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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)

**2010 FIRST 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 ended 31 March 2010 together with unaudited comparative figures for the corresponding period of last year as follows:

**Condensed Statement of Comprehensive Income**

		<b>For the three months ended 31 March</b>	
		<b>2010</b>	2009
		<b>(Unaudited)</b>	(Unaudited)
	Notes	<b>RMB'000</b>	RMB'000
<b>Revenue</b>	4	<b>186,148</b>	117,333
Cost of sales		<b>(156,663)</b>	(167,826)
<b>Gross profit/(loss)</b>		<b>29,485</b>	(50,493)
Other income and gains	5	<b>1,070</b>	2,306
Operating expenses		<b>(27,033)</b>	(21,177)
Other expenses	5	<b>(261)</b>	(2,211)
Finance costs	6	<b>(2,013)</b>	(2,507)
<b>Profit/(loss) before income tax</b>	6	<b>1,248</b>	(74,082)
Income tax	7	<b>—</b>	92
<b>Net profit/(loss) for the period</b>		<b>1,248</b>	(73,990)
Other comprehensive income for the period		<b>—</b>	—
<b>Total comprehensive profit/(loss) for the period attributable to ordinary equity holders of the Company</b>		<b>1,248</b>	(73,990)
<b>Profit/(loss) per share attributable to ordinary equity holders of the Company</b>			
- Basic	9	<b>0.08 cents</b>	(4.82) cents

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

## Condensed Statement of Financial Position

	Notes	<b>31 March 2010 (Unaudited) RMB'000</b>	31 December 2009 (Audited) RMB'000
<b>Non-current assets</b>			
Property, plant and equipment		<b>407,103</b>	436,511
Construction in progress		<b>2,007</b>	646
Other non-current assets		<b>43,364</b>	43,560
		<hr/>	<hr/>
Total non-current assets		<b>452,474</b>	480,717
		<hr/>	<hr/>
<b>Current assets</b>			
Inventories		<b>110,056</b>	92,680
Accounts and notes receivables		<b>73,247</b>	63,444
Other current assets		<b>30,230</b>	28,438
Cash and cash equivalents		<b>307,624</b>	317,996
		<hr/>	<hr/>
Total current assets		<b>521,157</b>	502,558
		<hr/>	<hr/>
Total assets		<b>973,631</b>	983,275
		<hr/>	<hr/>
<b>Current liabilities</b>			
Accounts payable		<b>111,681</b>	86,329
Other current liabilities		<b>45,109</b>	70,938
Government grants		<b>6,042</b>	13,100
Interest-bearing bank borrowings	10	<b>168,261</b>	178,282
		<hr/>	<hr/>
Total current liabilities		<b>331,093</b>	348,649
		<hr/>	<hr/>
<b>Net current assets</b>		<b>190,064</b>	153,909
		<hr/>	<hr/>
<b>Non-current liabilities</b>			
Government grants		<b>6,664</b>	—
		<hr/>	<hr/>
<b>Net assets</b>		<b>635,874</b>	634,626
		<hr/>	<hr/>
<b>Equity</b>			
Share capital		<b>1,534,227</b>	1,534,227
Reserves		<b>(898,353)</b>	(899,601)
		<hr/>	<hr/>
<b>Shareholders' equity</b>		<b>635,874</b>	634,626
		<hr/>	<hr/>

## Condensed Statement of Changes in Equity

	For the three months ended 31 March	
	2010 (Unaudited) RMB'000	2009 (Unaudited) RMB'000
<b>Share capital</b>		
At beginning and end of period	<u>1,534,227</u>	<u>1,534,227</u>
<b>Capital reserve</b>		
At beginning and end of period	<u>205,363</u>	<u>205,363</u>
<b>Statutory surplus reserve</b>		
At beginning and end of period	<u>19,353</u>	<u>19,353</u>
<b>Accumulated losses</b>		
At beginning of period	<u>(1,124,317)</u>	<u>(1,021,502)</u>
Total comprehensive profit/(loss) for the period	<u>1,248</u>	<u>(73,990)</u>
At end of period	<u>(1,123,069)</u>	<u>(1,095,492)</u>
<b>Reserves</b>	<u>(898,353)</u>	<u>(870,776)</u>
<b>Shareholders' equity</b>	<u>635,874</u>	<u>663,451</u>

## Condensed Statement of Cash Flows

	For the three months ended 31 March	
	2010	2009
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Net cash flows from operating activities	8,774	7,085
Net cash flows used in investing activities	(9,125)	(4,087)
Net cash flows used in financing activities	(10,021)	(10,239)
<b>Net decrease in cash and cash equivalents</b>	<b>(10,372)</b>	<b>(7,241)</b>
Cash and cash equivalents at beginning of period	317,996	261,887
<b>Cash and cash equivalents at end of period</b>	<b>307,624</b>	<b>254,646</b>
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and bank balances	76,677	76,003
Non-pledged time deposits	230,947	178,643
	<b>307,624</b>	<b>254,646</b>

## 1. BASIS OF PREPARATION

The unaudited interim condensed financial statements of the Company for the three months ended 31 March 2010 (the "First Quarter Results") 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 (the "Listing Rules") and with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" promulgated by the International Accounting Standards Board.

The First Quarter Results should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2009 ("2009 financial statements") dated 10 March 2010.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The First Quarter Results have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

The accounting policies used in the preparation of the First Quarter Results are consistent with those used in the 2009 financial statements, except for the adoption of new standards and interpretations as of 1 January 2010, which are set out below:

### ***Changes in accounting policy and disclosures***

The Company has adopted the following new and revised IFRSs for the first time in the First Quarter Results.

IFRS 1 (Revised)	<i>First-time Adoption of International Financial Reporting Standards</i>
IFRS 1 Amendments	<i>Amendments to IFRS 1 Additional Exemptions for First-time Adopters</i>
IFRS 2 Amendments	<i>Amendments to IFRS 2 Group Cash-settled Share-based Payment Transactions</i>
IFRS 3 (Revised)	<i>Business Combinations</i>
IAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i>
IAS 39 Amendment	<i>Amendment to IAS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items</i>
IFRIC-Int 17	<i>Distributions of Non-cash Assets to Owners</i>
Amendments to IFRS 5 included in Improvements to IFRSs issued in May 2008	<i>Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Plan to Sell the Controlling Interest in a Subsidiary</i>
Improvements to IFRSs (issued in April 2009)*	Amendments to a number of IFRSs

\* Improvements to IFRSs 2009 contain amendments to IFRS 2, IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 18, IAS 36, IAS 38, IAS 39, IFRIC 9 and IFRIC 16.

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

### **Issued but not yet effective IFRSs**

The Company has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in the First Quarter Results.

IFRS 1 Amendment	Amendment to IFRS 1 <i>Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters</i> <sup>2</sup>
IFRS 9	<i>Financial Instruments</i> <sup>4</sup>
IAS 24 (Revised)	<i>Related Party Disclosures</i> <sup>3</sup>
IAS 32 Amendments	Amendments to IAS 32 <i>Classification of Rights Issues</i> <sup>1</sup>
IFRIC-Int 14 Amendments	Amendments to IFRIC-Int 14 <i>Prepayments of a Minimum Funding Requirement</i> <sup>3</sup>
IFRIC-Int 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i> <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 February 2010

<sup>2</sup> Effective for annual periods beginning on or after 1 July 2010

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2011

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2013

The Company is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Company considers that these new and revised IFRSs are unlikely to have a significant impact on the Company's results of operations and financial position.

### **3. 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 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:

	<b>For the three months ended 31 March</b>	
	<b>2010 (Unaudited) RMB'000</b>	<b>2009 (Unaudited) RMB'000</b>
United States of America	<b>92,407</b>	84,205
Europe	<b>64,820</b>	17,346
Asia	<b>28,921</b>	15,782
	<b>186,148</b>	117,333

### **Information about major customers**

The Company's revenue of approximately RMB127,042,000 (31 March 2009: RMB75,647,000) was derived from sales to four customers (31 March 2009: three) which individually accounted for more than 10% of the Company's total revenue during the three months ended 31 March 2010. 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:

	For the three months ended 31 March	
	2010 (Unaudited) RMB'000	2009 (Unaudited) RMB'000
Sale of goods	185,976	117,267
Others	172	66
	<u>186,148</u>	<u>117,333</u>

#### 5. OTHER INCOME AND GAINS AND OTHER EXPENSES

	For the three months ended 31 March	
	2010 (Unaudited) RMB'000	2009 (Unaudited) RMB'000
<b>Other income and gains</b>		
Subsidy income	395	2,000
Interest income	431	306
Net foreign exchange gains	21	—
Others	223	—
	<u>1,070</u>	<u>2,306</u>
<b>Other expenses</b>		
Loss arising from a leakage incident in the third quarter of 2009	(261)	—
Loss on interest rate swaps	—	(96)
Net foreign exchange loss	—	(1,474)
Others	—	(641)
	<u>(261)</u>	<u>(2,211)</u>

#### 6. PROFIT/(LOSS) BEFORE INCOME TAX

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

	For the three months ended 31 March	
	2010 (Unaudited) RMB'000	2009 (Unaudited) RMB'000
Cost of inventories sold	156,663	167,826
Depreciation	35,849	41,943
Interest on bank loans	2,013	2,507
Reversal of allowance for doubtful debts	(53)	(1,767)
Allowance/(reversal of allowance) for inventories	288	(6,984)

## 7. 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 2009 and 2010.

Major components of income tax are as follows:

	<b>For the three months ended 31 March</b>	
	<b>2010</b>	2009
	<b>(Unaudited)</b>	(Unaudited)
	<b>RMB'000</b>	RMB'000
Provision for income tax in respect of profit for the period	—	—
Deferred tax credit	—	(92)
	<hr/>	<hr/>
Income tax credit	—	(92)
	<hr/>	<hr/>

## 8. DIVIDENDS

The Board does not recommend the payment of dividend to the ordinary equity holders of the Company for the three months ended 31 March 2010 (31 March 2009: Nil).

## 9. PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

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

	<b>For the three months ended 31 March</b>	
	<b>2010</b>	2009
	<b>(Unaudited)</b>	(Unaudited)
Profit/(loss) attributable to ordinary equity holders of the Company (RMB'000)	<b>1,248</b>	(73,990)
	<hr/>	<hr/>
Weighted average number of ordinary shares in issue ('000)	<b>1,534,227</b>	1,534,227
	<hr/>	<hr/>

No adjustment has been made to the basic profit/(loss) per share amounts presented for the three months ended 31 March 2009 and 2010 in respect of a dilution as the Company had no potentially dilutive ordinary shares in issue during those periods.

## 10. INTEREST-BEARING BANK BORROWINGS

	<b>31 March</b>	31 December
	<b>2010</b>	2009
	<b>(Unaudited)</b>	(Audited)
	<b>RMB'000</b>	RMB'000
Unsecured bank loans repayable within one year	<b>168,261</b>	178,282
	<hr/>	<hr/>

## 11. COMMITMENTS

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

	<b>31 March 2010 (Unaudited) RMB'000</b>	31 December 2009 (Audited) RMB'000
Capital commitments in respect of property, plant and equipment:		
- contracted, but not provided for	<b>8,757</b>	9,810
- authorised, but not contracted for	<b>89,586</b>	97,291
	<b>98,343</b>	107,101

## 12. RELATED PARTY TRANSACTIONS

The companies controlled by or under the significant influence of NXP B.V. are considered to be related to the Company.

The Company had the following material transactions with the companies controlled by or under the significant influence of NXP B.V. during the period:

		<b>For the three months ended 31 March</b>	
		<b>2010 (Unaudited) RMB'000</b>	2009 (Unaudited) RMB'000
	Notes		
Sales	(i)	<b>22,030</b>	15,520
Technology transfer fees	(ii)	<b>1,104</b>	507
Information technology ("IT") related service fees	(iii)	—	541
Compensation paid/payable to key management personnel (including directors, supervisors and senior executives)		<b>2,353</b>	1,538

Notes:

- (i) Sales to 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 on normal commercial terms, and will continue as such in the future.

The above related party transactions set out in Notes (i) to (iii) also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

## OPERATING RESULTS REVIEW

### Summary:

(Amount: RMB'000)	1Q'10	4Q'09	1Q'09	QoQ% Change	YoY % Change
Revenue	186,148	170,964	117,333	9%	59%
Gross Profit	29,485	9,926	(50,493)	197%	—
Other income and gains	1,070	166	2,306	—	—
Operating expenses	(27,033)	(26,419)	(21,177)	2%	28%
Other expenses	(261)	6,838	(2,211)	—	—
Finance costs	(2,013)	(2,154)	(2,507)	—	—
Income tax credit/(expense)	—	—	92	—	—
Net income/(loss)	1,248	(11,643)	(73,990)	—	—
EPS/(loss)	0.08cents	(0.76)cents	(4.82)cents	—	—

Sales increased by 8.9% from RMB171.0 million for the three months ended 31 December 2009 to RMB186.1 million for the three months ended 31 March 2010. This was due primarily to the increase in sales relating to both 6-inch and 8-inch wafer, partially offset by lower sales of 5-inch wafer.

Gross profit for the three months ended 31 March 2010 was RMB29.5 million, compared to RMB9.9 million for the three months ended 31 December 2009. Gross margin for the three months ended 31 March 2010 was 15.8%, compared to 5.8% for the three months ended 31 December 2009, which was mainly attributable to a significant improvement in wafer shipment.

For the three months ended 31 March 2010, other income and gains were RMB1.1 million, compared to RMB0.2 million for the three months ended 31 December 2009. The other income and gains in the current quarter were mainly comprised of subsidy income, interest income, net foreign exchange gains and others. The other income and gains for the fourth quarter of 2009 were mainly comprised of interest income and subsidy income.

Operating expenses amounted to RMB27.0 million for the three months ended 31 March 2010, representing an increase of 2.3% compared to RMB26.4 million for the three months ended 31 December 2009. The increase in operating expenses was due primarily to the slight increase in selling and distribution costs, and research and development costs, partially offset by the decrease in general and administrative expenses.

The other expenses for the three months ended 31 March 2010 amounted to RMB0.3 million, compared to a net gain of RMB6.8 million for the three months ended 31 December 2009. The other expenses in the current quarter were comprised of loss arising from a leakage incident in the third quarter of 2009 (the "Incident"). The other expenses in the fourth quarter of 2009 were mainly comprised of a net write-back of RMB6.3 million as the actual loss from the Incident was less than the provision charge of RMB19.7 million recognised in the third quarter of 2009.

Finance costs for the three months ended 31 March 2010 were RMB2.0 million, compared to RMB2.2 million for the three months ended 31 December 2009.

As a result, the Company recorded a net income of RMB1.2 million for the three months ended 31 March 2010, compared to a net loss of RMB11.6 million for the three months ended 31 December 2009.

## I. Revenue Analysis

### By Application

For the three months ended 31 March 2010, sales derived from communication, computer and consumer products accounted for 32%, 33% and 35% of total revenue respectively, which were in line with those in the fourth quarter of 2009.

	1Q'10	4Q'09	1Q'09
Communication	32%	32%	32%
Computer	33%	33%	33%
Consumer	35%	35%	35%

### By Geography

For the three months ended 31 March 2010, sales to the USA, Europe and Asia Pacific accounted for 50%, 35% and 15% of total revenue respectively, compared to 58% and 24% and 18% in the fourth quarter of 2009.

	1Q'10	4Q'09	1Q'09
USA	50%	58%	72%
Europe	35%	24%	15%
Asia Pacific	15%	18%	13%

### By Customer Type

For the three months ended 31 March 2010, sales to IDM customers accounted for 38% of total revenue, compared to 27% in the fourth quarter of 2009, while the percentage of sales to fabless customers decreased from 73% in the fourth quarter of 2009 to 62% in the current quarter.

	1Q'10	4Q'09	1Q'09
IDM	38%	27%	24%
Fabless	62%	73%	76%

### By Product

For the three months ended 31 March 2010, sales as a percentage of total revenue from 5-inch, 6-inch and 8-inch wafer were 19%, 46% and 34% respectively, compared to 22%, 46% and 31% in the fourth quarter of 2009.

	1Q'10	4Q'09	1Q'09
5" wafers	19%	22%	20%
6" wafers	46%	46%	37%
8" wafers	34%	31%	41%
Others <sup>1</sup>	1%	1%	2%
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 for the three months ended 31 March 2010 was 48%, compared to 44% in the fourth quarter of 2009.

<b>Fab</b>	<b>1Q'10</b>	<b>4Q'09</b>	<b>1Q'09</b>
Fab 1/2			
5-inch wafers	42%	47%	33%
6-inch wafers	46%	37%	24%
Fab 3			
8-inch wafers	52%	51%	43%
Overall Capacity Utilization Rate	48%	44%	33%

Note: 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 to produce during the corresponding period.

2. After taking into account 6-inch wafers equipments consignment arrangement with customer, the utilization rate of 6-inch wafers for the three months ended 31 March 2010 was 42%. As a result, the overall capacity utilization rate for the three months ended 31 March 2010 was 46%.

### II-2 Capacity (8" Equivalent)

The capacity for the three months ended 31 March 2010 was 154,000 8-inch equivalent wafers, which was the same as that of the previous quarter and that of the first quarter of 2009.

<b>Fab (wafers in thousand)</b>	<b>1Q'10</b>	<b>4Q'09</b>	<b>1Q'09</b>
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: 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 using 2.56 and 1.78 respectively.

2. After taking into account 6-inch wafers equipments consignment arrangement with customer, the installed capacity of 6-inch wafers for the three months ended 31 March 2010 amounted to 94K 8-inch equivalent wafers. As a result, total installed capacity for the three months ended 31 March 2010 was 164K 8-inch equivalent wafers.

### III. Profit and Expense Analysis

#### III-1. Gross Profit Analysis

Gross profit for the three months ended 31 March 2010 was RMB29.5 million, compared to RMB9.9 million for the three months ended 31 December 2009. Gross margin for the three months ended 31 March 2010 was 15.8%, compared to 5.8% for the three months ended 31 December 2009, which was mainly attributable to a significant improvement in wafer shipment and a favourable product mix.

	1Q'10	4Q'09	1Q'09
(Amount: RMB'000)			
Cost of sales	(156,663)	(161,038)	(167,826)
Gross profit	29,485	9,926	(50,493)
Gross margin	15.8%	5.8%	-43.0%

#### III-2. Other Income and Gains

For the three months ended 31 March 2010, other income and gains were RMB1.1 million, compared to RMB0.2 million for the three months ended 31 December 2009. The other income and gains in the current quarter was mainly comprised of subsidy income, interest income, net foreign exchange gains and others. The other income and gains for the fourth quarter of 2009 was mainly comprised of interest income and subsidy income.

	1Q'10	4Q'09	1Q'09
(Amount: RMB'000)			
Other income and gains	1,070	166	2,306

#### III-3. Operating Expenses Analysis

Operating expenses amounted to RMB27.0 million for the three months ended 31 March 2010, representing an increase of 2.3% compared to RMB26.4 million for the three months ended 31 December 2009. The increase in operating expenses was due primarily to the slight increase in selling and distribution costs, and research and development costs, partially offset by the decrease in general and administrative expenses.

	1Q'10	4Q'09	1Q'09
(Amount: RMB'000)			
Selling and distribution costs	(1,664)	(1,354)	(1,087)
General and administrative expenses	(14,942)	(15,174)	(10,808)
Research and development costs	(10,427)	(9,891)	(9,282)

#### III-4. Other Expenses

The other expenses for the three months ended 31 March 2010 amounted to RMB0.3 million, compared to a net gain of RMB6.8 million for the three months ended 31 December 2009. The other expenses in the current quarter were comprised of loss arising from the Incident. The other expenses in the fourth quarter of 2009 were mainly comprised of a net write-back of RMB6.3 million as the actual loss from the Incident was less than the provision charge of RMB19.7 million recognised in the third quarter of 2009.

	1Q'10	4Q'09	1Q'09
(Amount: RMB'000)			
Other expenses	(261)	6,838	(2,211)

### III-5. Finance Costs

Finance costs for the three months ended 31 March 2010 were RMB2.0 million, compared to RMB2.2 million for the three months ended 31 December 2009.

	1Q'10	4Q'09	1Q'09
(Amount: RMB'000)			
Finance costs	(2,013)	(2,154)	(2,507)

## IV. Financial Condition Review

### IV-1. Liquidity Analysis

Total current assets as at 31 March 2010 was RMB521.2 million, an increase of RMB18.6 million from RMB502.6 million as at 31 December 2009, due mainly to the increase in inventories and accounts and notes receivables by RMB17.4 million and RMB9.8 million respectively from the balance as at 31 December 2009. Higher inventory for the first quarter of 2010 was primarily due to an increase in work-in-progress inventory so as to meet increasing customer demand. The decrease in cash and cash equivalents was largely attributable to the repayment of the outstanding bank loan during the quarter. The total current liabilities decreased from RMB348.6 million as at 31 December 2009 to RMB331.1 million as at 31 March 2010, attributable mainly to the decrease in interest-bearing borrowings and other current liabilities by RMB10.0 million and RMB32.9 million respectively, which was partially offset by the increase of RMB25.4 million in accounts payable.

	1Q'10	4Q'09	1Q'09
(Amount: RMB'000)			
Cash and cash equivalents	307,624	317,996	254,646
Accounts and notes receivables	73,247	63,444	37,642
Inventories	110,056	92,680	97,835
Other current assets	30,230	28,438	29,515
<b>Total current assets</b>	<b>521,157</b>	<b>502,558</b>	<b>419,638</b>
Interest-bearing borrowings	168,261	178,282	178,359
Accounts payable	111,681	86,329	70,442
Other current liabilities	51,151	84,038	93,513
<b>Total current liabilities</b>	<b>331,093</b>	<b>348,649</b>	<b>342,314</b>
<b>Net current assets</b>	<b>191,165</b>	<b>153,909</b>	<b>77,324</b>
<b>Current Ratio (x)</b>	1.57	1.44	1.23

#### IV-2. Receivable / Inventory Turnover

Receivable turnover for the three months ended 31 March 2010 was 41 days, compared to 45 days in the fourth quarter of 2009.

Inventory turnover days increased to 79 days in the first quarter of 2010 from 75 days in the fourth quarter of 2009.

	1Q'10	4Q'09	1Q'09
Accounts & Notes Receivables Turnover (days)	41	45	42
Inventory Turnover (days)	79	75	96

#### IV-3. Debt Service

Net cash reserve as at 31 March 2010 amounted to RMB139.4 million as compared to RMB139.7 million as at 31 December 2009, representing a sequential decrease by RMB0.4 million. This was due primarily to the decrease in both cash and cash equivalents and interest-bearing borrowings by RMB10.4 million and RMB10.0 million respectively.

	1Q'10	4Q'09	1Q'09
(Amount: RMB'000)			
Cash and cash equivalents	307,624	317,996	254,646
Interest-bearing borrowings	(168,261)	(178,282)	(178,359)
Net cash reserves	139,363	139,714	76,287

#### V. Capital Expenditure

The amount of capital expenditure for the three months ended 31 March 2010 was RMB9.1 million, compared to RMB4.1 million in the fourth quarter of 2009.

	1Q'10	4Q'09	1Q'09
(Amount: RMB'000)			
Capex	9,125	4,071	4,087

## **VI. Outlook for the second quarter of 2010**

The semiconductor industry has been experiencing a recovery, which ultimately led to stronger-than-normal seasonal demand for the chip market in the first quarter of 2010, primarily benefiting from a more widespread and sustainable improvement in consumer spending and inventory restocking activities owing to the low levels of inventory in the supply chain at the end of last year. Moreover, the ongoing economic recovery will continue to have a positive impact on the semiconductor industry, which will likely help facilitate the subsequent demand for semiconductor products going forward. With strong order booking performance from the first quarter and increased order visibility across nearly all major end-markets and geographies, management forecasts that sales in the second quarter of 2010 are likely to grow substantially on a sequential quarter-to-quarter basis.

By Order of the Board

**Advanced Semiconductor Manufacturing Corporation Limited**

**Zhou Weiping**

*Executive Director, President & Chief Executive Officer*

Shanghai, the PRC, 20 May 2010

*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 Wilhelmus Jacobus Maria Joseph Josquin; and the independent non-executive directors of the Company are Thaddeus Thomas Beczak, Shen Weijia and James Arthur Watkins.*