



上海實業控股有限公司

SHANGHAI INDUSTRIAL HOLDINGS LIMITED

上海實業集團成員 A Member of SIIC

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SMIC RAISED US\$630M BY PRIVATE PLACEMENT  
SHANGHAI INDUSTRIAL INCREASED US\$32M INVESTMENT

(September 14, 2003 -- HONG KONG) Semiconductor Manufacturing International Corporation ("SMIC"), the largest investment of Shanghai Industrial Holdings Limited ("SIHL") in the information technology sector, has raised US\$630 million through private placement in its most recent capital raising exercise. The placement, which was completed last week, received overwhelming response from the international investment community, with both existing and new shareholders subscribing to the new shares. SIHL has increased its investment in SMIC by US\$32 million. Following the placement, SIHL's shareholding in SMIC will be adjusted to approximately 13.6%, still the largest single shareholder of this fast-growing foundry in mainland China.

Proceeds of the placement will be used primarily for expanding SMIC's production facilities in the three fabs located in the Pudong New Area of Shanghai, including Fab 1 which was awarded the "Top Fab of the Year for 2003" honour by *Semiconductor International* journal. Benefiting from the increasing demand for integrated circuits in China's domestic market, SMIC has been experiencing rapid growth since its establishment in April 2000. It has established strong alliances with global leaders in the semiconductor industry and its production scale and level of technology has reached world-class status. Its production capacity has increased steadily with current output capacity exceeding 40,000 wafers per month. SMIC has been making progressive resource allocations to projects in relation to the expansion of its production facilities.

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