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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: 0981)

SMIC AND UTAC TO ESTABLISH SEMICONDUCTOR ASSEMBLY AND TESTING FACILITY IN CHINA

- Semiconductor Manufacturing International Corporation (“SMIC”) (NYSE: SMI; SEHK: 0981) today announced that it has entered into joint venture arrangements with United Test and Assembly Center Ltd (“UTAC”) relating to the provision of assembly and testing services in Chengdu China.
- This announcement is made pursuant to the disclosure obligations under Rule 13.09(1) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as the Company and UTAC made the joint press release, reproduced below, on May 3, 2005.

Set out below is a copy of the joint press release made by SMIC and UTAC on May 3, 2005.

SMIC AND UTAC TO ESTABLISH SEMICONDUCTOR ASSEMBLY AND TESTING FACILITY IN CHINA

Shanghai, China and Singapore, May 3, 2005 – Semiconductor Manufacturing International Corporation (“SMIC”) (NYSE: SMI; SEHK: 0981) and United Test and Assembly Center Ltd (“UTAC” – SGX: UTAC) today announced that they have entered into joint venture arrangements relating to the provision of assembly and testing services in Chengdu China, and will focus on memory and logic.

SMIC will invest US\$51 million through cash and own 51% of the joint venture company (“JV”) and UTAC will invest US\$30 million through a combination of cash and other considerations including intellectual properties for a 30%-stake. Financial investors and employees will hold the remaining 19% of the JV. Furthermore, UTAC and other investors (except SMIC and employees) will be given a right to require the JV to buyback its shares under certain restricted circumstances from the beginning of 2009 subject to any applicable laws and regulations. None of UTAC, the financial investors and employees are “connected persons” (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) of SMIC.

The assembly and testing facility (“Chengdu Facility”) is located in an approximately 40,668 square meter plot of land in Chengdu’s Special Export Manufacturing Zone. Construction is now underway and when completed, the Chengdu Facility will have a total built-up area of approximately 11,000 square meter. Mass production is expected to commence in the fourth quarter of 2005. The total investment for the Chengdu Facility will be US\$175 million for the first phase of this project.

As the top semiconductor company in China and one of the leading semiconductor foundries in the world, SMIC will leverage on its market position, experience and excellent connections to accelerate the development of the JV. As one of the leading semiconductor assembly and test companies worldwide, UTAC will contribute its expertise to maximize the growth of the JV.

The Chengdu Facility will serve as an additional assembly and testing service provider to SMIC. The establishment of the Chengdu Facility will allow UTAC, which has an existing facility in Shanghai focusing on mixed signal and advanced memory chips, and the JV to offer a comprehensive suite of test and assembly services catering to the broad spectrum of semiconductor activities in China, which is emerging as a major world leader in the chip sector.

The JV will initially focus on SMIC's existing customers, thus enhancing a ready flow of business immediately upon the completion of the facility.

Dr. Richard R. Chang, Chairman of SMIC, said, "We are pleased to find a solid partner in UTAC which has been a strategic supplier to SMIC shortly after they first set-up their Shanghai facility. UTAC established their technical and services credentials very quickly and is an ideal partner for us."

Mr Lee Joon Chung, President and CEO of UTAC, said: "We are excited with this development. Having been working with SMIC for over a year, we have seen first hand the strength and the determination of the company to make a success of its endeavours. SMIC has been a key customer to UTAC and this JV takes the relationship to another level."

As at the date of this announcement, the directors of the Company are Richard R. Chang as Chairman and executive director of the Company; Lai Xing Cai and Fang Yao (alternate director to Lai Xing Cai) as non-executive directors of the Company; and Ta-Lin Hsu, Yen-Pong Jou, Tsuyoshi Kawanishi, Henry Shaw, Lip-Bu Tan and Yang Yuan Wang as independent non-executive directors of the Company.

By order of the Board
Semiconductor Manufacturing International Corporation
Richard R. Chang
President

Shanghai, PRC
May 3, 2005

* *for identification only*

"Please also refer to the published version of this announcement in the International Herald Tribune"