



## **INFORMATION OF THE 2021 STAR MARKET RESTRICTED SHARE INCENTIVE SCHEME**

[1] According to pages 48、49 and 57 of the circulars published by SMIC on 7 June 2021, the total number of Restricted Shares to be granted under the Incentive Scheme shall not exceed 75,650,400 RMB Shares, representing approximately 0.96% of the Company's total share capital of 7,900,064,794 shares as at the date of the announcement of the draft Incentive Scheme (May 20, 2021). According to LETTER FROM THE INDEPENDENT FINANCIAL ADVISER, comparing the percentage of restricted A shares to be granted to the total issued share capital of the six companies that announced their restricted A share incentive scheme on the STAR Market of Shanghai Stock Exchange from April 1, 2021 to May 13, 2021, (i.e. about one month before the announcement date of the plan), CHISON Medical Technologies Co., Ltd. (無錫祥生醫療科技股份有限公司) had the highest ratio of 1.02%, while Beijing Kingsoft Office Software, Inc. (北京金山辦公軟件股份有限公司) had the lowest ratio of 0.19%. The restricted shares to be granted by SMIC this time accounts for 0.96% of the issued share capital of the Company, which is within this range.

[2] According to pages 48、49 and 71 of the circulars published by SMIC on 7 June 2021, the price of the first grant under the Incentive Scheme shall be RMB20 per share, which is determined on the basis of 36.46% of the average trading price of the Company's RMB shares of RMB54.86 per share on the trading day preceding the date of announcement regarding the Scheme. As verified by Shanghai Ronzheng Investment Consulting Co., Ltd (上海榮正投資諮詢股份有限公司), the PRC independent financial advisor, the relevant pricing basis and pricing method are reasonable and feasible, complying with relevant laws and regulations and regulatory documents, and conducive to smooth implementation of the incentive scheme, stability of the existing core team, the introduction of excellent high-end talents, and the sustainable development of the company, and this scheme will cause no harm to the interests of the listed company and all shareholders. Please refer to the Independent Financial Adviser's Report of Shanghai Realize Investment Consulting Co., Ltd. on the 2021 Restricted Share Incentive Scheme (Draft) of Semiconductor Manufacturing International Corporation (《上海榮正投資諮詢股份有限公司關於中芯國際集成電路製造有限公

司2021年限制性股票激勵計劃（草案）之獨立財務顧問報告》） published on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 20 May 2021. According to LETTER FROM THE INDEPENDENT FINANCIAL ADVISER, comparing the percentage of the grant price to the average trading price of the A-share on the last trading day before the announcement for the six companies that announced their share incentive scheme on the SSE STAR Market from April 1, 2021 to May 13, 2021 (i.e. about one month before the announcement date of the scheme), Beijing Kingsoft Office Software, Inc.(北京金山辦公軟件股份有限公司) had the lowest percentage of 13.01% and KINGSEMI Co. Ltd. (瀋陽芯源微電子設備股份有限公司) had the highest percentage of 48.55%, and the average percentage of the six companies was 32.29%.

[3] According to pages 64、66、67 and 78 of the circulars published by SMIC on 7 June 2021, the total number of Incentive Participants for the first grant proposed under the Incentive Scheme shall not exceed 4,000, accounting for approximately 23.05% of the total number of the Company's 17,354 employees as of 31 December 2020. Among them, five executive directors will be granted a total of 1.96 million restricted shares, accounting for 2.6% of the total number of restricted shares to be granted; two senior management will be granted a total of 520 thousand restricted shares, accounting for 0.69% of the total number of restricted shares to be granted; two core technicians will be granted 480 thousand restricted shares, accounting for 0.63% of the total number of restricted shares to be granted; middle and senior business management will be granted a total of 7.1692 million restricted shares, accounting for 9.47% of the total number of restricted shares to be granted; key technology and business staff will be granted a total of 57.956 million shares, accounting for 76.61% of the total number of restricted shares to be granted. According to LETTER FROM THE INDEPENDENT FINANCIAL ADVISER, comparing the restricted A shares to be granted to individual directors/senior management as a percent of total issued share capital on the date of their respective plans for the six companies that announced their share incentive scheme on the SSE STAR Market from April 1, 2021 to May 13, 2021 (i.e. about one month before the announcement date of the plan), range from approximately 0.01% to 0.08%. The percentage of Restricted Shares to be granted by SMIC to the Connected Awardees to the total issued share capital of the Company as at the Latest Practicable Date ranged from approximately 0.001% to 0.005%.

The compensation committee is responsible for drafting, revising and executing of the incentive scheme. The compensation committee consists of two non-executive directors, Mr. Zhou Jie and Mr. Lu Guoqing, and three independent non-executive directors, Mr. William Tudor Brown, Professor Lau Lawrence Juen-Yee and Dr. Young Kwang Leei, none of whom are included in the list of awardees of this incentive. The five executive directors to be granted shares in this incentive scheme, Dr. Zhou Zixue, Dr. Chiang Shang-Yi, Dr. Zhao Haijun, Dr. Liang Mong Song, and Dr. Gao Yonggang are not members of the compensation committee. They are not involved in the implementation of the scheme, and have all recused themselves from voting when the board of directors decide matters related to restricted shares.

[4] According to pages 57、 64 and 65 of the circulars published by SMIC on 7 June 2021, the number of shares to be granted under the first grant shall not exceed 68,085,200 shares, representing approximately 90.00% of the total equity under this grant; 7,565,200 shares are reserved, representing approximately 10.00% of the total equity under this grant. Incentive Participants for the reserved grant shall be determined within 12 months from the date on which the Incentive Scheme is considered and passed at the general meeting. The Incentive Participants for the reserved Restricted Shares shall be determined by reference to the criteria for the first grant. The Restricted Share Price of the Reserved Grant shall be the same as the Restricted Share Price of the First Grant, i.e. RMB20.0 per RMB Share. The members of the compensation committee are also excluded from the scope of the incentive targets of the reserved grant portion.