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ADVANCED SEMICONDUCTOR MANUFACTURING CORPORATION LIMITED
上海先進半導體製造股份有限公司

(A foreign invested joint stock company incorporated in the People's Republic of China with limited liability)
 (Stock Code: 03355)

2011 Third Quarter Results Announcement

QUARTERLY RESULTS

The board of directors (the "Board") of Advanced Semiconductor Manufacturing Corporation Limited (the "Company") is pleased to announce the unaudited results of the Company for the three months and the nine months ended 30 September 2011 together with unaudited comparative figures for the corresponding periods of last year as follows:

Condensed Statement of Comprehensive Income

		3 months ended 30 September 2011 (Unaudited) RMB'000	9 months ended 30 September 2011 (Unaudited) RMB'000	3 months ended 30 September 2010 (Unaudited) RMB'000	9 months ended 30 September 2010 (Unaudited) RMB'000
	<i>Notes</i>				
Revenue	4	264,894	724,860	276,461	708,373
Cost of sales		(206,451)	(597,002)	(202,735)	(546,270)
Gross profit		58,443	127,858	73,726	162,103
Other income and gains	5	2,814	10,086	5,694	9,402
Operating expenses		(32,138)	(88,091)	(23,162)	(65,905)
Other expenses	5	(1,923)	(6,314)	(5,377)	(7,026)
Finance costs	6	(697)	(2,709)	(1,789)	(5,561)
Profit before tax	6	26,499	40,830	49,092	93,013
Income tax	7	—	—	—	—
Profit for the period		26,499	40,830	49,092	93,013
Other comprehensive income for the period		—	—	—	—
Total comprehensive income for the period attributable to ordinary equity holders of the Company		26,499	40,830	49,092	93,013
Earnings per share attributable to ordinary equity holders of the Company					
-Basic	9	1.73 cents	2.66 cents	3.20 cents	6.06 cents

Details of the dividends proposed for the period are disclosed in note 8 to the condensed financial statements.

Condensed Statement of Financial Position

	30 September 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
	<i>Note</i>	
Non-current assets		
Property, plant and equipment	349,737	337,681
Construction in progress	23,455	26,161
Other non-current assets	40,015	39,742
	<hr/>	<hr/>
Total non-current assets	413,207	403,584
	<hr/>	<hr/>
Current assets		
Inventories	162,699	161,832
Accounts and notes receivables	90,616	72,931
Other current assets	56,801	56,594
Cash and cash equivalents	348,841	403,377
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Total current assets	658,957	694,734
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Total assets	1,072,164	1,098,318
	<hr/>	<hr/>
Current liabilities		
Accounts payable	129,865	157,265
Other current liabilities	57,905	51,694
Government grants	5,124	4,772
Interest-bearing bank borrowings	69,904	116,227
	<hr/>	<hr/>
Total current liabilities	262,798	329,958
	<hr/>	<hr/>
Net current assets	396,159	364,776
	<hr/>	<hr/>
Total assets less current liabilities	809,366	768,360
	<hr/>	<hr/>
Non-current liabilities		
Government grants	14,212	14,036
	<hr/>	<hr/>
Net assets	795,154	754,324
	<hr/>	<hr/>
Equity attributable to equity holders of the Company		
Share capital	1,534,227	1,534,227
Reserves	(739,073)	(779,903)
	<hr/>	<hr/>
Total equity	795,154	754,324
	<hr/>	<hr/>

Statement of Changes in Equity

	For the nine months ended 30 September	
	2011 (Unaudited) RMB'000	2010 (Unaudited) RMB'000
Share capital		
<i>Ordinary shares of RMB1.00 each:</i>		
At beginning and end of period	<u>1,534,227</u>	<u>1,534,227</u>
Capital reserve		
At beginning and end of period	<u>205,363</u>	<u>205,363</u>
Statutory surplus reserve		
At beginning and end of period	<u>19,353</u>	<u>19,353</u>
Accumulated losses		
At beginning of period	<u>(1,004,619)</u>	<u>(1,124,317)</u>
Total comprehensive income for the period	<u>40,830</u>	<u>93,013</u>
At end of period	<u>(963,789)</u>	<u>(1,031,304)</u>
Reserves	<u>(739,073)</u>	<u>(806,588)</u>
Total equity attributable to equity holders of the Company	<u>795,154</u>	<u>727,639</u>

Condensed Statement of Cash Flows

	For the nine months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Net cash flows from operating activities	107,715	135,685
Net cash flows used in investing activities	(109,195)	(21,671)
Net cash flows used in financing activities	(46,323)	(41,271)
Net (decrease)/increase in cash and cash equivalents	(47,803)	72,743
Cash and cash equivalents at beginning of period	403,377	317,996
Effect of exchange rate changes on cash and cash equivalents	(6,733)	—
Cash and cash equivalents at end of period	348,841	390,739
Analysis of balances of cash and cash equivalents		
Cash and bank balances	101,255	69,613
Non-pledged time deposits with original maturity of less than three months	247,586	321,126
Cash and cash equivalents as stated in the condensed statement of financial position and condensed statement of cash flows	348,841	390,739

NOTES TO CONDENSED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed financial statements of the Company for the three months and the nine months ended 30 September 2011 (the "Third Quarter Results") are prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" promulgated by the International Accounting Standards Board.

The Third Quarter Results do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2010 ("2010 financial statements") dated 9 March 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used in the 2010 financial statements, except for the adoption of new standards and interpretations as of 1 January 2011, which are set out below:

The Company has adopted the following new and revised IFRSs for the first time in these interim condensed financial statements.

IAS 24 (Amendment)	Related Party Transactions
IAS 32 (Amendment)	Financial Instruments: Presentation
IFRIC 14 (Amendment)	Prepayments of a Minimum Funding Requirement
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
Improvements to IFRSs (issued in May 2010)*	Amendments to a number of IFRSs

* Improvements to IFRSs 2010 contain amendments to IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34, and IFRIC 13.

The adoption of these new and revised IFRSs has had no significant financial effect on these interim condensed financial statements and there have been no significant changes to the accounting policies applied in these interim condensed financial statements.

3. SEGMENT INFORMATION

The Company's revenue and profit were mainly derived from the sale of wafers. The Company has only one reportable operating segment.

The principal assets employed by the Company are located in Shanghai, the People's Republic of China (the "PRC"). Therefore, no segment information based on the geographical location of the Company's assets is presented.

The Company's revenue is attributed to geographical areas based on the location of customers. Revenue regarding geographical segments based on the location of customers is presented as follows:

	3 months ended 30 September 2011 (Unaudited) RMB'000	9 months ended 30 September 2011 (Unaudited) RMB'000	3 months ended 30 September 2010 (Unaudited) RMB'000	9 months ended 30 September 2010 (Unaudited) RMB'000
United States of America	139,727	379,873	154,724	383,255
Europe	79,301	195,333	71,516	205,542
Asia	45,866	149,654	50,221	119,576
	<u>264,894</u>	<u>724,860</u>	<u>276,461</u>	<u>708,373</u>

Information about major customers

The Company's revenue of approximately RMB436,451,000 (30 September 2010: RMB461,861,000) was derived from sales to three customers (30 September 2010: four) which individually accounted for more than 10% of the Company's total revenue during the nine months ended 30 September 2011. Sales to a particular customer include sales to a group of entities which are known to be under common control with that customer.

4. REVENUE

Revenue, which is also the Company's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered during the period.

An analysis of revenue is as follows:

	3 months ended 30 September 2011 (Unaudited) RMB'000	9 months ended 30 September 2011 (Unaudited) RMB'000	3 months ended 30 September 2010 (Unaudited) RMB'000	9 months ended 30 September 2010 (Unaudited) RMB'000
Sale of goods	264,894	724,819	276,382	708,009
Others	—	41	79	364
	<u>264,894</u>	<u>724,860</u>	<u>276,461</u>	<u>708,373</u>

5. OTHER INCOME AND GAINS AND OTHER EXPENSES

	3 months ended 30 September 2011 (Unaudited) RMB'000	9 months ended 30 September 2011 (Unaudited) RMB'000	3 months ended 30 September 2010 (Unaudited) RMB'000	9 months ended 30 September 2010 (Unaudited) RMB'000
Other income and gains				
Subsidy income	497	2,987	4,049	4,639
Interest income	2,241	5,100	922	2,017
Sale of scrap materials	64	1,439	697	2,135
Others	12	560	26	611
	<u>2,814</u>	<u>10,086</u>	<u>5,694</u>	<u>9,402</u>
Other expenses				
Loss arising from a leakage incident	—	—	—	(261)
Net foreign exchange loss	(1,923)	(6,314)	(5,377)	(6,765)
	<u>(1,923)</u>	<u>(6,314)</u>	<u>(5,377)</u>	<u>(7,026)</u>

6. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting):

	3 months ended 30 September 2011 (Unaudited) RMB'000	9 months ended 30 September 2011 (Unaudited) RMB'000	3 months ended 30 September 2010 (Unaudited) RMB'000	9 months ended 30 September 2010 (Unaudited) RMB'000
Cost of inventories sold	206,451	597,002	202,735	546,270
Depreciation	26,271	82,989	32,125	102,814
Interest on bank loans	697	2,709	1,789	5,561
Employee benefits expense:				
– Retirement benefits	4,017	11,454	3,298	10,014
– Accommodation benefits	1,262	3,398	1,072	3,286
– Salaries and other staff costs	40,881	114,232	34,636	99,200
	<u>46,160</u>	<u>129,084</u>	<u>39,006</u>	<u>112,500</u>
Impairment/(reversal of impairment) for doubtful debts	213	174	(65)	(6,699)
Write-down for inventories	4,333	4,781	1,123	670
Loss on disposal of property, plant and equipment	—	—	—	238

7. INCOME TAX

No provision for Hong Kong profits tax has been made as the Company had no assessable profits arising in Hong Kong during the three months and the nine months ended 30 September 2010 and 2011.

In accordance with the PRC Corporate Income Tax Law (the "New CIT Law") which was approved and became effective on 1 January 2008, the provision for Mainland China current income tax has been based on a statutory rate of 25% of the assessable profits of the Company for the year. However, the Company qualifies as "High and New Technology Enterprise" and thus was granted a preferential rate of 15% from 1 January 2008 to 31 December 2010.

Major components of income tax are as follows:

	3 months ended 30 September 2011 (Unaudited) RMB'000	9 months ended 30 September 2011 (Unaudited) RMB'000	3 months ended 30 September 2010 (Unaudited) RMB'000	9 months ended 30 September 2010 (Unaudited) RMB'000
Provision for income tax in respect of profit for the period	—	—	—	—
Deferred tax	—	—	—	—
Income tax	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

8. DIVIDENDS

The Board does not recommend the payment of an interim dividend to the ordinary equity holders of the Company for the nine months ended 30 September 2011 (30 September 2010: Nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	3 months ended 30 September 2011 (Unaudited)	9 months ended 30 September 2011 (Unaudited)	3 months ended 30 September 2010 (Unaudited)	9 months ended 30 September 2010 (Unaudited)
Profit attributable to ordinary equity holders of the Company (RMB'000)	<u>26,499</u>	<u>40,830</u>	<u>49,092</u>	<u>93,013</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,534,227</u>	<u>1,534,227</u>	<u>1,534,227</u>	<u>1,534,227</u>

No adjustment has been made to the basic earnings per share amounts presented for the three months and the nine months ended 30 September 2010 and 2011 in respect of a dilution as the Company had no potentially dilutive ordinary shares in issue during those periods.

10. INTEREST-BEARING BANK BORROWINGS

	Effective interest rate	30 September 2011 Maturity	RMB'000 (Unaudited)
Unsecured bank borrowings repayable within one year	<u>2.64%-5.31%</u>	<u>2012</u>	<u>69,904</u>
	Effective interest rate	31 December 2010 Maturity	RMB'000 (Audited)
Unsecured bank borrowings repayable within one year	<u>2.64%-5.31%</u>	<u>2011</u>	<u>116,227</u>

11. COMMITMENTS

The Company had the following commitments at the end of the reporting period:

	30 September 2011 (Unaudited) RMB'000	31 December 2010 (Audited) RMB'000
Capital commitments in respect of property, plant and equipment:		
- contracted, but not provided for	<u>37,890</u>	61,781
- authorised, but not contracted for	<u>65,907</u>	<u>137,766</u>
	<u>103,797</u>	<u>199,547</u>

12. RELATED PARTY TRANSACTIONS

The Company is under the significant influence of NXP B.V., which holds 27.47% of the equity interest of the Company. The companies controlled by NXP B.V. are considered to be related to the Company.

The Company had the following material transactions with the related parties during the period:

		3 months ended 30 September 2011 (Unaudited) RMB'000	9 months ended 30 September 2011 (Unaudited) RMB'000	3 months ended 30 September 2010 (Unaudited) RMB'000	9 months ended 30 September 2010 (Unaudited) RMB'000
	<i>Notes</i>				
Sales	(i)	55,568	138,800	39,874	100,629
Technology transfer fees	(ii)	2,707	6,319	1,698	4,415
Compensation paid/payable to key management personnel (including directors, supervisors and senior executives)		965	5,372	1,826	5,652

Notes:

- (i) Sales to related companies were carried out at terms equivalent to those that prevail in arm's length transactions.
- (ii) Royalties in the form of technology transfer fees and identification licensing fee paid/payable to a related company were determined at 3% or 10% of the net sales of certain specified products sold by agreements of the parties.

In the opinion of the directors, all transactions above were carried out in the ordinary course of business of the Company.

The above related party transactions set out in Notes (i) and (ii) also constitute continuing connected transactions as defined in Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

OPERATING RESULTS REVIEW

Summary:

(Amount: RMB'000)	3Q'11	2Q'11	3Q'10	QoQ% Change	YoY% Change
Revenue	264,894	262,384	276,461	1%	-4%
Gross profit	58,443	50,359	73,726	16%	-21%
Other income and gains	2,814	4,727	5,694	-	-
Operating expenses	(32,138)	(25,455)	(23,162)	26%	39%
Other expenses	(1,923)	(2,384)	(5,377)	-	-
Finance costs	(697)	(903)	(1,789)	-	-
Income tax credit/(expense)	-	-	-	-	-
Net income/(loss)	26,499	26,344	49,092	1%	-46%
EPS/(loss)	1.73cents	1.72cents	3.20cents	-	-

Sales for the three months ended 30 September 2011 were RMB264.9 million, an increase of 1.0% from RMB262.4 million for the three months ended 30 June 2011. Such increase was primarily attributable to the improvement in sales of 6-inch wafers and 8-inch wafers.

Gross profit for the three months ended 30 September 2011 amounted to RMB58.4 million, representing an increase of 15.9% from RMB50.4 million for the three months ended 30 June 2011. Gross margin for the three months ended 30 September 2011 was 22.1%, compared to 19.2% for the three months ended 30 June 2011. Such improvement was primarily attributable to lower parts and service costs and, to a lesser extent, a favourable product mix and a decrease in depreciation charges as a result of certain assets being fully depreciated.

Other income and gains for the three months ended 30 September 2011 were RMB2.8 million, compared to RMB4.7 million for the three months ended 30 June 2011. Other income and gains in the second quarter and the third quarter of 2011 were mainly comprised of subsidy income, interest income, sale of scrap materials and others.

Operating expenses for the three months ended 30 September 2011 amounted to RMB32.1 million, compared to RMB25.5 million for the three months ended 30 June 2011, due mainly to the significant increase in general and administrative expenses as well as research and development costs and, to a lesser extent, in selling and distribution expenses.

Other expenses for the three months ended 30 September 2011 were RMB1.9 million, compared to RMB2.4 million for the three months ended 30 June 2011. Other expenses in the second quarter and the third quarter of 2011 were mainly comprised of net foreign exchange loss.

Finance costs for the three months ended 30 September 2011 were RMB0.7 million, compared to RMB0.9 million for the three months ended 30 June 2011.

As a result, the Company recorded net income of RMB26.5 million for the three months ended 30 September 2011, compared to RMB26.3 million for the three months ended 30 June 2011. The Company's net margin in the current quarter was 10.0%, which is almost identical to that of the second quarter of 2011.

I. Revenue Analysis

By Application

For the three months ended 30 September 2011, sales derived from communication, computer and consumer products accounted for 33%, 33% and 34% of total revenue respectively, which were basically in line with those in the previous quarter.

	3Q'11	2Q'11	3Q'10
Communication	33%	33%	34%
Computer	33%	33%	32%
Consumer	34%	34%	34%

By Geography

For the three months ended 30 September 2011, sales to the USA, Europe and Asia Pacific accounted for 53%, 30% and 17% of total revenue respectively, compared to 52% and 24% and 24% for the three months ended 30 June 2011.

	3Q'11	2Q'11	3Q'10
USA	53%	52%	56%
Europe	30%	24%	26%
Asia Pacific	17%	24%	18%

By Customer Type

For the three months ended 30 September 2011, sales to IDM and fabless customers accounted for 30% and 70% of the total revenue respectively, compared to 26% and 74% in the second quarter of 2011.

	3Q'11	2Q'11	3Q'10
IDM	30%	26%	27%
Fabless	70%	74%	73%

By Product

For the three months ended 30 September 2011, sales as a percentage of total revenue from 5-inch, 6-inch and 8-inch wafers was 17%, 38% and 44% respectively, compared to 20%, 36% and 43% in the previous quarter.

	3Q'11	2Q'11	3Q'10
5-inch wafers	17%	20%	21%
6-inch wafers	38%	36%	40%
8-inch wafers	44%	43%	39%
Others ¹	1%	1%	0%

Note 1: Consist of probing services and provision of masks

II. Utilization and Capacity (8" equivalent)

II-1 Utilization

Overall capacity utilization for the three months ended 30 September 2011 was 75%, remained flat from the second quarter of 2011.

Fab	3Q'11	2Q'11	3Q'10
Fab 1/2			
5-inch wafers	61%	69%	73%
6-inch wafers	59%	57%	67%
Fab 3			
8-inch wafers	98%	96%	84%
Overall Capacity Utilization Rate	75%	75%	75%

Notes: 1. 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 of producing during the corresponding period.

2. The capacity utilization rates stated in the table are calculated on the basis of the theoretical capacity of the Company's fabrication facilities, as discussed in note 2 to paragraph 11-2 below. In consequence, the utilization rates of actual operating capacity are higher than the figures stated in the above table.

3. After taking into account 6-inch wafers produced using equipment consigned under arrangement with a customer, the utilization rate of the Company's total 6-inch wafer equipment in 3Q2011 was 54%, compared to 52% in 2Q2011. As a result, the overall capacity utilization rate of the Company's total equipment in 3Q2011 was 72%, flat from 2Q2011.

II-2 Capacity (8" Equivalent)

The capacity for the three months ended 30 September 2011 was 154,000 8-inch equivalent wafers, which was the same as that of the previous quarter and the third quarter of 2010.

Fab (wafers in thousands)	3Q'11	2Q'11	3Q'10
Fab1/2			
5-inch wafers	33	33	33
6-inch wafers	85	85	85
Fab-3			
8-inch wafers	36	36	36
Total Capacity	154	154	154

Notes: 1. The Company estimated the capacities 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 by 2.56 and 1.78 respectively.

2. The installed capacity of the Company's fabrication facilities is calculated assuming continuous production of an optimum product mix, which in practice is unlikely ever to be achieved. In consequence, the actual operating capacity is lower than the figures stated in the table.

3. After taking into account the 6-inch wafers equipment consignment arrangement with a customer described above, the installed quarterly capacity of 6-inch wafers of the Company's total equipment for the second quarter and third quarter of 2011 was 94,000 8-inch equivalent wafers respectively. As a result, total installed quarterly capacity of the Company's total equipment of the second and third quarter of 2011 was 163,000 8-inch equivalent wafers accordingly.

III. Profit and Expense Analysis

III-1. Gross Profit Analysis

Gross profit for the three months ended 30 September 2011 amounted to RMB58.4 million, representing an increase of 15.9% from RMB50.4 million for the three months ended 30 June 2011. Gross margin for the three months ended 30 September 2011 was 22.1%, compared to 19.2% for the three months ended 30 June 2011. Such improvement was primarily attributable to lower parts and service costs and, to a lesser extent, a favourable product mix and a decrease in depreciation charges as a result of certain assets being fully depreciated.

	3Q'11	2Q'11	3Q'10
(Amount: RMB'000)			
Cost of sales	(206,451)	(212,025)	(202,735)
Gross profit	58,443	50,359	73,726
Gross margin	22.1%	19.2%	26.7%

III-2. Other Income and Gains

Other income and gains for the three months ended 30 September 2011 were RMB2.8 million, compared to RMB4.7 million for the three months ended 30 June 2011. Other income and gains in the second quarter and the third quarter of 2011 were mainly comprised of subsidy income, interest income, sale of scrap materials and others.

	3Q'11	2Q'11	3Q'10
(Amount: RMB'000)			
Other income and gains	2,814	4,727	5,694

III-3. Operating Expenses Analysis

Operating expenses for the three months ended 30 September 2011 amounted to RMB32.1 million, compared to RMB25.5 million for the three months ended 30 June 2011, due mainly to the significant increase in general and administrative expenses as well as research and development costs and, to a lesser extent, in selling and distribution expenses. Higher general and administrative expenses on a sequential quarter-to-quarter basis were primarily due to increases in payroll and related expenses, and professional service fees. The sequential quarterly increase in research and development costs was mainly attributable to the Company's ongoing efforts to focus on its core business development activities.

	3Q'11	2Q'11	3Q'10
(Amount: RMB'000)			
Selling and distribution costs	(1,578)	(1,320)	(1,023)
General and administrative expenses	(19,020)	(16,171)	(15,961)
Research and development costs	(11,540)	(7,964)	(6,178)

III-4. Other Expenses

Other expenses for the three months ended 30 September 2011 were RMB1.9 million, compared to RMB2.4 million for the three months ended 30 June 2011. Other expenses in the second quarter and the third quarter of 2011 were mainly comprised of net foreign exchange loss.

	3Q'11	2Q'11	3Q'10
(Amount: RMB'000)			
Other expenses	(1,923)	(2,384)	(5,377)

III-5. Finance Costs

Finance costs for the three months ended 30 September 2011 were RMB0.7 million, compared to RMB0.9 million for the three months ended 30 June 2011.

	3Q'11	2Q'11	3Q'10
(Amount: RMB'000)			
Finance costs	(697)	(903)	(1,789)

IV. Financial Condition Review

IV-1. Liquidity Analysis

Total current assets as at 30 September 2011 were RMB659.0 million, compared to RMB658.3 million as at 30 June 2011, representing the increase in trade and notes receivable, inventories and other current assets by RMB8.4 million, RMB5.3 million and RMB16.0 million respectively, where were also partially offset by the decrease of RMB29.0 million in cash and cash equivalents. The total current liabilities decreased from RMB295.2 million as at 30 June 2011 to RMB262.8 million as at 30 September 2011, largely attributable to the decrease in interest-bearing borrowings and accounts payable by RMB20.7 million and RMB25.6 million, which was partially offset by the increase of RMB13.9 million in other current liabilities.

	3Q'11	2Q'11	3Q'10
(Amount: RMB'000)			
Cash and cash equivalents	348,841	377,884	390,739
Accounts and notes receivables	90,616	82,255	99,866
Inventories	162,699	157,357	159,221
Other current assets	56,801	40,851	38,017
Total current assets	658,957	658,347	687,843
Interest-bearing borrowings	69,904	90,602	137,011
Accounts payable	129,865	155,488	156,283
Other current liabilities	63,029	49,115	52,686
Total current liabilities	262,798	295,205	345,980
Net current assets	396,159	363,142	341,863
Current ratio (x)	2.51	2.23	1.99

IV-2. Receivable/Inventory Turnover

Receivable turnover for the three months ended 30 September 2011 was 37 days, compared to 30 days in the previous quarter.

Inventory turnover days increased to 87 days in the third quarter of 2011 from 84 days in the second quarter of 2011.

	3Q'11	2Q'11	3Q'10
Accounts and notes receivable turnover (days)	37	30	35
Inventory turnover (days)	87	84	80

IV-3. Debt Service

Net cash reserve as at 30 September 2011 amounted to RMB278.9 million compared to RMB287.3 million as at 30 June 2011, representing a sequential decrease by RMB8.3 million. This was due primarily to the decrease in cash and cash equivalents and interest-bearing borrowings by RMB29.0 million and RMB20.7 million respectively.

	3Q'11	2Q'11	3Q'10
(Amount: RMB'000)			
Cash and cash equivalents	348,841	377,884	390,739
Interest-bearing borrowings	(69,904)	(90,602)	(137,011)
Net cash reserves	278,937	287,282	253,728

V. Capital Expenditure

The amount of capital expenditure for the three months ended 30 September 2011 was RMB20.1 million, compared to RMB25.5 million in the second quarter of 2011.

(Amount: RMB'000)	3Q'11	2Q'11	3Q'10
Capex	20,089	25,536	11,433

VI. Outlook for the Fourth Quarter of 2011

Notwithstanding the fact that the semiconductor foundry players as a whole experienced well-below seasonal average performance, primarily reflecting the sequential quarterly declines in sales, the Company maintained its improved operating performance in the reporting quarter. Additionally, the Company has been making solid progress in the MEMS project, and has become the first volume production line of MEMS technology platform in China, which will help generate an incremental revenue stream in the forthcoming future. Going forward, in the face of weak end-market demand and a prolonging inventory correction in the supply chain, coupled with the typical seasonal demand softness across the semiconductor industry, many of the Company's customers have focused on controlling inventory and remain cautious about placing new orders. As a result, the Company's management expects fourth-quarter sales to decline sequentially from the third quarter of 2011.

By order of the Board

Advanced Semiconductor Manufacturing Corporation Limited

Joseph Xie

Executive Director & President

Shanghai, the PRC, 8 November 2011

As at the date of this announcement, the executive director of the Company is Joseph Xie; the non-executive directors of the Company are Chen Jianming, Shen Qing, Zhu Jian, Li Zhi, Wilhelmus Jacobus Maria Joseph Josquin and Winfried Lodewijk Peeters; and the independent non-executive directors of the Company are Thaddeus Thomas Beczak, Shen Weijia and James Arthur Watkins.