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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 Shanghai is expecting to enter into a US\$600 million Syndicated Term Loan

Semiconductor Manufacturing International Corporation ("SMIC") (NYSE: SMI; SEHK: 0981) today announced that its wholly-owned subsidiary, Semiconductor Manufacturing International (Shanghai) Corporation ("SMIC Shanghai") is expecting to enter into a 5-year US\$600 million secured term loan facility with a consortium of international and PRC banks on 8 June, 2006.

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.

SMIC today announced that its wholly-owned subsidiary, SMIC Shanghai, is expecting to enter into a 5-year US\$600 million secured term loan facility (the "Facility") with a consortium of international and PRC banks on 8 June, 2006.

ABN AMRO Bank N.V., Bank of China (Hong Kong) Limited, Bank of Communications, The Bank of Tokyo-Mitsubishi UFJ, Ltd., China Construction Bank, DBS Bank Ltd., Fubon Bank (Hong Kong) Limited, Industrial and Commercial Bank of China and Shanghai Pudong Development Bank will be the coordinating arrangers, and China Construction Bank will act as the facility and security agent for the Facility. The Facility will be guaranteed by SMIC.

Dr. Richard R. Chang, Chief Executive Officer of SMIC, said, "This will represent SMIC's debut in the international syndicated loan markets, and we are very pleased that we have received overwhelming support from a large number of international and PRC banks. In total, eighteen banks, including ten international and eight PRC banks from eight different countries/regions, participated in this Facility. This Facility, we understand will be the largest syndicated loans arranged in China so far this year, was significantly oversubscribed – having received a total commitment of close to US\$850 million. This Facility will provide significant benefits to SMIC Shanghai and will support SMIC Shanghai's future growth through improved loan pricing, more flexible loan covenants and extended maturity.

Mr. Mike Netterfield, Managing Director, Co-head Technology Banking – Asia Pacific, ABN AMRO Bank N.V., said, "The success of this Facility reflects the positive view and confidence that the banking community has on SMIC and its future development as the largest semiconductor manufacturer in China. The Facility will be the largest corporate syndicated loan in China so far this year."

Mr. Stephen Ho, Managing Director and Head of Communications, Media & Technology, DBS Bank Ltd, said "We are very pleased that we will bring this deal to successful fruition. This syndication has attracted strong interest from a diversified group of domestic and international banks. We believe that this Facility will provide SMIC Shanghai with greater financial flexibility for its future expansion."

About SMIC

SMIC (NYSE:SMI; SEHK:981) is one of the leading semiconductor foundries in the world and the largest and most advanced foundry in Mainland China, providing integrated circuit (IC) manufacturing service at 0.35um to 90nm and finer line technologies. Headquartered in Shanghai, China, SMIC operates three 8-inch fabs in Shanghai and one in Tianjin, and one 12-inch fab in Beijing, the only one of its kind in Mainland China. SMIC has customer service and marketing offices in the U.S., Italy, and Japan as well as a representative office in Hong Kong. For additional information, please visit <http://www.smics.com>

Safe Harbor Statements

(Under the U.S. Private Securities Litigation Reform Act of 1995)

Certain statements contained in this announcement, such as statements regarding how the facility will provide significant benefits to SMIC Shanghai and support its future growth, and SMIC's future development as the largest semiconductor manufacturer in China, may be viewed as "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual events, and/or the actual performance, financial condition or results of operations of SMIC to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. Further information regarding these risks, uncertainties and other factors is included in the Company's annual report on Form 20-F filed with the U.S. Securities and Exchange Commission (the "SEC") on June 28, 2005 and such other documents that SMIC may file with the SEC or The Stock Exchange of Hong Kong Limited from time to time.

As at the date of this announcement, the directors of the Company are Yang Yuan Wang as Chairman of the Board of Directors and Independent Non-Executive Director of the Company; Richard R. Chang as President, Chief Executive Officer and Executive Director of the Company; Fang Yao as Non-Executive Director of the Company; and Ta-Lin Hsu, Tsuyoshi Kawanishi, Henry Shaw, Lip-Bu Tan, Albert Y. C. Yu and Jiang Shang Zhou as Independent Non-Executive Directors of the Company.

Semiconductor Manufacturing International Corporation

Richard R. Chang

Chief Executive Officer

Shanghai, PRC
7 June, 2006

* For identification only