

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

*This announcement is for information purposes only and does not constitute an invitation or a solicitation of an offer to acquire, purchase or subscribe for securities or an invitation to enter into an agreement to do any such things, nor is it calculated to invite any offer to acquire, purchase or subscribe for any securities. This announcement is not an offer of securities for sale in the PRC, Hong Kong and the United States or elsewhere. The Bonds are not available for general subscription in Hong Kong or elsewhere.*

*This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Bonds mentioned herein have not been, and will not be, registered under the Securities Act, and may not be offered or sold in the United States except pursuant to registration or an exemption from the registration requirements of the Securities Act. No public offering of the Bonds will be made in the United States.*



**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)**

**PROPOSED ISSUE OF US\$600 MILLION 2.693% BONDS DUE 2025**

*Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners*

**J.P.Morgan**

**ICBC**  **工銀國際**

 **BARCLAYS**

 **UBS**

*Joint Lead Managers and Joint Bookrunners*

 **浦銀國際**  
SPDB INTERNATIONAL

**ICBC**  **工銀澳門**

 **絲路國際**  
SILK ROAD INTERNATIONAL

 **BNP PARIBAS**  
法國巴黎銀行

## **PROPOSED ISSUE OF BONDS**

On 20 February 2020, the Company and the Joint Lead Managers entered into the Subscription Agreement, pursuant to which each of the Joint Lead Managers has agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for the Bonds to be issued by the Company in an aggregate principal amount of US\$600 million.

Approval in-principle has been received for the listing of and quotation for the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made or opinions expressed in this announcement.

Completion of the Subscription Agreement is subject to the satisfaction or waiver of the conditions precedent therein and is expected to take place on 27 February 2020. In addition, the Subscription Agreement may be terminated in certain circumstances. Please refer to the paragraph headed “The Subscription Agreement” under the section “Issue of the Bonds” below for further information.

## **USE OF PROCEEDS**

The gross proceeds from the issue of the Bonds will be approximately US\$600 million.

The net proceeds (net of fees, commissions and expenses) from the issue of the Bonds will be approximately US\$596.5 million.

The Company intends to use the net proceeds (net of fees, commissions and expenses) from the issue of the Bonds for capital expenditure for capacity expansion and other general corporate purposes.

**Shareholders and potential investors should note that completion of the issue of the Bonds is subject to the fulfilment of the conditions under the Subscription Agreement. As the issue of the Bonds may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## **ISSUE OF THE BONDS**

On 20 February 2020, the Company and the Joint Lead Managers entered into the Subscription Agreement, pursuant to which each of the Joint Lead Managers has agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for the Bonds to be issued by the Company in an aggregate principal amount of US\$600 million.

None of the Bonds are being offered to the public in Hong Kong and none of the Bonds will be placed to any connected persons of the Company.

## **The Subscription Agreement**

- Date : 20 February 2020
- Parties : The Company and the Joint Lead Managers.
- Proposed issue of the Bonds : Subject to the fulfilment of the conditions set out below in the section headed “Conditions Precedent”.
- Conditions Precedent : The obligations of the Joint Lead Managers to subscribe and pay for the Bonds are conditional on:
- (a) Other Contracts: the execution and delivery (on or before the Closing Date) of the other contracts, each in a form reasonably satisfactory to the Joint Lead Managers, by the respective parties;
  - (b) Auditors’ Letters: on the date of the Subscription Agreement and on the Closing Date, there having been delivered to the Joint Lead Managers letters, in form and substance reasonably satisfactory to the Joint Lead Managers, dated the date of the Subscription Agreement and the Closing Date, respectively, and addressed to the Joint Lead Managers from PricewaterhouseCoopers, Certified Public Accountants, the auditors of the Company;
  - (c) Compliance: at the Closing Date:
    - (i) the representations and warranties of the Company in the Subscription Agreement being true, accurate and correct at, and as if made on such date;
    - (ii) the Company having performed all of its obligations under the Subscription Agreement to be performed on or before such date; and
    - (iii) there having been delivered to the Joint Lead Managers a certificate in the form attached as Schedule 3 of the Subscription Agreement, dated as of such date, of a duly authorised officer of the Company to such effect;

- (d) Material Adverse Change: after the date of the Subscription Agreement or, if earlier, the dates as of which information is given in the Offering Circular up to and at the Closing Date, there not having occurred any change (nor any development or event involving or reasonably likely to involve a prospective change), in the financial or trading condition or the earnings, net assets, business affairs or business prospectus (whether or not arising in the ordinary course of business) or properties of the Company or of the Group (taken as a whole), which, in the opinion of the Joint Lead Managers, is material and adverse in the context of the issue and offering of the Bonds;
- (e) Other Consents: on or prior to the Closing Date there shall have been delivered to the Joint Lead Managers copies of all resolutions, consents, authorities and approvals required in relation to the issue of the Bonds and the performance of its obligations under the Trust Deed, the Agency Agreement and the Bonds (including the consents and approvals required from all lenders);
- (f) Listing: the SGX-ST having agreed, subject to any conditions reasonably satisfactory to the Joint Lead Managers, to list the Bonds (or, in each case, the Joint Lead Managers being reasonably satisfied that such listing will be granted); and
- (g) Legal Opinions: on or before the Closing Date, there having been delivered and addressed to the Joint Lead Managers opinions, in form and substance reasonably satisfactory to the Joint Lead Managers, dated the Closing Date, of:
  - (i) Conyers Dill & Pearman, legal advisers to the Company as to Cayman Islands law;
  - (ii) Linklaters, legal advisers to the Joint Lead Managers as to English law and Hong Kong law;
  - (iii) Llinks Law Offices, legal advisers to the Company as to PRC law; and

- (iv) Zhong Lun Law Firm, legal advisers to the Joint Lead Managers as to PRC law;
- (h) Rating: there having been confirmation from Moody's Investor Service, Inc. that such agency has assigned a rating of "Baa3" to the Bonds and, on or prior to the Closing Date, there having been no public announcement from the Company that it has revised downwards, withdrawn or placed on review or "WatchList" with negative implications (or other similar publication of review or change of its outlook by the relevant rating agency) any existing credit rating assigned to the Bonds or any long-term debt of the Company;
- (i) Process Agent: confirmation that the agent appointed to receive service of process on behalf of the Company pursuant to the Subscription Agreement, the Trust Deed, and Agency Agreement and the Bonds has accepted its appointment; and
- (j) Officer's Certificate: on the date of the Subscription Agreement and on the Bonds Closing Date, there having been delivered to the Managers a certificate substantially in the form attached as Schedule 4 of the Subscription Agreement dated the date of the Subscription Agreement and the Bonds Closing Date, respectively, and signed by the chief financial officer of the Company.

Distribution : The Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds will be offered and sold outside the United States in reliance on Regulation S.

The Bonds will be issued to persons in Hong Kong who are professional investors. None of the Bonds will be offered or sold to the public in Hong Kong where to do so would result in there being a "prospectus" as defined in the Companies Ordinance, nor will they be issued to any connected persons of the Company.

To the best of the Company's knowledge, information and belief, having made all reasonable enquiries, the Joint Lead Managers are independent third parties not connected with the Company or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates.

The Joint Lead Managers have informed the Company that they intend to offer and sell the Bonds to no less than eight places.

To the best of the Company's knowledge, information and belief, having made all reasonable enquiries, each of the places (and their respective ultimate beneficial owners) is and will be independent third parties not connected with the Company or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates.

- Termination : The Joint Lead Managers may, by written notice to the Company given at any time prior to payment of the net subscription monies for the Bonds to the Company, terminate the Subscription Agreement in any of the following circumstances:
- (a) if there shall have come to the notice of the Joint Lead Managers any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform any of the Company's undertakings or agreements in the Subscription Agreement;
  - (b) if any of the conditions specified in Conditions Precedent above have not been satisfied or waived by the Joint Lead Managers on or prior to the Bonds Closing Date;

- (c) if there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over the counter market) or currency exchange rates or foreign exchange controls such as would in the opinion of the Joint Lead Managers, be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market;
- (d) if, in the opinion of the Joint Lead Managers, there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc, the SGX-ST, the Hong Kong Stock Exchange, the Shanghai Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (ii) a suspension in trading in the Company's securities on the Hong Kong Stock Exchange or the Company's American Depositary Receipts on the New York Stock Exchange and/or any other stock exchange on which any of the Company's securities are traded (other than any suspension in connection with the issue of the Bonds; (iii) a general moratorium on commercial banking activities in the United States, Singapore, Hong Kong and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, Hong Kong, Singapore or the United Kingdom; or (iv) a change or development involving a prospective change in taxation affecting the Company and the Bonds; and

- (e) if there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in the opinion of the Joint Lead Managers, be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market.

Subject to the foregoing, completion of the subscription and issue of the Bonds will take place on the Bonds Closing Date. The Board considers that the terms and conditions of the Subscription Agreement and the Bonds are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

### **Principal terms of the Bonds**

The principal terms of the Bonds are summarised as follows:

Issuer	:	the Company.
Principal amount	:	US\$600 million.
Maturity Date	:	27 February 2025.
Redemption amount on maturity	:	Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on maturity date.
Interest	:	2.693%
Status	:	The Bonds constitute direct, unconditional, unsubordinated and (subject to the Negative Pledge below) unsecured obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to the Negative Pledge below, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.



Events of Default : If an Event of Default (as defined below) occurs the Trustee at its discretion may, and if so requested in writing by holders of at least 25% in aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (provided in any such case that the Trustee shall have first been indemnified and/or secured and/or pre-funded to its satisfaction), give written notice to the Company that the Bonds are, and they shall immediately become, due and payable at their principal amount together (if applicable) with any accrued interest.

An “Event of Default” occurs if:

- (a) Non-Payment: there has been a failure to pay the principal or premium (if any) or interest of any of the Bonds when due and such failure to pay continues for a period of 10 days; or
- (b) Breach of Other Obligations: the Company does not perform or comply with any one or more of its other obligations under the Bonds or the Trust Deed and which default, in the opinion of the Trustee, is incapable of remedy or, if in the opinion of the Trustee, capable of remedy, is not remedied within 30 days after notice of such default shall have been given to the Company by the Trustee; or

- (c) Cross-Default: (i) any other present or future indebtedness of the Company or any of its subsidiaries (excluding any Excluded Listed Subsidiary) for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Company or any of its subsidiaries (excluding any Excluded Listed Subsidiary) fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in (c) have occurred equals or exceeds U.S.\$80,000,000 or its equivalent (as determined on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which such indebtedness becomes due and payable or is not paid or any such amount becomes due and payable or is not paid under any such guarantee or indemnity); or
- (d) Enforcement Proceedings: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Company or any of its Principal Subsidiaries and is not discharged or stayed within 30 days; or

- (e) Security Enforced: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Company or any of its Principal Subsidiaries on material property or assets becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and is not discharged or stayed within 30 days, except where any such event will not have a material adverse effect on the ability of the Company to fulfil its obligations under the Bonds or the Trust Deed; or
- (f) Insolvency: the Company or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt, or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Company or any of its Principal Subsidiaries; an administrator or liquidator of the Company or any of its Principal Subsidiaries of the whole or any material part of the assets and turnover of the Company or any of its Principal Subsidiaries is appointed (or application for any such appointment is made), except where any such events will not have a material adverse effect on the ability of the Company to fulfil its obligations under the Bonds and the Trust Deed; or

- (g) Winding-up: an order is made or an effective resolution is passed for the winding-up or dissolution, judicial management or administration of the Company or any of its Principal Subsidiaries (except for a members' voluntary solvent winding up of a subsidiary), or the Company or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the bondholders, or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Company or another of its Principal Subsidiaries, or (iii) where such event will not have a material adverse effect on the ability of the Company to fulfil its obligations under the Bonds; or
- (h) Nationalisation: any step is taken by a competent governmental authority with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Company or any of its Principal Subsidiaries, except where any such events will not have a material adverse effect on the ability of the Company to fulfil its obligations under the Bonds and the Trust Deed; or
- (i) Authorisation and Consents: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds and the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds and the Trust Deed admissible in evidence in the courts of the Cayman Islands or Hong Kong is not taken, fulfilled or done; or

- (j) Illegality: it is or will become unlawful for the Company to perform or comply with any one or more of its obligations under any of the Bonds or the Trust Deed, except where such event will not have a material effect on the ability of the Company to fulfil its obligations under the Bonds and the Trust Deed; or
- (k) Analogous Events: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of Conditions (a) to (j) above (both inclusive).

Negative Pledge : So long as any Bonds remains outstanding (as defined in the Trust Deed), the Company will not, and the Company will ensure that none of its Principal Subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest (each a “**Charge**”) (other than a security interest arising by operation of law or a Permitted Charge), upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Bonds the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the bondholders or (ii) shall be approved by an Extraordinary Resolution of the bondholders.

## **FUND RAISING ACTIVITIES BY THE COMPANY IN THE LAST 12 MONTHS**

Reference is made to the announcement dated 19 November 2019, 10 December 2019 and 12 December 2019 in relation to the issue of Zero Coupon Convertible Bonds.

On 10 December 2019, the Company issued Zero Coupon Convertible Bonds due 2022 at a substantial premium resulting in gross proceeds of US\$232 million.

## **USE OF PROCEEDS**

The Company estimates that the total net proceeds from the offering of the Bonds, after deducting commissions and other estimated expenses payable in connection with the offering of the Bonds, will be approximately U.S.\$596.5 million. The net proceeds will be used for capital expenditure for capacity expansion and other general corporate purposes.

## **LISTING**

Approval in-principle has been received for the listing of and quotation for the Bonds on the official list of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in the Offering Circular. Admission of the Bonds to the official list of the SGX-ST and quotation of the Bonds on the SGX-ST shall not be taken as an indication of the merits of the Company, the Group, its subsidiaries, its associated companies and the Bonds. The Bonds will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require.

## **RATING**

The Bonds have been rated Baa3 by Moody's Investor Service, Inc..

## **INFORMATION ABOUT THE COMPANY**

The Company, 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 Company provides integrated circuit (IC) foundry and technology services on process nodes from 0.35 micron to 14 nanometer. Headquartered in Shanghai, China, the Company has an international manufacturing and service base. In China, the Company has a 300mm wafer fabrication facility (fab), a 200mm fab and a majority-owned joint-venture 300mm fab for advanced nodes (under construction) in Shanghai; a 300mm fab and a majority-owned 300mm fab for advanced nodes in Beijing; 200mm fabs in Tianjin and Shenzhen; and a majority-owned joint-venture 300mm bumping facility in Jiangyin. The Company also has marketing and customer service offices in the U.S., Europe, Japan, and Taiwan China, and a representative office in Hong Kong.

## **GENERAL**

Shareholders and potential investors should note that completion of the issue of the Bonds is subject to fulfilment of the conditions under the Subscription Agreement. As the issue of the Bonds may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

## DEFINITIONS

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

“Agency Agreement”	Agency Agreement to be entered into by the Company, Trustee, the Bank of New York Mellon, London Branch, and the Bank of New York Mellon SA/NV, Luxembourg Branch;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Barclays”	Barclays Bank plc;
“BNP Paribas”	BNP Paribas;
“Board”	the board of Directors;
“Bonds”	the US\$600 million 2.693% bonds due 2025 to be issued by the Company pursuant to the Subscription Agreement;
“Bonds Closing Date”	27 February 2020 or such other date as the Company and the Joint Lead Managers may agree, but not later than 12 March 2020;
“Companies Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);
“Company”	Semiconductor Manufacturing International Corporation, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Hong Kong Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“Electronic Consent”	approval given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90% of the aggregate principal amount of the Bonds outstanding;
“Excluded Listed Subsidiary”	a subsidiary (i) which is listed on any stock exchange, and (ii) in which the Company or any of its subsidiaries holds less than 50% of the issued share capital of such entity;

“Extraordinary Resolution”	a resolution passed at a meeting duly convened and held in accordance with the Trust Deed (a) by a majority of at least 66% of the votes cast; (b) by a Written Resolution or (c) by an Electronic Consent;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“ICBC International”	ICBC International Securities Limited;
“ICBC MACAU”	Industrial and Commercial Bank of China (Macau) Limited;
“Joint Lead Managers”	J.P. Morgan, ICBC International, Barclays, UBS, SPDB International, ICBC MACAU, Silk Road International and BNP Paribas;
“J.P. Morgan”	J.P. Morgan Securities plc;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of HongKong Limited;
“Offering Circular”	The Offering Circulars of the Company dated 20 February 2020;
“Permitted Charge”	(i) any Charge over any assets (or related documents of title) purchased by the Company or any of its subsidiaries as security for all or part of the purchase price of such assets and any substitute security created on those assets in connection with the refinancing (together with interest, fees and other charges attributable to such refinancing) of the indebtedness secured on those assets; or (ii) any Charge over any assets (or related documents of title) purchased by the Company or any of its subsidiaries subject to such Charge and any substitute security created on those assets in connection with the refinancing (together with the interest, fees and other charges attributable to such refinancing) of the indebtedness secured on those assets;
“PRC”	the People’s Republic of China (for the purpose of this announcement excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan);



“Principal  
Subsidiary”

any subsidiary of the Company (excluding any Excluded Listed Subsidiary):

- (i) whose gross revenues (consolidated in the case of a subsidiary which has subsidiaries) attributable to the Company, as shown by its latest audited profit and loss account are at least 10 per cent. of the consolidated gross revenues as shown by the latest published audited profit and loss account of the Company and its consolidated subsidiaries, including, for the avoidance of doubt, the Issuer and its consolidated subsidiaries’ share of revenues of subsidiaries not consolidated and of associated entities and after adjustments for minority interests; or
- (ii) whose gross assets (consolidated in the case of a subsidiary which itself has subsidiaries) attributable to the Issuer, as shown by its latest audited balance sheet, are at least 10 per cent. of the consolidated gross assets of the Issuer and its subsidiaries as shown by the latest published audited consolidated balance sheet of the Company and its subsidiaries, including the investment of the Issuer and its consolidated subsidiaries in each subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Company and of associated companies and after adjustment for minority interests;

provided that, in relation to paragraphs (i) and (ii) above of this definition:

- (A) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Company relate, the reference to the then latest consolidated audited accounts of the Issuer and its subsidiaries for the purposes of the calculation above shall, until consolidated audited accounts of the Issuer for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published be deemed to be a reference to the then latest consolidated audited accounts of the Issuer and its subsidiaries adjusted to consolidate the latest audited accounts (consolidated in the case of a subsidiary which itself has subsidiaries) of such subsidiary in such accounts;

- (B) if at any relevant time in relation to the Company or any subsidiary which itself has subsidiaries no consolidated accounts are prepared and audited, gross revenue or gross assets of the Company and/or any such subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by the Company for the purposes of preparing a certificate thereon to the Trustee;
- (C) if at any relevant time in relation to any Subsidiary, no accounts are audited, its gross revenue or gross assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Company for the purposes of preparing a certificate thereon to the Trustee; and
- (D) if the accounts of any subsidiary (not being a Subsidiary referred to in proviso (i) above) are not consolidated with those of the Issuer, then the determination of whether or not such subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Company; or
- (iii) to which is transferred all or substantially all of the business, undertaking and assets of another subsidiary which immediately prior to such transfer is a Principal Subsidiary, whereupon (A) in the case of a transfer by a Principal Subsidiary, the transferor Principal Subsidiary shall immediately cease to be a Principal Subsidiary and (B) the transferee subsidiary shall immediately become a Principal Subsidiary, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Principal Subsidiary shall be determined pursuant to the provisions of the sub-paragraphs above;

“Regulation S”

Regulation S under the Securities Act;

“Relevant Indebtedness”	any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock, bearer participation certificates, depositary receipts, certificates of deposit or other similar securities or instruments which for the time being are, or are intended to be or are capable of being, quoted, listed, dealt in or traded on any stock exchange or over-the-counter or other securities market but shall not include any financing of the acquisition of assets if (i) by the terms of such financing it is expressly provided that the holders of the resulting indebtedness shall look to the assets financed and the revenues to be generated by the operation of, or loss of or damage to, such assets as the sole source of repayment for the moneys advanced and payment of interest thereon and (ii) such financing is not guaranteed by the Company or any of its subsidiaries. For the avoidance of doubt, any loans raised by the Company or any of its subsidiaries under a bilateral, syndicated or club loan agreement are not included in this definition of “Relevant Indebtedness”;
“S\$”	Singapore Dollars, the lawful currency of Singapore;
“Securities Act”	the U.S. Securities Act of 1933, as amended;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Shareholder(s)”	the holder(s) of the Shares;
“Silk Road International”	Silk Road International Capital Limited;
“SPDB International”	SPDB International Capital Limited;
“Subscription Agreement”	the subscription agreement dated 20 February 2020 entered into by the Company and the Joint Lead Managers relating to the issue of the Bonds;

“subsidiary”	with respect to any person, either (i) any company or other business entity of which that person owns or controls (either directly or through one or more other subsidiaries) more than 50%. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity; or (ii) any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the laws, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Trust Deed”	Trust Deed to be entered into by the Company and the Trustee;
“Trustee”	The Bank of New York Mellon, London Branch;
“UBS”	UBS AG Hong Kong Branch;
“US” or “United States”	the United States of America;
“US\$”, “USD” or “US Dollars”	United States dollars, the lawful currency of the United States;
“Written Resolution”	a written resolution signed by the holders of not less than 90% of the aggregate principal amount of the Bonds outstanding; and
“%”	per cent.

By order of the Board  
**Semiconductor Manufacturing International Corporation**  
**Gao Yonggang**

*Executive Director, Chief Financial Officer and Joint Company Secretary*

Shanghai, the PRC  
20 February 2020

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

**Executive Directors**

ZHOU Zixue (*Chairman*)

ZHAO Haijun (*Co-Chief Executive Officer*)

LIANG Mong Song (*Co-Chief Executive Officer*)

GAO Yonggang (*Chief Financial Officer and Joint Company Secretary*)

**Non-executive Directors**

CHEN Shanzhi

ZHOU Jie

REN Kai

LU Jun

TONG Guohua

**Independent Non-executive Directors**

William Tudor BROWN

CONG Jingsheng Jason

LAU Lawrence Juen-Yee

FAN Ren Da Anthony

YOUNG Kwang Leei

*\* For identification purposes only*