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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) GRANT OF SHARE OPTIONS**  
**AND**  
**(2) NON-EXEMPT CONNECTED TRANSACTIONS – PROPOSED**  
**GRANT OF RESTRICTED SHARE UNITS**

**GRANT OF SHARE OPTIONS**

This section is made pursuant to Rule 17.06A of the Listing Rules.

The Board announces that on 31 May 2021, the Company conditionally granted an aggregate of 1,857,666 share options under its 2014 Stock Option Plan to subscribe for Hong Kong Shares, subject to acceptance of the grantees and compliance with applicable laws and regulations. Among the share options granted, an aggregate of 1,603,637 share options and 254,029 share options were granted to 10 Directors and 4 Subsidiaries Directors. If any grant of the share options as detailed below has not been accepted by 10 Directors and 4 Subsidiaries Directors or is not otherwise in compliance with any applicable laws and regulations, such grant in respect of the relevant grantee would not proceed or become effective for legal and regulatory purposes.

**PROPOSED GRANT OF RESTRICTED SHARE UNITS**

The Board announces that on 31 May 2021, the Company proposes to grant 1,303,370 Restricted Share Units under the 2014 Equity Incentive Plan, subject to the Independent Shareholders' approval at the EGM. Among the 1,303,370 Restricted Share Units proposed to be granted, an aggregate of 1,176,836 Restricted Share Units and 126,534 Restricted Share Units were proposed to be grant to 10 Directors and 4 Subsidiaries Directors. Each of the Restricted Share Units to be granted to 10 Directors and 4 Subsidiaries Directors represents the right to receive an Ordinary Share on the date it vests.

**IMPLICATIONS UNDER THE LISTING RULES**

Each of the 10 Directors and the 4 Subsidiaries Directors is a connected person of the Company. The conditional grant of the share options to 10 Directors and 4 Subsidiaries Directors was approved by the independent non-executive Directors (excluding Mr. Brown, Professor Lau, Mr. Fan and Dr. Liu, who are the grantees of the share options) in accordance with Rule 17.04(1) of the Listing Rules.

In addition, the proposed grant of 1,303,370 Restricted Share Units to 10 Directors and 4 Subsidiaries Directors 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.

## GRANT OF SHARE OPTIONS

This section is made pursuant to Rule 17.06A of the Listing Rules.

The Board announces that on 31 May 2021, the Company conditionally granted an aggregate of 1,857,666 share options under its 2014 Stock Option Plan to subscribe for Hong Kong Shares, subject to acceptance of the grantees and compliance with applicable laws and regulations. Among the share options granted, an aggregate of 1,603,637 share options and 254,029 share options were granted to 10 Directors and 4 Subsidiaries Directors. If any grant of the share options as detailed below has not been accepted by 10 Directors and 4 Subsidiaries Directors or is not otherwise in compliance with any applicable laws and regulations, such grant in respect of the relevant grantee would not proceed or become effective for legal and regulatory purposes. Details of the share options granted are as follows:

### Date of grant

31 May 2021

### Exercise price of the share option

HK\$24.50 per Hong Kong Share (being the higher of (a) the closing market price of the Hong Kong Shares on the Hong Kong Stock Exchange as stated in the daily quotation sheet of the Hong Kong Stock Exchange (the “**Closing Price**”) on 31 May 2021, being HK\$24.50 and (b) the average Closing Price for the period from 24 May 2021 to 28 May 2021 (both days inclusive), being HK\$23.75)

### Number of share options granted

1,857,666 share options are granted to 10 Directors and 4 Subsidiaries Directors, details of which are as follows:

<b>Name</b>	<b>Share options granted</b>
Dr. Zhou	277,149
Dr. Zhao	277,149
Dr. Gao	296,085
Dr. Chen	62,500
Mr. Huang	187,500
Mr. Lu	187,500
Mr. Brown	62,500
Professor Lau	32,877
Mr. Fan	32,877
Dr. Liu	187,500
Dr. Zhou MS	122,741
Mr. Zhang	76,951
Mr. Lin	43,171
Dr. Wang	11,166

## Closing price of the Hong Kong Shares on the date of grant

HK\$24.50 per Hong Kong Share

## Validity period of the share options

The share options are valid for a period of 10 years commencing on 31 May 2021, subject to earlier termination as provided under the 2014 Stock Option Plan and applicable award documents

## THE PROPOSED RSU GRANTS

The Board announces that on 31 May 2021, the Company proposes to grant 1,303,370 Restricted Share Units under the 2014 Equity Incentive Plan, subject to the Independent Shareholders' approval at the EGM. Among the 1,303,370 Restricted Share Units proposed to be granted, an aggregate of 1,176,836 Restricted Share Units and 126,534 Restricted Share Units were proposed to be granted to 10 Directors and 4 Subsidiaries Directors. Each of the Restricted Share Units to be granted to 10 Directors and 4 Subsidiaries Directors represents the right to receive a Hong Kong Share on the date it vests. Details of the Proposed RSU Grants are as follows:

Name	Number of Restricted Share Units to be granted	Vesting schedule
Dr. Zhou	138,050	138,050 Restricted Share Units to be granted will vest over a period of four years at the rate of 25%, 25%, 25% and 25% for each 12-month period commencing on 1 March 2021
Dr. Zhao	138,050	138,050 Restricted Share Units to be granted will vest over a period of four years at the rate of 25%, 25%, 25% and 25% for each 12-month period commencing on 1 March 2021
Dr. Gao	147,482	147,482 Restricted Share Units to be granted will vest over a period of four years at the rate of 25%, 25%, 25% and 25% for each 12-month period commencing on 1 March 2021
Dr. Chen	62,500	62,500 Restricted Share Units to be granted will vest on 1 January 2022
Mr. Huang	187,500	187,500 Restricted Share Units to be granted will vest over a period of three years at the rate of 33%, 33% and 34% for each 12-month period commencing on 13 May 2021
Mr. Lu	187,500	187,500 Restricted Share Units to be granted will vest over a period of three years at the rate of 33%, 33% and 34% for each 12-month period commencing on 13 May 2021
Mr. Brown	62,500	62,500 Restricted Share Units to be granted will vest on 1 January 2022
Professor Lau	32,877	32,877 Restricted Share Units to be granted will vest on 1 January 2022
Mr. Fan	32,877	32,877 Restricted Share Units to be granted will vest on 1 January 2022
Dr. Liu	187,500	187,500 Restricted Share Units to be granted will vest over a period of three years at the rate of 33%, 33% and 34% for each 12-month period commencing on 4 February 2021
Dr. Zhou MS	61,138	61,138 Restricted Share Units to be granted will vest over a period of four years at the rate of 25%, 25%, 25% and 25% for each 12-month period commencing on 1 March 2021

Mr. Zhang	38,330	38,330 Restricted Share Units to be granted will vest over a period of four years at the rate of 25%, 25%, 25% and 25% for each 12-month period commencing on 1 March 2021
Mr. Lin	21,504	21,504 Restricted Share Units to be granted will vest over a period of four years at the rate of 25%, 25%, 25% and 25% for each 12-month period commencing on 1 March 2021
Dr. Wang	5,562	5,562 Restricted Share Units to be granted will vest over a period of four years at the rate of 25%, 25%, 25% and 25% for each 12-month period commencing on 1 March 2021

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 law 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\$24.50 per Hong Kong Share as quoted on the Hong Kong Stock Exchange on 31 May 2021, the market value of the Restrict Share Unites under the Proposed RSU Grants amounts to approximately HK\$31,932,565.

## INTERESTS IN THE HONG KONG SHARES

As at the date of this announcement, without taking into account interests under the grant of the share options and the Proposed RSU Grants, the interests of the 10 Directors and 4 Subsidiaries Directors in the Hong Kong Shares and underlying Hong Kong Shares of the Company were as follows:

Name	Number of Ordinary Shares held	Share options granted	Restricted Share Units granted	Percentage of aggregate interests to total issued share capital of the Company
Dr. Zhou	-	3,180,280 <i>(Note 1)</i>	1,340,306	0.0572%
Dr. Zhao	-	2,095,439 <i>(Note 2)</i>	86,603	0.0276%
Dr. Gao	-	2,236,265 <i>(Note 1)</i>	316,805	0.0323%
Dr. Chen	-	412,656 <i>(Note 1)</i>	412,656	0.0104%
Mr. Huang	-	-	-	-
Mr. Lu	-	-	-	-
Mr. Brown	-	212,500 <i>(Note 1)</i>	212,500	0.0054%
Professor Lau	-	187,500 <i>(Note 1)</i>	187,500	0.0047%
Mr. Fan	-	187,500 <i>(Note 1)</i>	187,500	0.0047%
Dr. Liu	-	-	-	-
Dr. Zhou MS	-	281,092 <i>(Note 1)</i>	110,799	0.0050%
Mr. Zhang	16,682	369,951 <i>(Note 2)</i>	64,278	0.0057%
Mr. Lin	62,544	166,673 <i>(Note 1)</i>	29,326	0.0033%
Dr. Wang	6,511	41,079 <i>(Note 1)</i>	9,663	0.0007%

Notes:

1. Represents share options granted pursuant to the 2014 Stock Option Plan.
2. Represents share options granted pursuant to the 2004 Stock Option Plan and the 2014 Stock Option Plan.

Subject to the grant of the share options becoming effective and the Independent Shareholders' approval of the Proposed RSU Grants at the EGM and assuming that no further Shares will be issued or repurchased by the Company prior to the date of the EGM, the interests of the 10 Directors and 4 Subsidiaries Directors in the Hong Kong Shares and underlying Hong Kong Shares of the Company will be as follows:

Name	Interests under the grant of the share options and the Proposed RSU Grants			Total interests in the underlying Hong Kong Shares of the Company under the Stock Option Plans and the 2014 Equity Incentive Plan (taking into account interests under the grant of the share options and the Proposed RSU Grants)	
	Maximum number of Hong Kong Shares that may be issued	Percentage of total issued share capital of the Company as at the date of the announcement	Percentage to the enlarged total issued share capital of the Company	Percentage of total issued share capital of the Company as at the date of the announcement	Percentage to the enlarged total issued share capital of the Company
Dr. Zhou	415,199	0.0053%	0.0053%	0.0625%	0.0624%
Dr. Zhao	415,199	0.0053%	0.0053%	0.0329%	0.0329%
Dr. Gao	443,567	0.0056%	0.0056%	0.0379%	0.0379%
Dr. Chen	125,000	0.0016%	0.0016%	0.0120%	0.0120%
Mr. Huang	375,000	0.0047%	0.0047%	0.0047%	0.0047%
Mr. Lu	375,000	0.0047%	0.0047%	0.0047%	0.0047%
Mr. Brown	125,000	0.0016%	0.0016%	0.0070%	0.0070%
Professor Lau	65,754	0.0008%	0.0008%	0.0056%	0.0056%
Mr. Fan	65,754	0.0008%	0.0008%	0.0056%	0.0056%
Dr. Liu	375,000	0.0047%	0.0047%	0.0047%	0.0047%
Dr. Zhou MS	183,879	0.0023%	0.0023%	0.0073%	0.0073%
Mr. Zhang	115,281	0.0015%	0.0015%	0.0072%	0.0072%
Mr. Lin	64,675	0.0008%	0.0008%	0.0041%	0.0041%
Dr. Wang	16,728	0.0002%	0.0002%	0.0009%	0.0009%

## **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 motivation of the Directors.

The Proposed RSU Grants aims to provide sufficient incentives to attract, retain and motivate the 10 Directors and 4 Subsidiaries Directors to participate in the continuing operation and long-term development of the Company and to recognize their contributions to the growth of the Company.

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, 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 Director as 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**

Each of the 10 Directors and the 4 Subsidiaries Directors is a connected person of the Company. The conditional grant of the share options to 10 Directors and 4 Subsidiaries Directors was approved by the independent non-executive Directors (excluding Mr. Brown, Professor Lau, Mr. Fan and Dr. Liu, who are the grantees of the share options) in accordance with Rule 17.04(1) of the Listing Rules.

In addition, the proposed grant of 1,303,370 Restricted Share Units to 10 Directors and 4 Subsidiaries Directors 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 EGM 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 EGM 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 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. The Group provides integrated circuit (IC) foundry and technology services on process nodes from 0.35 micron to 14 nanometer. Headquartered in Shanghai, China, the Group has an international manufacturing and service base. In China, the Company has a 300mm wafer fabrication facility (fab), a 200mm fab and an effectively-controlled joint-venture 300mm fab for advanced nodes in Shanghai; a 300mm fab and a majority-owned 300mm fab in Beijing; two 200mm fabs in Tianjin and Shenzhen. The Group also has marketing and customer service offices in the United States, Europe, Japan, and Taiwan China, and a representative office in Hong Kong.

## DEFINITIONS

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

“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 SAFE, a summary of which is set out in the annual report
“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 upon its registration with SAFE, a summary of which is set out in the annual report
“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 STAR Market
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rule
“Director(s)”	the director(s) of the Company
“Dr. Chen”	Dr. Chen Shanzhi, a non-executive Director of the Company
“Dr. Gao”	Dr. Gao Yonggang, the chief financial officer, executive Director, executive vice president and company secretary of the Company
“Dr. Liu”	Dr. Liu Ming, an independent non-executive Director
“Dr. Wang”	Dr. Wang Yong, a Subsidiary Director
“Dr. Zhao”	Dr. Zhou Haijun, the co-chief executive officer and executive Director of the Company
“Dr. Zhou”	Dr. Zhou Zixue, the chairman of the Board and executive Director
“Dr. Zhou MS”	Dr. Zhou Meisheng, executive vice president in technology research and development and a Subsidiaries Director

“EGM”	the extraordinary 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 EGM 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
“Mr. Brown”	Mr. William Tudor Brown, an independent non-executive Director
“Mr. Fan”	Mr. Fan Ren Da Anthony, an independent non-executive Director
“Mr. Huang”	Mr. Huang Dengshan, a non-executive Director
“Mr. Lin”	Mr. Lin Hsin-Fa, a Subsidiary Director
“Mr. Lu”	Mr. Lu Guoqing, a non-executive Director
“Mr. Zhang”	Mr. Zhang Xin, senior vice president in operation & engineering and a Subsidiary Director
“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, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan China
“Preferred Share(s)”	the preferred Share(s) of US\$0.004 each in the share capital of the Company
“Professor Lau”	Professor Lau Lawrence Juen-Yee, an independent non-executive Director
“Proposed RSU Grants”	the proposed grant of 1,303,370 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
“SAFE”	the PRC State Administration of Foreign Exchange
“Shareholder(s)”	holder(s) of existing Shares
“Share(s)”	share(s) of all classes in the capital of the Company (including but not limited to Ordinary Shares and Preferred Shares) and warrants and other securities which carry a right to subscribe for or purchase shares of the Company
“SSE”	the Shanghai Stock Exchange
“STAR Market”	the Science and Technology Innovation Board of the SSE
“Stock Option Plans”	collectively, the 2004 Stock Option Plan and the 2014 Stock Option Plan
“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
“US\$”	United States Dollars, the lawful currency of the United States of America
“%”	per cent.

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

Shanghai, PRC  
31 May 2021

As at the date of this announcement, the Directors 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*)

**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

\* *For identification purposes only*