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)

Preliminary Announcement of 2009 Interim Results
For the six months ended 30 June 2009

INTERIM RESULTS

The board of directors (the "Board") of Advanced Semiconductor Manufacturing Corporation Limited (the "Company") is pleased to announce the unaudited interim results of the Company for the six months ended 30 June 2009 as follows:

INTERIM INCOME STATEMENT
for the six months ended 30 June 2009

	Notes	**3 months ended 30 June 2009 (Unaudited) *RMB'000***	**6 months ended 30 June 2009 (Unaudited) *RMB'000***	3 months ended 30 June 2008 (Unaudited) *RMB'000*	6 months ended 30 June 2008 (Unaudited) *RMB'000*
Revenue	5	**178,466**	**295,799**	260,584	518,892
Cost of sales		**(135,989)**	**(303,815)**	(255,697)	(502,840)
Gross profit/(loss)		**42,477**	**(8,016)**	4,887	16,052
Selling and distribution expenses		**(1,602)**	**(2,688)**	(2,061)	(3,248)
General and administrative expenses		**(9,826)**	**(20,635)**	(18,221)	(38,024)
Research and development costs		**(10,898)**	**(20,180)**	(2,021)	(8,800)
Profit/(loss) from operating activities		**20,151**	**(51,519)**	(17,416)	(34,020)
Other income	6	**398**	**2,704**	45,325	48,427
Other expenses	6	**(308)**	**(2,519)**	(3,497)	(10,590)
Finance costs	7	**(2,368)**	**(4,875)**	(4,522)	(10,391)
Profit/(loss) before income tax	7	**17,873**	**(56,209)**	19,890	(6,574)
Income tax	8	**—**	**92**	—	—
Net profit/(loss) attributable to ordinary equity holders of the Company		**17,873**	**(56,117)**	19,890	(6,574)
Dividends	9	**—**	**—**	—	—
Earnings/(loss) per share attributable to ordinary equity holders of the Company (RMB)					
-Basic	10	**1.16 cents**	**(3.66) cents**	1.30 cents	(0.43) cents

INTERIM STATEMENT OF FINANCIAL POSITION
30 June 2009

	Notes	**30 June 2009 (Unaudited) *RMB'000***	31 December 2008 (Audited) *RMB'000*
Non-current assets			
Property, plant and equipment		**500,580**	579,405
Construction in progress		**8,562**	731
Land lease prepayments		**33,928**	34,316
Intangible assets		**8,765**	10,687
Total non-current assets		**551,835**	625,139
Current assets			
Inventories		**110,851**	156,220
Accounts and notes receivables	11	**72,583**	41,168
Prepayments, deposits and other receivables		**7,770**	16,358
Other financial asset		**—**	10,000
Due from related companies		**13,650**	28,442
Cash and cash equivalents		**265,636**	261,887
Total current assets		**470,490**	514,075
Total assets		**1,022,325**	1,139,214
Current liabilities			
Accounts payable	12	**79,977**	122,108
Accrued liabilities and other payables		**39,128**	47,519
Due to related companies		**43,577**	43,456
Interest-bearing borrowings		**178,319**	188,598
Total current liabilities		**341,001**	401,681
Net current assets		**129,489**	112,394
Non-current liability			
Deferred tax liability		**—**	92
Net assets		**681,324**	737,441
Capital and reserves			
Registered and paid-up capital		**1,534,227**	1,534,227
Reserves		**(852,903)**	(796,786)
Shareholders' equity		**681,324**	737,441

INTERIM STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 June 2009

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Registered and paid-up capital		
Ordinary shares of RMB1.00 each:		
At beginning and end of period	**1,534,227**	1,534,227
Capital reserve		
At beginning and end of period	**205,363**	205,363
Statutory surplus reserve		
At beginning and end of period	**19,353**	19,353
Accumulated losses		
At beginning of period	**(1,021,502)**	(784,419)
Net loss for the period	**(56,117)**	(6,574)
At end of period	**(1,077,619)**	(790,993)
Reserves	**(852,903)**	(566,277)
Shareholders' equity	**681,324**	967,950

INTERIM CONDENSED STATEMENT OF CASH FLOW
for the six months ended 30 June 2009

	For the six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Net cash inflow from operating activities	**15,440**	109,881
Net cash outflow from investing activities	**(1,412)**	(5,939)
Net cash outflow from financing activities	**(10,279)**	(81,140)
Net increase in cash and cash equivalents	**3,749**	22,802
Cash and cash equivalents at beginning of period	**261,887**	206,995
Cash and cash equivalents at end of period	**265,636**	229,797
Analysis of balances of cash and cash equivalents		
Cash and bank balances	**73,434**	162,735
Non-pledged time deposits	**192,202**	67,062
	265,636	229,797

NOTES TO CONDENSED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Advanced Semiconductor Manufacturing Corporation Limited (the "Company") was initially established in the People's Republic of China (the "PRC") on 4 October 1988 as a Sino-foreign joint venture company with limited liability under the Law of the PRC on Joint Ventures Using Chinese and Foreign Investment with a tenure of operation of 30 years from 4 October 1988 to 3 October 2019.

On 2 March 2004, the Company was re-registered as a foreign invested joint stock company with limited liability by the issuance of 1,109,080,000 fully paid shares with a nominal value of RMB1.00 each to the then shareholders. The tenure of operation of the Company was revised to infinite. On 7 April 2006, the Company's H shares were successfully listed on The Stock Exchange of Hong Kong Limited.

The registered office and principal place of business of the Company is located at 385 Hongcao Road, Shanghai 200233, the PRC.

The Company is principally engaged in the manufacture and sale of 5-inch, 6-inch and 8-inch wafers.

2. BASIS OF PREPARATION

The unaudited interim condensed financial statements of the Company for the six months ended 30 June 2009 are prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" promulgated by the International Accounting Standards Board.

The unaudited interim condensed financial statements have been prepared on a going concern basis because the Company has sufficient cash flows from operations and banking facilities to enable the Company to meet its financial obligations as and when they fall due for a period of not less than twelve months from 30 June 2009.

The unaudited interim condensed financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2008 ("2008 financial statements") dated 25 March 2009.

3. SIGNIFICANT ACCOUNTING POLICIES

The unaudited interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The accounting policies used in the preparation of these unaudited interim condensed financial statements are consistent with those used in the 2008 financial statements, except for the adoption of new standards and interpretations as of 1 January 2009, noted below:

Impact of new and revised IFRSs

The Company has adopted the following new interpretations and amendments to IFRSs for the first time in these unaudited interim condensed financial statements.

IAS 1 (Revised) Presentation of Financial Statements
IAS 32 and IAS 1 Amendments Puttable Financial Instruments and Obligations Arising on Liquidation
IFRS 2 Amendment Share-based Payment – Vesting Conditions and Cancellations
IFRS 8 Operating Segments
IAS 23 (Revised) Borrowing Costs
Amendments to IFRS 7 Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments
IFRIC-Int 13 Customer Loyalty Programmes
IFRIC 15 Agreements for the Construction of Real Estate
IFRIC 16 Hedges of a Net Investment in a Foreign Operation

Except for the adoption of IAS 1 (revised) which has resulted in amended disclosures, the adoption of these new interpretations and amendments has had no material effect on these unaudited interim condensed financial statements.

Impact of issued but not yet effective IFRSs

The Company has not applied the following new and revised IFRSs, that have been issued but not yet effective, in these unaudited interim condensed financial statements.

Amendments to IFRIC 9 and IAS 39 - Embedded Derivatives [1]
IFRS 3 (Revised) Business Combination [2]
IAS 27 (Revised) Consolidated and Separate Financial Statements [2]
IFRIC 17 Distributions of Non-cash Assets to Owners [2]
IFRIC 18 Transfer of Asset from Customers [2]

1 Effective for annual periods ending on or after 30 June 2009
2 Effective for annual periods beginning on or after 1 July 2009

The Directors anticipate that the application of these IFRSs will have no material impact on the results of operations and financial position of the Company.

4. SEGMENT INFORMATION

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

The principal assets employed by the Company are located in Shanghai, 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 June 2009 (Unaudited) ***RMB'000***	**6 months ended 30 June 2009 (Unaudited)** ***RMB'000***	3 months ended 30 June 2008 (Unaudited) *RMB'000*	6 months ended 30 June 2008 (Unaudited) *RMB'000*
United States of America	**93,921**	**178,126**	136,019	250,483
Europe	**37,459**	**54,805**	69,673	163,779
Asia	**47,086**	**62,868**	54,892	104,630
	178,466	**295,799**	260,584	518,892

5. REVENUE

	3 months ended 30 June 2009 (Unaudited) ***RMB'000***	**6 months ended 30 June 2009 (Unaudited)** ***RMB'000***	3 months ended 30 June 2008 (Unaudited) *RMB'000*	6 months ended 30 June 2008 (Unaudited) *RMB'000*
Revenue				
Sale of goods	**178,367**	**295,634**	260,498	518,776
Others	**99**	**165**	86	116
	178,466	**295,799**	260,584	518,892

6. OTHER INCOME AND OTHER EXPENSES

	3 months ended 30 June 2009 (Unaudited) ***RMB'000***	**6 months ended 30 June 2009 (Unaudited)** ***RMB'000***	3 months ended 30 June 2008 (Unaudited) *RMB'000*	6 months ended 30 June 2008 (Unaudited) *RMB'000*
Other income				
Insurance compensation received for power failure	**—**	**—**	43,500	43,500
Subsidy income	**—**	**2,000**	—	—
Interest income	**397**	**703**	7	2,089
Gain on interest rate swap	**—**	**—**	826	(415)
Foreign exchange gain	**—**	**—**	(284)	384
Others	**1**	**1**	1,276	2,869
	398	**2,704**	45,325	48,427
Other expenses				
Loss arising from power failure	**—**	**—**	(2,997)	(10,090)
Donation	**—**	**—**	(500)	(500)
Loss on interest rate swap	**(60)**	**(156)**	—	—
Foreign exchange loss	**(68)**	**(1,542)**	—	—
Others	**(180)**	**(821)**	—	—
	(308)	**(2,519)**	(3,497)	(10,590)

7. PROFIT/(LOSS) BEFORE INCOME TAX

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

	3 months ended 30 June 2009 (Unaudited) ***RMB'000***	**6 months ended 30 June 2009 (Unaudited)** ***RMB'000***	3 months ended 30 June 2008 (Unaudited) *RMB'000*	6 months ended 30 June 2008 (Unaudited) *RMB'000*
Cost of inventories sold	**135,989**	**303,815**	255,697	502,840
Interest expense on bank loans	**2,368**	**4,875**	4,522	10,391
Depreciation	**40,469**	**82,412**	56,679	113,999
Reversal of provision for inventories	**(14,704)**	**(21,688)**	(848)	(5,627)
Allowance/(reversal of allowance) for doubtful debts	**550**	**(1,217)**	—	—
(Gain)/loss on disposal of property, plant and equipment	**(6)**	**(6)**	191	595

8. 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 six months ended 30 June 2009 and 2008.

In accordance with the PRC Corporate Income Tax Law, the provision for Mainland China current income tax has been based on a statutory rate of 25% of the assessable profits of the Company. 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. During the three months and six months ended 30 June 2009 and 2008, no provision for PRC corporate income tax has been made as the Company was still in a tax loss position.

Major components of income tax are as follows:

	3 months ended 30 June 2009 (Unaudited) ***RMB'000***	**6 months ended 30 June 2009 (Unaudited)** ***RMB'000***	3 months ended 30 June 2008 (Unaudited) *RMB'000*	6 months ended 30 June 2008 (Unaudited) *RMB'000*
Provision for income tax in respect of profit for the period	**—**	**—**	—	—
Deferred tax credit	**—**	**92**	—	—
Income tax	**—**	**92**	—	—

9. DIVIDENDS

The Board of Directors does not recommend the payment of interim dividend to the ordinary equity holders of the Company for the six months ended 30 June 2009 (six months ended 30 June 2008: Nil).

10. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the periods.

	3 months ended 30 June 2009 (Unaudited)	**6 months ended 30 June 2009 (Unaudited)**	3 months ended 30 June 2008 (Unaudited)	6 months ended 30 June 2008 (Unaudited)
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Profit/(loss) attributable to ordinary equity holders of the Company *(RMB'000)*	**17,873**	**(56,117)**	19,890	(6,574)
Weighted average number of ordinary shares in issue *('000)*	**1,534,227**	**1,534,227**	1,534,227	1,534,227

Diluted earnings/(loss) per share has not been disclosed as there were no dilutive options and other potential dilutive ordinary shares in issue during the periods.

11. ACCOUNTS AND NOTES RECEIVABLES

	30 June 2009 (Unaudited)	31 December 2008 (Audited)
	RMB'000	*RMB'000*
Accounts receivable	**80,422**	44,859
Notes receivable	**—**	5,365
	80,422	50,224
Allowance for accounts and notes receivables	**(7,839)**	(9,056)
	72,583	41,168

Credit terms granted by the Company to its customers generally range from 30 days to 60 days.

An aged analysis of the accounts and notes receivables as at 30 June 2009, based on invoice date, is as follows:

	30 June 2009 (Unaudited)	31 December 2008 (Audited)
	RMB'000	*RMB'000*
Within 30 days	**42,729**	38,615
Between 31 days and 90 days	**28,710**	408
Between 91 days and 180 days	**612**	1,919
Between 181 days and 365 days	**450**	226
Over 365 days	**82**	—
	72,583	41,168

The movements in the provision for impairment of receivables are as follows:

	30 June 2009 (Unaudited) *RMB'000*	31 December 2008 (Audited) *RMB'000*
At beginning of year	**9,056**	—
Impairment losses recognised	**—**	9,056
Impairment losses reversed	**(1,217)**	—
At end of period/year	**7,839**	9,056

As at 30 June 2009, the analysis of trade receivables that were past due but not impaired is as follows:

			Past due but not impaired			
	Total *RMB'000*	**Neither past due nor impaired** *RMB'000*	**<60 days** *RMB'000*	**60-180 days** *RMB'000*	**181-365 days** *RMB'000*	**>365 days** *RMB'000*
30 June 2009	**72,583**	**32,739**	**38,985**	**631**	**146**	**82**
31 December 2008	41,168	35,216	3,699	2,253	—	—

The carrying amounts of the accounts and notes receivables of the Company approximated to their fair values.

12. ACCOUNTS PAYABLE

An aged analysis of the accounts payable as at 30 June 2009, based on invoice date, is as follows:

	30 June 2009 (Unaudited) *RMB'000*	31 December 2008 (Audited) *RMB'000*
Within 30 days	**70,725**	101,868
Between 31 days and 90 days	**3,950**	13,245
Between 91 days and 180 days	**2,082**	3,278
Between 181 days and 365 days	**769**	1,302
Over 365 days	**2,451**	2,415
	79,977	122,108

The carrying amounts of the accounts payable of the Company approximated to their fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

SIX MONTHS ENDED 30 JUNE 2009 COMPARED TO SIX MONTHS ENDED 30 JUNE 2008

Sales

During the six months ended 30 June 2009, the Company's operations were negatively impacted by a sharp drop in customer demand caused by the global economic recession. As a result, its sales for the six months ended 30 June 2009 were RMB295.8 million, a decrease of 43.0% from RMB518.9 million for the six months ended 30 June 2008. During the period, the wafer shipment declined by 35.4% to 135,965 pieces of 8-inch equivalent wafers for the six months ended 30 June 2009 from 210,597 pieces of 8-inch equivalent wafers for the six months ended 30 June 2008.

Cost of Sales and Gross Profit

The Company had a gross loss of RMB8.0 million for the six months ended 30 June 2009 compared to a gross profit of RMB16.1 million for the six months ended 30 June 2008. Gross margin was negative 2.7% for the six months ended 30 June 2009 compared to 3.1% for the same period last year, largely attributable to substantial lower levels of capacity utilization and lower average selling prices resulting from deteriorated macroeconomic conditions, which were partially offset by cost reduction initiatives as well as the decrease in the reduction of RMB21.4 million in depreciation charge after the recognition of its 8-inch wafer asset impairment for the financial year ended 31 December 2008, resulting in a decrease of RMB18.8 million in the cost of sales for the current period.

Operating Expenses and Operating Income

Selling and marketing expenses reduced from RMB3.2 million for the six months ended 30 June 2008 to RMB2.7 million for the six months ended 30 June 2009, mainly because of lower payroll-related expenses, and lower commission rate as a result of a decline in sales.

General and administrative expenses declined to RMB20.6 million for the six months ended 30 June 2009, representing a decrease of 45.8% from RMB38.0 million for the six months ended 30 June 2008, primarily attributed to the reduction in payroll-related expenses resulting from the reversal of accrued employee welfare benefits carried forward from previous years, and lower insurance premium as well as lower outsourcing service fee.

Research and development costs increased by 129.5%, from RMB8.8 million for the six months ended 30 June 2008 to RMB20.2 million for the six months ended 30 June 2009. Such increase is due mainly to the increase in research and development activities as well as the decrease in the sales of engineering wafer lots during the reporting period which resulted in lower absorption of its related research and development costs.

As a result, the Company's operating loss was RMB51.5 million for the six months ended 30 June 2009 compared to the operating loss of RMB34.0 million for the six months ended 30 June 2008. The Company's operating margin was negative 17.4% for the six months ended 30 June 2009 compared to negative 6.6% for the six months ended 30 June 2008.

Other Expenses, Other Income and Finance Costs

The other expenses for the six months ended 30 June 2009 amounted to RMB2.5 million, compared to RMB10.6 million for the six months ended 30 June 2008.The other expenses in the current period were comprised of loss on interest rate swap, foreign exchange loss and others. The other expenses in the first half of 2008 were mainly comprised of donations and loss arising from power failure.

The Company's other income for the six months ended 30 June 2009 was RMB2.7 million, compared to RMB48.4 million for the six months ended 30 June 2008. In the first half of 2009, the Company's other income was primarily generated by subsidy income and interest income. While in the first half of 2008, the Company's other income was mainly comprised of RMB43.5 million from power outage compensation received, interest income, net foreign exchange gain and others.

The Company's finance costs decreased by 52.9%, from RMB10.4 million for the six months ended 30 June 2008 to RMB4.9 million for the six months ended 30 June 2009, primarily due to lower interest expenses as a result of a continued decrease in the Company's bank loan balance.

Net Income

Collectively, the Company had a net loss of RMB56.1 million for the six months ended 30 June 2009 compared to a net loss of RMB6.6 million for the six months ended 30 June 2008.

Liquidity and Capital Resources

The Company had cash and cash equivalents of RMB265.6 million as at 30 June 2009 compared to RMB261.9 million as at 31 December 2008. The Company's net cash inflow from operating activities amounted to RMB15.4 million for the six months ended 30 June 2009, compared to RMB109.9 million for the six months ended 30 June 2008.

The Company's net cash outflow from investing activities was primarily allocated to the continuing investment on property, plant and equipment and construction in progress. Net expenditures were RMB11.4 million for the six months ended 30 June 2009 compared to RMB5.9 million for the six months ended 30 June 2008. Most of the spending in the current period was used to increase flexibility and improve the efficiency of both 5-inch and 6-inch wafer facilities.

The Company's net cash outflow from financing activities amounted to RMB10.3 million for the six months ended 30 June 2009 compared to net cash outflow of RMB81.1 million for the six months ended 30 June 2008. The net cash outflow of RMB10.3 million represented the net effect of RMB37.6 million for the repayment of bank loans and the new bank loans of RMB27.3 million in the reporting period. During the first six months of 2009 and 2008, the Company only takes a bank loan to finance its business activities.

As at 30 June 2009, the Company's short-term interest-bearing borrowings were RMB178.3 million, of which approximately 62% was denominated in Renminbi("RMB"), and the remaining 38% was denominated in US dollars.

As at 30 June 2009, the Company's current ratio was 1.38 when compared to 1.28 as at 31 December 2008.The Company's debt to equity ratio improved from 54.5% as at 31 December 2008 to 50.0% as at 30 June 2009.

Employees

The Company had 1,199 employees as at 30 June 2009, a decrease of 5.5% from 1,269 employees as at 31 December 2008. The Company maintained a sound working relationship with its staff over the period, and the remuneration and benefits provided and paid to them were in accordance with PRC law and regulations.

Interest Rate Risks

As at 30 June 2009, the Company's total borrowings are working capital loan with one-year fixed interest rate. The Company adopted an interest rate swap for the interest payable on the principal amount of US$6.3 million to hedge interest rate fluctuation.

Renminbi Fluctuation Risks

Renminbi is the Company's functional and reporting currency. A large amount of the Company's revenue and expenditures are now denominated in foreign currency. In the event that the Company's Renminbi revenue is not sufficient to meet its Renminbi expenditure, the Company will be required to meet the difference by conversion of its foreign currencies deposit into Renminbi, which might result in exchange loss, ultimately leading to a negative impact on its cash flow. No derivative instruments and hedging activities against Renminbi appreciation currently were adopted by the Company during the period under review.

Capital Commitment

As at 30 June 2009, the Company had capital commitments for property, plant and equipment amounting to RMB13.1 million, of which RMB11.1 million was contracted but not provided for while the remaining RMB2.0 million was authorized but not contracted for.

OPERATING RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2009

Sales for the three months ended 30 June 2009 were RMB178.5 million compared to RMB117.3 million for the first quarter of 2009, a sequential increase of 52.2%, primarily due to the substantial increase in the sales of both 6-inch and 8-inch wafers, and to a lesser extent, in the sales of 5-inch wafers.

Gross profit for the three months ended 30 June 2009 was RMB42.5 million, compared to a gross loss of RMB50.5 million for the three months ended 31 March 2009. Gross margin for the three months ended 30 June 2009 was 23.8%, compared to negative 43.1% for the three months ended 31 March 2009, primarily attributable to the reversal of accrued inventory provision and the decrease of adjustment for inventory amount resulting from waste of capacity in an aggregate amount of RMB23.3 million from previous months as a result of the decrease in unit cost per wafer as well as an improvement in fab utilization.

Operating expenses for the three months ended 30 June 2009 were RMB22.3 million, representing an increase of 5.2% from RMB21.2 million for the three months ended 31 March 2009, largely attributable to the increase in research and development costs as well as selling and distribution expenses, partially offset by the decrease in general and administrative expenses.

The other income and finance costs for the three months ended 30 June 2009 were negative RMB2.0 million, compared to negative RMB0.2 million for the three months ended 31 March 2009, largely attributable to lower other income. The other income for the three months ended 30 June 2009 was mainly comprised of interest income. The other income in the first quarter of 2009 was mainly comprised of subsidy income and interest income.

The other expenses for the three months ended 30 June 2009 amounted to RMB0.3 million, compared to RMB2.2 million for the three months ended 31 March 2009, largely attributable to the significant decrease in foreign exchange loss and others, and to a lesser extent, in loss on interest rate swap.

As a result, the Company recorded a net income of RMB17.9 million for the three months ended 30 June 2009, compared to a net loss of RMB74.0 million for the three months ended 31 March 2009.

1. Revenue Analysis

By Application

Sales for the three months ended 30 June 2009 from communication, computer and consumer products accounted for 33%, 33% and 34% of total revenue respectively, mainly in line with the prior quarter.

	2Q09	1Q09	2Q08
Communication	33%	32%	32%
Computer	33%	33%	32%
Consumer	34%	35%	36%

By Geography

For the three months ended 30 June 2009, sales to the USA, Europe and Asia Pacific accounted for 53%, 26% and 21% of total revenue respectively, compared to 72%, 15% and 13% in the previous quarter. The decrease in the percentage of sales to USA was largely attributable to the significant increase in sales from both Asia Pacific and Europe.

	2Q09	1Q09	2Q08
USA	53%	72%	52%
Europe	26%	15%	27%
Asia Pacific	21%	13%	21%

By Customer Type

For the three months ended 30 June 2009, sales from IDM and fables customers accounted for 26% and 74% of total revenue respectively, compared to 24% and 76% in the previous quarter.

	2Q09	1Q09	2Q08
IDM	26%	24%	37%
Fabless	74%	76%	63%

By Product

For the three months ended 30 June 2009, sales as a percentage of total revenue from 5-inch, 6-inch and 8-inch wafers were 20%, 39% and 40% respectively, compared to 20%, 37% and 41% in the previous quarter.

	2Q09	1Q09	2Q08
5″ wafers	20%	20%	18%
6″ wafers	39%	37%	50%
8″ wafers	40%	41%	31%
Others[1]	1%	2%	1%
Total	100%	100%	100%

Note: 1. Consist of probing services and provision of masks

2. Utilization and Capacity (8” equivalent)

2.1 Utilization

Overall capacity utilization for the three months ended 30 June 2009 was 49%, compared to 66% in the second quarter of 2008, due mainly to the significant decrease in the effective masks sales as a result of the weakening market environment, but there was an improvement compared to 33% in the first quarter of 2009.

Fab	2Q09	1Q09	2Q08
Fab 1/2			
5-inch wafers	55%	33%	64%
6-inch wafers	40%	24%	74%
Fab 3			
8-inch wafers	56%	43%	57%
Overall Capacity utilization Rate	49%	33%	66%

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.

2.2 Capacity (8” Equivalent)

The capacity for the three months ended 30 June 2009 was 154,000 8-inch equivalent wafers, which was the same as that of the previous quarter and the second quarter of 2008.

Fab (wafers in thousand)	2Q09	1Q09	2Q08
Fab 1/2			
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

Note: 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 using 2.56 and 1.78 respectively.

3. Receivable/Inventory Turnover

Receivable turnover for the three months ended 30 June 2009 was 35 days, compared to 42 days from the last quarter.

Inventory turnover was 97 days for three months ended 30 June 2009, compared to 96 days in the first quarter of 2009.

	2Q09	1Q09	2Q08
Trade & Notes Receivables Turnover (days)	35	42	43
Inventory Turnover (days)	97	96	67

4. Capital Expenditure

The amount of capital expenditure for the three months ended 30 June 2009 was RMB7.3 million, compared to RMB4.1 million in the first quarter of 2009.

	2Q09	1Q09	2Q08
(Amount: RMB'000)			
Capex	7,331	4,087	5,546

PROSPECTS AND FUTURE PLANS

The global semiconductor industry reached a cyclical bottom in the first quarter of this year, and is likely to see a gradual improvement going forward, though it may be a long and slow road to complete recovery. Furthermore, with specific geographic and persisting macro-economic weakness, many supply chain participants are still managing inventories at low levels, coupled with a slowly improving demand landscape and the typical year-end holiday slowdown ahead. As a result, the Company's near-term business outlook remains challenging.

In recent years, the Company, encouraged by the government's drive to develop an automotive chip industry in the PRC, has taken steps to introduce quality assurance systems to support an automotive electronics business using process technology from one of its strategic partners. The Company has recently been selected by the government as so far the only foundry candidate to establish an automotive chip manufacturing platform, which is expected to play an important part in the Company's mid-and long-term development plan. In the future, the Company plans to work with the leading players in the supply chain so as to develop its own intellectual property rights, which will enable it to become the first automotive chip manufacturing foundry in the PRC.

In addition, the Company will continue to focus on improving business performance by further implementing cost reduction initiatives, optimizing internal resources, providing quality customer service and exploring new markets in response to the current economy.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2009, there was no purchase, sale or redemption by the Company of its listed securities.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS

As at 30 June 2009, none of the directors, supervisors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (a) was required to be recorded in the register maintained under section 352 of the SFO, or (b) was required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

As at 30 June 2009, the interests and short positions of the following persons (other than the directors, supervisors and the chief executive of the Company) in the shares or underlying shares of the Company were recorded in the register kept by the Company pursuant to section 336 of the SFO.

Name of shareholders	Class of shares	Number of shares	Capacity	Percentage in the relevant class of issued share capital	Percentage in total issued share capital
NXP B.V.	H shares	408,806,888 (Long position)	Beneficial owner	36.13%	26.65%
NXP B.V.	Unlisted foreign shares	12,643,512 (Long position)	Beneficial owner	100%	0.82%
Shanghai Chemical Industrial Park Development Co., Ltd.	H shares	254,866,584 (Long position) *(Note 1)*	Beneficial owner	22.53%	16.61%
China Orient Asset Management Corporation	Domestic shares	179,303,000 (Long position)	Beneficial owner	45.95%	11.69%
Shanghai Chemical Industrial Park Development Co., Ltd.	Domestic shares	122,220,616 (Long position) *(Note 2)*	Beneficial owner	31.32%	7.97%
Shanghai Belling Co., Ltd.	Domestic shares	88,726,400 (Long position)	Beneficial owner	22.74%	5.78%

Notes:

1. All of these 254,866,584 H shares (long position) are deemed corporate interests indirectly held through Shanghai Chemical Industrial Park Investment Enterprise Company Limited and SCIP (HK) Limited.

2. All of these 122,220,616 domestic shares (long position) are deemed corporate interests indirectly held through Shanghai Chemical Industrial Park Investment Enterprise Company Limited.

SHARE OPTION SCHEMES

As at 30 June 2009, the Company had no share option scheme within the meaning of Chapter 17 of the Listing Rules.

CORPORATE GOVERNANCE

Compliance with the Code on Corporate Governance Practices (the "Governance Code")

The Company is committed to maintaining high standards of corporate governance so as to ensure better transparency and protection of shareholders' interests. The Company has fully complied with the code provisions of the Governance Code in Appendix 14 of the Listing Rules for the six months ended 30 June 2009.

Model Code

The Company has adopted the Model Code as the Company's code of conduct regarding securities transactions by the directors and supervisors.

The Company, having made specific enquiry of all its directors and supervisors, confirms that its directors and supervisors have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2009.

Audit Committee Review

The Audit Committee of the Company consists of three independent non-executive directors, Mr. James Arthur Watkins (chairman), Mr. Thaddeus Thomas Beczak and Mr. Shen Weijia, and two non-executive directors, Mr. Christopher Paul Belden and Mr. Zhu Peiyi. The interim results for the six months ended 30 June 2009 are unaudited, but have been reviewed by the Audit Committee and Ernst & Young, the Company's external auditors.

By Order of the Board
ADVANCED SEMICONDUCTOR MANUFACTURING CORPORATION LIMITED
Zhou, Weiping
Executive Director, President & CEO
Cheng, Jianyu
Executive Director & CFO

Shanghai, the PRC, 18 August 2009

As at the date of this announcement, the executive directors of the Company are Zhou Weiping and Cheng Jianyu; the non-executive directors of the Company are Chen Jianming, Zhu Peiyi, Zhu Jian, Li Zhi, Yeh Yi Liang and Christopher Paul Belden; and the independent non-executive directors of the Company are Thaddeus Thomas Beczak, Shen Weijia and James Arthur Watkins.