING FOR REPURCHASE**

Any repurchase of securities of the Company would be made out of funds legally available for such purpose in accordance with the Articles of Association, the applicable laws and regulations of the Cayman Islands and the Hong Kong Listing Rules. It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company.

**GENERAL**

There might be a material adverse impact on the working capital or gearing position of the Company as disclosed in the audited financial statements of the Company for the year ended 31 December 2020 in the event that the Repurchase Mandate were to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing level which in the opinion of the Directors is from time to time appropriate for the Company.

**DISCLOSURE OF INTERESTS**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell the Hong Kong Shares to the Company.

No connected person of the Company has notified the Company that he has a present intention to sell the Hong Kong Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

**UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Hong Kong Listing Rules and the applicable laws and regulations of the Cayman Islands.

## SHARE PRICES

During each of the twelve months preceding the Latest Practicable Date, the highest and lowest prices at which the Hong Kong Shares have been traded on the Stock Exchange were as follows:

	<b>Highest</b> <i>(HK\$)</i>	<b>Lowest</b> <i>(HK\$)</i>
<b>2020</b>		
April	15.58	12.14
May	19.30	15.20
June	28.60	18.18
July	41.95	24.85
August	32.75	24.90
September	25.00	17.70
October	22.75	17.28
November	24.70	21.65
December	22.25	18.22
<b>2021</b>		
January	30.15	19.48
February	28.60	23.60
March	27.80	23.95
April	27.20	25.05
May (up to the Latest Practicable Date)	25.25	23.00

## EFFECT OF THE TAKEOVERS CODE

If on exercise of the powers of repurchase pursuant to the Repurchase Mandate, the proportionate interest in the voting rights of the Company of a Shareholder increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO, (i) CICT, a substantial shareholder of the Company, was interested in 931,993,450 Common Shares, representing approximately 11.80% of the issued share capital of the Company; and (ii) China IC Fund, a substantial shareholder of the Company, was interested in 705,233,304 Common Shares, representing approximately 8.93% of the issued share capital of the Company.

Based on such interests and assuming that no further Shares are issued or repurchased prior to the date of the AGM and in the event that the Directors exercise in full the power to repurchase securities of the Company under the proposed Repurchase Mandate, the interests of CICT and China IC Fund will be increased to 12.76%, and 9.66% of the issued share capital of the Company, respectively. In this regard, as

at the Latest Practicable Date, the Directors are not aware of the consequences of any increase in the voting rights of any existing Shareholder resulting from an exercise in full by the Directors of the power to repurchase securities of the Company under the proposed Repurchase Mandate that will result in such person becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, approximately 77.43% of the issued share capital of the Company was held in public hands. Based on such percentage of shareholding and assuming that no further Shares are issued or repurchased prior to the date of the AGM and in the event that the Directors exercise in full the power to repurchase securities of the Company under the proposed Repurchase Mandate, approximately 75.59% of the issued share capital of the Company will be held in public hands. The Directors have no present intention to exercise the proposed Repurchase Mandate to such extent as will result in less than 25% of the issued share capital of the Company held in public hands.

#### **SHARE PURCHASE MADE BY THE COMPANY**

No purchase of Shares has been made by the Company on the Stock Exchange or otherwise in the six months immediately preceding the Latest Practicable Date.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting (“AGM”) of Semiconductor Manufacturing International Corporation (the “Company”) will be held on 25 June 2021 at Evergreen Laurel Hotel Shanghai at Conference Hall on the 2nd Floor, 1136 Zuchongzhi Road, Pu Dong New Area, Shanghai, People’s Republic of China (the “PRC”) at 2:00 p.m. for the purpose of transacting the following businesses:

#### ORDINARY BUSINESSES

1. To receive and consider the 2020 annual report of the Company (including the audited consolidated financial statements and the reports of the directors of the Company (“**Director(s)**”) and the auditors of the Company for the year ended 31 December 2020.
2. To consider and approve the following:
  - 2.1 To re-elect Dr. Chiang Shang-Yi as an executive Director.
  - 2.2 To re-elect Dr. Zhao Haijun as an executive Director.
  - 2.3 To re-elect Dr. Chen Shanzhi as a non-executive Director.
  - 2.4 To re-elect Mr. Huang Dengshan as a non-executive Director.
  - 2.5 To re-elect Mr. Lu Guoqing as a non-executive Director.
  - 2.6 To re-elect Professor Lau Lawrence Juen-Yee as an independent non-executive Director.
  - 2.7 To re-elect Mr. Fan Ren Da Anthony as an independent non-executive Director.
  - 2.8 To re-elect Dr. Liu Ming as an independent non-executive Director.
  - 2.9 To authorize the board of Directors (the “**Board**”) to fix their remuneration.

\* *for identification purposes only*



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## NOTICE OF ANNUAL GENERAL MEETING

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3. To consider and, if thought fit, approve the appointment of Ernst & Young and Ernst & Young Hua Ming LLP as the auditors of the Company for the financial reporting in accordance with International Financial Reporting Standards and the financial reporting in accordance with China Accounting Standards for Business Enterprises purposes, respectively, and to authorize the audit committee of the Board to fix their remuneration.
4. To consider and, if thought fit, approve the proposal recommended by the Board that, in light of the large capital demand of the Company in 2021 and the needs of future development of the Company which will render the Company not being able to satisfy certain conditions for making profit distribution in accordance with the profit distribution policy adopted pursuant to the ordinary resolution passed by the shareholders of the Company on 1 June 2020, the Company will not declare or make any dividend or distribution to its shareholders for the year 2020.

### SPECIAL BUSINESSES

To consider and, if thought fit, to pass with or without modification the following ordinary resolutions:

5. **“THAT:**
  - (A) subject to paragraph (B) below, the exercise by the Board during the Relevant Period (as defined below) of all the powers of the Company to allot, issue, grant, distribute and otherwise deal with additional Hong Kong Shares (as defined below) and to make, issue or grant offers, agreements, options, warrants and other securities which will or might require the Hong Kong Shares to be allotted, issued, granted, distributed or otherwise dealt with during or after the end of the Relevant Period, be and is hereby generally and unconditionally approved;
  - (B) the aggregate number of shares allotted, issued, granted, distributed or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued, granted, distributed or otherwise dealt with (whether pursuant to an option, conversion or otherwise) by the Board pursuant to the approval in paragraph (A) above, otherwise than pursuant to:
    - (i) a Rights Issue (as defined below); or
    - (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to the Directors and/or officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares, including without limitation pursuant to the Company’s (i) 2004 Stock Option Plan, 2004 Employee Stock Purchase Plan and 2004 Equity Incentive Plan; and (ii) 2014 Stock Option Plan, 2014 Employee Stock Purchase Plan and 2014 Equity Incentive Plan adopted by the Company at the annual general meeting of the Company held on 13 June 2013; or

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iii) the exercise of rights of subscription or conversion under the terms of any warrant issued by the Company or any securities which are convertible into Shares; or
- (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares pursuant to the articles of association of the Company (the “**Articles of Association**”) from time to time,

shall not exceed the aggregate of:

- (a) twenty per cent. of the number of issued Hong Kong Shares as at the date of passing this Resolution 5 (the “**Issue Mandate Limit**”); and
- (b) (if the Board is so authorized by a separate resolution of the shareholders of the Company) the aggregate number of shares of the Company purchased by the Company subsequent to the passing of this Resolution 5 (up to a maximum equivalent to ten per cent. of the number of issued Hong Kong Shares of the Company as at the date of passing this Resolution 5),

and the said approval shall be limited accordingly;

- (C) for the purposes of calculating the number of Hong Kong Shares that may be issued under the Issue Mandate Limit, the number of new Hong Kong Shares allotted and issued upon the exercise of any right to subscribe for or purchase Hong Kong Shares attached to any Hong Kong Shares (“**Convertible Shares**”) issued pursuant to this resolution shall, to the extent of the amount of the aggregate number of such new Hong Kong Shares to be issued that is equal to the aggregate number of such Convertible Shares and provided that such Convertible Shares are cancelled on or after the issue of such new Hong Kong Shares, be disregarded;
- (D) for the purpose of this Resolution 5:
  - (i) “**Relevant Period**” means the period from (and including) the date of passing this Resolution 5 until the earlier of:
    - (a) the conclusion of the next annual general meeting of the Company;
    - (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or by law to be held; or
    - (c) the revocation or variation of the authority given under this Resolution 5 by an ordinary resolution of the shareholders of the Company in a general meeting;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (ii) “**Rights Issue**” means an offer of Shares open for a period fixed by the Board to holders of Shares on the register of members (and, if appropriate, to the holders of warrants and other securities which carry a right to subscribe or purchase shares in the Company on the relevant register) on a fixed record date in proportion to their then holdings of such Shares (and, if appropriate, such warrants and other securities) (subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any jurisdiction or territory applicable to the Company);
- (iii) “**Hong Kong Shares**” means the common shares of US\$0.004 each in the share capital of the Company which are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and warrants and other securities which carry a right to subscribe for or purchase such shares in the Company; and
- (iv) “**Shares**” means shares of all classes in the capital of the Company (including but not limited to common shares and preferred shares of par value US\$0.004 each in the capital of the Company) and warrants and other securities which carry a right to subscribe for or purchase shares in the Company.”

6. “**THAT:**

- (A) subject to paragraph (B) below, the exercise by the Board during the Relevant Period of all the powers of the Company to purchase Hong Kong Shares on the Stock Exchange or any other stock exchange on which the Hong Kong Shares may be listed and which is recognised for this purpose by the Hong Kong Securities and Futures Commission and the Stock Exchange, in accordance with all applicable laws, including the Hong Kong Code on Share Buy-backs and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time), be and is hereby generally and unconditionally approved;
- (B) the aggregate number of Hong Kong Shares which may be purchased or agreed conditionally or unconditionally to be purchased pursuant to the approval in paragraph (A) above shall not exceed ten per cent. of the number of issued Hong Kong Shares of the Company as at the date of passing of this Resolution 6, and the said approval shall be limited accordingly; and
- (C) for the purpose of this Resolution 6:
  - (i) “**Relevant Period**” means the period from (and including) the passing of this Resolution 6 until the earlier of:
    - (a) the conclusion of the next annual general meeting of the Company;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or by law to be held; or
  - (c) the revocation or variation of the authority given under this Resolution 6 by an ordinary resolution of the shareholders of the Company in a general meeting; and
- (ii) “**Hong Kong Shares**” means the common shares of US\$0.004 each in the share capital of the Company which are listed on the Stock Exchange and warrants and other securities which carry a right to subscribe for or purchase such shares in the Company.”
7. “**THAT**, conditional on the passing of Resolutions 5 and 6, the exercise by the Board of the powers referred to in paragraph (A) of Resolution 5 in respect of the share capital of the Company referred to in sub-paragraph (b) of paragraph (B) of Resolution 5, be and is hereby approved and authorized.”

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

Shanghai, 26 May 2021

*Principal place of business:*

18 Zhangjiang Road  
Pudong New Area  
Shanghai 201203  
People’s Republic of China

*Registered office:*

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

As at the date of this notice, the Directors of the Company are:

*Executive Directors*

Zhou Zixue (*Chairman*)  
Chiang Shang-Yi (*Vice Chairman*)  
Zhao Haijun (*Co-Chief Executive Officer*)  
Liang Mong Song (*Co-Chief Executive Officer*)  
Gao Yonggang (*Chief Financial Officer and Company Secretary*)

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## NOTICE OF ANNUAL GENERAL MEETING

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### *Non-executive Directors*

Chen Shanzhi  
Zhou Jie  
Ren Kai  
Huang Dengshan  
Lu Guoqing

### *Independent Non-executive Directors*

William Tudor Brown  
Lau Lawrence Juen-Yee  
Fan Ren Da Anthony  
Young Kwang Leei  
Liu Ming

### *Notes:*

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy or, if such member is a holder of more than one share, more than one proxy to attend and vote instead of such member. Where a member appoints more than one proxy the instrument of proxy shall state which proxy is entitled to vote on a poll. A proxy need not be a member of the Company.
2. To be valid, a form of proxy must be delivered to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the meeting or adjourned meeting (or 24 hours before a poll is taken, if the poll is not taken on the same day as the meeting or adjourned meeting). If a proxy form is signed under a power of attorney, the power of attorney or other authority relied on to sign it (or an office copy) must be delivered to the Company's Hong Kong share registrar with the proxy form, except that a power of attorney which has already been registered with the Company need not be so delivered. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the meeting or any adjournment thereof should he so wish and in such event, the proxy shall be deemed to be revoked.
3. The register of members of the Company will be closed from 22 June 2021 to 25 June 2021 (both days inclusive), during which period no transfer of shares in the Company will be registered. In order to qualify for attending and voting at the AGM, all transfers of Hong Kong Shares, accompanied by the relevant certificates, must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Monday, 21 June 2021. All persons who are registered holders of the Hong Kong Shares whose names appear on the register of members of Hong Kong Shares on 25 June 2021 or, registered holders of the RMB Shares whose names appear on the register members of RMB Shares on 21 June 2021, will be entitled to attend and vote at the annual general meeting. Further announcement will be made by the Company on the website of the SSE regarding the record date and arrangements for holders of Shares listed on the Science and Technology Innovation Board of the SSE in accordance with the requirements of the SSE.
4. Shareholders are advised to read the circular of the Company dated 26 May 2021 which contains information concerning the resolutions to be proposed at the AGM.
5. The voting at the AGM will be taken by a poll.
6. This notice and the proxy form have also been posted on the websites of the Company and the Stock Exchange respectively.

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## NOTICE OF ANNUAL GENERAL MEETING

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7. In the event that the containment of the novel coronavirus pandemic is still ongoing at the time of the AGM, in order to cooperate with the prevention and control of the pandemic so as to safeguard the health and safety of the shareholders and the participants of the meeting, at the same time ensuring that the shareholders may exercise their respective shareholders' rights, the Company reminds the shareholders who choose to attend the meeting in person that they must comply with the relevant policies and requirements regarding the containment of novel coronavirus pandemic. On the way to, from and at the venue of the AGM, please adopt proper personal preventive measures. Upon arrival at the venue of the AGM, please follow the arrangements and guidance of the staff and cooperate with the pandemic prevention and control requirements including, among others, attendee registration, temperature check and wearing of masks.