

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

DISCLOSEABLE TRANSACTIONS PURCHASES MADE PURSUANT TO PURCHASE ORDERS

The Company announces that the Company has made a series of Purchase Orders with the Lam Research Group for machinery and equipment within a 12-month period from 18 February 2020 to 20 March 2020.

As the highest of the relevant percentage ratios under Chapter 14 of the Listing Rules in respect of the Purchase Orders was more than 5% but less than 25%, the Purchase Orders constitute a discloseable transaction of the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Company entered into the Purchase Orders for the purchase by the Company of Products, to be used in the manufacturing of wafer.

THE PURCHASE ORDERS

Date and Parties

Date: 18 February 2020 to 20 March 2020

Parties:

- (1) The Company
- (2) Lam Research Group

The Directors confirmed that, to the best of their knowledge, information and belief, having made all reasonable enquiry, Lam Research Group and its ultimate beneficial owner(s) are third parties independent of the Company and its connected person.

The Purchase Orders were made between 18 February 2020 and 20 March 2020 for the supply by the Lam Research Group to the Company of machinery used in the manufacturing of wafer.

Pricing for the Products purchased under the Purchase Orders were determined on arms' length basis. The aggregate consideration for the Purchase Orders is US\$397,358,084.

Principal Terms of the Purchase Orders

Payment

The pricing for Products and other equipment are determined separately each time a purchase order is made.

The payment terms for each Product ranges between thirty to sixty days upon receipt of the Product as stated in the respective Purchase Orders.

Shipment

Terms of shipment for purchases made under the Purchase Orders are delivered at place (DAP).

INFORMATION ON THE PARTIES

SMIC and its subsidiaries collectively constitute one of the leading foundries in the world, is Mainland China's most advanced and largest foundry, broadest in technology coverage, and most comprehensive in semiconductor manufacturing services. SMIC Group provides integrated circuit (IC) foundry and technology services on process nodes from 0.35 micron to 14 nanometer. Headquartered in Shanghai, China, SMIC Group has an international manufacturing and service base. In China, SMIC has a 300mm wafer fabrication facility (fab) , a 200mm fab and a majority-owned joint-venture 300mm fab for advanced nodes (under construction) in Shanghai; a 300mm fab and a majority-owned 300mm fab for advanced nodes in Beijing; 200mm fabs in Tianjin and Shenzhen; and a majority-owned joint-venture 300mm bumping facility in Jiangyin. SMIC Group also has marketing and customer service offices in the U.S., Europe, Japan, and Taiwan China, and a representative office in Hong Kong China.

Lam Research Group is a global supplier of innovative wafer fabrication equipment and services to the semiconductor industry. As a trusted, collaborative partner to the world's leading semiconductor companies, they combine superior systems engineering capability, technology leadership, and unwavering commitment to customer success to accelerate innovation through enhanced device performance.

The parent company of the Lam Research Group is Lam Research Corporation, a Fortune 500 company headquartered in Fremont, Calif., with operations around the globe and is currently listed on NASDAQ global select market.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PURCHASE ORDERS

The Company is the most advanced and largest integrated circuit manufacturing in the PRC. In order to meet customer's need, the Company continues to expand its production capacity, seize market opportunities and grow.

The Purchase Orders were made in the ordinary course of business of the Company for the acquisition of the relevant machineries used in the production of wafer, being the principal business of the Company.

The Directors consider that the respective terms of the Purchase Orders are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATION

The Purchase Orders are a series of purchases for Products from the Lam Research Group within a 12-month period and, pursuant to Rules 14.22 and 14.23 of the Listing Rules, are aggregated and treated as if they were a single transaction for the purchase.

As the highest of relevant percentage ratio in respect of the Purchase Orders is more than 5% but less than 25%, the Purchase Orders constitute discloseable transactions and are subject to the announcement requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following words have the following meanings unless the context requires otherwise:

“Board” the board of Directors;

“Company” or “SMIC” Semiconductor Manufacturing International Corporation;

“Director(s)” director(s) of the Company;

“Lam Research Corporation”	Lam Research Corporation is incorporated in Delaware, United States and is currently listed on NASDAQ global select market;
“Lam Research Group”	Lam Research Group refers to Lam Research (Shanghai) Co. Ltd and/or Lam Research International Sa`rl.;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China (for the purposes of this announcement excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan);
“Products”	Capital equipment comprising of etching tools;
“Purchase Orders”	purchase orders for Products made from Lam Research Group between 18 February 2020 and 20 March 2020;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“United States”	the United States of America;
“US\$” or “US Dollars”	United States dollar, the lawful currency of the United States; and
“%”	percent.

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

Shanghai, PRC
23 March 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 purposes only*