



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)

2008 First Quarter Results Announcement

QUARTERLY RESULTS

The board of directors (the “Board”) of Advanced Semiconductor Manufacturing Corporation Limited (the “Company”) announces the unaudited results of the Company for the three months ended 31 March 2008 together with unaudited comparative figures as follows:

CONDENSED INCOME STATEMENT

	Notes	For the three months ended 31 March	
		2008 (Unaudited) RMB'000	2007 (Unaudited) RMB'000
Revenue	3	258,308	308,263
Cost of sales		<u>(247,143)</u>	<u>(312,054)</u>
Gross profit /(loss)		11,165	(3,791)
Operating expenses		<u>(27,769)</u>	<u>(29,426)</u>
Loss from operating activities		(16,604)	(33,217)
Other income	4	4,343	8,058
Other expenses	4	(8,334)	(526)
Finance costs	5	<u>(5,869)</u>	<u>(13,568)</u>
Loss before income tax	5	(26,464)	(39,253)
Income tax credit	6	<u>—</u>	<u>1,744</u>
Net loss attributable to ordinary equity holders of the Company		<u>(26,464)</u>	<u>(37,509)</u>
Dividends	7	<u>—</u>	<u>—</u>
Loss per share attributable to ordinary equity holders of the Company			
- Basic	8	<u>(1.72) cents</u>	<u>(2.44) cents</u>

CONDENSED BALANCE SHEET

	<i>Notes</i>	31 March 2008 (Unaudited) RMB'000	31 December 2007 (Audited) RMB'000
Non-current assets			
Property, plant and equipment		871,073	926,022
Construction in progress		720	3,101
Other non-current assets		<u>48,459</u>	<u>49,615</u>
Total non-current assets		<u>920,252</u>	<u>978,738</u>
Current assets			
Inventories		204,039	234,507
Accounts and notes receivable		84,532	83,778
Other current assets		70,886	77,920
Cash and cash equivalents		<u>135,489</u>	<u>206,995</u>
Total current assets		<u>494,946</u>	<u>603,200</u>
Total assets		<u>1,415,198</u>	<u>1,581,938</u>
Current liabilities			
Accounts payable		112,980	171,680
Other current liabilities		81,075	85,221
Interest-bearing borrowings	9	<u>272,861</u>	<u>350,291</u>
Total current liabilities		<u>466,916</u>	<u>607,192</u>
Net current assets /(liabilities)		<u>28,030</u>	<u>(3,992)</u>
Non-current liability			
Deferred tax liability		<u>222</u>	<u>222</u>
Net assets		<u>948,060</u>	<u>974,524</u>
Capital and reserves			
Registered and paid-up capital		1,534,227	1,534,227
Reserves		<u>(586,167)</u>	<u>(559,703)</u>
Shareholders' equity		<u>948,060</u>	<u>974,524</u>

CONDENSED STATEMENT OF CHANGES IN EQUITY

	For the three months ended 31 March	
	2008	2007
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Registered and paid-up capital		
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)/ retained earnings		
At beginning of period	(784,419)	55,780
Net loss for the period	<u>(26,464)</u>	<u>(37,509)</u>
At end of period	<u>(810,883)</u>	<u>18,271</u>
Reserves	<u>(586,167)</u>	<u>242,987</u>
Shareholders' equity	<u>948,060</u>	<u>1,777,214</u>

CONDENSED CASH FLOW STATEMENT

	For the three months ended 31 March	
	2008	2007
	(Unaudited)	(Unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>
Net cash inflow from operating activities	6,317	11,788
Net cash outflow from investing activities	(393)	(643)
Net cash outflow from financing activities	<u>(77,430)</u>	<u>(80,401)</u>
Decrease in cash and cash equivalents	(71,506)	(69,256)
Cash and cash equivalents at beginning of period	<u>206,995</u>	<u>396,987</u>
Cash and cash equivalents at end of period	<u>135,489</u>	<u>327,731</u>
Analysis of balances of cash and cash equivalents		
Cash and bank balances	68,502	80,800
Non-pledged time deposits	<u>66,987</u>	<u>246,931</u>
	<u>135,489</u>	<u>327,731</u>

1. BASIS OF PREPARATION

The unaudited balance sheet as at 31 March 2008 and the related unaudited income statement, cash flow statement and statement of changes in equity for the three months ended 31 March 2008 (the “period”) (collectively defined as “First Quarter Results”) of the Company are prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”.

The financial statements of the Company for the three months ended 31 March 2008 have been prepared on a going concern basis because the Company has sufficient cash inflow from operations and sufficient unutilised 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 the date of 2008 first quarter results announcement.

The First Quarter Results should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2007 (“2007 financial statements”) dated 31 March 2008.

The accounting policies and method of computation used in the preparation of this First Quarter Results are consistent with those used in the 2007 financial statements, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) under the historical cost convention.

Impact of issued but not yet effective IFRSs

The Company has not applied the following new and revised IFRSs applicable to the Company that have been issued but are not yet effective in these First Quarter Results. The following IFRSs are effective for annual periods beginning on or after 1 January 2009:

IAS 1 (revised)	Presentation of Financial Statements
IFRS 8	Operating Segments
IAS 23 (revised)	Borrowing Costs

IAS 1 (revised) separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income: it presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Company is still evaluating whether it will have one or two statements.

IFRS 8 will affect the disclosures about the Company’s operating segments, the Company’s products and services, the geographical areas in which it operates, and its major customers.

IAS 23 (revised) removes the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale.

IFRS 8 supersedes IAS14, and is effective for periods beginning on or after 1 January 2009. IAS1 (revised) and IAS 23 (revised) shall be applied for annual periods beginning on or after 1 January 2009.

Except as stated above, the Company expects that the adoption of the pronouncements listed above will not have any significant impact on the Company's financial statements in the period of initial application.

2. 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:

	For the three months ended 31 March	
	2008	2007
	(Unaudited) <i>RMB'000</i>	(Unaudited) <i>RMB'000</i>
United States of America	114,464	138,132
Europe	94,106	70,996
Asia	<u>49,738</u>	<u>99,135</u>
	<u>258,308</u>	<u>308,263</u>

3. REVENUE

	For the three months ended 31 March	
	2008	2007
	(Unaudited) <i>RMB'000</i>	(Unaudited) <i>RMB'000</i>
Revenue		
Sale of goods	258,278	308,249
Others	<u>30</u>	<u>14</u>
	<u>258,308</u>	<u>308,263</u>

4. OTHER INCOME AND OTHER EXPENSES

	For the three months ended 31 March	
	2008	2007
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Other income		
Interest income	2,082	5,424
Technology service income	1,593	220
Foreign exchange gains and others	<u>668</u>	<u>2,414</u>
	<u>4,343</u>	<u>8,058</u>
Other expenses		
Replacement of the spare parts for the fixed assets damaged by the power outage in the fourth quarter of 2007	(7,093)	—
Fair value loss on interest rate swap	<u>(1,241)</u>	<u>(526)</u>
	<u>(8,334)</u>	<u>(526)</u>

5. LOSS BEFORE INCOME TAX

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

	For the three months ended 31 March	
	2008	2007
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interest on bank loans	5,869	13,568
Depreciation	57,320	98,235
(Reversal)/provision for inventories	(4,779)	4,611
Reversal of impairment loss on property, plant and equipment	(323)	—
Loss on disposal of property, plant and equipment	726	697

6. INCOME TAX

No provision for Hong Kong profits tax has been made as the Company had no assessable profits arising in Hong Kong for the three months ended 31 March 2007 and 2008.

Major components of tax credit for the period are as follows:

	For the three months ended 31 March	
	2008 (Unaudited) RMB'000	2007 (Unaudited) RMB'000
Provision for income tax in respect of loss for the period:		
Current period	—	—
Deferred tax	—	(1,744)
Income tax credit	<u>—</u>	<u>(1,744)</u>

7. DIVIDENDS

The Board of Directors does not recommend the payment of dividend to the ordinary shareholders for the three months ended 31 March 2008 (31 March 2007: Nil).

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

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

	For the three months ended 31 March	
	2008 (Unaudited)	2007 (Unaudited)
Loss attributable to ordinary equity holders of the Company (RMB'000)	<u>(26,464)</u>	<u>(37,509)</u>
Weighted average number of ordinary shares in issue ('000)	<u>1,534,227</u>	<u>1,534,227</u>

Diluted loss per share for the three months ended 31 March 2008 and 2007 have not been disclosed as there were no dilutive options and other potential dilutive ordinary shares in issue during the periods.

9. INTEREST-BEARING BORROWINGS

	31 March 2008 (Unaudited) RMB'000	31 December 2007 (Audited) RMB'000
Current:		
Bank loans:		
- Unsecured	190,719	164,003
- Secured	<u>82,142</u>	<u>186,288</u>
Total	<u>272,861</u>	<u>350,291</u>
Repayable:		
Within one year	<u>272,861</u>	<u>350,291</u>
Total	<u><u>272,861</u></u>	<u><u>350,291</u></u>

10. RELATED PARTY TRANSACTIONS

The Company had the following material transactions with the companies controlled by or under the significant influence of NXP B.V. during the three months ended 31 March 2008:

		For the three months ended 31 March	
		2008 (Unaudited) RMB'000	2007 (Unaudited) RMB'000
Sales	(i)	63,087	29,108
Technology transfer fees	(ii)	1,891	7,661
Information technology ("IT") related service fees	(iii)	522	518

Notes:

- (i) Sales to and purchases from the related companies were carried out based on normal commercial terms and at market prices.
- (ii) Royalties in the form of technology transfer fees and identification licensing fees paid/payable to a related company were determined at 3% or 10% of the net sales of certain specified products sold by agreement of the parties.
- (iii) IT related service fees were charged by the related companies based on services rendered in accordance with the terms of agreements signed by the parties.

In the opinion of the Directors, all transactions above were carried out in the ordinary course of business of the Company. Such transactions were conducted on an arm's length basis and based on normal commercial terms, and will continue as such in the future.

The above related parties transactions also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

11. COMMITMENTS

The Company had the following commitments as at 31 March 2008:

	31 March 2008	31 December 2007
	(Unaudited)	(Audited)
	<i>RMB'000</i>	<i>RMB'000</i>
Capital commitments		
Capital commitments in respect of property, plant and equipment:		
- contracted, but not provided for	6,405	3,843
- authorised, but not contracted for	<u>18,034</u>	<u>20,989</u>
	<u>24,439</u>	<u>24,832</u>

12. CONTINGENT LIABILITIES

- (a) Reference is made to the disclosures in the financial statements of the Company for the year ended 31 December 2007 regarding the litigation Monolithic Power Systems, Inc. ("MPS") v. O2 Micro International Limited ("O2 Micro") where the Company was involved as one of the counter-defendants. On 11 April 2008, O2 Micro filed its opening brief with the Federal Circuit. O2 Micro did not file an appeal with respect to the judgement as a matter of law granted to the Company. As a result, the district court judgement in favour of the Company is final and can not be appealed. Based on the external legal advice obtained by the Company, the liability to the Company attributable to the 722 patent is remote and therefore no provision was made in the financial statement for the three months ended 31 March 2008.
- (b) In connection with the disclosure in the financial statements of the Company for the year ended 31 December 2007 regarding the counter-claims for the alleged breaches of certain terms of a foundry agreement dated 22 October 2004, there is no adverse further development for the three months ended 31 March 2008.

Operating Results Review

Summary:

	1Q08	4Q07	1Q07	QoQ % Change	YoY % Change
<i>(Amount: RMB'000)</i>					
Revenue	258,308	270,185	308,263	-4%	-16%
Gross profit	11,165	(3,042)	(3,791)	467%	395%
Operating expenses	(27,769)	(39,446)	(29,426)	-30%	-6%
Other income and finance costs	(1,526)	2,338	(6,036)	—	—
Other Expenses	(8,334)	(674,181)	—	—	—
Income tax Credit/(expense)	—	(30,008)	1,744	—	—
Net income/(loss)	(26,464)	(744,339)	(37,509)		
EPS/(loss)	(0.02)	(0.49)	(0.02)		

Sales decreased by 4.4% from RMB270.2 million for the three months ended 31 December 2007 to RMB258.3 million for the three months ended 31 March 2008. This was largely due to the significant decrease in sales relating to 8-inch wafer, partially offset by higher sales of both 5-inch and 6-inch wafer.

Gross profit for the three months ended 31 March 2008 was RMB11.2 million, compared to negative RMB3.0 million for the three months ended 31 December 2007. Gross margin for the three months ended 31 March 2008 was 4.3%, compared to negative 1.1 % for the three months ended 31 December 2007, which was mainly attributable to the reduction of RMB37.1 million in depreciation charge after the recognition of 8-inch wafer asset impairment, eventually reflecting the decrease of RMB28.2 million in the cost of sales for the current quarter.

Operating expenses for the three months ended 31 March 2008 amounted to RMB27.8 million, a decrease of 29.6% compared to RMB39.4 million for the three months ended 31 December 2007. The decrease in operating expenses was mainly due to the substantial decline in research & development costs and general and administrative expenses and to a lesser extent in selling and distribution costs.

For the three months ended 31 March 2008, other income and finance costs were negative RMB1.5 million, compared to RMB2.3 million for the three months ended 31 December 2007, which was mainly due to higher finance costs and lower other income. The reduction in other income was largely attributable to the significant decrease in net foreign exchange gain, which was partially offset by the increase in interest income and technology service income. The increase in finance costs was primarily due to higher interest expense resulting from new bank loan drawdown of total RMB30.0 million during the period while there was an interest expense subsidy of total RMB1.0 million received from the government for the three months ended 31 December 2007.

The other expenses for the three months ended 31 March 2008 amounted to RMB8.3 million, compared to RMB674.2 million for the three months ended 31 December 2007. The other expenses in the current period were comprised of replacement of spare parts for the fixed assets damaged by the power outage in the fourth quarter of 2007 and the fair value loss on interest rate swap. The other expenses in the fourth quarter of last year were mainly comprised of the impairment losses for the 8-inch plant and machinery, loss arising from power failure and fair value loss on interest rate swap.

As a result, the net income for the three months ended 31 March 2008 was negative RMB26.5 million, compared to negative RMB744.3 million for the three months ended 31 December 2007.

I. Revenue Analysis

By Application

For the three months ended 31 March 2008, sales derived from communication, computer and consumer products accounted for 32%, 33% and 35% of total revenue respectively, which were almost flat compared to those in the previous quarter.

	1Q08	4Q07	1Q07
Communication	32%	32%	32%
Computer	33%	34%	33%
Consumer	35%	34%	35%

By Geography

For the three months ended 31 March 2008, sales to the USA accounted for 43% of total revenue, compared to 56% in the previous quarter. The percentage of sales to Europe increased from 28% in the previous quarter to 36% in the current quarter, while sales as a percentage of total revenue from Asia Pacific also increased from 16% in the fourth quarter of 2007 to 21% in the first quarter of 2008.

	1Q08	4Q07	1Q07
USA	43%	56%	45%
Europe	36%	28%	23%
Asia Pacific	21%	16%	32%

By Customer Type

For the three months ended 31 March 2008, sales to IDM and fabless customers accounted for 45% and 55% of the total revenue respectively, compared to 36% and 64% in the fourth quarter of 2007.

	1Q08	4Q07	1Q07
IDM	45%	36%	31%
Fabless	55%	64%	69%

By Product

For the three months ended 31 March 2008, sales as a percentage of total revenue from 5-inch, 6-inch and 8-inch wafer were 23%, 54% and 22% respectively, compared to 19%, 49% and 31% in the previous quarter.

	1Q08	4Q07	1Q07
5" wafers	23%	19%	11%
6" wafers	54%	49%	43%
8" wafers	22%	31%	45%
Others ¹	1%	1%	1%
Total	100%	100%	100%

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

II. Utilization and Capacity (8" Equivalent)

II-1 Utilization

Overall capacity utilization was 59% for the three months ended 31 March, 2008, compared to 60% in the fourth quarter of 2007.

Fab	1Q08	4Q07	1Q07
Fab 1/2			
5-inch wafers	75%	67%	47%
6-inch wafers	73%	67%	67%
Fab 3			
8-inch wafers	37%	49%	78%
Overall Capacity Utilization Rate	59%	60%	68%

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.

II-2 Capacity (8" Equivalent)

The capacity for the three months ended 31 March 2008 was 154,000 8-inch equivalent wafers, which was the same as that of the previous quarter and the first quarter of 2007.

Fab (wafers in thousand)	1Q08	4Q07	1Q07
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

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.

III. Profit and Expense Analysis

III-1. Gross Profit Analysis

Gross profit for the three months ended 31 March 2008 was RMB11.2 million, compared to negative RMB3.0 million for the three months ended 31 December 2007. Gross margin for the three months ended 31 March 2008 was 4.3%, compared to negative 1.1 % for the three months ended 31 December 2007, which was mainly attributable to the reduction of RMB37.1 million in depreciation charge after the recognition of 8-inch wafer asset impairment, eventually reflecting the decrease of RMB28.2 million in the cost of sales for the current quarter.

	1Q08	4Q07	1Q07
<i>(Amount: RMB'000)</i>			
Cost of sales	247,143	273,227	312,054
Gross profit	11,165	(3,042)	(3,791)
Gross margin	4.3%	-1.1%	-1.2 %

III-2. Operating Expenses Analysis

Operating expenses for the three months ended 31 March 2008 amounted to RMB27.8 million, a decrease of 29.6% compared to RMB39.4 million for the three months ended 31 December 2007. The decrease in operating expenses was mainly due to the substantial decline in research & development costs and general and administrative expenses and to a lesser extent in selling and distribution costs.

	1Q08	4Q07	1Q07
<i>(Amount: RMB'000)</i>			
Selling and distribution costs	1,187	1,701	1,972
General and administrative expenses	19,803	24,087	16,176
Research and development costs	6,779	13,658	11,278
Total	27,769	39,446	29,426

III-3. Other Income and Finance Costs

For the three months ended 31 March 2008, other income and finance costs were negative RMB1.5 million, compared to RMB2.3 million for the three months ended 31 December 2007, which was mainly due to higher finance costs and lower other income. The reduction in other income was largely attributable to the significant decrease in net foreign exchange gain, which was partially offset by the increase in interest income and technology service income. The increase in finance costs was primarily due to higher interest expense resulting from new bank loan drawdown of total RMB30.0 million during the period while there was an interest expense subsidy of total RMB1.0 million received from the government for the three months ended 31 December 2007.

	1Q08	4Q07	1Q07
<i>(Amount: RMB'000)</i>			
Other income	4,343	6,430	7,532
Finance costs	(5,869)	(4,092)	(13,568)
Total (expense)/ income	(1,526)	2,338	(6,036)

Note: The other income in the first quarter of 2007 included fair value loss of RMB0.5 million on interest rate swap.

III-4. Other Expenses

The other expenses for the three months ended 31 March 2008 amounted to RMB8.3 million, compared to RMB674.2 million for the three months ended 31 December 2007. The other expenses in the current period were comprised of replacement of spare parts for the fixed assets damaged by the power outage in the fourth quarter of 2007 and the fair value loss on interest rate swap. The other expenses in the fourth quarter of last year were mainly comprised of the impairment losses for the 8-inch plant and machinery, loss arising from power failure and fair value loss on interest rate swap.

	1Q08	4Q07	1Q07
<i>(Amount: RMB'000)</i>			
Other expense	8,334	674,181	—

Note: The fair value loss of RMB0.5 million on interest rate swap was recorded in other income instead other expense in the first quarter of 2007.

IV. Financial Condition Review

IV-1. Liquidity Analysis

Total current assets as at 31 March 2008 was RMB494.9 million, a decreased of RMB 108.3 million from RMB603.2 million as at 31 December 2007, due mainly to the decrease in cash and cash equivalents and inventories by RMB71.5 million and RMB30.5 million respectively. The decrease in cash and cash equivalents was largely attributable to the repayment of the outstanding bank loan during the quarter. Lower inventory as at 31 March 2008 primarily reflected lower wafer input. The total current liabilities decreased from RMB607.2 million as at 31 December 2007 to RMB466.9 million as at 31 March 2008, largely attributable to the decrease in interest-bearing borrowings and accounts payable by RMB77.4 million and RMB 58.7 million respectively.

	1Q08	4Q07	1Q07
<i>(Amount: RMB'000)</i>			
Cash and cash equivalents	135,489	206,995	327,731
Trade and notes receivable	84,532	83,778	146,530
Inventories	204,039	234,507	242,809
Other current assets	70,886	77,920	40,470
Total current assets	494,946	603,200	757,540
Interest-bearing borrowings	272,861	350,291	570,914
Accounts payable	112,980	171,680	133,901
Other current liabilities	81,075	85,221	91,879
Total current liabilities	466,916	607,192	796,694
Net current assets	28,030	-3,992	-39,154
Current Ratio (x)	1.06	0.99	0.95

IV-2. Receivable / Inventory Turnover

Receivable turnover for the three months ended 31 March 2008 was 39 days, compared to 42 days in the previous quarter.

Inventory turnover days increased to 80 days in the first quarter of 2008 from 75 days in the fourth quarter of 2007.

	1Q08	4Q07	1Q07
Trade & Notes Receivables Turnover (days)	39	42	46
Inventory Turnover (days)	80	75	73

IV-3. Debt Service

Net cash reserve as at 31 March 2008 amounted to negative RMB137.4 million as compared to negative RMB143.3 million as at 31 December 2007, representing a sequential decrease by RMB 5.9 million or 4.1%. This was mainly due to the decrease in interest bearing borrowings by RMB 77.4 million, and decrease in cash balance by RMB71.5 million.

The financial covenants for the three months ended 31 March 2008 under the US\$100million facility loan agreement have been fulfilled.

	1Q08	4Q07	1Q07
<i>(Amount: RMB'000)</i>			
Cash and cash equivalents	135,489	206,995	327,731
Interest-bearing borrowings	(272,861)	(350,291)	(661,426)
Net cash reserves	(137,372)	(143,296)	(333,695)

V. Capital Expenditure

The amount of capital expenditure for the three months ended 31 March 2008 was RMB0.4 million, compared to RMB4.2 million in the fourth quarter of 2007.

	1Q08	4Q07	1Q07
<i>(Amount: RMB'000)</i>			
Capex	393	4,183	643

VI. Outlook for the second quarter of 2008

With the prospect of a recession in the U.S., the accompanying slow down in the global economy may result in a continued cautious approach in the short-term demand for semiconductor-related products. In addition, the planned one-week shutdown of the Company's operations for normal annual maintenance will be conducted in the second quarter of 2008. The equipment and facilities for the 6-inch wafer capacity expansion in relation to one newly signed PICS project between the Company and NXP will also be installed during the period. Despite all these unfavourable factors, management forecasts that the Company's sales revenue in the second quarter should still be relatively flat compared to the first quarter of 2008.

By order of the Board
Advanced Semiconductor Manufacturing Corporation Limited
Hsueh Cheng Lu
*Executive Director, President &
Chief Executive Officer*

Shanghai, PRC, 23 May 2008

As at the date of this announcement, the executive directors of the Company are Lu Hsueh Cheng and Cheng Jianyu; the non-executive directors of the Company are Ruan Yanhua, Zhu Peiyi, Zhu Jian, Xiao Yongji, Hendricus Cornelis Maria van der Zeeuw and Petrus Antonius Maria van Bommel; and the independent non-executive directors of the Company are Thaddeus Thomas Beczak, Shen Weijia and James Arthur Watkins.