



# **2006 Annual Results Presentation**

**19 March 2007, Hong Kong**

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**Advanced Semiconductor Manufacturing  
Corporation Limited**

# Agenda

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❖ Welcome

❖ 2006 financial results

Ms. Cheng Jianyu  
Executive Director & CFO

❖ 2007 Outlook

Dr. Tony Liu  
Executive Director & President

❖ Q&A

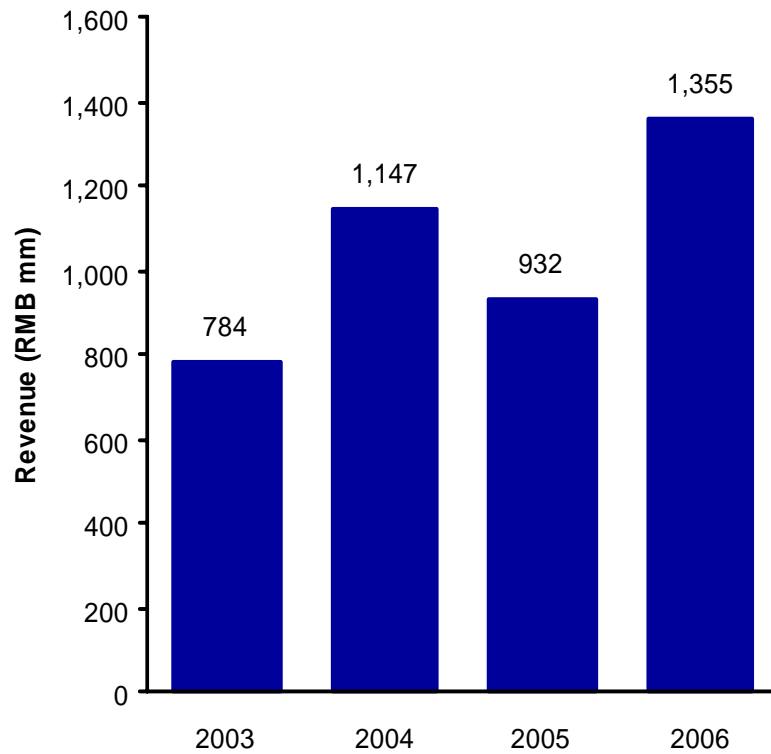
## 2006 Highlights

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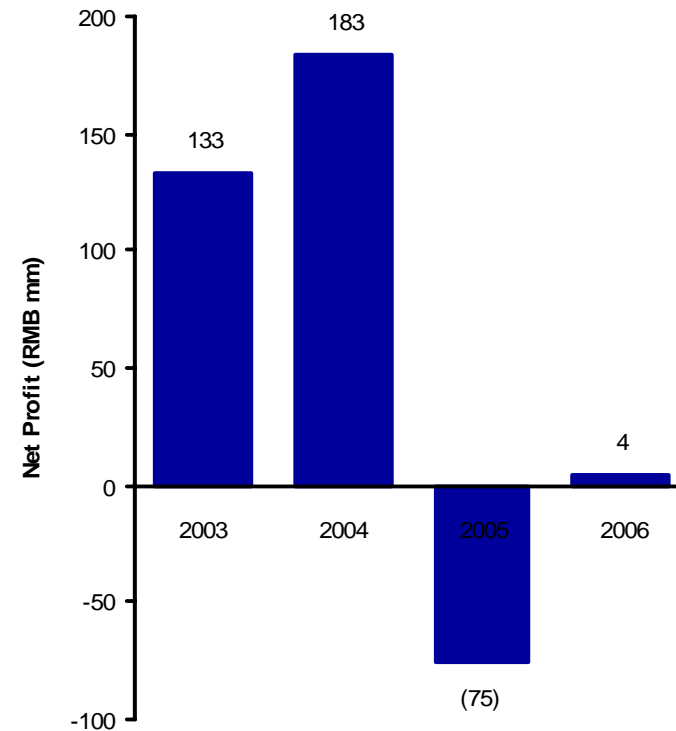
- Successfully listed on the main board of SEHK on April 7th, 2006 (stock code: 3355 )
- Sales record achieved, up 45% from 2005 thanks to ramp-up of 8-inch fab
- A healthy trend of improvement in both line yield & utilization rate of 8-inch fab despite of technical constraints from both internal and external factors
- The wafer shipment of 8-inch equivalent wafers increased by 39.0% to 453,214 pieces from 325,940 in 2005
- Gross margin further improved to 10%
- Net income amounting to RMB 3.9 million versus net loss of RMB 75.0 million

# Historical Revenue and Net Profit

## Revenue



## Net Profit



# 2006 Result Overview

Amount: RMB Million	2006		2005		Change
	Amount	%	Amount	%	%
Net Sales	1355.2	100%	931.6	100%	45%
Cost of Goods Sold (COGS)	(1214.3)	-90%	(860.6)	-92%	41%
Gross Profit	140.9	10%	71.0	8%	99%
Total Operating Expenses	(116.9)	-9%	(159.9)	-17%	-27%
Operating Income/(Loss)	24.0	2%	(89.0)	-10%	-
Financing Cost	(57.9)	-4%	(33.4)	-4%	73%
Other Income/(Expenses), Net	36.9	3%	37.4	4%	-1%
Income/(Loss) Before Tax	3.0	0%	(85.0)	-9%	-
Income Taxes/(Credit)	1.0	0%	10.0	1%	-
Net Income/(Loss)	3.9	0%	(75.0)	-8%	-
EPS (RMB Cents)	0.3		(7.00)		

# Q4' 2006 Income Statement

(QoQ Comparison)

Amount: RMB Million

	Q4'2006		Q3'2006		QoQ
	Amount	%	Amount	%	%
<b>Net Sales</b>	<b>350.9</b>	<b>100%</b>	350.5	100%	0%
<b>Cost of Goods Sold (COGS)</b>	<b>(356.0)</b>	<b>-101%</b>	(310.9)	-89%	14%
<b>Gross Profit</b>	<b>(5.1)</b>	<b>-1%</b>	39.6	11%	-113%
<b>Total Operating Expenses</b>	<b>(32.3)</b>	<b>-9%</b>	(23.5)	-7%	37%
<b>Operating Income/(Loss)</b>	<b>(37.4)</b>	<b>-11%</b>	16.0	5%	-334%
Financing Cost	(13.3)	-4%	(12.3)	-3%	8%
Other Income/(Expenses), Net	19.5	6%	6.4	2%	204%
<b>Income/(Loss) Before Tax</b>	<b>(31.3)</b>	<b>-9%</b>	10.2	3%	-407%
<b>Income Taxes/(Credit)</b>	<b>3.6</b>	<b>1%</b>	(0.762)	0%	-574%
<b>Net Income/(Loss)</b>	<b>(27.6)</b>	<b>-8%</b>	9.4	3%	-394%

# Q4' 2006 Income Statement

(YoY Comparison)

Amount: RMB Million

	Q4'2006		Q4'2005		YoY
	Amount	%	Amount	%	%
<b>Net Sales</b>	<b>350.9</b>	<b>100%</b>	275.7	100%	27%
<b>Cost of Goods Sold (COGS)</b>	<b>(356.0)</b>	<b>-101%</b>	(249.4)	-90%	43%
<b>Gross Profit</b>	<b>(5.1)</b>	<b>-1%</b>	26.3	10%	-120%
<b>Total Operating Expenses</b>	<b>(32.3)</b>	<b>-9%</b>	(46.5)	-17%	-31%
<b>Operating Income/(Loss)</b>	<b>(37.4)</b>	<b>-11%</b>	(20.2)	-7%	-
Financing Cost	(13.3)	-4%	(12.8)	-5%	4%
Other Income/(Expenses), Net	19.5	6%	6.9	2%	184%
<b>Income/(Loss) Before Tax</b>	<b>(31.2)</b>	<b>-9%</b>	(26.1)	-9%	-
<b>Income Taxes/(Credit)</b>	<b>3.6</b>	<b>1%</b>	4.7	2%	-
<b>Net Income/(Loss)</b>	<b>(27.6)</b>	<b>-8%</b>	(21.4)	-8%	-

# 2006 Balance Sheet

Amount: RMB Million Selected Items from Balance Sheet	As at 12/31/2006		As at 12/31/2005	
	Amount	%	Amount	%
<b>Total Assets</b>	<b>2858.8</b>	100%	<b>2641.9</b>	100%
Cash & Cash Equivalent	397.0	14%	105.9	4%
Accounts Receivables & Others	195.4	7%	180.0	7%
Inventory	261.8	9%	171.8	7%
<b>Total Current Assets</b>	<b>854.2</b>	30%	<b>457.6</b>	17%
Accounts Payable	194.3	7%	196.2	7%
Current Portion of Loans	286.4	10%	1186.3	45%
Accrued Liabilities & Others	107.9	4%	79.1	3%
<b>Total Current Liabilities</b>	<b>588.7</b>	21%	<b>1461.6</b>	55%
<b>Long Term Debt</b>	<b>455.3</b>	16%	-	-
<b>Total Equity</b>	<b>1814.9</b>	63%	<b>1180.3</b>	45%
<b>Current Ratio</b>	1.45		0.31	
<b>Net Working Capital</b>	265.6		(1,003.9)	



# 2006 Cash Flow

Amount: RMB Million

	<b>Year 2006</b>	<b>Year 2005</b>
	<b>Amount</b>	<b>Amount</b>
<b>From Operating Activities</b>	322.8	56.0
Net Profit before tax	3.0	(85.0)
Depreciation & Amortization	393.2	301.7
Change in Working Capital	(73.4)	(160.7)
<b>From Investing Activities</b>	(218.4)	(793.4)
Capital Expenditures (Net)	(209.2)	(793.7)
Other Investment Sources/(Uses)	(9.2)	0.3
<b>From Financing Activities</b>	186.7	797.3

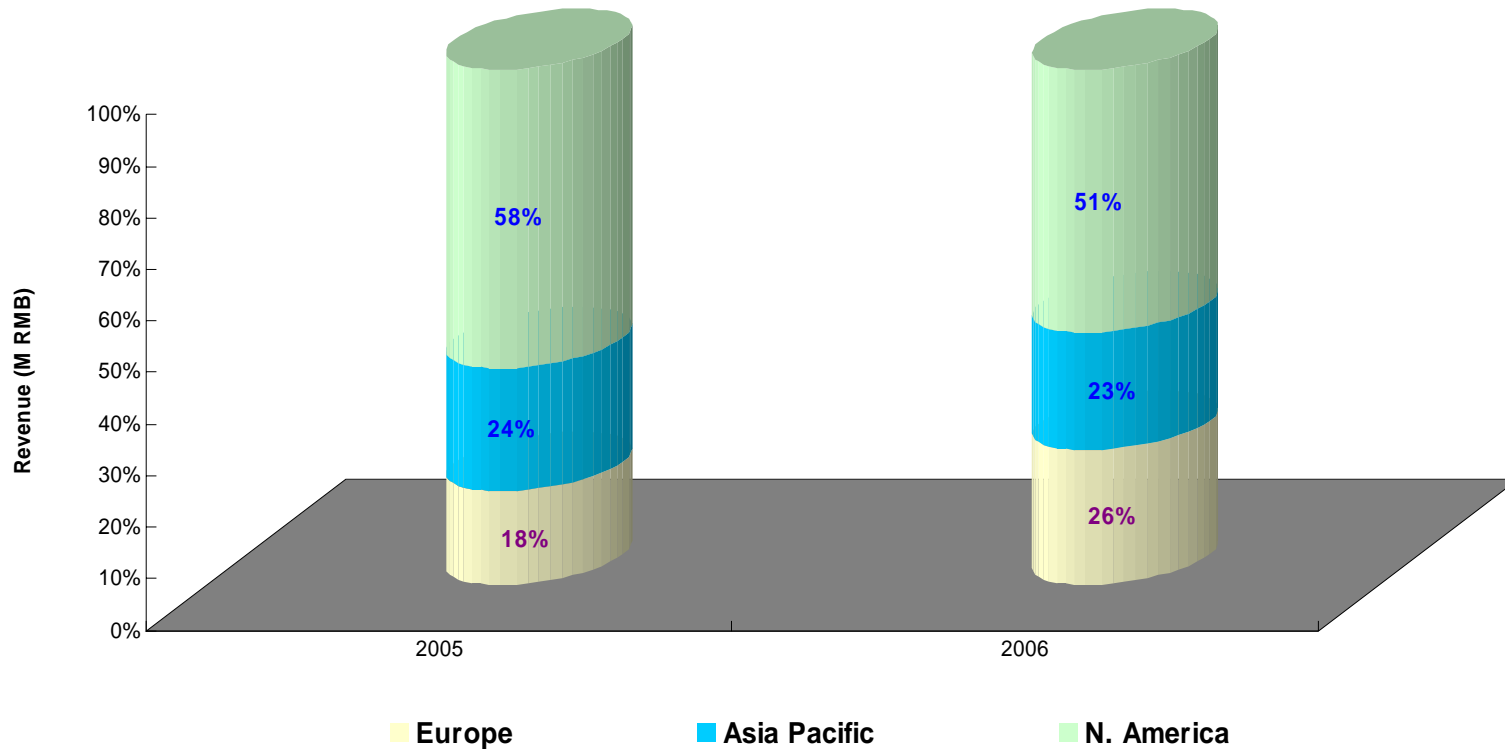
# Q4' 2006 Capital Expenditures and Intended Change of IPO Proceeds

- Due to a significant change of business environment starting 3Q 2006, which had deteriorated since 4Q 2006, the Board decided not to apply the remaining proceeds from IPO in the expansion of 8-inch fab and instead, to switch to pay its long-term debt to ensure the Company's value be preserved and enhanced going forward.

Amount: RMB Million

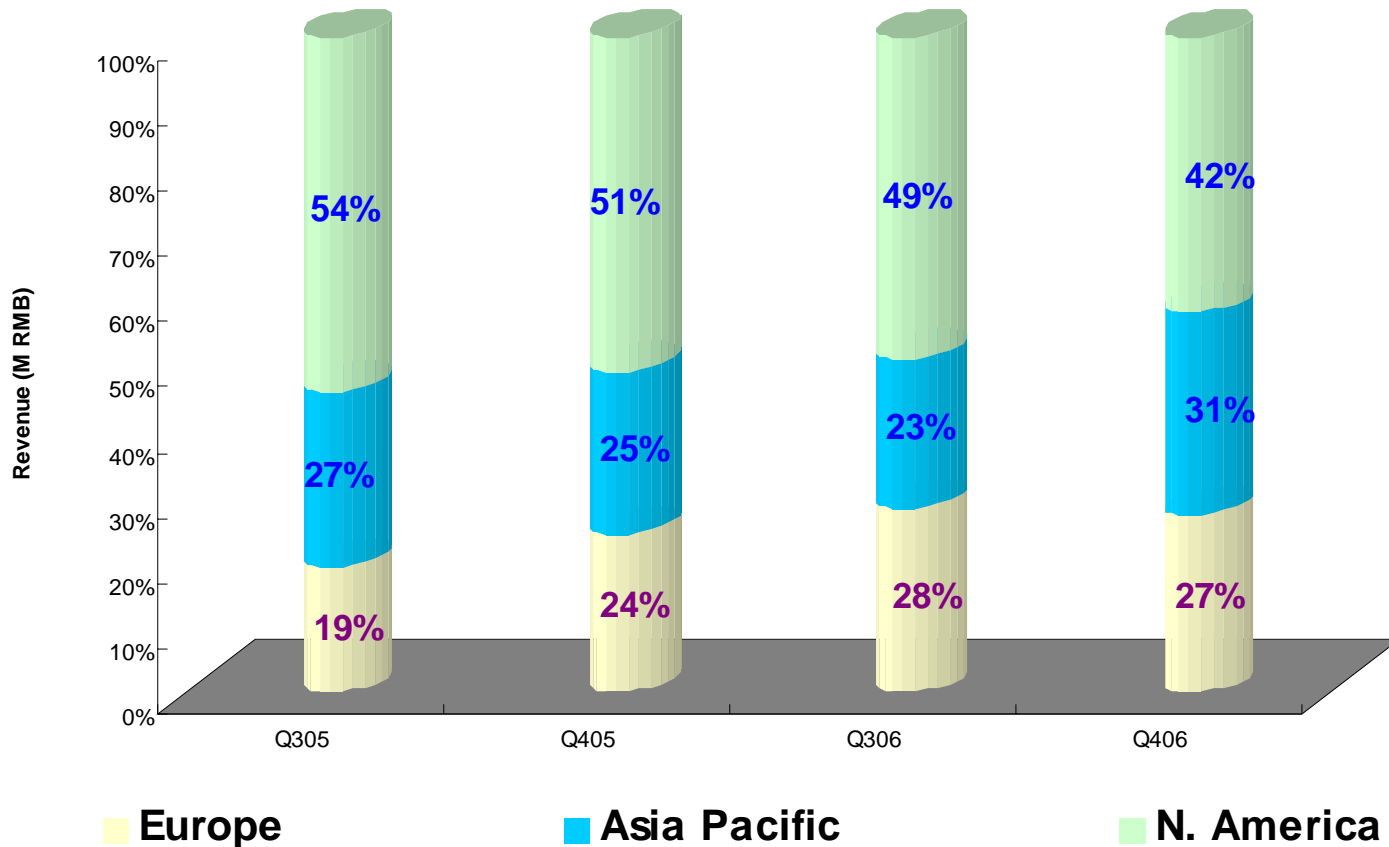
	Q4'06	Q3'06	Q4'05
<b>CAPEX</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
	11.1	8.1	60.2

# Sales Breakdown by Geography (YoY Comparison)

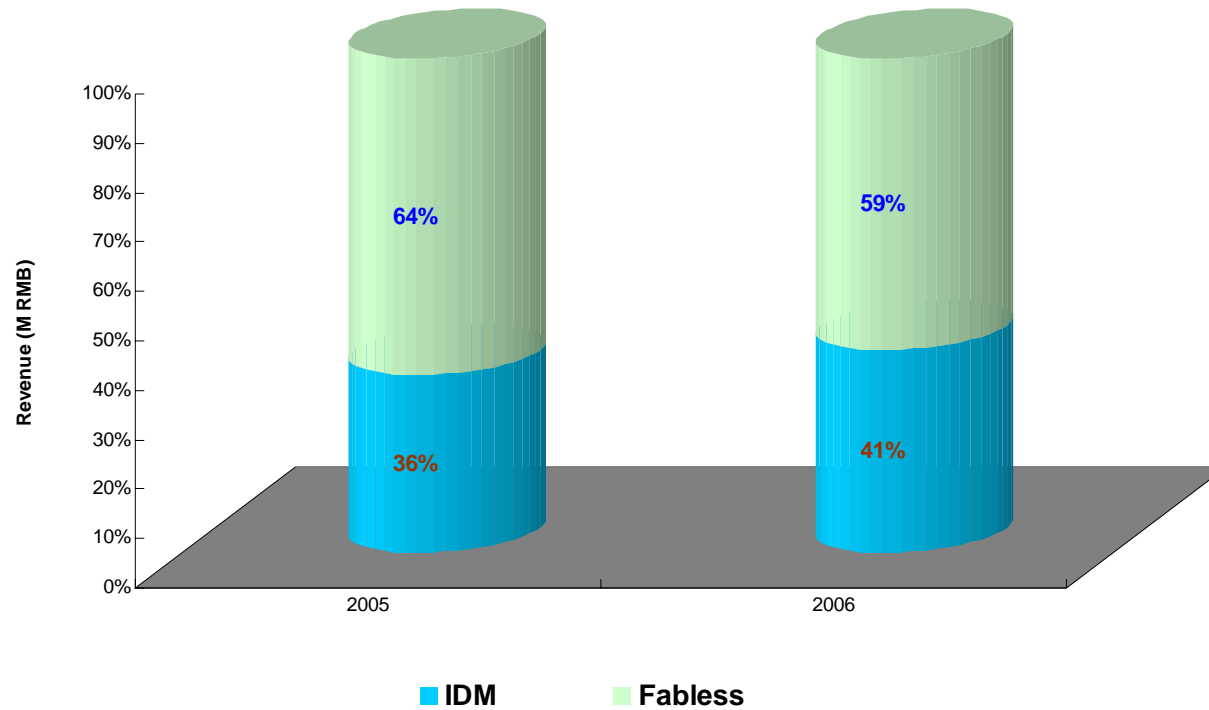


# Sales Breakdown by Geography

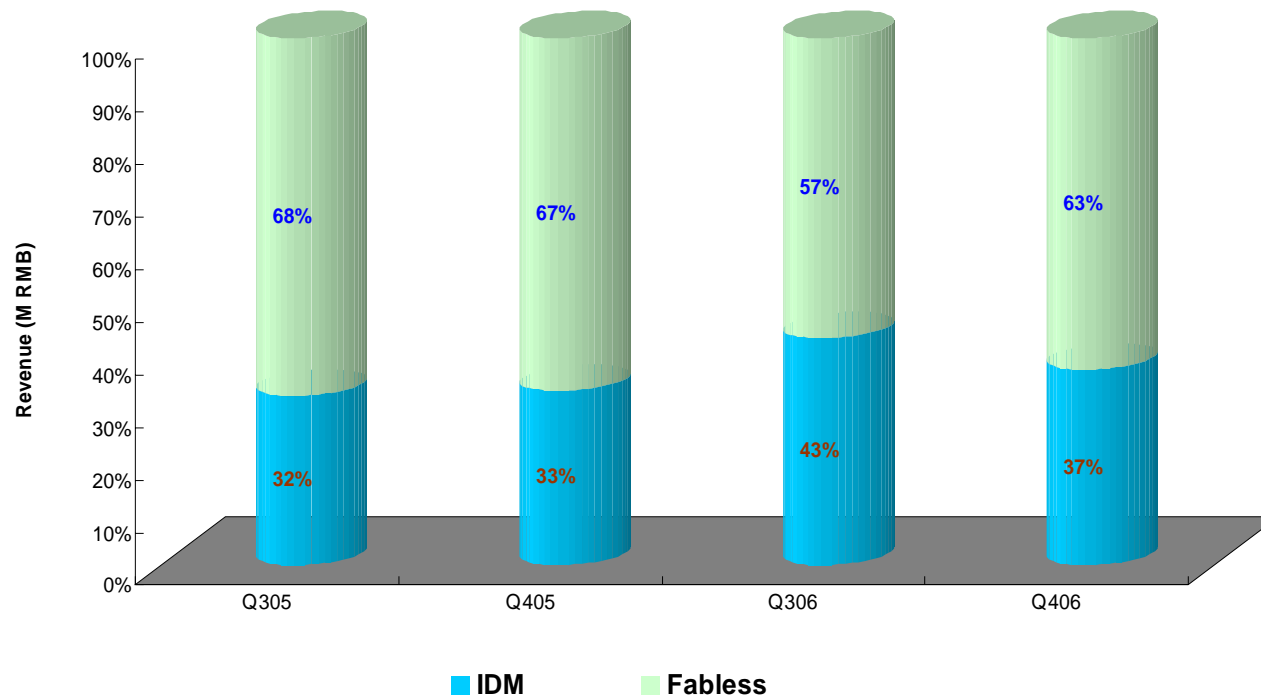
(QoQ Comparison)



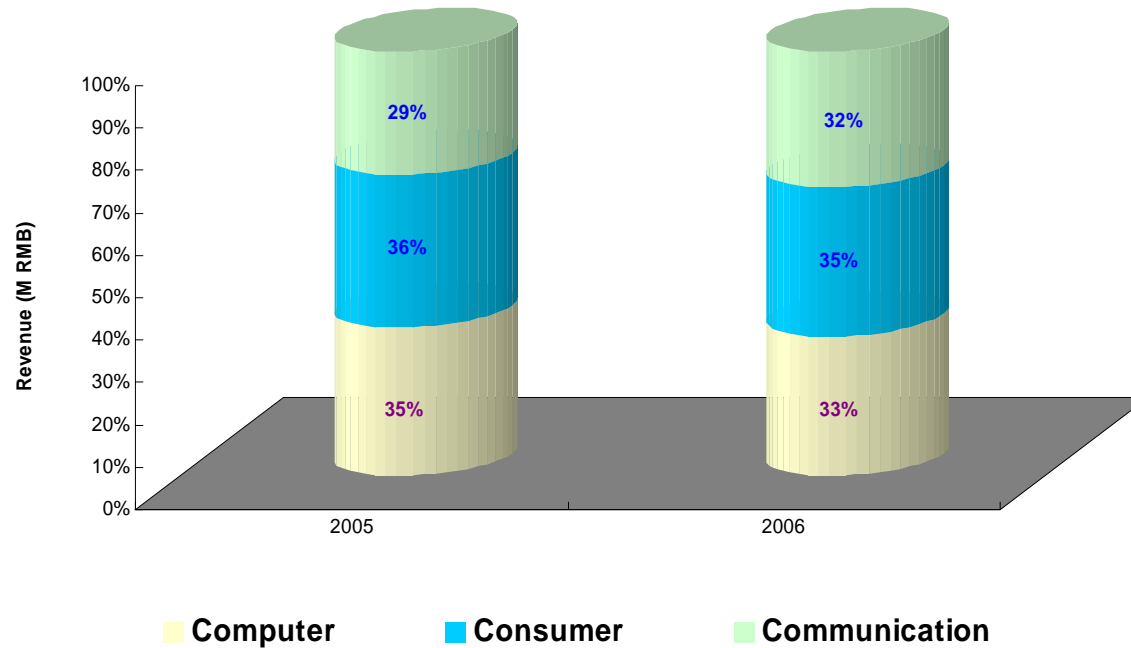
# Sales Breakdown by Customer Type (YoY Comparison)



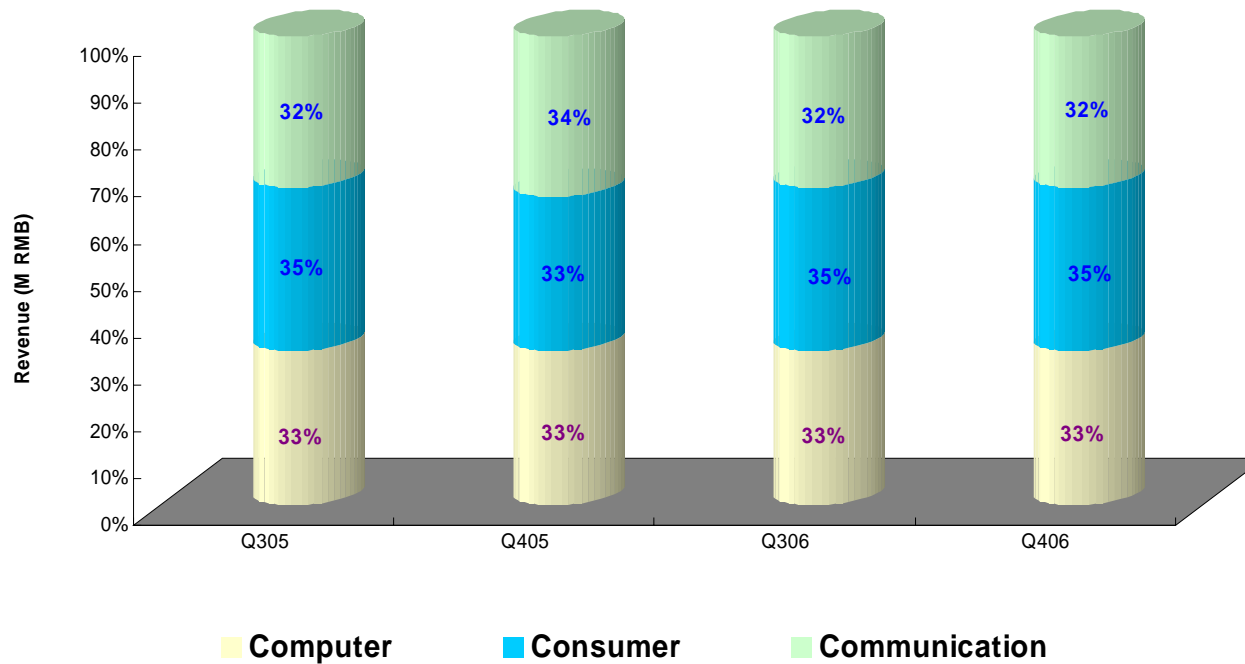
# Sales Breakdown by Customer Type (QoQ Comparison)



# Sales Breakdown by Application (YoY Comparison)



# Sales Breakdown by Application ( QoQ Comparison)



# FAB Capacity & Utilization

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	Q4' 2006	Q3' 2006	Q4' 2005
<b>Capacity</b> * (wafers in thousand)	154	154	133
<b>FAB Utilization %</b>	77%	71%	59%

\* 5" and 6" wafers converted to blended 8" equivalent wafers (22 mask steps) by dividing wafer numbers by 2.56 and 1.78 respectively

# 2007 Outlook

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## ***Overall Environment***

- **A moderate growth for Semi-Industry including analog expected in 2007**
- **Analog industry benefits from China's sustainable economic growth and its favorable policy for high and new technology industry**
- **Confronted with continued inventory correction and seasonality, Inventory correction is expected to continue until 2Q 2007**
- **Market competition is likely to intensify i.e. digital players migrated to analog business**

# 2007 Outlook (Continued)

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## ***ASMC Business Strategy***

- **Improve overall efficiency and profitability by enhancing cost control, improving product output & quality and as well as introducing more advanced process technology**
- **Strive to make a breakthrough of running 8-inch fab in respect of key operational indices including line yield and utilization rate**
- **Continue to improve product mix, in particular focus on advance technology or high-value added products i.e. power management and automotive products, which will be taken as an important market trend for development**
- **Further enhance strategic & business partnership with key industry players**

# For further information

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