



2016 Interim Results Investor Conference

11 August, 2016

**Advanced Semiconductor
Manufacturing Corporation Limited**

Agenda

- ❖ **Welcome**
- ❖ **2016 Interim Financial Results**
- ❖ **Prospects and Future Plan**
- ❖ **Q&A Session**

2016 Interim Overview

- The Company's sales were RMB347.4 million in 1H2016, a decrease of 10.0% from RMB385.9 million in 1H2015.
- Gross margin was 9.0% in 1H2016, compared to 15.3% from 1H2015, largely due to the decline in the average selling price and lower utilization rate, partially offset by the depreciation of the Renminbi against the US dollar and a favorable product mix.
- The 8-inch equivalent wafer shipment decreased by 10.2% to 200,308 units in 1H2016 from 223,096 units in 1H2015.
- The overall capacity utilization rate was 67% in 1H2016, declined by 8 percentage points from 75% over the corresponding period of 2015.
- The Company's cash and cash equivalents as at 30 June 2016 was RMB520.9 million, compared to RMB534.8 million as at 31 December 2015.
- The Company recorded net loss of RMB10.7 million, earnings per share of negative RMB0.7 cent in 1H2016, compared to net profit of RMB21.9 million, earnings per share of RMB1.43 cents in 1H2015.

2Q2016 Overview

- The Company's sales were RMB200.1 million in 2Q2016, an increase of 35.8% from RMB147.3 million in 1Q2016.
- Gross margin improved from negative 2.8% in 1Q2016 to 17.6% in 2Q2016, primarily attributed to higher level of capacity utilization rate and to a lesser extent, a favorable product mix.
- The 8-inch equivalent wafer shipment increased by 30.7% to 113,496 units in 2Q2016 from 86,812 units in 1Q2016.
- The overall capacity utilization rate was 77% in 2Q2016, increased by 19 percentage points from 58% in 1Q2016.
- The Company's cash and cash equivalents as at 30 June 2016 was RMB520.9 million, compared to RMB495.1 million as at 31 March 2016.
- The Company recorded net income of RMB18.0 million, an EBITDA of RMB35.9 million in 2Q2016 compared to net loss of RMB28.7 million, an EBITDA of negative RMB12.2 million in 1Q2016.

2016 Interim Results Review

Amount: RMB Million

	1H2016		1H2015		Change
	Amount	%	Amount	%	%
Net Sales	347.4	100%	385.9	100%	-10%
Cost of Goods Sold (COGS)	(316.2)	-91%	(327.0)	-85%	-3%
Gross Profit	31.2	9%	58.9	15%	-47%
Other income and gains	11.7	3%	10.9	3%	7%
Selling and distribution expenses	(3.8)	-1%	(3.8)	-1%	0%
General and administrative expenses	(30.4)	-9%	(32.8)	-9%	-7%
Research and development costs	(19.3)	-6%	(11.2)	-3%	72%
Other expenses	-	-	-	-	-
Finance costs	-	-	-	-	-
Income/(Loss) Before Tax	(10.7)	-3%	21.9	6%	-
Income Taxes Credit/(expense)	-	-	-	-	-
Net Income/(Loss)	(10.7)	-3%	21.9	6%	-

2Q2016 Income Statement (QoQ)

Amount: RMB Million

	Q2'2016		Q1'2016		QoQ
	Amount	%	Amount	%	%
Net Sales	200.1	100%	147.3	100%	36%
Cost of Goods Sold (COGS)	(164.8)	-82%	(151.4)	-103%	9%
Gross Profit	35.3	18%	(4.1)	-3%	-
Other income and gains	9.1	5%	3.5	2%	158%
Operating expenses	(26.3)	-13%	(27.2)	-18%	-3%
Other expenses	-	-	(0.9)	-	-
Finance costs	-	-	-	-	-
Income/(Loss) Before Tax	18.0	9%	(28.7)	-20%	-
Income Taxes Credit/ (expense)	-	-	-	-	-
Net Income/(Loss)	18.0	9%	(28.7)	-20%	-

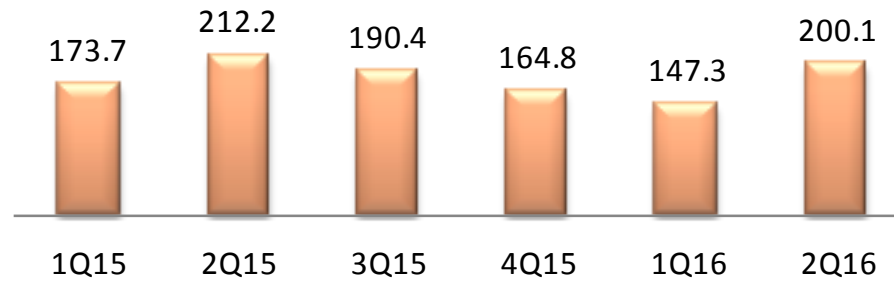
2Q2016 Income Statement (YoY)

Amount: RMB Million

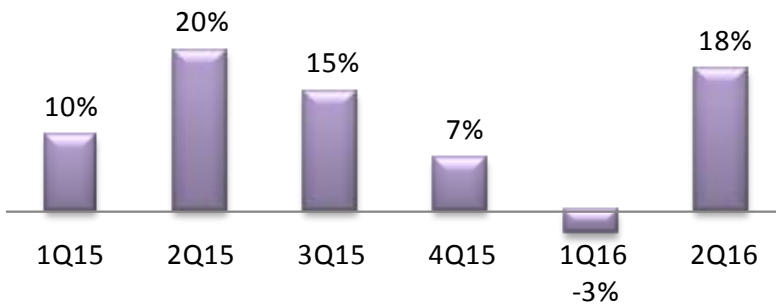
	Q2'2016		Q2'2015		YoY
	Amount	%	Amount	%	%
Net Sales	200.1	100%	212.2	100%	-6%
Cost of Goods Sold (COGS)	(164.8)	-82%	(169.9)	-80%	-3%
Gross Profit	35.3	18%	42.3	20%	-17%
Other income and gains	9.1	5%	4.5	2%	101%
Operating expenses	(26.3)	-13%	(24.1)	-11%	9%
Other expenses	-	-	-	-	-
Finance costs	-	-	-	-	-
Income/(Loss) Before Tax	18.0	9%	22.8	11%	-21%
Income Taxes Credit /(Expense)	-	-	-	-	-
Net Income/(Loss)	18.0	9%	22.8	11%	-21%

Quarterly Business Trends

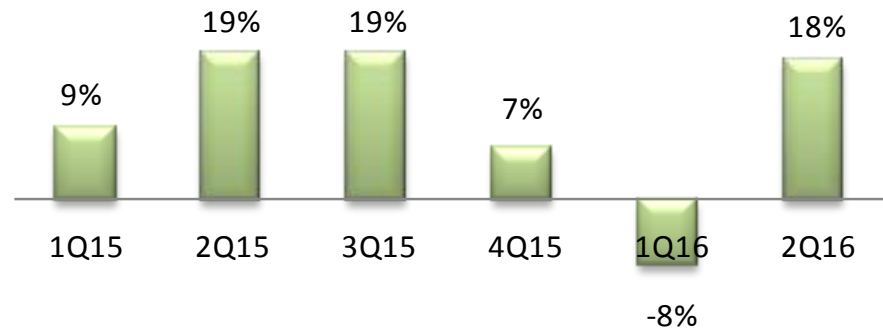
Revenue (RMB'M)



Gross Margin



EBITDA Margin



2016 Interim Balance Sheet

Amount: RMB Million Selected Items from Balance Sheet	As at 30 June 2016		As at 31 December 2015	
	Amount	%	Amount	%
Total Assets	1133.2	100%	1110.6	100%
Cash & Cash Equivalent	520.9	46%	534.8	48%
Accounts Receivables & Other	103.6	9%	94.3	8%
Inventory	118.4	10%	99.2	9%
Total Current Assets	742.9	66%	728.3	66%
Accounts Payable	131.6	12%	89.6	8%
Current Portion of Loans	-	-	-	-
Accrued Liabilities & Others	57.6	5%	64.8	6%
Total Current Liabilities	189.1	17%	154.4	14%
Long Term Debt	9.5	1%	11.0	1%
Total Equity	934.6	82%	945.3	85%
Accounts Receivable Turnover	37		40	
Inventory Turnover	84		86	
Current Ratio	3.93		4.72	
Net Working Capital	553.7		573.9	

2016 Interim Cash Flow

Amount: RMB Million

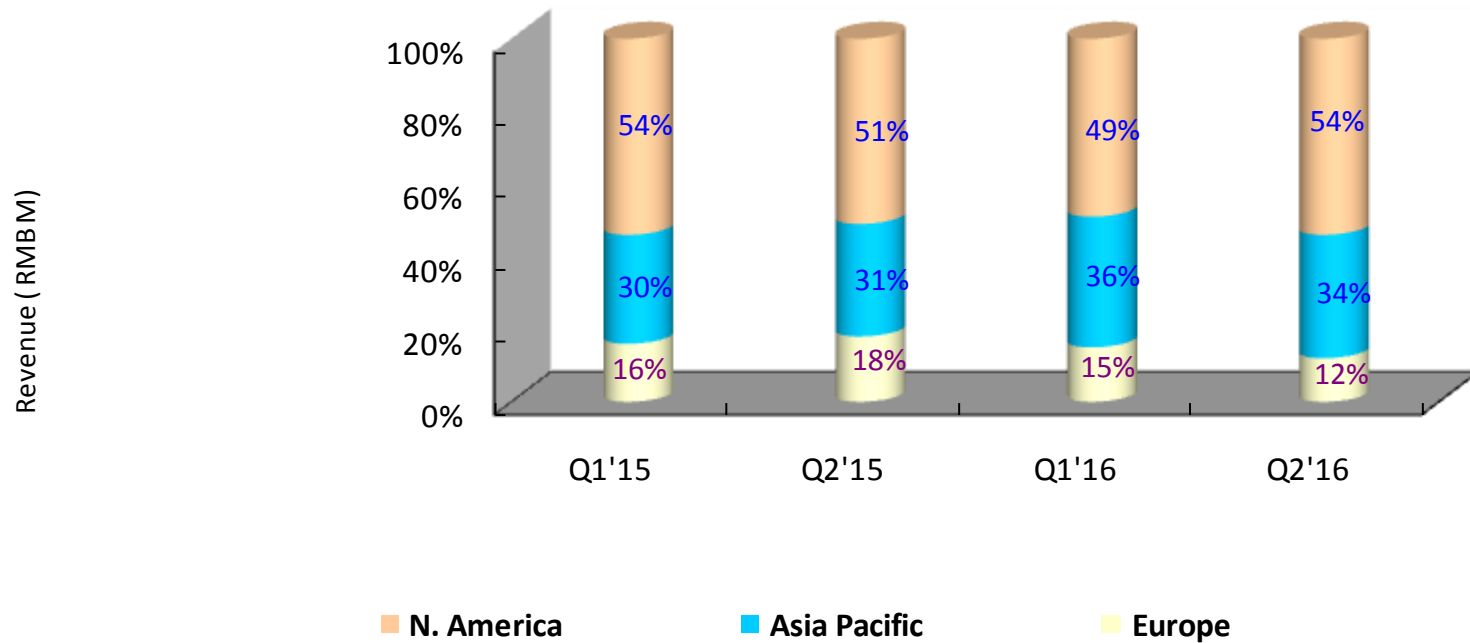
	2016 Interim	2015 Interim
	Amount	Amount
From Operation	11.6	44.2
Profit Before Tax	(10.7)	21.9
Depreciation & Amortization	34.3	33.5
Change in Working Capital	6.6	9.7
Other Operating Activites	(18.6)	(20.9)
From Investment	(52.0)	(43.6)
Purchase of items of property, plant and equipment, construction in progress and intangible assets	(29.2)	(28.6)
non-pledged time deposit with original maturity of over 3 months when acquired	(22.8)	(15.0)
From Financing	0.0	0.0
Repayment of -L	0.0	0.0

2Q2016 Capital Expenditures

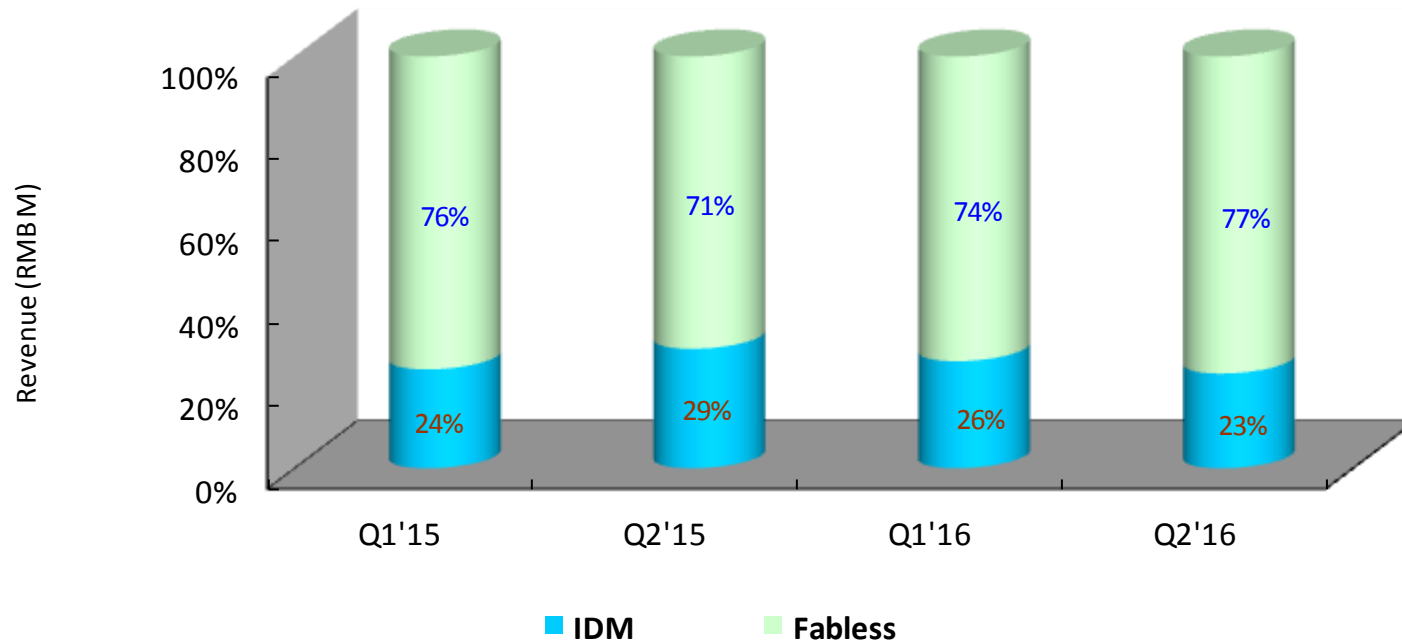
Amount: RMB Million

	Q2'16	Q1'16	Q2'15
CAPEX	Amount	Amount	Amount
	31.9	10.4	20.7

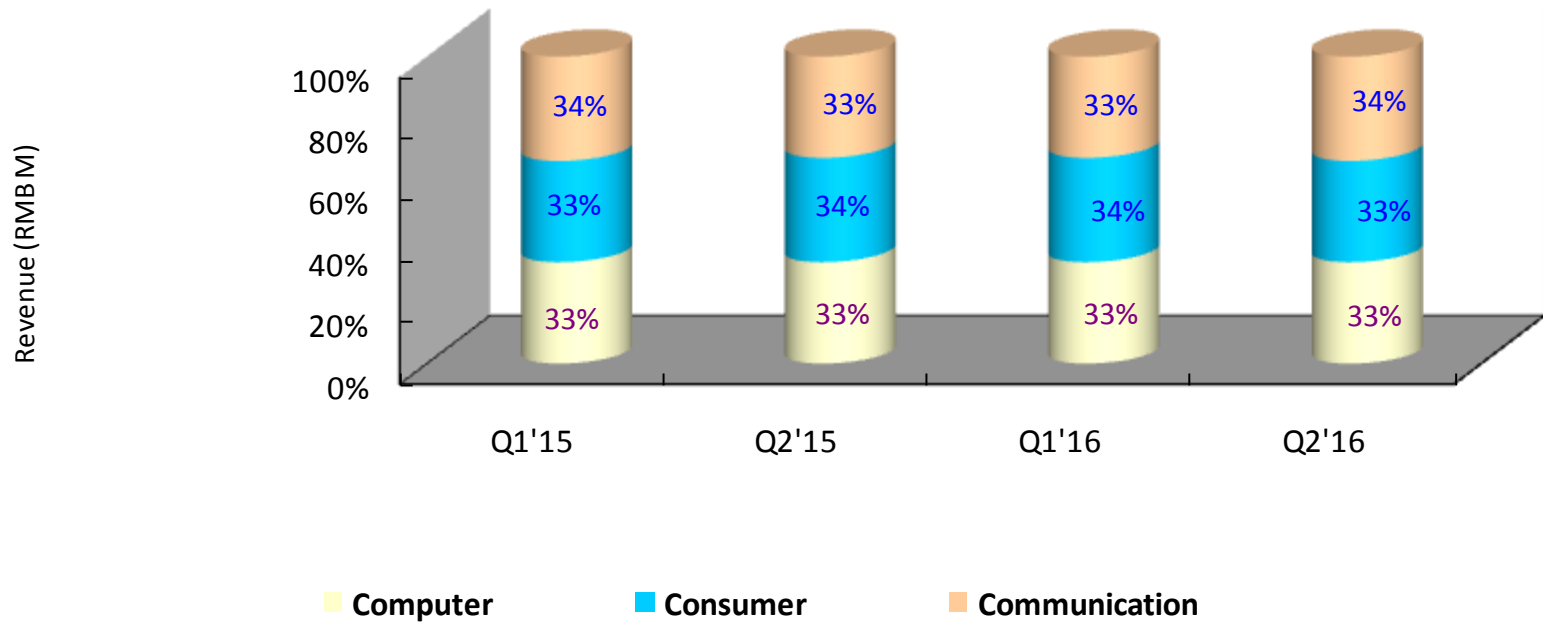
Sales Breakdown by Geography



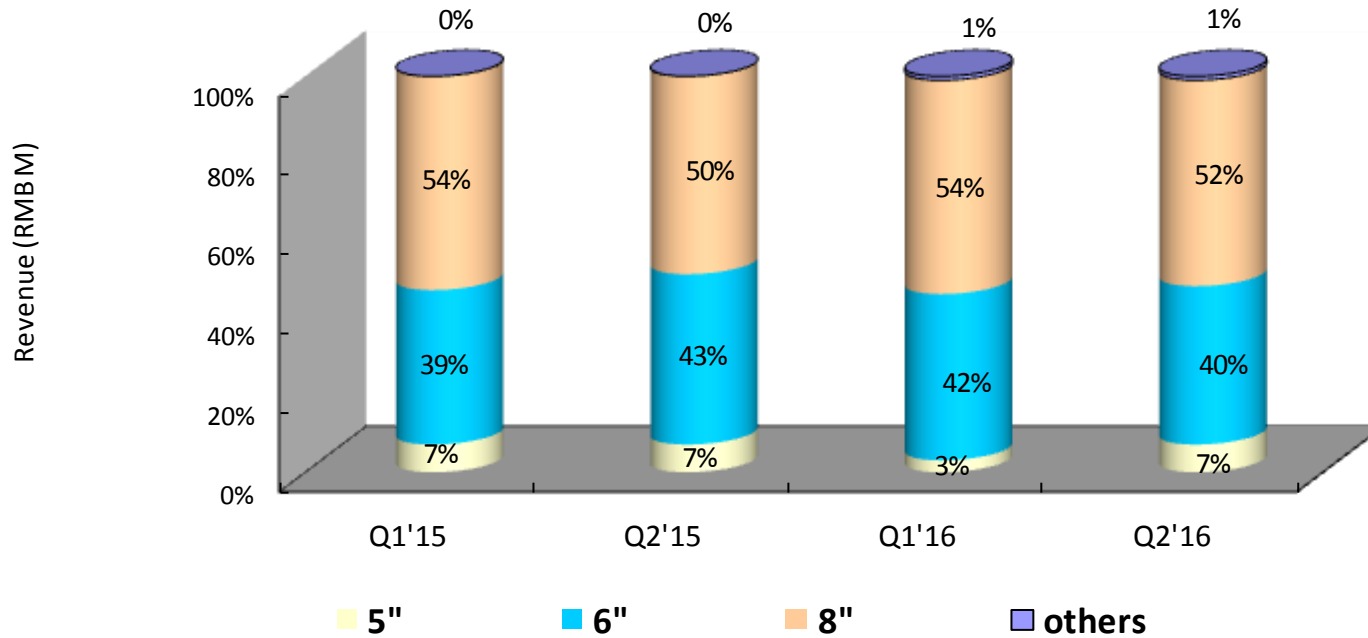
Sales Breakdown by Customer Type



Sales Breakdown by Application



Sales Breakdown by 5", 6" and 8"



FAB Installed Capacity (8" Equivalent)

FAB / (Wafers in thousand)	Q2'16	Q1'16	Q2'15
Fab 1/2			
5-inch wafers	9	9	9
6-inch wafers	71	71	71
Fab 3			
8-inch wafers	70	70	70
Total 8" Equivalent	150	150	150

Notes:

1. The Company estimated the capacities of its 5-inch and 6-inch on the basis of 9 and 10 mask steps per wafer respectively and 5-inch and 6-inch wafers were converted to 8-inch equivalent wafers by dividing their wafer number using 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 less than the figures stated in the table.
3. The basis on which the capacity of the Company's 8-inch wafers was estimated changed from 22 mask steps per wafer to 14 mask steps per wafer, which became effective on 1 January 2014.

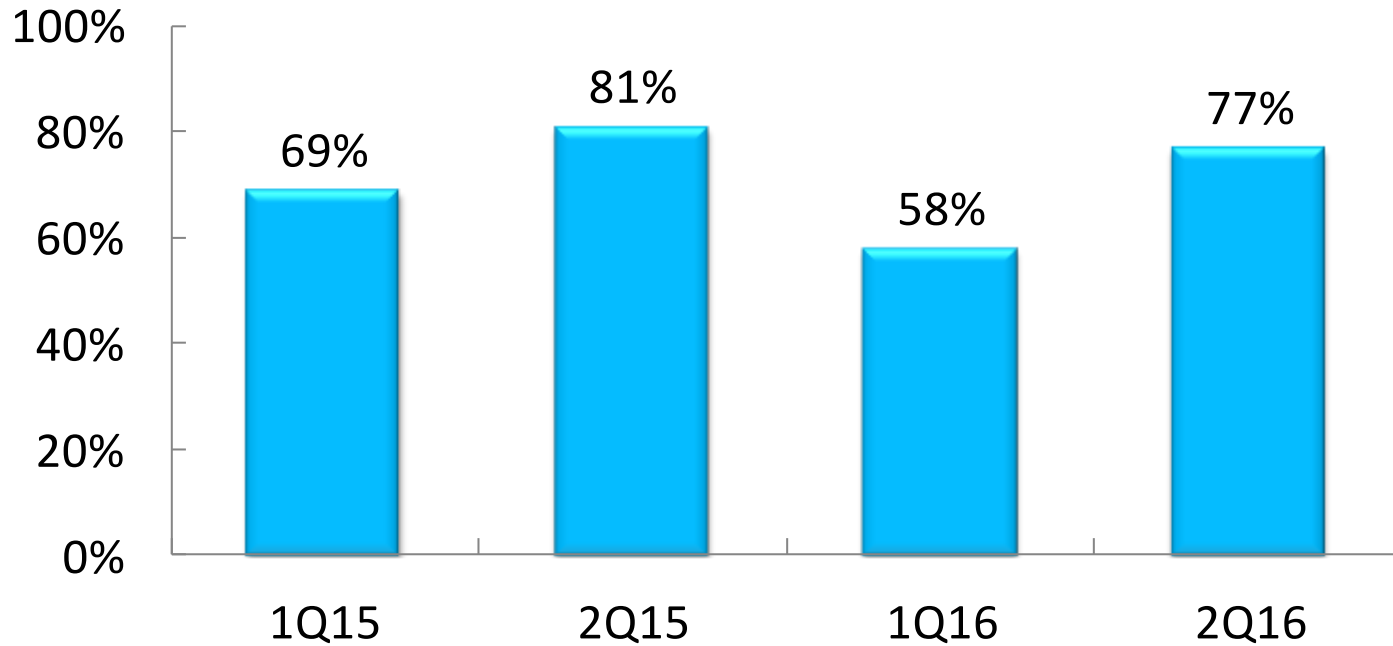
Capacity Utilization Rate by Fab

FAB	Q2'16	Q1'16	Q2'15
Fab 1/2			
5-inch wafers	86%	25%	78%
6-inch wafers	69%	55%	80%
Fab 3			
8-inch wafers	82%	63%	82%
Overall Capacity Utilization Rate	77%	58%	81%

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 to produce 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 notes 2 to slide 14. In consequence, the utilization rates of actual operating capacity are higher than the figures stated in the above table
3. The utilization of the Company's 8-inch wafers in fab3 was calculated on the basis of 325,000 masks per month which became effective on 1 July 2013
4. The installed capacity of 5-inch wafers changed from 252,000 masks per month to 66,000 masks per month, which became effective on 1 January 2014.
5. The installed capacity of 6-inch wafers changed from 510,000 masks per month to 420,000 masks per month, which became effective on 1 January 2014.

Overall Capacity Utilization Rate



Prospects and Future Plans

- The slow recovery of global economy is likely to continue for the rest of the year, the semiconductor market is likely to face more challenges.
- Given the fact the Company's near-term business outlook remains relatively challenging, the Company will continuously implement a stringent control of production cost and operating expenses to maximize its operating efficiency and profitability.
- The existing strategic industrial cooperative projects will be further promoted and will help generate the incremental revenue stream through the rest of 2016 and beyond.
- Moving forward, the Company will also equip itself for any changes and challenges in the semiconductor market, and aggressively execute the major strategic initiatives, and ultimately enable the Company to build up solid base for its long term growth and development.

For Further Information

Thank You!

<http://www.asmcs.com>

ir@asmc.com.cn

Stock code: 3355