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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)

CONTINUING CONNECTED TRANSACTIONS
THE 2022 FRAMEWORK AGREEMENT WITH DATANG HOLDINGS
REVISION OF THE EXISTING ANNUAL CAP

A. BACKGROUND

Reference is made to the announcement of the Company dated 10 February 2022 (“**Announcement**”) in relation to the continuing connected transactions contemplated under the 2022 Framework Agreement (“**Continuing Connected Transactions**”) entered into between the Company and Datang Holdings. Unless otherwise defined, the relevant expressions used herein shall have the same meanings as those defined in the Announcement.

B. REVISED ANNUAL CAP

As disclosed in the Announcement, the annual caps (representing the maximum revenue expected to be generated by the Company from the Continuing Connected Transactions) for the three years ending 31 December 2022, 2023 and 2024 under the 2022 Framework Agreement are US\$181.00 million, US\$182.00 million and US\$187.00 million, respectively (“**Annual Caps**”). The Annual Caps were determined by reference to (i) the potential extent of the Continuing Connected Transactions it may provide in light of current market conditions of the semiconductor industry and the technological capability of the Company; (ii) the demand of Datang Holdings for the wafer is anticipated to increase significantly in the next few years due to the global shortage of wafer supply and expected business growth of Datang Holdings; and (iii) the overall business outlook of the SMIC Group, with incorporation of price and volume projections on a conservative basis.

Due to the further increasing demand of Datang Holdings for the foundry services, the Company proposes to revise the Annual Cap for the year ending 31 December 2022 to US\$266.00 million (“**Revised Annual Cap**”).

The Directors (including the independent non-executive Directors) are of the view that the Revised Annual Cap is fair and reasonable and in the interests of the shareholders of the Company as a whole.

Mr. Lu Guoqing, a non-executive Director, who is an executive director and president of Datang Holdings and Dr. Chen Shanzhi, a non-executive Director, who is a senior vice president of Datang Holdings, have abstained from voting on the respective Board resolution approving the Revised Annual Cap. Save as disclosed, none of other Directors is considered to have a material interest in the Revised Annual Cap which would have required such Director to abstain from voting at the Board meeting approving the Revised Annual Cap.

Save for the Revised Annual Cap, the Directors confirm that all other terms and conditions under the 2022 Framework Agreement, as detailed in the Announcement, remain unchanged.

C. HONG KONG LISTING RULES IMPLICATIONS

As Datang Holdings is the holding company of Datang (Hongkong), a substantial shareholder of the Company which directly holds approximately 10.78% of the total issued share capital of the Company as at the date of this announcement, Datang Holdings is an associate of Datang (Hongkong) and hence a connected person of the Company under Chapter 14A of the Hong Kong Listing Rules.

Given that one or more of the applicable percentage ratio(s) calculated with reference to the Revised Annual Cap is more than 0.1% and less than 5%, the Revised Annual Cap is subject to the reporting, annual review and announcement requirements but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The Revised Annual Cap for the Continuing Connected Transactions accounts for more than 0.1% of the Company's latest audited total assets and is also required to be disclosed at the Shanghai Stock Exchange pursuant to the relevant rules of the STAR Market Listing Rules.

D. INFORMATION ABOUT THE PARTIES

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.

Datang Holdings

Datang (Hongkong) is a wholly-owned subsidiary of Datang Holdings which in turn is a wholly-owned subsidiary of Datang Telecom Group* (電信科學技術研究院有限公司). Datang Telecom Group is a wholly owned subsidiary of China Information and Communication Technology Group Co., Limited (“CICT”), which is headquartered in Wuhan, the PRC, has entered industries relating to optical communication, mobile communication, photoelectric and IC, internet safety and special communications, artificial intelligence applications, data communications, etc.. The optical communication in China was originated from CICT and it is one of the major stakeholders in the intellectual property and international standards in mobile communications. It is a global renowned service provider in information communication products and has significant contribution to the innovation of the intellectual property in information communication technology in China and the promotion of information communication industry with considerable stake and global affection.

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

Shanghai, PRC
12 May 2022

As at the date of this announcement, the directors of the Company 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 purpose only*