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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)**

**NON-EXEMPT CONNECTED TRANSACTIONS  
PROPOSED GRANT OF RESTRICTED SHARE UNITS**

**THE PROPOSED RSU GRANTS**

The Board announces that on 8 April 2022, the Company proposes to grant 2,451,668 Restricted Share Units under the 2014 Equity Incentive Plan to 13 connected persons of the Company, subject to the Independent Shareholders' approval at the GM. Each of the Restricted Share Units to be granted to the connected persons represents the right to receive a Hong Kong Share on the date it vests. Details of the Proposed RSU Grants are as follows:

<b>Name</b>	<b>Position</b>	<b>Number of Restricted Share Units to be granted (Hong Kong Shares)</b>	<b>Vesting schedule</b>
Dr. Gao Yonggang	Chairman of the Board and executive Director	400,764	400,764 Restricted Share Units to be granted will vest in four batches annually commencing from 1 March 2022 at the rate of 25% each
Dr. Zhao Haijun	Executive Director and co-chief executive officer	401,538	401,538 Restricted Share Units to be granted will vest in four batches annually commencing from 1 March 2022 at the rate of 25% each
Dr. Chen Shanzhi	Non-executive Director	92,500	92,500 Restricted Share Units to be granted will vest on 1 January 2023
Mr. William Tudor Brown	Independent non- executive Director	92,500	92,500 Restricted Share Units to be granted will vest on 1 January 2023
Professor Lau Lawrence Juen-Yee	Independent non- executive Director	92,500	92,500 Restricted Share Units to be granted will vest on 1 January 2023
Mr. Fan Ren Da Anthony	Independent non- executive Director	92,500	92,500 Restricted Share Units to be granted will vest on 1 January 2023
Dr. Zhou Zixue	Former Director	382,349	382,349 Restricted Share Units to be granted will vest in four batches annually commencing from 1 March 2022 at the rate of 25% each

Dr. Liang Mong Song	Co-chief executive officer	401,538	401,538 Restricted Share Units to be granted will vest in four batches annually commencing from 1 March 2022 at the rate of 25% each
Dr. Zhou Meisheng	Subsidiary Director	158,070	158,070 Restricted Share Units to be granted will vest in four batches annually commencing from 1 March 2022 at the rate of 25% each
Mr. Zhang Xin	Subsidiary Director	148,649	148,649 Restricted Share Units to be granted will vest in four batches annually commencing from 1 March 2022 at the rate of 25% each
Mr. John Peng	Subsidiary Director	98,713	98,713 Restricted Share Units to be granted will vest in four batches annually commencing from 1 March 2022 at the rate of 25% each
Mr. Lin Hsin-Fa	Subsidiary Director	62,547	62,547 Restricted Share Units to be granted will vest in four batches annually commencing from 1 March 2022 at the rate of 25% each
Dr. Wang Yong	Subsidiary Director	27,500	27,500 Restricted Share Units to be granted will vest in four batches annually commencing from 1 March 2022 at the rate of 25% each

In accordance with the terms of the 2014 Equity Incentive Plan, the Proposed RSU Grants will be made for no consideration, other than the minimum payment required by the applicable laws in the Cayman Islands (which is the par value of the Ordinary Shares to be issued pursuant thereto).

Based on the closing price of HK\$17.08 per Hong Kong Share as quoted on the Hong Kong Stock Exchange on 8 April 2022, the market value of the Restrict Share Units proposed to be granted amounts to approximately HK\$ 41,874,489.

## **REASONS FOR AND BENEFITS OF THE PROPOSED RSU GRANTS**

The Proposed RSU Grants is part of the Company's remuneration system, the purpose of which is to closely align the interests and benefits of and risk sharing among the Shareholders, the Company and the employees in order to recognize the contributions rendered by the Directors and the employees of the Group.

Furthermore, there will not be substantial cash outflow by the Company under the Proposed RSU Grants. In this regard, the Directors (excluding the independent non-executive Directors and subject to advice from the independent financial adviser) consider that the terms of the Proposed RSU Grants are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **SPECIFIC MANDATE TO ISSUE NEW HONG KONG SHARES**

The new Hong Kong Shares to be issued under the Proposed RSU Grants will be issued under the specific mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 13 June 2013 for the issue of the Hong Kong Shares under the 2014 Equity Incentive Plan. The Listing Committee of the Hong Kong Stock Exchange has previously granted its approval for the listing of, and permission to deal in, the Hong Kong Shares to be issued under the 2014 Equity Incentive Plan, subject to the fulfilment of all other conditions of the 2014 Equity Incentive Plan. In the context of the grant of Restricted Share Units and issue of Hong Kong Shares pursuant thereto under the 2014 Equity Incentive Plan to a connected person, the requirements under Chapter 14A of the Listing Rules would be required to be satisfied, including the obtaining of the approval of the Independent Shareholders. The total number of such new Hong Kong Shares which may be issued under the 2014 Equity Incentive Plan will not exceed 80,184,428.

## IMPLICATIONS UNDER THE LISTING RULES

The proposed grant of 2,451,668 Restricted Share Units to the 13 connected persons (including Director resigned within 12 months) of the Company and any transactions contemplated thereunder (including the allotment and issue of any new Hong Kong Shares thereunder) constitutes non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and are thus subject to reporting, announcement and the Independent Shareholders' approval requirements.

The Company has established the Independent Board Committee to advise the Independent Shareholders in respect of the Proposed RSU Grants and any transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed RSU Grants and any transactions contemplated thereunder.

## GENERAL

An ordinary resolution will be proposed at the GM to approve the Proposed RSU Grants and any transactions contemplated thereunder (including the allotment and issue of any new Hong Kong Shares thereunder). A circular containing, among other things, details of the Proposed RSU Grants, a letter from the Independent Board Committee and a letter from the independent financial adviser together with the notice convening the GM will be dispatched to the Shareholders at a later date as more time is required to ascertain the relevant information therein.

## INFORMATION OF THE COMPANY

The Company and its subsidiaries are one of the leading foundries in the world and are the front runner in manufacturing capability, manufacturing scale, and comprehensive service in the Chinese Mainland. SMIC Group provides semiconductor foundry and technology services to global customers on 0.35 micron to 14 nanometer process node technologies. Headquartered in Shanghai, China, SMIC Group has an international manufacturing and service base, with three 8-inch wafer fabrication facilities (fabs) and three 12-inch fabs in Shanghai, Beijing, Tianjin and Shenzhen, and three 12-inch fabs under construction in Shanghai, Beijing and Shenzhen. 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.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“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
“Board”	the board of Directors
“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, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange Science and Technology Innovation Board
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“GM”	the general meeting of the Company proposed to be held to approve, among other things, the Proposed RSU Grants and any transactions contemplated thereunder
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	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
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors who have no direct or indirect interest in the Proposed RSU Grants, established to advise the Independent Shareholders in respect of the non-exempt connected transactions relating to the Proposed RSU Grants
“Independent Shareholders”	the Shareholders who are not required under the Listing Rules to abstain from voting at the GM to approve the non-exempt connected transactions relating to the Proposed RSU Grants
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Ordinary Share(s)”	the ordinary Share(s) of US\$0.004 each in the share capital of the Company
“PRC”	the People’s Republic of China
“Proposed RSU Grants”	the proposed grant of 2,451,668 Restricted Share Units under the 2014 Equity Incentive Plan
“Restricted Share Units”	an unsecured promise of the Company to pay eligible individuals a specific number of Hong Kong Shares, on a specified date pursuant to 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
“Shareholder(s)”	holder(s) of existing Shares
“Share(s)”	share(s) of all classes in the capital of the Company and warrants and other securities which carry a right to subscribe for or purchase shares of the Company
“SMIC Group” or “Group”	the Company and its subsidiaries
“Subsidiaries Director(s)”	director(s) of certain subsidiary(ies) of the Group
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction

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

Shanghai, PRC  
10 April 2022

As at the date of this announcement, the Directors are:

**Executive Directors**

GAO Yonggang  
ZHAO Haijun

**Non-executive Directors**

LU Guoqing  
CHEN Shanzhi  
HUANG Dengshan  
REN Kai

**Independent Non-executive Directors**

William Tudor BROWN  
LAU Lawrence Juen-Yee  
FAN Ren Da Anthony  
LIU Ming

\* *For identification purposes only*