



2007 Annual Results Investor Conference

1 April, 2008

Advanced Semiconductor Manufacturing
Corporation Limited

Agenda

❖ Welcome

❖ 2007 financial results

Ms. Cheng Jianyu
Executive Director & CFO

❖ 2008 Outlook

Mr. Hsueh Cheng Lu
Executive Director, President and CEO

❖ Q&A

2007 Overview

- A RMB1.183 billion annual revenue has been booked for year 2007, which is 12.7% lower comparing to the revenue of RMB 1.355 billion in 2006
- The line yield of 8 inch fab has been improved significantly from 89.5 % in 2006 to 96.5% in 2007
- Despite the lower than expected growth in semiconductors industry, the 8 inch equivalent wafer shipments reached 467,754 pieces in 2007, which is 3.2% higher than 453,214 pieces in 2006
- The overall utilization rate of the Company in year 2007 is 66% , which is 4% lower than in 2006.
- Pursuant to IAS, a RMB 651.3 million has been recognized as an impairment charge against the 8-inch wafer fab assets to reflect its fair value and prepare for a more competitive business model going forward
- As a result of the above, a net loss of RMB 840.2 million has been booked in 2007 comparing to a net income of RMB 3.9 million in 2006

2007 Annual Results Overview

Amount: RMB Million

	2007		2006		Change
	Amount	%	Amount	%	%
Net Sales	1183.1	100%	1355.2	100%	-13%
Cost of Goods Sold (COGS)	(1201.7)	-102%	(1214.3)	-90%	-1%
Gross Profit	-18.6	-2%	140.9	10%	-113%
Total Operating Expenses	(129.6)	-11%	(116.9)	-9%	11%
Operating Income/(Loss)	-148.3	-13%	24.0	2%	-
Other Income/(Expenses), Net	25.5	2%	37.1	3%	-31%
Other Expense	(674.2)	-57%	(0.2)	-	-
Financing Cost	(35.2)	-3%	(57.9)	-4%	-39%
Income/(Loss) Before Tax	(832.2)	-70%	3.0	0%	-
Income Taxes Credit/(expense)	(8.0)	-1%	1.0	0%	-
Net Income/(Loss)	(840.2)	-71%	3.9	0%	-
EPS (RMB Cents)	(54.76)		0.3		

Q4' 2007 Income Statement

(QoQ Comparison)

Amount: RMB Million

	Q4'2007 Actual		Q3'2007 Actual		QoQ
	Amount	%	Amount	%	%
Net Sales	270.2	100%	333.4	100%	-19%
Cost of Goods Sold (COGS)	(273.2)	-101%	(325.4)	-98%	-16%
Gross Profit	(3.0)	-1%	8.1	2%	-138%
Total Operating Expenses	(39.4)	-15%	(29.4)	-9%	34%
Operating Income/(Loss)	(42.5)	-16%	(21.3)	-6%	-
Other Income/(Expenses), Net	6.4	2%	3.1	1%	107%
Other Expenses	(674.2)	-250%	0.0		-
Financing Cost	(4.1)	-2%	(7.0)	-2%	-41%
Income/(Loss) Before Tax	(714.3)	-264%	(25.2)	-8%	-
Income Taxes Credit/ (expense)	(30.0)	-11%	2.3	1%	-
Net Income/(Loss)	(744.3)	-275%	(22.9)	-7%	-

Note: The loss of RMB1.88 M on “Fair value (loss)/gain on interest rate swap” occurred in the first three quarters of 2007 has been adjusted reversely from the Other Income to Other expenses in the fourth quarter of 2007.

Q4' 2007 Income Statement (YoY Comparison)

Amount: RMB Million

	Q4'2007 Actual		Q4'2006 Actual		YoY
	Amount	%	Amount	%	%
Net Sales	270.2	100%	350.9	100%	-23%
Cost of Goods Sold (COGS)	(273.2)	-101%	(356.0)	-101%	-23%
Gross Profit	(3.0)	-1%	(5.1)	-1%	42%
Total Operating Expenses	(39.4)	-15%	(32.3)	-9%	22%
Operating Income/(Loss)	(42.5)	-16%	(37.4)	-11%	-
Other Income/(Expenses), Net	6.4	2%	19.5	6%	-67%
Other Expenses	(674.2)	-250%	0.0	0%	-
Financing Cost	(4.1)	-2%	(13.3)	-4%	-
Income/(Loss) Before Tax	(714.3)	-264%	(31.2)	-9%	-
Income Taxes Credit/ (expense)	(30.0)	-11%	3.6		
Net Income/(Loss)	(744.3)	-275%	(27.6)	-8%	-

Note: The loss of RMB0.7 M on “Fair value (loss)/gain on interest rate swap” was recorded in Other Income instead Other Expenses in the fourth quarter of 2006

2007 Balance Sheet

Amount: RMB Million Selected Items from Balance Sheet	As at 12/31/2007		As at 12/31/2006	
	Amount	%	Amount	%
Total Assets	1581.9	100%	2858.8	100%
Cash & Cash Equivalent	207.0	13%	397.0	14%
Accounts Receivables & Other	161.7	10%	195.4	7%
Inventory	234.5	15%	261.8	9%
Total Current Assets	603.2	38%	854.2	30%
Accounts Payable	171.7	11%	194.3	7%
Current Portion of Loans	350.3	22%	286.5	10%
Accrued Liabilities & Others	85.2	5%	107.9	4%
Total Current Liabilities	607.2	38%	588.7	21%
Long Term Debt	0.2	0%	455.4	16%
Total Equity	974.5	62%	1814.7	63%
Accounts Receivable Turnover (days)	42		44	
Inventory Turnover (days)	75		67	
Current Ratio	0.99		1.45	
Net Working Capital	(4.0)		265.5	

2007 Cash Flow

Amount: RMB Million

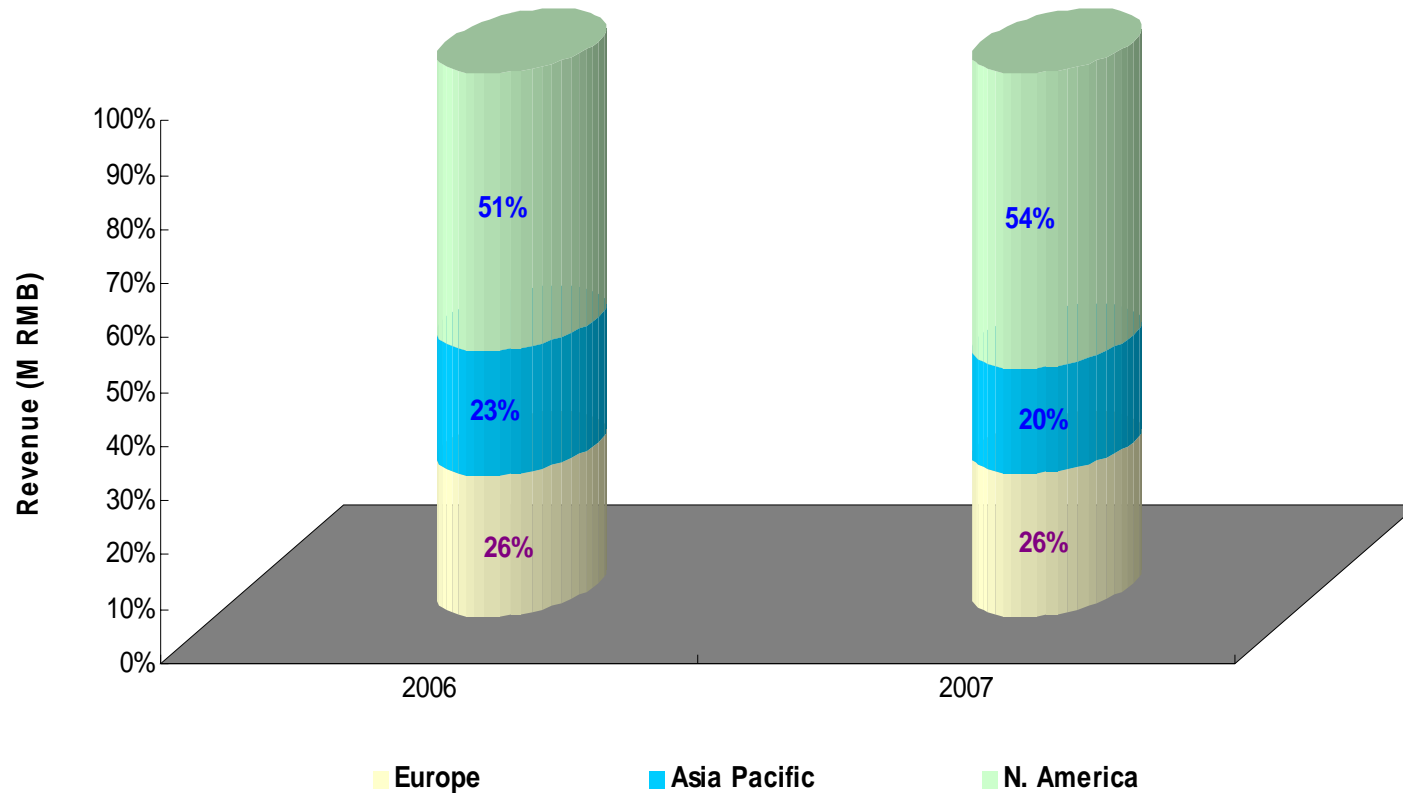
	Year 2007	Year 2006
	<u>Amount</u>	<u>Amount</u>
From Operation	226.3	322.8
Profit Before Tax	(832.2)	3.0
Depreciation & Amortization	388.8	387.1
Change in Working Capital	(2.2)	(73.3)
Other Operating activities	671.9	6.1
From Investment	24.1	218.4
Capital Expenditures (Net)	27.9	209.2
Other Investment Sources/(Uses)	(3.8)	9.2
From Financing	(392.2)	186.7
Repayment of -L	(391.5)	(444.5)

Q4' 2007 Capital Expenditures

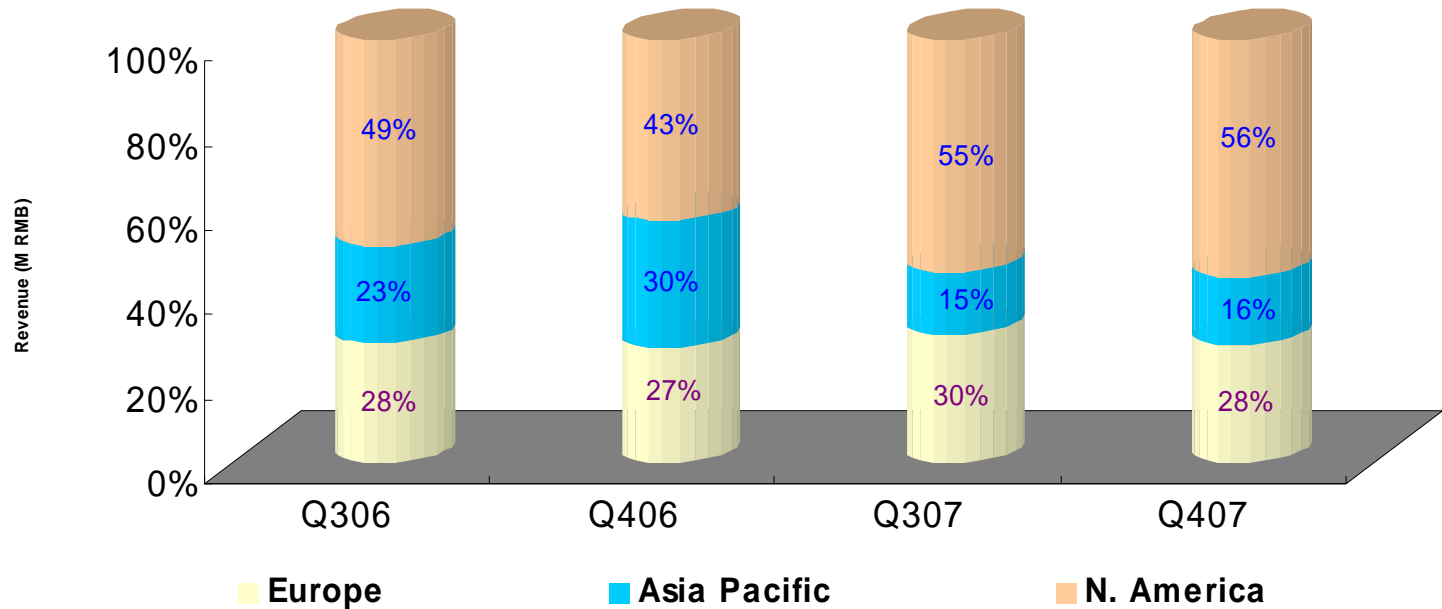
Amount: RMB Million

	Q4'07	Q3'07	Q4'06
CAPEX	Amount	Amount	Amount
	4.2	20.4	11.1

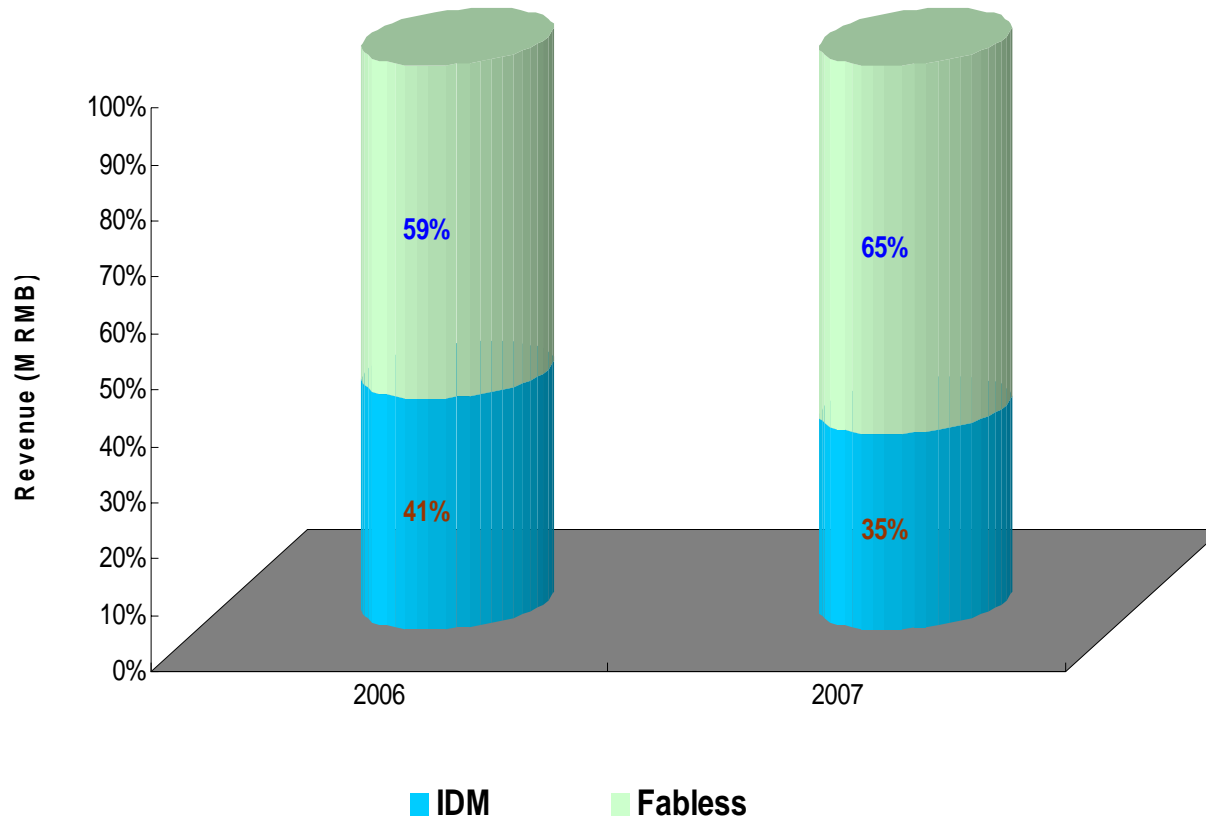
Sales Breakdown by Geography (YoY Comparison)



Sales Breakdown by Geography (Q to Q)

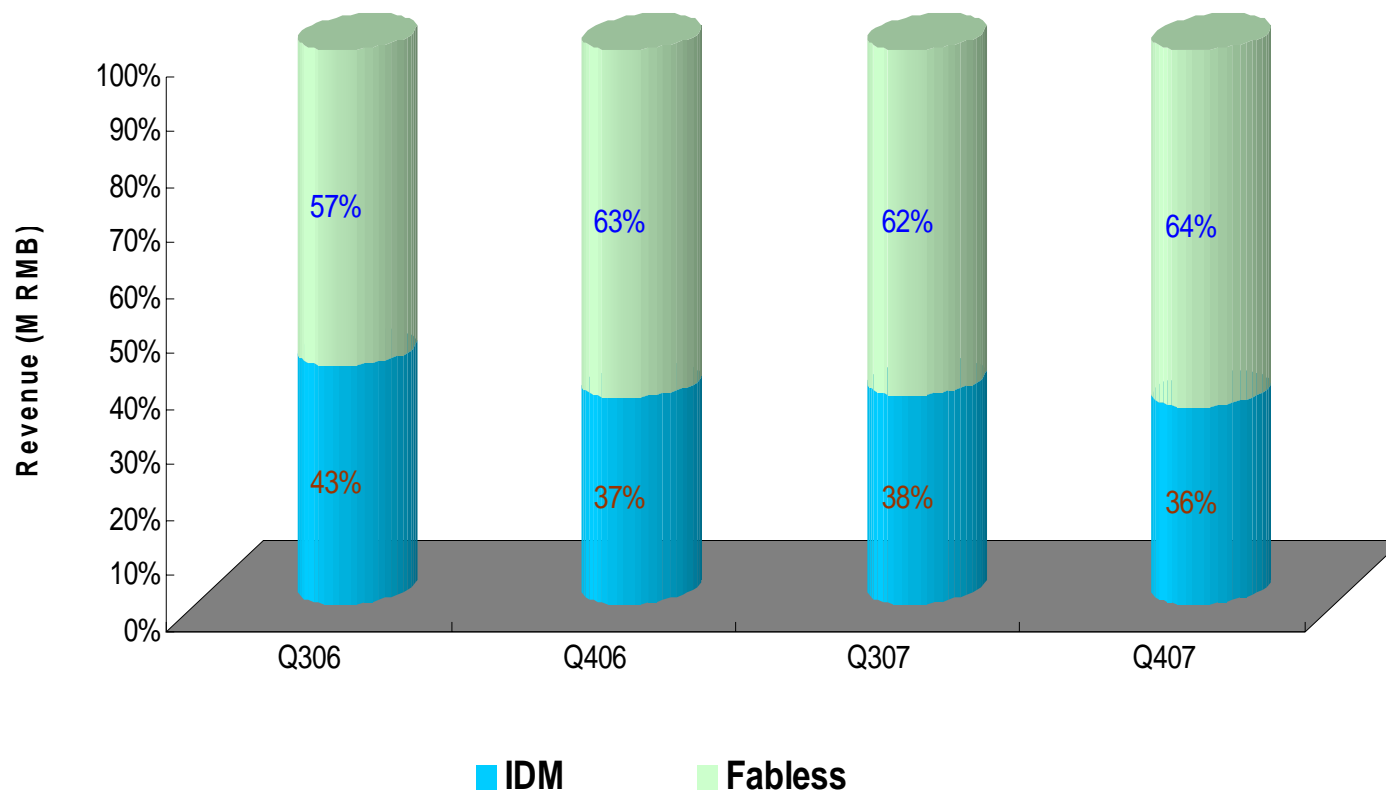


Sales Breakdown by Customer Type (YoY Comparison)

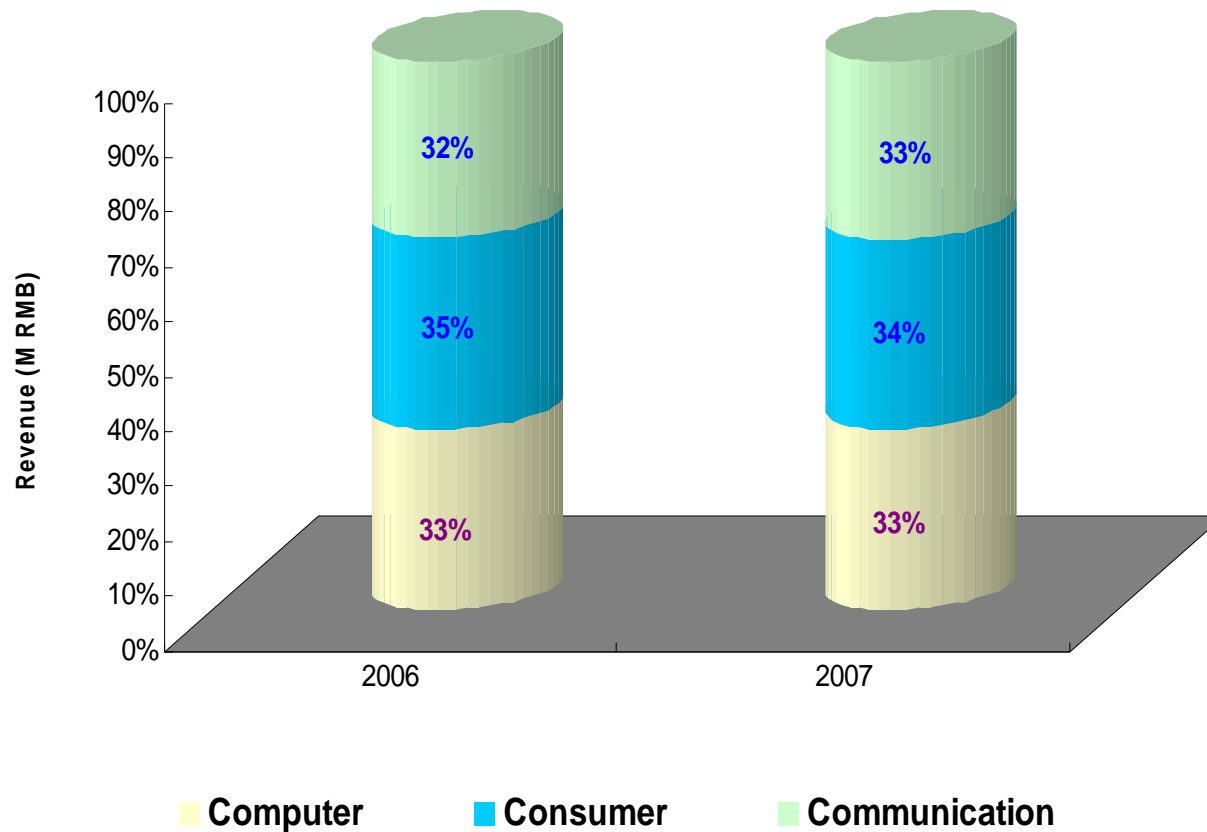


Sales Breakdown by Customer

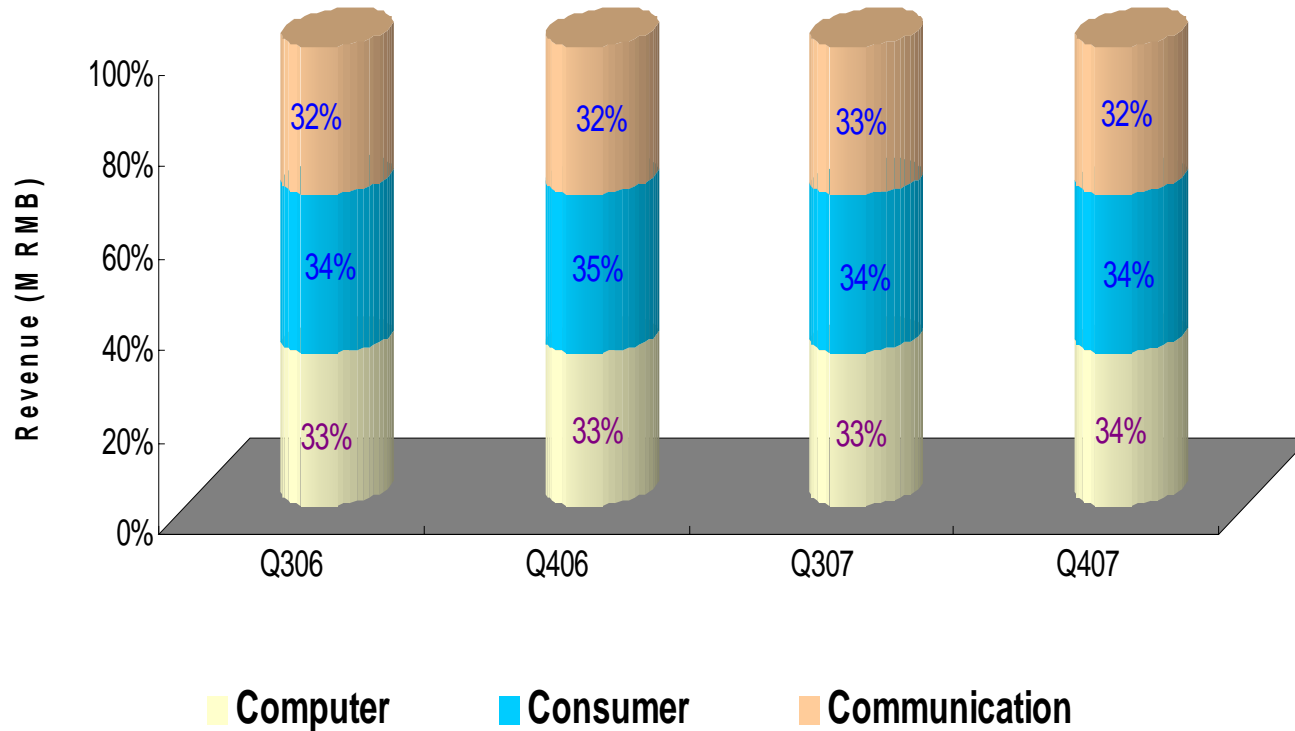
(Q to Q)



Sales Breakdown by Application (YoY Comparison)



Sales Breakdown by Application



FAB Installed Capacity (8" Equivalent)

FAB / (Wafers in thousand)	Q4'07	Q3'07	Q4' 06
Fab 1/2			
5-inch wafers	33	33	33
6-inch wafers	85	85	85
Fab 3			
8-inch wafers	36	36	36
Total 8" Equivalent	154	154	154

Note: The Company estimated the capacity of its 5-inch, 6-inch and 8-inch on the basis of 9,10 and 22 mask steps per wafer respectively and 5-inch, 6-inch wafers were converted to 8-inch equivalent wafers by dividing their wafer number using 2.56 and 1.78 respectively.

Capacity Utilization Rate by Fab

FAB	Q4' 07	Q3' 07	Q4' 06
Fab 1/2			
5-inch wafers	67%	72%	96%
6-inch wafers	67%	87%	74%
Fab 3			
8-inch wafers	49%	65%	71%
Overall Capacity Utilization Rate	60%	76%	77%

Note: The capacity utilization rate represents the percentage of the actual number of processing steps (measured by the number of masks used) for the number of semiconductor wafers shipped in the reporting period divided by the total number of processing steps a fab is capable to produce during the corresponding period.

2008 Outlook

- Semi-industry is expected to grow at a moderate pace in 2008, while the growth in analog market may continue to outpace the rest of the industry
- The Company will face challenges from the continued increasing competition and expected slow down in the global economy
- A customer-focused strategic plan has been implemented to address the issue of declining utilization of the Company's fabrication facilities
- The trading arrangements related to a significant new order of 6-inch wafer products has been recently entered into between the Company and NXP, the Company will further seek to develop the existing markets for the Company's products and new markets going forward
- Under the leadership of the Company's new management team, the implementation of its strategic plan, coupled with some positive factors expected in 2008, should help improve the Company's trading and financial performance in 2008

For further information

Thank You

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