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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your 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, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or other transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

(Hong Kong Stock Exchange Stock Code: 981)

(Shanghai Stock Exchange Stock Code: 688981)

- (1) RE-ELECTION OF DIRECTORS**
(2) RE-APPOINTMENT OF AUDITORS
(3) PROPOSAL ON PROFIT DISTRIBUTION FOR THE YEAR 2023
(4) PROPOSED ENGAGEMENT IN HEDGING BUSINESS
**(5) PROPOSED GENERAL MANDATE TO ISSUE AND
REPURCHASE SHARES**
AND
(6) NOTICE OF THE ANNUAL GENERAL MEETING

A letter from the Board is set out on pages 4 to 9 of this circular.

The notice convening the AGM 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 28 June 2024 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 AGM in accordance with the instructions printed thereon. The notice of the AGM and the proxy form have also been published on the websites of the Company and the Hong Kong Stock Exchange respectively.

Whether you are able to attend the AGM 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 AGM or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the AGM in person should you wish. All persons who are registered holders of the Hong Kong Shares whose names appear on the register of members of Hong Kong Shares on 28 June 2024 or, registered holders of the RMB Shares whose names appear on the register of members of RMB Shares on 24 June 2024, will be entitled to attend and vote at the AGM. Please refer to the announcement of the Company published on the website of SSE regarding the record date and arrangement for registered holders of the RMB Shares. For the avoidance of doubt, holders of treasury Shares (if any) shall abstain from voting at the Company's AGM.

6 June 2024

* For identification purpose only

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DEFINITIONS

In this circular, unless the context otherwise required, the following terms and expressions shall have the following meanings when used herein. Below definitions are arranged according to English alphabetical order.

“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 28 June 2024 at 2:00 p.m.
“Articles of Association”	means the articles of association of the Company for the time being in force
“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 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 STAR Market of the SSE
“connected person(s)”	has the meaning ascribed thereto under Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company
“Group” or “SMIC Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“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

* For identification purpose only

DEFINITIONS

“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 additional Common Shares (including any sale or transfer of treasury Hong Kong Shares), the details of which are set out as resolution numbered 6 in the notice of AGM on pages 18 to 23 of this circular
“Latest Practicable Date”	31 May 2024, 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
“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, the details of which are set out as resolution numbered 7 in the notice of AGM on pages 18 to 23 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
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	shares of all classes in the capital of the Company (including but not limited to Common Shares and Preferred Shares) and warrants and other securities which carry a right to subscribe for or purchase shares of the Company
“Shareholder(s)”	the holder(s) of the Shares
“SSE”	the Shanghai Stock Exchange
“STAR Market”	the Science and Technology Innovation Board of the SSE
“substantial shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers approved by the Securities and Futures Commission of Hong Kong

DEFINITIONS

“treasury Hong Kong Shares”	Hong Kong Shares held as treasury Shares
“treasury Shares”	has the meaning ascribed to it under the Hong Kong Listing Rules which will come into effect on 11 June 2024
“%”	per cent.

LETTER FROM THE BOARD



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)

(Hong Kong Stock Exchange Stock Code: 981)

(Shanghai Stock Exchange Stock Code: 688981)

Executive Director:

LIU Xunfeng (*Chairman*)

Non-executive Directors:

LU Guoqing

CHEN Shanzhi

YANG Lumin

Independent Non-executive Directors:

LAU Lawrence Juen-Yee

FAN Ren Da Anthony

LIU Ming

WU Hanming

Registered office:

Cricket Square, Hutchins Drive

PO Box 2681

Grand Cayman, KY 1-1111

Cayman Islands

Principal place of business:

18 Zhangjiang Road

Pu Dong New Area

Shanghai 201203

People's Republic of China

6 June 2024

To the Shareholders

Dear Sir or Madam,

(1) RE-ELECTION OF DIRECTORS
(2) RE-APPOINTMENT OF AUDITORS
(3) PROPOSAL ON PROFIT DISTRIBUTION FOR THE YEAR 2023
(4) PROPOSED ENGAGEMENT IN HEDGING BUSINESS
(5) PROPOSED GENERAL MANDATE TO ISSUE AND
REPURCHASE SHARES
AND
(6) NOTICE OF THE ANNUAL GENERAL MEETING

INTRODUCTION

Purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM in respect of, amongst other things, (i) the re-election of Directors; (ii) the re-appointment of auditors; (iii) the proposal on profit distribution for the year 2023; (iv) the proposed engagement in hedging business; and (v) the proposed grant to the Directors of the Issue Mandate and Repurchase Mandate.

* *For identification purpose only*

LETTER FROM THE BOARD

I. RE-ELECTION OF DIRECTORS

The Board currently consists of two Class I Directors, namely Mr. Lu Guoqing, Academician Wu Hanming, four Class II Directors, namely Dr. Liu Xunfeng, Dr. Chen Shanzhi, Professor Lau Lawrence Juen-Yee, Dr. Fan Ren Da Anthony and two Class III Directors, namely Mr. Yang Lumin and Academician Liu Ming.

In accordance with Article 92 of the Articles of Associations, the above mentioned four Class II Directors shall retire from office at the AGM and shall be re-elected for a full term of three years. Professor Lau Lawrence Juen-Yee has informed the Board that he will not offer himself for re-election, therefore he will retire as the Director at the conclusion of the AGM. Upon the retirement of Professor Lau Lawrence Juen-Yee, he will cease to be a member of each of the audit committee, compensation committee, nomination committee and strategic committee of the Board.

Each of Dr. Liu Xunfeng, Dr. Chen Shanzhi and Dr. Fan Ren Da Anthony, the Class II Directors, shall retire from office at the AGM and being eligible, will offer himself for re-election the AGM.

The independent non-executive Director, Dr. Fan Ren Da Anthony has provided an annual confirmation letter of independence to the Company, and confirmed that he has fully complied with each of the factors for assessing independence set out in rule 3.13 of the Hong Kong Listing Rules. Dr. Fan Ren Da Anthony has provided valuable contributions to the Company and demonstrated his ability to exercise independence of judgment and provide a balanced and objective view in relation to the Company's affairs which continue to be of significant contribution to the Company.

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

II. RE-APPOINTMENT OF AUDITORS

The Board proposes to re-appoint Ernst & Young and Ernst & Young Hua Ming LLP as the Company's auditors for the year 2024 effective until the conclusion of the next annual general meeting of the Company subject to the approval of the Shareholders at the AGM. The Board also proposes and recommends to the Shareholders to authorize the audit committee of the Board to fix the remuneration of Ernst & Young and Ernst & Young Hua Ming LLP as the auditors of the Company.

III. PROPOSAL ON PROFIT DISTRIBUTION FOR THE YEAR 2023

The Company's profit distribution policy adopted pursuant to the ordinary resolution passed by the Shareholders on 1 June 2020 stipulates that the Company shall satisfy the following conditions when distributing cash dividends; ① the undistributed profits of the Company are positive; the profits and distributable profits (i.e. after-tax profits after the Company has covered the deficits and withdrawn for the reserved funds) of the Company in the relevant year are positive; the Company's cash flow will still be able to meet the needs of going concern and long-term development after distributing cash dividends; ② the auditor issues a standard unqualified audit report in respect of the financial statements of the Company for the relevant year; ③ the Company does not have any major investment plan or major cash expenditure in the coming twelve months. Major investment plan or major cash expenditure means that the cumulative

LETTER FROM THE BOARD

expenditure of the proposed development projects, investments, acquisitions of assets or equipment in the coming twelve months reaches or exceeds 10% of the Company's latest audited net asset value; ④ such other cash dividend conditions specified in laws, regulations and regulatory documents.

The Company's capital expenditure in 2023 was approximately US\$7.5 billion. The capital expenditure in 2024 is expected to maintain roughly flat as compared to 2023, which exceed 10% of the Company's audited net assets for 2023, and is mainly used for capacity expansion. In view of the relatively large capital expenditures maintained by the Company in 2024, in order to ensure the Company's normal production and operation and its needs of future development, the Board recommended that the Company would make no profit distribution for the year 2023 (including no payment of the cash dividend, nor distribution of bonus shares, nor transfer of the capital reserve fund to increase equity or no any other forms of distribution).

The above proposal on profit distribution for the year 2023 was approved by a written resolution of the Board on 28 March 2024. In light of the foregoing, an ordinary resolution will be proposed to the Shareholders at the AGM for consideration and, if thought fit, approval.

IV. PROPOSED ENGAGEMENT IN HEDGING BUSINESS

In order to prevent the foreign exchange rate and interest rate risks of the Company and its subordinate wholly-owned or controlled subsidiaries, to further enhance the ability to cope with the risks of fluctuations in foreign exchange rates and interest rates, and to strengthen financial stability, the Company and its subsidiaries intend to engage in foreign exchange and interest rate related hedging through financial derivative instruments.

The hedging business will be financed by the Company's own funds, debt financing and funds raised by the Company in other ways permitted by applicable laws and regulations. The proposed hedging business is limited to the same currencies as the major settlement currencies used in the production and operation of the Company and its subsidiaries, including but not limited to RMB, US Dollar, Japanese Yen, Euro and etc. The specific modes or products in respect of which the hedging business is intended to be carried out mainly include, but are not limited to, products such as forward settlement, foreign exchange swaps, foreign exchange options, cross-currency swaps, interest rate swaps, interest rate options, or the portfolio of the above mentioned products.

On 9 May 2024, the Board has resolved that the Company and its subsidiaries can engage in hedging business for products related to the production and operation in 2024. The planned cap of the hedging business will not exceed 50% of the Company's audited net assets for the year 2023. The credit line or the utilized deposit amount for the hedging business will be determined based on the actual business needs of the Company.

In order to standardize the foreign exchange derivatives trading business of the Company and its subsidiaries and ensure the safety of the Company's assets, subject to the consideration and approval of Shareholders on this resolution, the Board proposes the Shareholders to approve the authorization for the management to engage in hedging business and sign the relevant documents within the quota and validity

LETTER FROM THE BOARD

period. The term of authorization shall be from the date of approval of this resolution at the AGM in 2024 until the conclusion of the annual general meeting in 2025, during which the trading quota can be used on a revolving basis.

In light of the foregoing, an ordinary resolution in relation to the proposed engagement in hedging business will be proposed to the Shareholders at the AGM for consideration and, if thought fit, approval.

V. GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES

The existing general mandates to issue Hong Kong Shares and repurchase Hong Kong Shares will expire at the conclusion of the AGM. Accordingly, the following ordinary resolutions will be proposed at the AGM to seek the approval from Shareholders for the granting to the Directors of general mandates authorizing them to:

- (i) allot, issue, grant, distribute and otherwise deal with additional Common Shares of the Company (including any sale or transfer of treasury Hong Kong Shares), not exceeding 20% of the total number of issued Shares of the Company (excluding any treasury Shares) as at the date of passing of such resolution (the “**Issue Mandate**”);
- (ii) repurchase Hong Kong Shares of the Company, not exceeding 10% of the number of issued Hong Kong Shares of the Company (excluding any treasury Shares) as at the date of passing of such resolution (the “**Repurchase Mandate**”); and
- (iii) subject to the passing of the ordinary resolutions to approve the Issue Mandate and the Repurchase Mandate at the AGM, extend the Issue Mandate by an amount not exceeding the number of Hong Kong Shares repurchased by the Company under the Repurchase Mandate.

Subject to the passing of the ordinary resolutions to approve the Issue Mandate and the Repurchase Mandate at the AGM and on the basis that no further Hong Kong Shares and RMB Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed to issue up to a maximum of 1,591,216,669 new Common Shares (including any sale or transfer of treasury Hong Kong Shares) under the Issue Mandate and to repurchase up to a maximum of 598,247,417 Hong Kong Shares under the Repurchase Mandate.

As at the date of this circular, the proposed amendments to the Hong Kong Listing Rules in relation to treasury Shares have not become effective. The Company will only use the Issuance Mandate to sell or transfer the treasury Shares held by the Company from time to time (if any) according to the needs of the Company after the relevant amendments to the Hong Kong Listing Rules relating to treasury Shares have come into effect.

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

GENERAL

Your attention is drawn to the appendices to this circular.

LETTER FROM THE BOARD

The full text of the resolutions referred to above is set out in the notice of AGM, attached at pages 18 to 23 of this circular.

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 and STAR Market 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.

Abstentions will be counted for the purpose of determining the presence or absence of a quorum, but will not be counted for the purpose of determining the number of votes cast on a given proposal.

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 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 25 June 2024 to 28 June 2024 (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, 24 June 2024. All persons who are registered holders of the Hong Kong Shares whose names appear on the register of members of Hong Kong Shares on 28 June 2024 or, registered holders of the RMB Shares whose names appear on the register members of RMB Shares on 24 June 2024, will be entitled to attend and vote at the annual general meeting. Please refer to the announcement of the Company published on the website of SSE regarding the record date and arrangement for registered holders of the RMB Shares.

LETTER FROM THE BOARD

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 a Director himself/herself) recommend the Shareholders to vote in favour of the proposed resolutions as set out in the notice of AGM.

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

APPENDIX I**DETAILS OF THE DIRECTORS PROPOSED TO BE
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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 Existing Memorandum and Articles of Association.

Dr. Liu Xunfeng, aged 59, Chairman, Executive Director

Dr. Liu Xunfeng was appointed as the vice chairman of the Board and an executive Director of the Company on 11 May 2023 and currently serves as the chairman of the Board and an executive Director. Dr. Liu also serves as a director or chairman of several subsidiaries of the Company. Dr. Liu concurrently serves as member of the 14th National Committee of the Chinese People's Political Consultative Conference and president of Shanghai Society for Advanced Materials. Dr. Liu has long tenured in large industrial group and has more than 30 years of experience in corporate management. He had successively served as the deputy chief engineer of the ethylene plant, deputy director of the investment engineering department, assistant to the general manager, and deputy general manager of SINOPEC Shanghai Petrochemical Co., Ltd., vice general manager of Shanghai Secco Petrochemical Company Limited, deputy general manager of Shanghai Chemical Industry Park Development Co., Ltd. (SCIP), deputy secretary of the Party Committee, president, secretary of the Party Committee and chairman of Shanghai Huayi (Group) Co., Ltd., secretary of the Party Committee and chairman of Shanghai Huayi Group Co., Ltd. (a company listed on SSE: 600623), chairman of Shanghai Huayi Holding Group Co., Ltd., vice chairman of Shanghai Chemical Industry Park Development Co., Ltd.(SCIP), vice president of China Petroleum and Chemical Industry Federation. He has successively won the titles of Shanghai Industrial and Commercial Leader and Shanghai Outstanding Entrepreneur, etc. Dr. Liu holds a Ph. D. in management science and engineering from Xi'an Jiaotong University, a Master's degree in business administration from China Europe International Business School, a Master's degree in chemical engineering from the Chemical Engineering Department of East China Institute of Chemical Technology (now known as East China University of Science and Technology), and he is a professorate senior engineer.

Dr. Liu has entered into a service contract with the Company for a term commencing on 11 May 2023, subject to re-election by the Shareholders in the subsequent annual general meetings of the Company in accordance with the Articles of Associations. The service contract of Mr. Liu shall continue to be in force after being re-elected until terminated by the occurrence of the circumstances specified in the said service contract. As chairman of the Board and an executive Director, Dr. Liu'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 of the Company.

As at the Latest Practicable Date, Dr. Liu is interested in (1) 123,468 Hong Kong Shares; and (ii) 123,468 RSUs granted to him by the Company pursuant to the 2024 Equity Incentive Plan within the meaning of Part XV of the SFO.

Save as disclosed above, Dr. Liu (i) does not hold any other position with any members of the Group, (ii) is not related to any other Director, senior management, substantial shareholder or controlling shareholder (as respectively defined in the Hong Kong Listing Rules) of the Company, (iii) is not interested in other Shares within the meaning of Part XV of the SFO, and (iv) did not hold any directorships in other listed public companies in the last three years.

Save as disclosed above, there is no other matters concerning Dr. Liu's standing for re-election as a Director that need to be brought to the attention of the Shareholders and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 13.51(2)(h) to (v) of the Hong Kong Listing Rules.

Dr. Chen Shanzhi, aged 55, Non-Executive Director

Dr. Chen Shanzhi has been a non-executive Director of the Company since 23 June 2009. Dr. Chen is the deputy general manager, the chief engineer and the head of science and technology committee of China Information and Communication Technology Group Co., Ltd. ("CICT"). Dr. Chen is also a director of the Chinese Institute of Electronics, an executive director of China Institute of Communications, a director of China Communications Standards Association and a fellow of the Institute of Electrical and Electronics Engineers. Dr. Chen has nearly 30 years of experience in the field of information and communication technology, during which he has been involved in research and development, technology and strategy management. Dr. Chen served as a director of Fiberhome Telecommunication Technologies Co., Ltd. (a company listed on SSE: 600498). Dr. Chen holds a Bachelor's degree from Xidian University, a Master's degree from China Academy of Posts and Telecommunications of the Ministry of Posts and Telecommunications, and a Ph.D. from 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, the term of which will commence on the date of the re-election, subject to re-election by the Shareholders in the subsequent annual general meetings of the Company in accordance with the Articles of Associations. The service contract of Dr. Chen shall continue in force after being re-elected until terminated by the occurrence of the circumstances specified in the said service contract. Dr. Chen has confirmed that he will not accept any remuneration as a Director after re-election.

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

Save as disclosed above, Dr. Chen (i) does not hold any other position with any members of the Group, (ii) is not related to any other Director, senior management, substantial shareholder or controlling shareholder (as respectively defined in the Hong Kong Listing Rules) of the Company, (iii) is not interested in other Shares within the meaning of Part XV of the SFO, and (iv) did not hold any directorships in other listed public companies in the last three years.

Save as disclosed above, there is no other matters concerning Dr. Chen's standing for re-election as a Director that need to be brought to the attention of the Shareholders and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 13.51(2)(h) to (v) of the Hong Kong Listing Rules.

Dr. Fan Ren Da Anthony, aged 64, Independent Non-executive Director

Dr. Fan Ren Da Anthony has been an independent non-executive Director of the Company since 22 June 2018. Dr. Fan is the chairman and managing director of AsiaLink Capital Limited. Dr. Fan is also an independent non-executive director of CITIC Resources Holdings Limited (1205), Uni-President China

APPENDIX I**DETAILS OF THE DIRECTORS PROPOSED TO BE
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

Holdings Ltd. (0220), Shanghai Industrial Urban Development Group Limited (0563), Technovator International Limited (1206), China Dili Group (1387), Neo-Neon Holdings Limited (1868), Haitong Securities Co., Ltd. (6837) an executive director of Tenfu (Cayman) Holdings Company Limited (6868) and a non-executive director of Hilong Holding Limited (1623). He served as an independent non-executive director of Hong Kong Resources Holdings Company Limited (2882) and China Development Bank International Investment Limited (1062). Such companies are all listed on the Main Board of the Hong Kong Stock Exchange. Dr. Fan holds a Ph.D. in Economics. Dr. Fan is the Founding President of The Hong Kong Independent Non-Executive Director Association.

Other than the Company, Dr. Fan holds nine listed company directorships. As an independent non-executive Director with diverse business and professional background, the chairman of audit committee and compensation committee and a member of the nomination committee of the Company, Dr. Fan continuously brought his valuable experience and impartial views and constructive comments to the Board through his active participation to the Board discussion since his appointment. Dr. Fan, as the chairman of the audit committee, also brought his constructive comments and opinions to the Board for financial management and promoting the best interests of the Company and the Shareholders from time to time. He had attended all the Board meetings and committees' meetings of the Company since his last re-election at the annual general meeting of the Company in 2021.

Dr. Fan had disclosed to the Company the number and nature of offices held in public companies or organizations and other significant commitments with time involved. The Board believes that given the majority of such directorships of Dr. Fan are non-executive in nature and do not require Dr. Fan to devote his full time and attention to the day-to-day operations or management of those companies after having considered the nature of his other offices and commitments and the high level of participation as demonstrated by his attendance at board meetings and committee meetings of the Company, the Board is satisfied that Dr. Fan has allocated and will continue to allocate sufficient time to his role as independent non-executive Director.

Dr. Fan will enter into a service contract with the Company immediately after being re-elected in the AGM, the term of which will commence on the date of the re-election, subject to re-election by the Shareholders in the subsequent annual general meetings of the Company in accordance with the Articles of Associations. The service contract of Dr. Fan shall continue in force after being re-elected until terminated by the occurrence of the circumstances specified in the said service contract. Dr. Fan is currently entitled to (i) an annual cash salary of US\$80,000 in total for serving as an independent non-executive Director and serving on Board committees and (ii) 92,500 RSUs to be granted for serving as an independent non-executive Director. Dr. Fan's compensation 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 of the Company.

Reference is made to the announcement of the Company dated 5 December 2023 pursuant to Rules 13.51B(2) and 13.51(2)(h) of the Hong Kong Listing Rules. Dr. Fan has confirmed to the Company that he has completed the training requirement on regulatory and legal topics (including Hong Kong Listing Rules compliance). Based on the reasons as set out in the announcement, the Board considered Dr. Fan remains suitable to act as an independent non-executive Director.

APPENDIX I**DETAILS OF THE DIRECTORS PROPOSED TO BE
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

As at the Latest Practicable Date, Dr. Fan is interested in (i) 405,377 Hong Kong Shares; (ii) the options exercisable into 220,377 Hong Kong Shares granted to him by the Company pursuant to the 2014 Stock Option Plan; and (iii) 45,492 RSUs granted to him by the Company pursuant to the 2024 Equity Incentive Plan within the meaning of Part XV of the SFO.

Save as disclosed above, Dr. Fan (i) does not hold any other position with any members of the Group, (ii) is not related to any other Director, senior management, substantial shareholder or controlling shareholder (as respectively defined in the Hong Kong Listing Rules) of the Company, (iii) is not interested in other Shares within the meaning of Part XV of the SFO, and (iv) did not hold any directorships in other listed public companies in the last three years.

Save as disclosed above, there is no other matters concerning Dr. Fan's standing for re-election as a Director that need to be brought to the attention of the Shareholders and there is no other information which is discloseable pursuant to any of the requirements set out in Rule 13.51(2)(h) to (v) of the Hong Kong Listing Rules.

*This is an explanatory statement given to all Shareholders relating to resolution no. 7 on the notice of AGM at pages 18 to 23 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 Hong Kong 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\$31,824,333 comprising 7,956,083,349 Common Shares in issue, which comprises 5,982,474,177 Hong Kong Shares and 1,973,609,172 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 598,247,417 Hong Kong Shares (being 10% of the Hong Kong Shares in issue (excluding any treasury Shares)) 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 memorandum and articles of association of the Company for the time being in force, 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 2023 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.

The Directors will exercise the power of the Company to repurchase Hong Kong Shares pursuant to Repurchase Mandate in accordance with the Hong Kong Listing Rules and the applicable laws and regulations of the Cayman Islands. Neither the Explanatory Statement nor the proposed share repurchase has any unusual features.

The Company may cancel such repurchased Shares or hold them as treasury Shares (subject to the relevant Hong Kong Listing Rules relating to treasury Shares coming into effect), subject to market conditions and the Group's capital management needs at the relevant time of the repurchases.

For any treasury Shares deposited with Central Clearing and Settlement System ("CCASS") pending resale on the Hong Kong Stock Exchange, the Company shall (i) procure its broker not to give any instructions to Hong Kong Securities Clearing Company Limited to vote at general meetings of the Company for the treasury Shares deposited with CCASS; and (ii) in the case of dividends or distributions, withdraw the treasury Shares from CCASS, and either re-register them in its own name as treasury Shares or cancel them, in each case before the record date for the dividends or distributions, or take any other measures to ensure that it will not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury Shares.

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.

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 Hong Kong Stock Exchange were as follows:

	Highest (HK\$)	Lowest (HK\$)
2023		
May	22.50	19.26
June	22.75	19.90
July	20.80	18.48
August	19.70	17.04
September	21.85	18.88
October	24.15	19.20
November	24.50	21.45
December	21.25	19.74
2024		
January	19.40	14.08
February	16.78	14.08
March	17.24	14.92
April	15.72	14.02
May (up to the Latest Practicable Date)	16.84	15.30

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 declaration of interests of the substantial shareholder (as defined in SFO), (i) CICT was interested in 1,189,323,450 Common Shares, representing approximately 14.95% of the issued share capital of the Company; and (ii) China Integrated Circuit Industry Investment Fund Co., Ltd. ("**China IC Fund**") was interested in 617,214,804 Common Shares, representing approximately 7.76% 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 16.16%, and 8.39% 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.

The Hong Kong Listing Rules prohibit a company from making repurchase if the result of the repurchase would be that less than 25% (or such other minimum percentage as prescribed by the Hong Kong Stock Exchange) of the total number of issued share capital of the Company would be in public hands. The Directors have no present intention to exercise the proposed Repurchase Mandate which would result in less than the prescribed minimum percentage of issued shares 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 Hong Kong Stock Exchange or otherwise in the six months immediately preceding the Latest Practicable Date.

NOTICE OF THE ANNUAL GENERAL MEETING



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)

(Hong Kong Stock Exchange Stock Code: 981)

(Shanghai Stock Exchange Stock Code: 688981)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “AGM”) of Semiconductor Manufacturing International Corporation (the “Company”) will be held on 28 June 2024 at Evergreen Laurel Hotel Shanghai at Conference Hall on the 2nd Floor, 1136 Zuchongzhi Road, Pu Dong New Area, Shanghai, at 2:00 p.m. for the purpose of transacting the following businesses:

ORDINARY BUSINESS

1. To receive and consider the 2023 annual report of the Company (including the audited consolidated financial statements and the reports of the Directors of the Company and the auditors of the Company for the year ended 31 December 2023).
2. To consider and approve the following:
 - 2.1 To re-elect Dr. Liu Xunfeng as an executive Director;
 - 2.2 To re-elect Dr. Chen Shanzhi as a non-executive Director; and
 - 2.3 To re-elect Dr. Fan Ren Da Anthony as an independent non-executive Director.
3. To consider and, if thought fit, approve the re-appointment of Ernst & Young and Ernst & Young Hua Ming LLP as the auditors of the Company for 2024 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 relatively large capital expenditures of the Company in 2024 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 2023.

* For identification purpose only

NOTICE OF THE ANNUAL GENERAL MEETING

SPECIAL BUSINESSES

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

5. **“THAT:** the engagement in hedging business by the Company and its subsidiaries in 2024 with the trading quota not exceeding 50% of the Company’s audited net assets for the year 2023, the credit line or the utilized deposit amount for the hedging business to be determined based on the actual business needs of the Company and the authorization for the management to engage in hedging business and sign the relevant documents within the trading quota and validity period from the date of approval of this resolution 5 to the conclusion of the next annual general meeting of the Company, be and is hereby approved.”

6. **“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 Common Shares of the Company (including any sale or transfer of treasury Hong Kong Shares if permitted under the Hong Kong Listing Rules) and to make, issue or grant offers, agreements, options, warrants and other securities which will or might require the exercise of such powers during or after the end of the Relevant Period, be and is hereby generally and unconditionally approved;

 - (B) the aggregate number of Common 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 together with any sale or transfer of treasury Hong Kong Shares if permitted under the Hong Kong Listing Rules 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 Common Shares or rights to acquire Common Shares, including without limitation pursuant to the Company’s (i) 2014 Stock Option Plan and 2014 Equity Incentive Plan; and (ii) 2024 Equity Incentive Plan; or

 - (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 Common Shares; or

NOTICE OF THE ANNUAL GENERAL MEETING

- (iv) any scrip dividend or similar arrangement providing for the allotment of Common Shares in lieu of the whole or part of a dividend on Common Shares pursuant to the memorandum and articles of association of the Company (the “**Memorandum and Articles of Association**”) from time to time,

shall not exceed the aggregate of:

- (a) 20% of the total number of issued Common Shares (excluding any treasury Shares) as at the date of passing this Resolution 6 (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 Hong Kong Shares of the Company purchased by the Company subsequent to the passing of this Resolution 6 (up to a maximum equivalent to 10% of the number of issued Hong Kong Shares of the Company (excluding any treasury Shares) as at the date of passing the Resolution 7),

and the said approval shall be limited accordingly;

- (C) for the purposes of calculating the number of Common Shares that may be issued (including any sale or transfer of treasury Hong Kong Shares) under the Issue Mandate Limit, the number of new Common Shares allotted and issued (including any sale or transfer of treasury Hong Kong Shares) upon the exercise of any right to subscribe for or purchase Common Shares attached to any Common Shares (“**Convertible Shares**”) issued pursuant to this resolution shall, to the extent of the amount of the aggregate number of such new Common Shares to be issued and/or such treasury Hong Kong Shares to be sold or transferred 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 Common Shares and/or any sale or transfer of such treasury Hong Kong Shares, be disregarded;
- (D) for the purpose of this Resolution 6:
- (i) “**Relevant Period**” means the period from (and including) the date of passing this Resolution 6 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 Memorandum and Articles of Association 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;

NOTICE OF THE ANNUAL GENERAL MEETING

- (ii) “**Rights Issue**” means an offer of Common Shares open for a period fixed by the Board to holders of Common 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 Common 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).”

7. “**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 purchase Hong Kong Shares on the Hong Kong 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 Hong Kong Stock Exchange, in accordance with all applicable laws, including the Hong Kong Code on Share Buy-backs and the Hong Kong Listing Rules (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 10% of the number of issued Hong Kong Shares of the Company (excluding any treasury Shares) as at the date of passing of this Resolution 7, and the said approval shall be limited accordingly; and
- (C) for the purpose of this Resolution 7:
 - (i) “**Relevant Period**” means the period from (and including) the passing of this Resolution 7 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 Memorandum and 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 7 by an ordinary resolution of the shareholders of the Company in a general meeting.”

NOTICE OF THE ANNUAL GENERAL MEETING

8. “**THAT**, conditional on the passing of Resolutions 6 and 7, the exercise by the Board of the powers referred to in paragraph (A) of Resolution 6 in respect of the share capital of the Company referred to in sub-paragraph (b) of paragraph (B) of Resolution 7, be and is hereby approved and authorized.”

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

Shanghai, 6 June 2024

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 Director:

LIU Xunfeng (*Chairman*)

Non-executive Directors:

LU Guoqing
CHEN Shanzhi
YANG Lumin

Independent Non-executive Directors:

LAU Lawrence Juen-Yee
FAN Ren Da Anthony
LIU Ming
WU Hanming

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. Unless the context otherwise stated, capitalized terms used in this notice shall have the meanings as those defined in the circular of the Company dated 6 June 2024.
2. 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.
3. 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.
4. The register of members of the Company will be closed from 25 June 2024 to 28 June 2024 (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, 24 June 2024. All persons who are registered holders of the Hong Kong Shares whose names appear on the register of members of Hong Kong Shares on 28 June 2024 or, registered holders of the RMB Shares whose names appear on the register members of RMB Shares on 24 June 2024, will be entitled to attend and vote at the annual general meeting. Please refer to the announcement of the Company published on the website of SSE regarding the record date and arrangement for registered holders of the RMB Shares.
5. Shareholders are advised to read the circular of the Company dated 6 June 2024 which contains information concerning the resolutions to be proposed at the AGM.
6. The voting at the AGM will be taken by a poll.
7. This notice and the proxy form have also been posted on the websites of the Company and the Hong Kong Stock Exchange respectively.