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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)

CLARIFICATION OF NEWSPAPER REPORTS

- Semiconductor Manufacturing International Corporation (the “**Company**”) noticed a number of newspaper articles published in Hong Kong on 1 April 2005 relating to our President and CEO, Dr. Richard Chang.
- The Company makes the following announcement in relation to and in order to clarify information reported in such newspaper articles pursuant to Rule 13.09 of the Listing Rules.

Our President and Chief Executive Officer, Dr. Richard Chang, is a citizen of the United States. Dr. Chang has studied and worked in the U.S. for many years, and has held a U.S. passport for more than two decades. As an overseas Chinese American, Dr. Chang has been working in Mainland China for more than 5 years since February 2000.

On 31 March 2005, the Ministry of Economic Affairs of Taiwan (中華民國經濟部) (the “Taiwan Authority”) issued an administration decision pursuant to which the Taiwan Authority (inter alia): (i) alleged that Dr. Chang has contravened Article 35 of the Taiwan and Mainland Residents Relation Regulations (台灣地區與大陸地區人民關係條例第 35 規定), in that he invested in and established a corporation in Mainland China, namely Semiconductor Manufacturing International (Shanghai) Corporation, through the Company in 2000, without prior approval from relevant Taiwan authorities; and (ii) imposed on Dr. Chang to pay an administrative fine of NT\$5 million (approximately HK\$1.24 million using the exchange rate of HK\$1=NT\$4.03087) and to cease the investment activities within six months (the “Taiwan Decision”).

The Taiwan Decision was imposed on Dr. Chang as an individual, and not on the Company itself. Also, it is the Company's understanding that the Taiwan Decision generally has no binding authority outside of Taiwan. The Company finds the Taiwan Decision and the entire situation regrettable. The Company believes that this Taiwan Decision will not have any material adverse impact on either Dr. Chang or the Company. The Company will continue to operate as usual and Dr. Chang and other employees are committed to work just as diligently and dedicated as before and will continue to devote themselves to positively contribute to the Company's investors, customers and each other.

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.

Semiconductor Manufacturing International Corporation
Anne Wai Yui Chen
Company Secretary

Shanghai, PRC
4 April 2005

** for identification only.*