SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2002

OR

[ ] TRANSITION REPORT PURSUANT SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER 000-29472

AMKOR TECHNOLOGY, INC.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	23-1722724
(STATE OF INCORPORATION)	(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

1345 ENTERPRISE DRIVE
WEST CHESTER, PA 19380
(610) 431-9600
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES AND ZIP CODE)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT: NONE
SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
COMMON STOCK, $0.001 PAR VALUE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to filing requirements for the past 90 days. Yes [X] No [ ]

The number of outstanding shares of the registrant's Common Stock as of October 31, 2002 was 165,154,229.

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

AMKOR TECHNOLOGY, INC.
CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	FOR THE THREE MONTHS ENDED SEPTEMBER 30,		FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	2002	2001	2002	2001
	(UNAUDITED)		(UNAUDITED)	
Net revenues	$ 453,928	$ 334,716	$ 1,213,453	$ 1,165,508
Cost of revenues -- including purchases from ASI	401,555	346,355	1,162,170	1,087,351
Gross profit (loss)	52,373	(11,639)	51,283	78,157

Operating expenses:				
Selling, general and administrative	47,103	47,847	144,397	153,206
Research and development	7,622	9,784	24,535	28,421
(Gain) loss on disposal of fixed assets	(200)	3,132	2,912	4,654
Amortization of acquired intangibles	2,000	1,184	4,995	3,523
Amortization of goodwill	--	20,030	--	60,176
Special charges	13,819	--	281,985	--
Total operating expenses	70,344	81,977	458,824	249,980
Operating loss	(17,971)	(93,616)	(407,541)	(171,823)
Other expense (income):				
Interest expense, net	37,391	37,904	111,010	123,110
Foreign currency (gain) loss	(813)	(1,071)	1,892	(6)
Other expense (income), net	991	(1,513)	4	(2,924)
Total other expense	37,569	35,320	112,906	120,180
Loss before income taxes, equity in loss of investees and minority interest	(55,540)	(128,936)	(520,447)	(292,003)
Provision (benefit) for income taxes	(10,109)	(24,498)	(58,082)	(55,481)
Equity in loss of investees	(12,532)	(23,661)	(24,737)	(76,254)
Loss on impairment of equity investment	--	--	(139,536)	--
Loss on disposition of equity investment	(1,767)	--	(1,767)	--
Minority interest	423	(645)	(2,238)	(1,473)
Net loss	$ (59,307)	$ (128,744)	$ (630,643)	$ (314,249)
Per Share Data:				
Basic net loss per common share	$ (0.36)	$ (0.80)	$ (3.85)	$ (2.02)
Diluted net loss per common share	$ (0.36)	$ (0.80)	$ (3.85)	$ (2.02)
Shares used in computing basic net loss per common share	164,489	160,581	163,854	155,594
Shares used in computing diluted net loss per common share	164,489	160,581	163,854	155,594

The accompanying notes are an integral part of these statements.

AMKOR TECHNOLOGY, INC.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

	SEPTEMBER 30, 2002 (UNAUDITED)	DECEMBER 31, 2001
ASSETS		
Current assets:		
Cash and cash equivalents	$ 235,038	$ 200,057
Accounts receivable:		
Trade, net of allowance for doubtful accounts of $6,893 and $6,842	255,135	211,419
Due from affiliates	725	871
Other	9,154	8,953
Inventories	79,275	73,784
Other current assets	74,120	37,106
Total current assets	653,447	532,190
Property, plant and equipment, net	1,022,454	1,392,274
Investments	125,973	382,951
Other assets:		
Due from affiliates	21,348	20,518
Goodwill	623,713	659,130
Acquired intangibles, net	46,941	37,050
Deferred taxes	165,957	108,064
Other	85,110	91,141
	943,069	915,903
Total assets	$ 2,744,943	$ 3,223,318
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Bank overdraft	$ 6,252	$ 5,116
Short-term borrowings and current portion of long-term debt	50,849	54,815
Trade accounts payable	174,634	148,923
Due to affiliates	46,337	16,936
Accrued expenses	195,285	145,544
Total current liabilities	473,357	371,334

Long-term debt	1,754,809	1,771,453
Other noncurrent liabilities	81,693	64,077
Total liabilities	2,309,859	2,206,864
Commitments and contingencies		
Minority interest	10,158	7,737
Stockholders' equity:		
Preferred stock	--	--
Common stock	165	162
Additional paid-in capital	1,168,221	1,123,541
Accumulated deficit	(737,618)	(106,975)
Receivable from stockholder	(2,887)	(3,276)
Accumulated other comprehensive income (loss)	(2,955)	(4,735)
Total stockholders' equity	424,926	1,008,717
Total liabilities and stockholders' equity	$ 2,744,943	$ 3,223,318

The accompanying notes are an integral part of these statements.

AMKOR TECHNOLOGY, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)
(IN THOUSANDS)

	COMMON STOCK SHARES	COMMON STOCK AMOUNT	PAID-IN CAPITAL	RETAINED EARNINGS (DEFICIT)	RECEIVABLE FROM STOCKHOLDER	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)
Balance at December 31, 2000	152,118	$ 152	$ 975,026	$ 343,886	$ (3,276)	$ (954)
Net loss	--	--	--	(314,249)	--	--
Cumulative translation adjustment	--	--	--	--	--	146
Comprehensive loss						
Issuance of stock for acquisitions	4,948	5	87,869	--	--	--
Issuance of stock through employee stock purchase plan and stock options	650	1	8,125	--	--	--
Debt conversion	3,716	4	48,948	--	--	--
Balance at September 30, 2001	161,432	$ 162	$ 1,119,968	$ 29,637	$ (3,276)	$ (808)
Balance at December 31, 2001	161,782	$ 162	$ 1,123,541	$ (106,975)	$ (3,276)	$ (4,735)
Net loss	--	--	--	(630,643)	--	--
Unrealized loss on investments, net of tax	--	--	--	--	--	(655)
Cumulative translation adjustment	--	--	--	--	--	2,435
Comprehensive loss						
Issuance of stock for acquisitions	1,827	2	35,200	--	--	--
Issuance of stock through employee stock purchase plan and stock options	880	1	9,480	--	--	--
Payment received from stockholder	--	--	--	--	389	--
Balance at September 30, 2002	164,489	$ 165	$ 1,168,221	$ (737,618)	$ (2,887)	$ (2,955)

	TOTAL	COMPREHENSIVE INCOME (LOSS)
Balance at December 31, 2000	$1,314,834	
Net loss	(314,249)	$ (314,249)
Cumulative translation adjustment	146	146
Comprehensive loss		$ (314,103)
Issuance of stock for acquisitions	87,874	
Issuance of stock through employee stock purchase plan and stock options	8,126	
Debt conversion	48,952	

Balance at September 30, 2001	$1,145,683	
	==========	
Balance at December 31, 2001	$1,008,717	
Net loss	(630,643)	$(630,643)
Unrealized loss on investments, net of tax	(655)	(655)
Cumulative translation adjustment	2,435	2,435

Comprehensive loss		$(628,863)
		==========
Issuance of stock for acquisitions	35,202	
Issuance of stock through employee stock purchase plan and stock options	9,481	
Payment received from stockholder	389	

Balance at September 30, 2002	$ 424,926	
	=========	

The accompanying notes are an integral part of these statements.

AMKOR TECHNOLOGY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002	2001
	(UNAUDITED)	
Cash flows from operating activities:		
Net loss	$(630,643)	$(314,249)
Adjustments to reconcile net income to net cash provided by operating activities --		
Depreciation and amortization	265,687	328,920
Special charges	274,340	--
Deferred debt issuance costs	6,172	16,446
Provision for accounts receivable	256	(300)
Provision for excess and obsolete inventory	3,447	13,794
Deferred income taxes	(56,082)	(69,656)
Equity in loss of investees	24,737	76,254
Loss on impairment of equity investment	139,536	--
Loss on disposition of equity investment	1,767	--
Loss on sale of fixed assets	2,912	6,254
Minority interest	2,238	1,473
Changes in assets and liabilities excluding effects of acquisitions --		
Accounts receivable	(39,636)	82,124
Other receivables	(201)	(2,718)
Inventories	(8,352)	30,353
Due to/from affiliates, net	28,717	(7,810)
Other current assets	(16,014)	(3,381)
Other noncurrent assets	16,233	6,102
Accounts payable	23,038	(21,080)
Accrued expenses	37,172	2,046
Other long-term liabilities	7,988	5,843
	---------	---------
Net cash provided by operating activities	83,312	150,415
	---------	---------
Cash flows from investing activities:		
Purchases of property, plant and equipment	(82,298)	(134,947)
Acquisitions, net of cash acquired	(10,797)	(11,057)
Proceeds from the sale of property, plant and equipment	2,200	1,105
Proceeds from disposition of equity investment	58,139	--
Proceeds from the sale (purchase) of investments	(2,011)	(257)
	---------	---------
Net cash used in investing activities	(34,767)	(145,156)
	---------	---------

Cash flows from financing activities:		
Net change in bank overdrafts and short-term borrowings	1,136	3,746
Net proceeds from issuance of long-term debt	--	750,486
Payments of long-term debt	(25,475)	(532,636)
Proceeds from issuance of stock through employee stock purchase plan and stock options	9,481	8,126
Payment received from stockholder	389	--
Net cash provided by financing activities	(14,469)	229,722
Effect of exchange rate fluctuations on cash and cash equivalents	905	(274)
Net increase in cash and cash equivalents	34,981	234,707
Cash and cash equivalents, beginning of period	200,057	93,517
Cash and cash equivalents, end of period	$ 235,038	$ 328,224
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 103,174	$ 102,805
Income taxes	$ 5,754	$ (195)

The accompanying notes are an integral part of these statements.

AMKOR TECHNOLOGY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. INTERIM FINANCIAL STATEMENTS

Basis of Presentation. The consolidated financial statements and related disclosures as of September 30, 2002 and for the three and nine months ended September 30, 2002 and 2001 are unaudited, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In our opinion, these financial statements include all adjustments (consisting only of normal recurring adjustments) necessary for the fair presentation of the results for the interim periods. These financial statements should be read in conjunction with our latest annual report as of December 31, 2001 filed on Form 10-K, as amended, with the Securities and Exchange Commission. The results of operations for the three and nine months ended September 30, 2002 are not necessarily indicative of the results to be expected for the full year. Certain previously reported amounts have been reclassified to conform with the current presentation.

Risks and Uncertainties. Our future results of operations involve a number of risks and uncertainties. Factors that could affect future operating results and cause actual results to vary materially from historical results include, but are not limited to, dependence on the highly cyclical nature of the semiconductor industry, the continuing negative impacts of the unprecedented industry downturn beginning in 2001, our high leverage and the restrictive covenants contained in the agreements governing our indebtedness, uncertainty as to the demand from our customers over both the long- and short-term, competitive pricing and declines in average selling prices we experience, our dependence on our relationship with Anam Semiconductor, Inc. (ASI) for all of our wafer fabrication output, the timing and volume of orders relative to our production capacity, the absence of significant backlog in our business, fluctuations in manufacturing yields, the availability of financing, our competition, our dependence on international operations and sales, our dependence on raw material and equipment suppliers, exchange rate fluctuations, our dependence on key personnel, difficulties integrating acquisitions, the enforcement of intellectual property rights by or against us, our need to comply with existing and future environmental regulations, the results of ASI as it impacts our financial results and political and economic uncertainty resulting from terrorist activities.

Recent Accounting Pronouncements. In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 addresses financial accounting and reporting for costs associated with exit or disposal activities and supercedes Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity shall be recognized and measured initially at its fair value in the period in which the liability is incurred rather than when a company commits to such an activity. SFAS No. 146 is required to be adopted beginning with exit or disposal activities that are initiated after December 31, 2002; however, early adoption is permitted.

2. SPECIAL CHARGES

Special charges consist of the following:

	THREE MONTHS ENDED		NINE MONTHS ENDED
	JUNE 30, 2002	SEPTEMBER 30, 2002	SEPTEMBER 30, 2002
	(IN THOUSANDS)		
Impairment of long-lived assets (Note 4)	$190,266	$ --	$190,266
Impairment of goodwill (Note 3)	73,080	--	73,080
Lease termination and other exit costs (Note 5)	4,820	13,819	18,639
	$268,166	13,819	281,985

3. SFAS NO. 141, BUSINESS COMBINATIONS AND SFAS NO. 142, GOODWILL AND OTHER INTANGIBLE ASSETS

In June 2001, the FASB issued SFAS No. 141, Business Combinations, which prohibits the pooling-of-interests method of accounting for business combinations initiated after June 30, 2001 and addresses the accounting for purchase method business combinations completed after June 30, 2001. Also in June 2001, the FASB issued SFAS No. 142, Goodwill and Other Intangible Assets. For existing acquisitions, the provisions of SFAS No. 142 were effective as of January 1, 2002 and are generally effective for business combinations initiated after June 30, 2001. SFAS No. 142 includes provisions regarding the reclassification of certain existing recognized intangibles as goodwill, reassessment of the useful lives of existing recognized intangibles, the cessation of amortization related to goodwill and indefinite-lived intangibles, and the testing for impairment of goodwill and other intangibles annually or more frequently if

circumstances warrant. Additionally, SFAS No. 142 requires that within six months of adoption of SFAS No. 142, goodwill be tested for impairment at the reporting unit level as of the date of adoption.

We adopted SFAS No. 142 as of January 1, 2002 and we reclassified $30.0 million of intangible assets previously identified as an assembled workforce intangible to goodwill. Additionally at adoption of SFAS No. 142, we stopped amortizing goodwill of $659.1 million, as well as goodwill of $118.6 million associated with our investment in ASI accounted for under the equity method of accounting. The unaudited as adjusted financial information below assumes that the cessation of amortization occurred as of January 1, 2001.

	FOR THE THREE MONTHS ENDED SEPTEMBER 30,			FOR THE NINE MONTHS ENDED SEPTEMBER 30,		
	2002	2001	AS ADJUSTED 2001	2002	2001	AS ADJUSTED 2001
	(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)					
Net revenues	$ 453,928	$ 334,716	$ 334,716	$ 1,213,453	$ 1,165,508	$ 1,165,508
Cost of revenues -- including purchases from ASI	401,555	346,355	346,355	1,162,170	1,087,351	1,087,351
Gross profit (loss)	52,373	(11,639)	(11,639)	51,283	78,157	78,157
Operating expenses	70,344	81,977	61,947	458,824	249,980	189,804

Operating loss	(17,971)	(93,616)	(73,586)	(407,541)	(171,823)	(111,647)
Other expense, net	37,569	35,320	35,320	112,906	120,180	120,180
Loss before income taxes, equity in loss of investees and minority interest	(55,540)	(128,936)	(108,906)	(520,447)	(292,003)	(231,827)
Provision (benefit) for income taxes	(10,109)	(24,498)	(24,498)	(58,082)	(55,481)	(55,481)
Equity in loss of investees	(14,299)	(23,661)	(14,732)	(166,040)	(76,254)	(49,509)
Minority interest	423	(645)	(645)	(2,238)	(1,473)	(1,473)
Net loss	$ (59,307)	$ (128,744)	$ (99,785)	$ (630,643)	$ (314,249)	$ (227,328)
Basic net loss per share	$ (0.36)	$ (0.80)	$ (0.62)	$ (3.85)	$ (2.02)	$ (1.46)
Diluted net loss per share	$ (0.36)	$ (0.80)	$ (0.62)	$ (3.85)	$ (2.02)	$ (1.46)

As of the adoption date of the standard, we have reassessed the useful lives of our identified intangibles and they continue to be appropriate. Goodwill and other intangible assets are attributable to two reporting units, packaging and test services. We completed the initial impairment test during the second quarter of 2002. Based on the comparison of the fair value of the reporting units with their respective carrying values each as of January 1, 2002, we concluded that goodwill associated with our packaging and test services reporting units was not impaired as of adoption. An appraisal firm was engaged to assist in the determination of the fair value of our reporting units. The determination of fair value was based on projected cash flows using a discount rate commensurate with the risk involved.

SFAS No. 142 provides that goodwill of a reporting unit be tested for impairment on an annual basis and between annual tests in certain circumstances including a significant adverse change in the business climate and testing for recoverability of long-lived assets. Our test services assets and several non-core packaging services assets remained at low utilization rates during the second quarter of 2002 and are no longer expected to reach previously anticipated utilization levels. As discussed in Note 4 we tested the recoverability of such assets as of June 30, 2002 and concluded that a portion of those assets was impaired. Accordingly we retested goodwill for impairment as of June 30, 2002, and concluded that the carrying value of the assets and liabilities associated with the test services reporting unit exceeded its fair value. As of June 30, 2002, we recognized a $73.1 million goodwill impairment charge. Such impairment charge was measured by comparing the implied fair value of the goodwill associated with the test services reporting unit to its carrying value. An appraisal firm was engaged to assist in the determination of the fair value of our reporting units. The determination of fair value was based on projected cash flows using a discount rate commensurate with the risk involved.

The changes in the carrying value of goodwill by reporting unit are as follows:

	PACKAGING SERVICES	TEST SERVICES	TOTAL
		(IN THOUSANDS)	
Balance as of January 1, 2002	$ 586,344	$ 72,786	$ 659,130
Goodwill acquired	35,845	--	35,845
Goodwill impairment	--	(73,080)	(73,080)
Translation adjustments	1,524	294	1,818
Balance as of September 30, 2002	$ 623,713	$ --	$ 623,713

4. SFAS NO. 144, ACCOUNTING FOR THE IMPAIRMENT OR DISPOSAL OF LONG-LIVED ASSETS

In August 2001, the FASB issued SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets," which supersedes Statement of Financial Accounting Standards No. 121. This standard provides a single accounting model for long-lived assets to be disposed of by sale and establishes additional criteria that would have to be met to classify an asset as held for sale. The carrying amount of an asset or asset group is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset or asset group. Estimates of future cash flows used to test the recoverability of a long-lived asset or asset group must incorporate the entity's own assumptions about its use of the asset or asset group and must factor in all available evidence. SFAS No. 144 requires that long-lived assets be tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Such events include significant under-performance relative to the expected historical or projected future operating results; significant changes in the manner of use of the assets; significant negative industry or economic trends and significant changes in market capitalization.

Although significant recovery was noted in our company's core packaging services during the second quarter of 2002, our test services assets and several non-core packaging services assets remained at low utilization rates relative to our projections, and are no longer expected to reach previously anticipated utilization levels. In addition, during the second quarter of 2002, we experienced a significant decline in our market capitalization. These events triggered an impairment review in accordance with SFAS No. 144. This review included a company-wide evaluation of underutilized assets that could be sold and a detailed update of our operating and cash flow projections. As a result of this analysis, we identified $19.8 million of test and packaging fixed assets that we expect to dispose by June 30, 2003. We recognized an $18.7 million impairment charge to reduce the carrying value of the test and packaging fixed assets to be disposed to their fair value less cost to sell. Fair value of the assets to be disposed was determined with the assistance of an appraisal firm and available information on the resale value of the equipment. Additionally, we tested for impairment our long-lived test assets that are held and used, including intangible assets that we are amortizing, and certain non-core packaging fixed assets that are held and used. For the test and packaging assets that are held and used, we recognized a $171.6 million impairment charge to reduce the carrying value of those assets to fair value. An appraisal firm was engaged to assist in the determination of the fair value of the assets held for use. The determination of fair value was based on projected cash flows using a discount rate commensurate with the risk involved.

5. RESTRUCTURING CHARGE

During the second quarter of 2002, we consolidated some of our U.S. office locations and closed our San Jose test facility. Test development is now centralized in our primary test development center in Wichita, Kansas. These activities were designed to reduce expenses and enhance operational efficiencies. In connection with these activities we recognized $4.8 million in lease cancellation costs and other facility exit expenses.

During the third quarter of 2002, we recorded $13.8 million of special charges principally related to the consolidation of our operations in Taiwan. The charge was comprised of $10.8 million to write-off leasehold improvements and other long-lived assets and $3.0 million for lease termination and other exit costs.

Of the total $18.6 million restructuring charges recorded in the second and third quarter of 2002, $7.2 million remains outstanding as of September 30, 2002. $11.4 million was charged against the restructuring accrual principally to write-off leasehold improvements and other long-lived assets.

6. ACQUISITIONS

In April 2002, we acquired the semiconductor packaging business of Citizen Watch Co., Ltd. located in the Iwate prefecture in Japan. The business acquired includes a manufacturing facility, over 80 employees and intellectual property. The purchase price included a $7.8

million cash payment at closing. We are required to make additional payments one year from closing for the amount of the deferred purchased price as well as contingent payments, which together can not be less than 1.7 billion Japanese yen and can not exceed 2.4 billion Japanese yen ($13.9 million to $19.7 million based on the spot exchange rate at September 30, 2002). If we make the additional contingent payments of 700 million Japanese yen ($5.7 million based on the spot exchange rate at September 30, 2002), we will record them as additional amounts of purchase price effective as of the date the contingency is resolved in January 2003. In accordance with the new accounting standards related to purchase business combinations and goodwill, we recorded $19.6 million of intangible assets for patent rights that are amortizable over 7 years. The fair value of the other assets acquired and liabilities assumed was approximately $2.5 million for fixed assets, $0.1 million for inventory and other assets and $14.2 million for the deferred purchase price payment and minimum amount of the contingent payments. Such net assets principally relate to our packaging services reporting unit.

In October 2002, we terminated negotiations with Fujitsu Limited to acquire Fujitsu's packaging and test operation in Kagoshima, Japan pursuant to the April 2002 memorandum of understanding between our company and Fujitsu.

In January 2002, we acquired Agilent Technologies, Inc.'s packaging business related to semiconductor packages utilized in printers for $2.8 million in cash. The acquired tangible assets were integrated into our existing manufacturing facilities. The purchase price was principally allocated to the tangible assets of our packaging services reporting unit. Our results of operations were not significantly impacted by this acquisition.

In July 2001, we acquired, in separate transactions, 69% of Taiwan Semiconductor Technology Corporation (TSTC) and 98% of Sampo Semiconductor Corporation (SSC) in Taiwan. Including our prior ownership interest in TSTC, we now own 94% of the outstanding shares of TSTC. The combined purchase price was paid with the issuance of 4.9 million shares of our common stock valued at $87.9 million based on our closing share price two days prior to each acquisition, the assumption of $34.8 million of debt and $3.7 million of cash consideration, net of acquired cash. The carrying value of our prior investment in TSTC was $17.8 million. In connection with earn-out provisions that provided for additional purchase price based in part on the results of the acquisitions, we issued an additional 1.8 million shares in January 2002 and recorded an additional $35.2 million in goodwill.

In January 2001, Amkor Iwate Corporation commenced operations and acquired from Toshiba a packaging and test facility located in the Iwate prefecture in Japan. The total purchase price of $77.1 million was financed by a short-term note payable to Toshiba of $21.1 million, $47.0 million in other financing from a Toshiba financing affiliate and cash on hand. Amkor Iwate provides packaging and test services to Toshiba's Iwate factory under a long-term supply agreement based on a cost plus calculation. We currently own 60% of Amkor Iwate and Toshiba owns the balance of the outstanding shares. By January 2004 we are required to purchase the remaining 40% of the outstanding shares of Amkor Iwate from Toshiba. The share purchase price will be determined based on the performance of the joint venture during the three-year period but can not be less than 1 billion Japanese yen and can not exceed 4 billion Japanese yen ($8.2 million to $32.8 million based on the spot exchange rate at September 30, 2002).

7. OUR INVESTMENT IN ANAM SEMICONDUCTOR, INC. (ASI)

During the third quarter of 2002, we entered into definitive agreements to sell 20 million shares of common stock of Anam Semiconductor, Inc. (ASI) at a price of 5,700 Korean won per share ($4.66 per share based on the spot exchange rate at September 30, 2002) to the Dongbu Group. The Dongbu Group comprises Dongbu Corporation, Dongbu Fire Insurance Co., Ltd. and Dongbu Life Insurance Co., Ltd., all of which are Korean corporations and are collectively referred herein as "Dongbu." The transaction closed on September 30, 2002. As of the closing date, we received $58.1 million in net cash proceeds and promissory notes totaling 42 billion Korean won ($34.2 million based on the spot exchange rate at September 30, 2002) of which 21 billion Korean won is payable on September 30, 2003 and the balance is payable on February 10, 2004. We divested an additional 1 million shares of ASI stock as payment of transaction costs to our financial advisors in connection this transaction. In a separate transaction, Dongbu acquired 12.0 million newly issued shares of ASI in July 2002. Following these transactions, Amkor owns 26.7 million shares of ASI or approximately 21% of ASI's outstanding voting stock. We recognized a capital loss on the partial disposition of our investment in ASI of approximately $117.0 million for which we recorded a full valuation allowance to offset the tax benefit that we do not expect to realize.

The definitive agreements with Dongbu also provide that Amkor, ASI and Dongbu will reach agreement no later than December 31, 2002 to terminate Amkor's foundry agreement with ASI. In consideration of such termination, Dongbu will pay Amkor at least $45.0 million and no more than $65.0 million. Under the existing terms of the foundry agreement, Amkor has exclusive rights to sell all the output of ASI's foundry until 2008. As of the date of this report, the negotiations with Dongbu to terminate the foundry agreement and to acquire the net assets associated with our wafer fabrication services segment were ongoing. The ultimate amount of net proceeds associated with these transactions is uncertain and can not be reasonably estimated. Upon termination of the foundry agreement, we will

reflect our wafer fabrication services segment as a discontinued operation. In addition, pursuant to the definitive agreements, (1) Amkor and Dongbu agreed to use reasonable best efforts to cause Dongbu Electronics and ASI to be merged together as soon as practicable, (2) Amkor and Dongbu agreed to cause ASI to use the proceeds ASI received from its sale of stock to Dongbu to purchase shares in Dongbu Electronics and (3) Amkor and Dongbu agreed to use their best efforts to provide releases and indemnifications to the chairman, directors and officers of ASI, either past or incumbent, from any and all liabilities arising out of the performance of their duties at ASI between January 1, 1995 and December 31, 2001. The last provision would provide a release and indemnification for James Kim, our CEO and Chairman, and members of his family. We are not aware of any claims or other liabilities which these individuals would be released from or for which they would receive indemnification.

Financial Information for ASI

The following summary of consolidated financial information was derived from the consolidated financial statements of ASI.

	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001
	(IN THOUSANDS)	
SUMMARY INCOME STATEMENT INFORMATION FOR ASI		
Net revenues	$ 166,024	$ 111,771
Gross profit (loss)	(68,501)	(60,201)
Net loss	(60,831)	(118,650)

	SEPTEMBER 30, 2002	DECEMBER 31, 2001
	(IN THOUSANDS)	
SUMMARY BALANCE SHEET INFORMATION FOR ASI		
Cash, including restricted cash and bank deposits	$ 129,226	$ 84,721
Current assets	208,790	144,898
Property, plant and equipment, net	527,998	646,298
Noncurrent assets (including property, plant and equipment)	641,571	770,932
Current liabilities	109,857	134,727
Total debt and other long-term financing (including current portion)	169,824	238,970
Noncurrent liabilities (including debt and other long-term financing)	141,998	175,487
Total stockholders' equity	598,506	605,616

We evaluate our investment in ASI for impairment due to declines in market value that are considered other than temporary. Such evaluation includes an assessment of general economic and company specific considerations such as regular customer forecasts provided by Texas Instruments, the largest customer for the output of ASI's foundry, regularly updated projections of ASI operating results, and other indications of value including valuations indicated by possible strategic transactions involving ASI that Amkor and ASI have explored. In the event of a determination that a decline in market value is other than temporary, a charge to earnings is recorded for the unrealized loss, and a new cost basis in the investment is established. The stock prices of semiconductor companies' stocks, including ASI and its competitors, have experienced significant volatility beginning in 2000 and continuing into 2002. The weakness in the semiconductor industry has affected the demand for the wafer output from ASI's foundry and the market value of ASI's stock as traded on the Korea Stock

Exchange. During the three months ended March 31, 2002, we recorded a $96.6 million impairment charge to reduce the carrying value of our investment in ASI to ASI's market value based on its closing share price on March 31, 2002. During the three months ended June 30, 2002, we recorded an additional impairment charge of $43.0 million to reduce the carrying value of our investment in ASI to its fair value of $4.74 per share as of June 30, 2002 based on negotiations with Dongbu to acquire a portion of our interest in ASI. At September 30, 2002 and October 31, 2002, ASI's stock price was $2.96 per share and $4.13 per share, respectively. During the fourth quarter of 2002, if the market value of ASI's stock remains below our carrying value, we will likely record an additional impairment charge.

8. INVENTORIES

Inventories consist of raw materials and purchased components that are used in the semiconductor packaging process.

	SEPTEMBER 30, 2002	DECEMBER 31, 2001
	(IN THOUSANDS)	
Raw materials and purchased components	$ 70,084	$ 64,752
Work-in-process	9,191	9,032
	$ 79,275	$ 73,784

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	SEPTEMBER 30, 2002	DECEMBER 31, 2001
	(IN THOUSANDS)	
Land	$ 88,687	$ 88,667
Buildings and improvements	541,191	495,104
Machinery and equipment	1,507,897	1,661,140
Furniture, fixtures and other equipment	129,584	118,069
Construction in progress	12,320	63,782
	2,279,679	2,426,762
Less -- Accumulated depreciation and amortization	(1,257,225)	(1,034,488)
	$ 1,022,454	$ 1,392,274

As described in Note 4, we recorded a $185.5 million impairment charge associated with our test and packaging fixed assets. Such impairment charge principally related to machinery and equipment.

10. ACQUIRED INTANGIBLES

Acquired intangibles consist of the following:

	SEPTEMBER 30, 2002	DECEMBER 31, 2001
	(IN THOUSANDS)	
Patents and technology rights	$ 61,835	$ 46,713
Less -- Accumulated amortization	(14,894)	(9,663)

	$ 46,941	$ 37,050

The estimated annual amortization expense for each of the next five years ending on December 31 is $7.7 million. The weighted average amortization period for the patents and technology rights is 8 years. As described in Note 4, we reduced the carrying value of our test services patents and technology rights by a $4.8 million impairment charge.

11. INVESTMENTS

Investments include equity investments in affiliated companies and noncurrent marketable securities as follows:

	SEPTEMBER 30, 2002	DECEMBER 31, 2001
	(IN THOUSANDS)	
Equity investments under the equity method:		
ASI (ownership of 21% and 42% at September 30, 2002 and December 31, 2001, respectively) (see Note 7)	$ 119,625	$ 377,947
Other equity investments (20% - 50% owned)	1,106	966
Total equity investments	120,731	378,913
Marketable securities classified as available for sale	5,242	4,038
	$ 125,973	$ 382,951

In connection with the disposition of a portion of our interest in ASI, we acquired a 10% interest in Acqutek from ASI for a total purchase price of $1.9 million. Our investment in Acqutek is classified as a marketable security that is available for sale. Acqutek supplies materials to the semiconductor industry and is a publicly traded company in Korea. An entity controlled by the family of James Kim, our Chairman and Chief Executive Officer, holds a 25% ownership interest in Acqutek. We have historically purchased and continue to purchase leadframes from Acqutek. Total purchases from Acqutek included in cost of revenue for the nine months ended September 30, 2002 and 2001 was $12.5 million and $11.5 million, respectively. We believe these transactions with Acqutek were conducted on an arms-length basis in the ordinary course of business.

12. ACCRUED EXPENSES

Accrued expenses consist of the following:

	SEPTEMBER 30, 2002	DECEMBER 31, 2001
	(IN THOUSANDS)	
Accrued income taxes	$ 51,883	$ 53,364
Accrued interest	36,572	32,584
Accrued payroll	32,264	20,813
Other accrued expenses	74,566	38,783
	$ 195,285	$ 145,544

13. DEBT

Following is a summary of short-term borrowings and long-term debt:

	SEPTEMBER 30, 2002	DECEMBER 31, 2001
	(IN THOUSANDS)	
Secured bank facility:		
Term B loans, LIBOR plus 4% due September 2005	$ 97,368	$ 97,706
$100.0 million revolving line of credit, LIBOR plus 3.75% due March 2005	--	--
9.25% Senior notes due May 2006	425,000	425,000
9.25% Senior notes due February 2008	500,000	500,000
10.5% Senior subordinated notes due May 2009	200,000	200,000
5.75% Convertible subordinated notes due June 2006, convertible at $35.00 per share	250,000	250,000
5% Convertible subordinated notes due March 2007, convertible at $57.34 per share	258,750	258,750
Other debt	74,540	94,812
	1,805,658	1,826,268
Less -- Short-term borrowings and current portion of long-term debt	(50,849)	(54,815)
	$ 1,754,809	$ 1,771,453

In June 2002 and September 2002 we amended our existing bank debt covenants to provide further flexibility with respect to capital expenditures, investment restrictions and other financial covenants measured in part by our liquidity and earnings.

Interest expense related to short-term borrowings and long-term debt is presented net of interest income of $2.9 million and $8.5 million for the nine months ended September 30, 2002 and 2001, respectively, in the accompanying consolidated statements of operations.

14. EARNINGS PER SHARE

Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings Per Share," requires dual presentation of basic and diluted earnings per share on the face of the income statement. Basic EPS is computed using only the weighted average number of common shares outstanding for the period, while diluted EPS is computed assuming conversion of all dilutive securities, such as options, convertible debt and warrants. For the three and nine months ended September 30, 2002 and 2001, we excluded from the computation of diluted earnings per share potentially dilutive securities which would have an antidilutive effect on EPS. As of September 30, 2002, the total number of potentially dilutive securities outstanding was 14.8 million, 11.7 million and 3.9 million for

outstanding options, convertible notes and warrants for common stock, respectively. As of September 30, 2001, the total number of potentially dilutive securities outstanding was 12.3 million, 11.7 million and 3.9 million for outstanding options, convertible notes and warrants for common stock, respectively.

15. SEGMENT INFORMATION

In accordance with SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," we have two reportable segments, packaging and test services and wafer fabrication services. These segments are managed separately because the services provided by each segment require different technology and marketing strategies.

Packaging and Test Services. Through our factories located in the Philippines, Korea, Japan, Taiwan and China, we offer a complete and integrated set of packaging and test services including integrated circuit (IC) packaging design, leadframe and substrate design, IC package packaging, final testing, burn-in, reliability testing and thermal and electrical characterization.

Wafer Fabrication Services. Through our wafer fabrication services division, we provide marketing, engineering and support services for ASI's wafer foundry, under a long-term supply agreement.

Total net revenues derived from Toshiba accounted for 12.6% and 14.7% of our consolidated net revenues for the nine months ended September 30, 2002 and 2001, respectively. Total net revenues derived from TI accounted for 14.3% and 8.6% of our consolidated net revenues for the nine months ended September 30, 2002 and 2001, respectively. We derived 91.8% and 71.4% of our wafer fabrication revenues from Texas Instruments (TI) for the nine months ended September 30, 2002 and 2001, respectively.

The accounting policies for segment reporting are the same as those for our consolidated financial statements. We evaluate our operating segments based on operating income. Summarized financial information concerning reportable segments is shown in the following table. The "Other" column includes the elimination of inter-segment balances and corporate assets which include cash and cash equivalents, non-operating balances due from affiliates, investment in equity affiliates and other investments.

	PACKAGING AND TEST	WAFER FABRICATION	OTHER	TOTAL
		(IN THOUSANDS)		
				<C
Three Months Ended September 30, 2002				
Net revenues	$ 393,563	$ 60,365	$ --	$ 453,928
Gross profit	47,510	4,863	--	52,373
Operating income (loss)	(20,849)	2,878	--	(17,971)
Three Months Ended September 30, 2001				
Net revenues	$ 288,529	$ 46,187	$ --	$ 334,716
Gross profit (loss)	(15,992)	4,353	--	(11,639)
Operating income (loss)	(95,586)	1,970	--	(93,616)
Nine Months Ended September 30, 2002				
Net revenues	$ 1,032,989	$ 180,464	$ --	$ 1,213,453
Gross profit	34,432	16,851	--	51,283
Operating income (loss)	(417,635)	10,094	--	(407,541)
Nine Months Ended September 30, 2001				
Net revenues	$ 1,039,365	$ 126,143	$ --	$ 1,165,508
Gross profit	66,069	12,088	--	78,157
Operating income (loss)	(176,975)	5,152	--	(171,823)
Total Assets				
September 30, 2002	$ 2,238,312	$ 124,590	$ 382,041	$ 2,744,943
December 31, 2001	2,540,020	87,953	595,345	3,223,318

The following presents property, plant and equipment, net based on the location of the asset.

	SEPTEMBER 30, 2002	DECEMBER 31, 2001
	(IN THOUSANDS)	
Property, Plant and Equipment, net		
United States................................	$ 81,814	$ 87,776
Philippines..................................	293,797	471,302
Korea..	513,636	698,448
Taiwan.......................................	76,755	90,088
Japan..	41,848	35,074
China..	14,001	9,093
Other foreign countries......................	603	493
	$ 1,022,454	$ 1,392,274

16. COMMITMENTS AND CONTINGENCIES

Amkor is involved in various claims incidental to the conduct of our business. Based on consultation with legal counsel, we do not believe that any claims, either individually or in the aggregate, to which the company is a party will have a material adverse effect on our financial condition or results of operations.

We are disputing certain amounts due under a technology license agreement with a third party. We remit to the third party our estimate of amounts due under this agreement. Depending on the outcome of this dispute, the ultimate amount payable by us, as of September 30, 2002, could be up to an additional $16.6 million. The third party is not actively pursuing resolution to this dispute and we have not accrued the potential additional amount.

17. SUBSEQUENT EVENTS

Effective with the fourth quarter of 2002, we will change the estimated useful lives of certain of our packaging equipment from four years to seven years for depreciation purposes, which is in line with our historical usage and consistent with other companies in our industry. We will not extend the useful lives of the packaging equipment associated with the second quarter impairment charge based on our expected use of that equipment and the associated cash flows. This change is expected to reduce depreciation expense by approximately $18 million per quarter.

On November 8, 2002, we initiated a voluntary stock option replacement program such that employees and members of our Board of Directors can elect to surrender their existing options and be granted new options six months and one day after the tendered options are cancelled. We will issue new option grants equal to the same number of shares surrendered by the employees. The exercise price will equal the fair market value of common stock as of the new grant date which is expected to be no earlier than June 12, 2003. As of October 31, 2002, we had options outstanding of 14.8 million shares.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion contains forward-looking statements within the meaning of the federal securities laws, including but not limited to statements regarding: (1) the condition and growth of the industry in which we operate, including trends toward increased outsourcing, reductions in inventory and demand and selling prices for our services, (2) our anticipated capital expenditures and financing needs, (3) our belief as to our future revenue and operating performance, (4) statements regarding the future of our relationship with ASI and utilization of the capacity of ASI's wafer fabrication facility and (5) other statements that are not historical facts. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue," or the negative of these terms or other comparable terminology. Because such statements include risks and uncertainties, actual results may differ materially from those anticipated in such forward-looking statements as a result of certain factors, including those set forth in the following discussion as well as in "Risk Factors that May Affect Future Operating Performance." The following discussion provides information and analysis of our results of operations for the three and nine months ended September 30, 2002 and our liquidity and capital resources. You should read the following discussion in conjunction with our consolidated financial statements and the related notes, included elsewhere in this quarterly report as well as other reports we file with the Securities and Exchange Commission.

Amkor is the world's largest subcontractor of semiconductor packaging and test services. The company has built a leading position through:

- one of the industry's broadest offerings of packaging and test services,
- expertise in the development and implementation of packaging and test technology,
- long-standing relationships with customers, including many of the world's leading semiconductor companies, and
- expertise in high-volume manufacturing.

We also market the output of fabricated semiconductor wafers provided by a wafer fabrication foundry owned and operated by Anam Semiconductor, Inc. (ASI). The semiconductors that we package and test for our customers ultimately become components in electric systems used in communications, computing, consumer, industrial, automotive and military applications. Our customers include, among others, Intel Corporation, LSI Logic Corporation, RF Micro Devices, ST Microelectronics PTE, Sony Semiconductor Corporation, Texas Instruments, Inc. and Toshiba Corporation. The outsourced semiconductor packaging and test market is very competitive. We also compete from time to time with many of our vertically integrated customers, who may decide to outsource or not outsource certain of their packaging and test requirements.

Our business is tied to market conditions in the semiconductor industry, which is highly cyclical. Based on industry estimates, from 1978 through 2001, there were 11 years when semiconductor industry growth, measured by revenue dollars, was 10% or less and 13 years when growth was 19% or greater. The historical trends in the semiconductor industry are not necessarily indicative of the results of any future period. The strength of the semiconductor industry is dependent primarily upon the strength of the computer and communications systems markets. Since 1970, the semiconductor industry declined in 1975, 1985, 1996, 1998 and most recently beginning in the fourth quarter of 2000 and continued through 2001. The semiconductor industry declined an estimated 32% in 2001. Semiconductor industry analysts are forecasting little to no growth in 2002 on an annual basis as compared to 2001. However, industry analysts are forecasting significant growth in the semiconductor industry in each of 2003 and 2004. Although significant recovery was noted in our company's core packaging services during the second quarter of 2002, our test services assets and several non-core packaging services assets remained at low utilization rates relative to our projections, and are no longer expected to reach previously anticipated utilization levels. We recognized total impairment charges of $263.4 million during the second quarter of 2002. The nature of the impairment charges was as follows: (1) $18.7 million impairment charge to reduce the carrying value of the test and packaging assets to be disposed to their fair value less cost to sell; (2) $171.6 million impairment charge to reduce the carrying value of test assets and certain non-core packaging assets that are held and used to fair value, and (3) $73.1 million goodwill impairment charge associated with our test services reporting unit.

We currently expect packaging and test revenue for the fourth quarter of 2002 to be around 5% lower than packaging and test revenues for the third quarter of 2002. Wafer fabrication services revenue should be around $50 million for the fourth quarter of 2002.

Effective with the fourth quarter of 2002, we will change the estimated useful lives of certain of our packaging equipment from four years to seven years for depreciation purposes, which is in line with our historical usage and consistent with other companies in our industry. We will not extend the useful lives of the packaging equipment associated with the second quarter impairment charge based on our expected use of that equipment and the associated cash flows. This change is expected to reduce depreciation expense by approximately $18 million per quarter. We expect that as a result of this change, together with ongoing cost efficiency programs, fourth quarter gross margin will improve to around 13%. Our profitability is dependent upon the utilization of our capacity, semiconductor package mix and the average selling price of our services. Because a substantial portion of our costs at our factories is fixed, relatively insignificant increases or decreases in capacity utilization rates can have a significant effect on our profitability. Prices for packaging and test services and wafer fabrication services have declined over time. Historically, we have been able to partially offset the effect of price declines by successfully developing and marketing new packages with higher prices, such as advanced leadframe and laminate packages, by negotiating lower prices with our material vendors, and by driving engineering and technological changes in our packaging and test processes which resulted in reduced manufacturing costs. We expect that average selling prices for our packaging and test services will continue to decline in the future. If our semiconductor package mix does not shift to new technologies with higher prices or we can not reduce the cost of our packaging and test services and wafer fabrication services to offset a decline in average selling prices, our future operating results will suffer. During the three and nine months ended September 30, 2002, as compared to the comparable period a year ago, the decline in average selling prices of 7% and 18%, respectively, significantly impacted our gross margins.

OVERVIEW OF OUR HISTORICAL RESULTS

Our Historical Relationship with ASI

Historically we performed packaging and test services at our factories in the Philippines and subcontracted for additional services with ASI, which operated four packaging and test facilities in Korea. In the fourth quarter of 1998 ASI's business had been severely affected by the economic crisis in Korea. ASI was part of the Korean financial restructuring program known as the "Workout" program beginning in October 1998. The Workout program was the result of an accord among Korean financial institutions to assist in the restructuring of Korean business enterprises. The process involved negotiation between the related banks and ASI, and did not involve the judicial system. The Workout process restructured the terms of ASI's significant bank debt. Although ASI's operations continued uninterrupted during the process, it caused concern among our customers that we could potentially lose access to ASI's services. As a result, we decided to acquire ASI's packaging and test operations to ensure continued access to the manufacturing services previously provided by ASI. During the course of negotiations for the purchase of the packaging and test operations, both ASI management and the bank group presented a counter-proposal whereby, in addition to the purchase of the packaging and test operations, we would also make an equity investment in ASI. The bank group and ASI management proposed this structure because they believed the equity investment would reflect a level of commitment from us to continue our ongoing business relationship with ASI after the sale of its packaging and test operations to Amkor.

In May 1999, we acquired K4, one of ASI's packaging and test facilities, and in May 2000 we acquired ASI's remaining packaging and test facilities, K1, K2 and K3. With the completion of our acquisition of K1, K2 and K3, we no longer depend upon ASI for packaging or test services, but we continue to market ASI's wafer fabrication services. In May 2000 we committed to a $459.0 million equity investment in ASI, and fulfilled this commitment in installments taking place over the course of 2000. In connection with the May 2000 transactions with ASI, we obtained independent appraisals to support the value and purchase price of the each the packaging and test operations and the equity investment. We invested a total of $500.6 million in ASI including an equity investment of $41.6 million made in October 1999.

During the third quarter of 2002, we entered into definitive agreements to sell 20 million shares of common stock of Anam Semiconductor, Inc. (ASI) at a price of 5,700 Korean won per share ($4.66 per share based on the spot exchange rate at September 30, 2002) to the Dongbu Group. The Dongbu Group comprises Dongbu Corporation, Dongbu Fire Insurance Co., Ltd. and Dongbu Life Insurance Co., Ltd., all of which are Korean corporations and are collectively referred herein as "Dongbu." The transaction closed on September 30, 2002. As of the closing date, we received $58.1 million in net cash proceeds and promissory notes totaling 42 billion Korean won ($34.2 million based on the spot exchange rate at September 30, 2002) of which 21 billion Korean won is payable on September 30, 2003 and the balance is payable on February 10, 2004. We divested an additional 1 million shares of ASI stock as payment of transaction costs to our financial advisors in connection this transaction. In a separate transaction, Dongbu acquired 12.0 million newly issued shares of ASI in July 2002. Following these transactions, we own 26.7 million shares of ASI or approximately 21% of ASI's outstanding voting stock. We report ASI's results in our financial statements through the equity method of accounting.

The definitive agreements with Dongbu also provide that Amkor, ASI and Dongbu will reach agreement no later than December 31, 2002 to terminate Amkor's foundry agreement with ASI. In consideration of such termination, Dongbu will pay Amkor at least $45.0

million and no more than $65.0 million. Under the existing terms of the foundry agreement, Amkor has exclusive rights to sell all the output of ASI's foundry until 2008. As of the date of this report, the negotiations with Dongbu to terminate the foundry agreement and to acquire the net assets associated with our wafer fabrication services segment were ongoing. The ultimate amount of net proceeds associated with these transactions is uncertain and can not be reasonably estimated. Upon termination of the foundry agreement, we will reflect our wafer fabrication services segment as a discontinued operation and we will no longer benefit from the income from operations and cash flows of our wafer fabrication services segment. In addition, pursuant to the definitive agreements, (1) Amkor and Dongbu agreed to use reasonable best efforts to cause Dongbu Electronics and ASI to be merged together as soon as practicable, (2) Amkor and Dongbu agreed to cause ASI to use the proceeds ASI received from its sale of stock to Dongbu to purchase shares in Dongbu Electronics and (3) Amkor and Dongbu agreed to use their best efforts to provide releases and indemnifications to the chairman, directors and officers of ASI, either past or incumbent, from any and all liabilities arising out of the performance of their duties at ASI between January 1, 1995 and December 31, 2001. The last provision would provide a release and indemnification for James Kim, our CEO and Chairman, and members of his family. We are not aware of any claims or other liabilities which these individuals would be released from or for which they would receive indemnification.

In connection with the disposition of a portion of our interest in ASI, we acquired a 10% interest in Acqutek from ASI for a total purchase price of $1.9 million. Our investment in Acqutek is classified as a marketable security that is available for sale. Acqutek supplies materials to the semiconductor industry and is a publicly traded company in Korea. An entity controlled by the family of James Kim, our Chairman and Chief Executive Officer, holds a 25% ownership interest in Acqutek. We have historically purchased and continue to purchase leadframes from Acqutek. Total purchases from Acqutek included in cost of revenue for the nine months ended September 30, 2002 and 2001 was $12.5 million and $11.5 million, respectively. We believe these transactions with Acqutek were conducted on an arms-length basis in the ordinary course of business.

Our 2002 Acquisitions

In April 2002, we acquired the semiconductor packaging business of Citizen Watch Co., Ltd. located in the Iwate prefecture in Japan. The business acquired includes a manufacturing facility, over 80 employees and intellectual property. The purchase price included a $7.8 million cash payment at closing. We are required to make additional payments one year from closing for the amount of the deferred purchased price as well as contingent payments, which together can not be less than 1.7 billion Japanese yen and can not exceed 2.4 billion Japanese yen ($13.9 million to $19.7 million based on the spot exchange rate at September 30, 2002). In accordance with the new accounting standards related to purchase business combinations and goodwill, we recorded $19.6 million of intangible assets for patent rights that are amortizable over 7 years.

In January 2002, we acquired Agilent Technologies, Inc.'s packaging business related to semiconductor packages utilized in printers for $2.8 million in cash. The acquired tangible assets were integrated into our existing manufacturing facilities. The purchase price was principally allocated to the tangible assets. Our results of operations were not significantly impacted by this acquisition.

In October 2002, we terminated negotiations with Fujitsu Limited to acquire Fujitsu's packaging and test operation in Kagoshima, Japan pursuant to the April 2002 memorandum of understanding between our company and Fujitsu.

Our Venture with Toshiba Corporation

As of January 1, 2001, Amkor Iwate Corporation commenced operations with the acquisition of a packaging and test facility at a Toshiba factory located in the Iwate prefecture in Japan. Amkor Iwate provides packaging and test services principally to Toshiba's Iwate factory under a long-term supply agreement that provides for services to be performed on a cost plus basis. The supply agreement with Toshiba's Iwate factory terminates two years subsequent to our acquisition of Toshiba's ownership interest in Amkor Iwate. We currently own 60% of Amkor Iwate and Toshiba owns the balance of the outstanding shares. Within three years we are required to purchase the remaining 40% of the outstanding shares of Amkor Iwate from Toshiba. The share purchase price will be determined based on the performance of the venture during the three-year period but can not be less than 1 billion Japanese yen and can not exceed 4 billion Japanese yen ($8.2 million to $32.8 million based on the spot exchange rate at September 30, 2002).

Our Acquisitions of Taiwan Semiconductor Technology Corporation and Sampo Semiconductor Corporation

In July 2001, we acquired, in separate transactions, Taiwan Semiconductor Technology Corporation (TSTC) and Sampo Semiconductor Corporation (SSC) in

Taiwan. The results of TSTC and SSC have been included in the accompanying consolidated financial statements since the acquisition dates. Our results of operations were not significantly impacted by these acquisitions. In connection with earn-out provisions that provided for additional purchase price based in part on the results of the acquisitions, we issued an additional 1.8 million shares in January 2002 and recorded an additional $35.2 million in goodwill.

RESULTS OF OPERATIONS

The following table sets forth certain operating data as a percentage of net revenues for the periods indicated:

	FOR THE THREE MONTHS ENDED SEPTEMBER 30,		FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	2002	2001	2002	2001
	(UNAUDITED)		(UNAUDITED)	
Net revenues	100.0%	100.0%	100.0%	100.0%
Gross profit (loss)	11.5	(3.5)	4.2	6.7
Operating loss	(4.0)	(28.0)	(33.6)	(14.7)
Loss before income taxes, equity in loss of investees and minority interest	(12.2)	(38.5)	(42.9)	(25.1)
Net loss	(13.1)	(38.5)	(52.0)	(27.0)

Three Months Ended September 30, 2002 Compared to Three Months Ended September 30, 2001

Net Revenues. Net revenues increased $119.3 million, or 35.6%, to $454.0 million in the three months ended September 30, 2002 from $334.7 million in the three months ended September 30, 2001. Packaging and test net revenues increased 36.4% to $393.6 million in the three months ended September 30, 2002 from $288.5 million in the three months ended September 30, 2001. Wafer fabrication net revenues increased 30.7% to $60.4 million in the three months ended September 30, 2002 from $46.2 million in the three months ended September 30, 2001.

The increase in packaging and test net revenues for the three months ended September 30, 2002, excluding the impact of our acquisitions and expansion in Japan, Taiwan and China, was principally attributed to a 42.8% increase in unit volumes partially offset by a 7% decline in average selling prices across our product lines as compared to the comparable period a year ago. This overall unit volume increase was driven by a 61.3% increase for advanced leadframe and laminate packages and a 24.9% increase in our traditional leadframe business. The revenues of our Japanese acquisition, Amkor Iwate, for the three months ended September 30, 2002 increased $9.2 million compared to the three month ended September 30, 2001. Our acquisitions in Taiwan and expansion into China contributed $10.2 million to the increase in net revenues for the three months ended September 30, 2002.

Prices for packaging and test services and wafer fabrication services have declined over time. Historically, we have been able to partially offset the effect of price declines by successfully developing and marketing new packages with higher prices, such as advanced leadframe and laminate packages, by negotiating lower prices with our material vendors, and by driving engineering and technological changes in our packaging and test processes which resulted in reduced manufacturing costs. During the three months ended September 30, 2002, the decline in average selling prices significantly impacted our gross margins as compared to the comparable period a year ago.

The increase in wafer fabrication net revenues was primarily attributed to a 47.9% increase in sales to Texas Instruments in the three months ended September 30, 2002 as compared with the three months ended September 30, 2001 partially offset by a decrease in demand from our other wafer fabrication services customers. We derived 88.9% and 78.6% of our wafer fabrication revenues from Texas Instruments for the three months ended September 30, 2002 and 2001, respectively. The definitive agreements with Dongbu provide that Amkor, ASI and Dongbu will reach agreement no later than December 31, 2002 to terminate Amkor's foundry agreement with ASI. Under the existing terms of the foundry agreement, Amkor has exclusive rights to sell all the output of ASI's foundry until 2008.

As of the date of this report, the negotiations with Dongbu to terminate the foundry agreement and to acquire the net assets associated with our wafer fabrication services segment were ongoing. The ultimate amount of net proceeds associated with these transactions is uncertain and can not be reasonably estimated. Upon termination of the foundry agreement, we will reflect our wafer fabrication services segment as a discontinued operation.

Gross Profit (Loss). Gross profit increased $64.0 million to $52.4 million in the three months ended September 30, 2002 from a gross loss of $11.6 million in the three months ended September 30, 2001. Our cost of revenues consists principally of costs of materials, labor and depreciation. Because a substantial portion of our costs at our factories is fixed, relatively insignificant increases or decreases in capacity utilization rates can have a significant effect on our gross margin. As a result of acquisitions in Japan and Taiwan in 2001 as well as other geographic expansions, we substantially increased our fixed costs.

Gross margins as a percentage of net revenues increased 15 percentage points to 11.5% in the three months ended September 30, 2002 as compared to a negative (3.5%) in the three months ended September 30, 2001 principally as a result of the following:

- Our factories in Korea and the Philippines caused an approximate 16 percentage point increase in gross margins attributed to increased capacity utilization as a result of increased unit volumes together with the impact of our cost savings initiatives and an estimated reduction of $19 million in depreciation expense as a result of the fixed asset impairment charge recorded during the second quarter of 2002.

- Material cost savings that contributed approximately 3 percentage points to the increase in gross margins.

The positive impacts on gross margins were partially offset by:

- Average selling price erosion across our product lines caused an estimated 2 percentage point decline in gross margins.

- Our acquisitions in Taiwan and expansion into China caused an approximate 2 percentage point decline in gross margin as a result of the costs associated with ramping and reconfiguring operations at these facilities as well as other factors.

Selling, General and Administrative Expenses. Selling, general and administrative expenses decreased $0.7 million, or 1.6%, to $47.1 million, or 10.4% of net revenues, in the three months ended September 30, 2002 from $47.8 million, or 14.3% of net revenues, in the three months ended September 30, 2001. The decrease in these costs was principally due to:

- Decreased costs of $1.8 million principally related to our U.S. based administrative overhead cost reduction initiatives; and

- Decreased costs of $1.8 million related to the acquisitions in Taiwan and the geographic expansion in China attributed to the significant start-up expenses incurred during the three months ended September 30, 2001; partially offset by

- Increased administrative overhead of $2.9 million in our facilities in Korea, the Philippines and Japan as a result of additional indirect labor associated with the additional production volumes.

Research and Development. Research and development expenses decreased $2.2 million to $7.6 million, or 1.7% of net revenues, in the three months ended September 30, 2002 from $9.8 million, or 2.9% of net revenues, in the three months ended September 30, 2001. Our research and development efforts support our customers' needs for smaller packages and increased functionality. We continue to invest our research and development resources in the development of our Flip Chip interconnection solutions, our System-in-Package technology, that uses both advanced packaging and traditional surface mount techniques to enable the combination of technologies in a single package, and our Chip Scale packages that are nearly the size of the semiconductor die.

Amortization of Goodwill and Other Acquired Intangibles. As of January 1, 2002, we adopted Statement of Financial Accounting Standard No. 142, Goodwill and Other Intangible Assets. We reclassified $30.0 million of intangible assets previously identified as an assembled workforce intangible to goodwill. Additionally, we stopped amortizing goodwill of $659.1 million. The cessation of amortization reduced amortization expense by $20.0 million for the three months ended September 30, 2002 as compared with the three months ended September 30, 2001.

Special Charges. During the three months ended September 30, 2002, we recorded $13.8 million of special charges principally related to the consolidation of our operations in Taiwan. The charge was comprised of $10.8 million to write-off leasehold improvements and other long-lived assets and $3.0 million for lease termination and other exit costs.

Other (Income) Expense. Other expenses, net increased $2.3 million, to $37.6 million, or 8.3% of net revenues, in the three months ended September 30, 2002 from $35.3 million, or 10.6% of net revenues, in the three months ended September 30, 2001.

Provision (Benefit) for Income Taxes. Our effective tax rate in the three months ended September 30, 2002 and 2001 was a benefit of (18.2%) and (19.0%), respectively. The tax returns for open years are subject to changes upon final examination. Changes in the mix of income from our foreign subsidiaries, expiration of tax holidays and changes in tax laws and regulations could result in increased effective tax rates for us in the future. If we continue to incur losses, a valuation allowance may be required for a portion or all of our deferred tax assets related primarily to net operating loss carryforwards.

Equity in Loss of Investees. Our earnings included our share of losses in our equity affiliates, principally ASI, in the three months ended September 30, 2002 of $12.5 million compared to $23.7 million ($14.7 million excluding the amortization of equity method

goodwill) in the three months ended September 30, 2001. As of January 1, 2002, we adopted Statement of Financial Accounting Standard No. 142, Goodwill and Other Intangible Assets. We stopped amortizing equity method goodwill of $118.6 million associated with our investment in ASI. The cessation of amortization reduced equity in loss of investees by $8.9 million for the three months ended September 30, 2002 as compared with the corresponding period.

During the three months ended September 30, 2002, we recorded a loss of $1.8 million on the disposition of a portion of our interest in ASI to Dongbu. With Dongbu's recent purchase of 12.0 million newly issued shares of ASI together with its purchase of 20 million shares from our company and our disposition of an additional 1 million shares of ASI stock as payment of transaction costs to our financial advisors in connection with the transaction with Dongbu, our ownership interest in ASI was reduced to approximately 21%.

Nine Months Ended September 30, 2002 Compared to Nine Months Ended September 30, 2001

Net Revenues. Net revenues increased $48.0 million, or 4.1%, to $1,213.5 million in the nine months ended September 30, 2002 from $1,165.5 million in the nine months ended September 30, 2001. Packaging and test net revenues decreased 0.6% to $1,033.0 million in the nine months ended September 30, 2002 from $1,039.4 million in the nine months ended September 30, 2001. Wafer fabrication net revenues increased 43.1% to $180.5 million in the nine months ended September 30, 2002 from $126.1 million in the nine months ended September 30, 2001.

The decrease in packaging and test net revenues for the nine months ended September 30, 2002, excluding the impact of our acquisitions and expansion in Japan, Taiwan and China, was principally attributed to a 18% decline in average selling prices across our product lines as compared to the comparable period a year ago. Partially offsetting the decline in average selling prices, overall unit volumes increased 15.3% which was driven by a 38.0% increase for advanced leadframe and laminate packages offset by a 2.4% decrease in our traditional leadframe business. The revenues of our Japanese acquisition, Amkor Iwate, for the nine months ended September 30, 2002 declined $18.4 million compared to the nine month ended September 30, 2001. Our acquisitions in Taiwan and expansion into China contributed $49.0 million to the increase in net revenues for the nine months ended September 30, 2002.

Prices for packaging and test services and wafer fabrication services have declined over time. Historically, we have been able to partially offset the effect of price declines by successfully developing and marketing new packages with higher prices, such as advanced leadframe and laminate packages, by negotiating lower prices with our material vendors, and by driving engineering and technological changes in our packaging and test processes which resulted in reduced manufacturing costs. During the nine months ended September 30, 2002, the decline in average selling prices significantly impacted our gross margins as compared to the comparable period a year ago.

The increase in wafer fabrication net revenues was primarily attributed to a 84.2% increase in sales to Texas Instruments in the nine months ended September 30, 2002 as compared with the nine months ended September 30, 2001 partially offset by a 59.3% decrease in demand from our other wafer fabrication services customers. We derived 91.8% and 71.4% of our wafer fabrication revenues from Texas Instruments for the nine months ended September 30, 2002 and 2001, respectively. The definitive agreements with Dongbu provide that Amkor, ASI and Dongbu will reach agreement no later than December 31, 2002 to terminate Amkor's foundry agreement with ASI. Under the existing terms of the foundry agreement, Amkor has exclusive rights to sell all the output of ASI's foundry until 2008. As of the date of this report, the negotiations with Dongbu to terminate the foundry agreement and to acquire the net assets associated with our wafer fabrication services segment were ongoing. The ultimate amount of net proceeds associated with these transactions is uncertain and can not be reasonably estimated. Upon termination of the foundry agreement, we will reflect our wafer fabrication services segment as a discontinued operation.

Gross Profit (Loss). Gross profit decreased $26.9 million, or 34.4%, to $51.3 million in the nine months ended September 30, 2002 from $78.2 million in the nine months ended September 30, 2001. Our cost of revenues consists principally of costs of materials, labor and depreciation. Because a substantial portion of our costs at our factories is fixed, relatively insignificant increases or decreases in capacity utilization rates can have a significant effect on our gross margin. As a result of acquisitions in Japan and Taiwan in 2001 as well as other geographic expansions, we substantially increased our fixed costs.

Gross margins as a percentage of net revenues decreased 2.5 percentage points to 4.2% in the nine months ended September 30, 2002 as compared to 6.7% in the nine months ended September 30, 2001 principally as a result of the following:

- Average selling price erosion across our product lines caused an estimated 12 percentage points decline in gross margins.

- Our acquisitions in Taiwan and expansion into China contributed approximately 1 percentage point to the decline in gross margin as a result of the costs associated with ramping and reconfiguring operations at these facilities.

The negative impacts on gross margins were partially offset by:

- Our factories in Korea and the Philippines caused an approximate 6.5 percentage point increase in gross margins attributed to increased capacity utilization as a result of increased unit volumes together with the impact of our cost savings initiatives and an estimated reduction of $19 million in depreciation expense as a result of the fixed asset impairment charge recorded during the second quarter of 2002.

- Material cost savings that contributed approximately 4 percentage points to the increase in gross margins.

Selling, General and Administrative Expenses. Selling, general and administrative expenses decreased $8.8 million, or 5.7%, to $144.4 million, or 11.9% of net revenues, in the nine months ended September 30, 2002 from $153.2 million, or 13.1% of net revenues, in the nine months ended September 30, 2001. The decrease in these costs was principally due to decreased costs of $9.4 million principally related to our U.S. based administrative overhead cost reduction initiatives; partially offset by $0.6 million for increased administrative costs in our factories.

Research and Development. Research and development expenses decreased $3.9 million to $24.5 million, or 2.0% of net revenues, in the nine months ended

September 30, 2002 from $28.4 million, or 2.4% of net revenues, in the nine months ended September 30, 2001. Our research and development efforts support our customers' needs for smaller packages and increased functionality. We continue to invest our research and development resources in the development of our Flip Chip interconnection solutions, our System-in-Package technology, that uses both advanced packaging and traditional surface mount techniques to enable the combination of technologies in a single package, and our Chip Scale packages that are nearly the size of the semiconductor die.

Amortization of Goodwill and Other Acquired Intangibles. As of January 1, 2002, we adopted Statement of Financial Accounting Standard No. 142, Goodwill and Other Intangible Assets. We reclassified $30.0 million of intangible assets previously identified as an assembled workforce intangible to goodwill. Additionally, we stopped amortizing goodwill of $659.1 million. The cessation of amortization reduced amortization expense by $60.2 million for the nine months ended September 30, 2002 as compared with the nine months ended September 30, 2001.

Special Charges. During the nine months ended September 30, 2002, we recorded $282.0 million of special charges. Special charges were comprised of:

	SEPTEMBER 30, 2002 (IN THOUSANDS)
Impairment of long-lived assets	$ 190,266
Impairment of goodwill	73,080
Lease termination and other exit costs	18,639
	$ 281,985

Although significant recovery was noted in our company's core packaging services during the second quarter of 2002, our test services assets and several non-core packaging services assets remained at low utilization rates relative to our projections, and are no longer expected to reach previously anticipated utilization levels. In addition, during the second quarter of 2002, we experienced a significant decline in our market capitalization. These events triggered an impairment review in accordance with SFAS No. 144. This review included a company-wide evaluation of underutilized assets that could be sold and a detailed update of our operating and cash flow projections. As a result of this analysis, we identified $19.8 million of test and packaging fixed assets to be disposed. We recognized an $18.7 million impairment charge to reduce the carrying value of the test and packaging fixed assets to be disposed to their fair value less cost to sell. Fair value of the assets to be disposed was determined with the assistance of an appraisal firm and available information on the resale value of the equipment. Additionally, we tested for impairment our long-lived test assets that are held and used, including intangible assets that we are amortizing, and certain non-core packaging fixed assets that are held and used. For the test and packaging assets that are held and used, we recognized a $171.6 million impairment charge to reduce the carrying value of those assets to fair value. An appraisal firm was engaged to assist in the determination of the fair value of the assets held for use. The determination of fair value was based on projected cash flows using a discount rate commensurate with the risk involved.

SFAS No. 142 provides that goodwill of a reporting unit be tested for impairment on an annual basis and between annual tests in certain circumstances including a significant adverse change in the business climate and testing for recoverability of long-lived assets. Accordingly we retested goodwill for impairment as of June 30, 2002, and concluded that the carrying value of the assets and liabilities associated with the test services reporting unit exceeded its fair value. As of June 30, 2002, we recognized a $73.1 million goodwill impairment charge. Such impairment charge was measured by comparing the implied fair value of the goodwill associated with the test

services reporting unit to its carrying value. An appraisal firm was engaged to assist in the determination of the fair value of our reporting units. The determination of fair value was based on projected cash flows using a discount rate commensurate with the risk involved.

During the three months ended September 30, 2002, we recorded $13.8 million of special charges principally related to the consolidation of our operations in Taiwan. The charge was comprised of $10.8 million to write-off leasehold improvements and other long-lived assets and $3.0 million for lease termination and other exit costs.

During the second quarter of 2002, we consolidated some of our U.S. office locations and closed our San Jose test facility. Test development is now centralized in our primary test development center in Wichita, Kansas. These activities were designed to reduce expenses and enhance operational efficiencies. In connection with these activities we recognized $4.8 million in lease cancellation costs and other facility exit expenses.

Other (Income) Expense. Other expenses, net decreased $7.3 million, to $112.9 million, or 9.3% of net revenues, in the nine months ended September 30, 2002 from $120.2 million, or 10.3% of net revenues, in the nine months ended September 30, 2001. The net decrease in other expenses was primarily a result of a decrease in interest expense of $12.1 million. Net interest expense in the nine months ended September 30, 2001 included $9.4 million of unamortized deferred debt issuance costs expensed in connection with the repayment in February 2001 and May 2001 of term loans outstanding under our secured bank facility. Other expenses were negatively impacted by a change in foreign currency gains and losses of $1.9 million for the nine months ended September 30, 2002 as compared with the corresponding period in the prior year.

Provision (Benefit) for Income Taxes. Our effective tax rate in the nine months ended September 30, 2002 and 2001 was a benefit of (11.2%) and (19.0%), respectively. The change in the effective tax rate in the nine months ended September 30, 2002 was due to impairment charges recorded in jurisdictions for which there is limited offsetting tax benefits as a result of tax holidays. The tax returns for open years are subject to changes upon final examination. Changes in the mix of income from our foreign subsidiaries, expiration of tax holidays and changes in tax laws and regulations could result in increased effective tax rates for us in the future. If we continue to incur losses, a valuation allowance may be required for a portion or all of our deferred tax assets related primarily to net operating loss carryforwards.

Equity in Loss of Investees. Our earnings included our share of losses in our equity affiliates, principally ASI, in the nine months ended September 30, 2002 of $24.7 million compared to $76.2 million ($49.5 million excluding the amortization of equity method goodwill) in the nine months ended September 30, 2001. As of January 1, 2002, we adopted Statement of Financial Accounting Standard No. 142, Goodwill and Other Intangible Assets. We stopped amortizing equity method goodwill of $118.6 million associated with our investment in ASI. The cessation of amortization reduced equity in loss of investees by $26.7 million for the nine months ended September 30, 2002 as compared with the corresponding period.

During the three months ended March 31, 2002, we recorded a $96.6 million impairment charge to reduce the carrying value of our investment in ASI to ASI's market value based on its closing share price on March 31, 2002. During the three months ended June 30, 2002, we recorded an impairment charge of $43.0 million to reduce the carrying value of our investment in ASI to its fair value of $4.74 per share as of June 30, 2002 based on the negotiations with Dongbu to acquire a portion of our interest in ASI. During the three months ended September 30, 2002, we recorded a loss of $1.8 million on the disposition of a portion of our interest in ASI to Dongbu. With Dongbu's recent purchase of 12.0 million newly issued shares of ASI together with its purchase of 20 million shares from our company and our disposition of an additional 1 million shares of ASI stock as payment of transaction costs to our financial advisors in connection with the transaction with Dongbu, our ownership interest in ASI was reduced to approximately 21%.

LIQUIDITY AND CAPITAL RESOURCES

Semiconductor industry analysts have forecasted little to no growth in 2002 on an annual basis as compared to 2001. In addition, industry analysts have forecasted significant growth in the semiconductor industry in each of 2003 and 2004. Because of the steep decline in semiconductor sales on a quarterly basis during 2001, we have experienced significant quarter-to-quarter growth during 2002, although we currently expect packaging and test revenue for the fourth quarter of 2002 to be around 5% lower than packaging and test revenues for the third quarter of 2002. Wafer fabrication services revenue should be around $50 million for the fourth quarter of 2002. Effective with the fourth quarter of 2002, we will change the estimated useful lives of certain of our packaging equipment from four years to seven years for depreciation purposes, which is in line with our historical usage and consistent with other companies in our industry. We will not extend the useful lives of the packaging equipment associated with the second quarter impairment charge based on our expected use of that equipment and the associated cash flows. This change is expected to reduce depreciation expense by approximately $18 million per quarter. We expect that as a result of this change, together with ongoing cost

efficiency programs, fourth quarter gross margin will improve to around 13%. During the third quarter of 2002, we recorded $13.8 million charge principally related to the consolidation of our operations in Taiwan. The charge was comprised of $10.8 million to write-off leasehold improvements and other long-lived assets and $3.0 million for lease termination and other exit costs. During the second quarter of 2002, we consolidated some of our U.S. office locations and closed our San Jose test facility and recognized $4.8 million in lease cancellation costs and other facility exit expenses. These activities were designed to reduce expenses and enhance operational efficiencies. We have undertaken, and may continue to undertake, a variety of measures to reduce our operating costs including consolidating packaging lines, reducing our worldwide headcount, reducing compensation levels, shortening work schedules, improving factory efficiencies, negotiating cost reductions with our vendors and closing non-critical manufacturing facilities.

As a result of the favorable impact on our cash flows caused by the increase in demand for our services, net cash provided by operating activities for the three months ended June 30, 2002 and September 30, 2002 was $26.7 million and $65.2 million, respectively. The net cash used by operating activities for the three months ended March 31, 2002 was $8.8 million. Comparatively, the net cash provided by operating activities for the three months ended March 31, 2001, June 30, 2001, September 30, 2001 and December 31, 2001 were $73.2 million, $61.0 million, $16.2 million and $10.1 million, respectively. Net cash used in investing activities during the nine months ended September 30, 2002 and 2001 was $34.8 million and $145.2 million, respectively. Net cash used by financing activities during the nine months ended September 30, 2002 was $14.5 million and net cash provided by financing activities during the nine months ended September 30, 2001 was $229.7 million. Our cash and cash equivalents balance as of September 30, 2002 was $235.0 million, and we have up to $100 million available from our unused revolving line of credit. Our ongoing primary cash needs are for debt service, principally interest, equipment purchases, and working capital. Additionally, we may require cash to consummate business combinations to diversify our geographic operations and expand our customer base.

In June 2002 and September 2002 we amended our existing bank debt covenants to provide further flexibility with respect to capital expenditures, investment restrictions and other financial covenants measured in part by our liquidity and earnings. As part of the September 2002 amendment, lenders under our bank debt facility agreed to extend the existing financial covenant framework through December 31, 2003. Our bank debt encompasses a $97.4 million term loan and the unused revolving line of credit. The term loan maintained its scheduled amortization of approximately $12 million per quarter beginning in December 2003 through December 2005. The bank debt facility will revert to its original covenant structure in January 2004. Additionally, the reduced levels of our operating cash flow in 2001 required us to renegotiate our existing bank debt covenants in March 2001, June 2001 and September 2001. In connection with the September 2001 amendment, our revolving line of credit was reduced from a $200 million commitment to $100 million, the interest rate on the Term B loans was increased from LIBOR plus 3% to LIBOR plus 4% and we prepaid $125 million of the Term B loans in November 2001 from cash on hand. In general, covenants in the agreements governing our existing debt, and debt we may incur in the future, may materially restrict our operations, including our ability to incur debt, pay dividends, make certain investments and payments and encumber or dispose of assets. In addition, financial covenants contained in agreements relating to our existing and future debt could lead to a default in the event our results of operations do not meet our plans and we are unable to amend such financial covenants prior to default. A default under one debt instrument may also trigger cross-defaults under our other debt instruments. An event of default under one or more of our debt instruments, if not cured or waived, could have a material adverse effect on us. Our credit and debt ratings were lowered in August 2002, and accordingly, it may be difficult for us to secure additional financing, if we need it, on satisfactory terms or at all.

During this industry downturn, our business strategy has been in part to enhance our financial flexibility. In February 2001 and May 2001, we raised $500.0 million through the sale of 9.25% senior notes due 2008 and $250.0 million through the sale of 5.75% convertible subordinated notes due 2006, respectively. Of the combined net proceeds of $733.0 million, we used $509.5 million to repay amortizing term loans. The balance of the net proceeds supports our expansion efforts and general corporate and working capital purposes. In May 2001 holders of the 5.75% convertible subordinated notes due May 2003, following our announced plan to redeem these notes, converted $50.2 million of their notes into 3.7 million shares of our common stock. We now have, and for the foreseeable future will continue to have, a significant amount of indebtedness. As of September 30, 2002, we had a total of $1,805.7 million debt and had available to us a $100.0 million revolving line of credit under which no amounts were drawn. Our indebtedness requires us to dedicate a substantial portion of our cash flow from operations to service payments on our debt, with such payments principally for interest. For the nine months ended September 30, 2002, interest expense payable in cash was $107.7 million.

As a result of the current business conditions, we have significantly reduced our capital expenditure plans. We expect to spend up to $100.0 million in total capital expenditures in each 2002 and 2003, primarily to support the development of our Flip Chip, System-in-Package and high-end BGA capabilities. During the nine months ended September 30, 2002 and 2001, we made capital expenditures of $82.3 million and $134.9 million, respectively. During the year ended December 31, 2001 and 2000, we made capital expenditures of $158.7 million and $480.1 million, respectively.

We continue to diversify our operations geographically. In January 2002, we acquired Agilent Technologies, Inc.'s packaging business related to semiconductor packages utilized in printers for $2.8 million in cash. The purchase price was principally allocated to the tangible assets. In April 2002, we acquired the semiconductor packaging business of Citizen Watch Co., Ltd. located in the Iwate prefecture in Japan. The business acquired includes a manufacturing facility, over 80 employees and intellectual property. The purchase price included a $7.8 million cash payment at closing and an additional payment one year from the closing that can not be less than 1.7 billion Japanese yen and can not exceed 2.4 billion Japanese yen ($13.9 million to $19.7 million based on the spot exchange rate at September 30, 2002). In October 2002, we terminated negotiations with Fujitsu Limited to acquire Fujitsu's packaging and test operation in Kagoshima, Japan pursuant to the April 2002 memorandum of understanding between our company and Fujitsu. In July 2001, we acquired, in separate transactions, Taiwan Semiconductor Technology Corporation (TSTC) and Sampo Semiconductor Corporation (SSC) in Taiwan. The combined purchase price, including the settlement of a January 2002 earn-out provision, was paid with the issuance of 6.7 million shares of our common stock valued at $123.1 million, the assumption of $34.8 million of debt and $3.7 million of cash consideration, net of acquired cash. In January 2001, Amkor Iwate Corporation commenced operations and acquired from Toshiba a packaging and test facility located in the Iwate prefecture in Japan financed by a short-term note payable to Toshiba of $21.1 million and $47.0 million in other financing from a Toshiba affiliate. We currently own 60% of Amkor Iwate and Toshiba owns 40% of the outstanding shares, which shares we are required to purchase within three years. The share purchase price will be determined based on the performance of the joint venture during the three-year period, but can not be less than 1 billion Japanese yen and can not exceed 4 billion Japanese yen ($8.2 million to $32.8 million based on the spot exchange rate at September 30, 2002).

During the third quarter of 2002, we entered into definitive agreements to sell 20 million shares of common stock of Anam Semiconductor, Inc. (ASI) at a price of 5,700 Korean won per share ($4.66 per share based on the spot exchange rate at September 30, 2002) to the Dongbu Group. The Dongbu Group comprises Dongbu Corporation, Dongbu Fire Insurance Co., Ltd. and Dongbu Life Insurance Co., Ltd., all of which are Korean corporations and are collectively referred herein as "Dongbu." The transaction closed on September 30, 2002. As of the closing date, we received $58.1 million in net cash proceeds and promissory notes totaling 42 billion Korean won ($34.2 million based on the spot exchange rate at September 30, 2002) of which 21 billion Korean won is payable on September 30, 2003 and the balance is payable on February 10, 2004. We divested an additional 1 million shares of ASI stock as payment of transaction costs to our financial advisors in connection this transaction. In a separate transaction, Dongbu acquired 12.0 million newly issued shares of ASI in July 2002. Following these transactions, we own 26.7 million shares of ASI or approximately 21% of ASI's outstanding voting stock.

The definitive agreements with Dongbu also provide that Amkor, ASI and Dongbu will reach agreement no later than December 31, 2002 to terminate Amkor's foundry agreement with ASI. In consideration of such termination, Dongbu will pay Amkor at least $45.0 million and no more than $65.0 million. Under the existing terms of the foundry agreement, Amkor has exclusive rights to sell all the output of ASI's foundry until 2008. As of the date of this report, the negotiations with Dongbu to terminate the foundry agreement and to acquire the net assets associated with our wafer fabrication services segment were ongoing. The ultimate amount of net proceeds associated with these transactions is uncertain and can not be reasonably estimated. Upon termination of the foundry agreement, we will reflect our wafer fabrication services segment as a discontinued operation and we will no longer benefit from the income from operations and cash flows of our wafer fabrication services segment.

In connection with the disposition of a portion of our interest in ASI, we acquired a 10% interest in Acqutek from ASI for a total purchase price of $1.9 million. Our investment in Acqutek is classified as a marketable security that is available for sale. Acqutek supplies materials to the semiconductor industry and is a publicly traded company in Korea. An entity controlled by the family of James Kim, our Chairman and Chief Executive Officer, holds a 25% ownership interest in Acqutek. We have historically purchased and continue to purchase leadframes from Acqutek. Total purchases from Acqutek included in cost of revenue for the nine months ended September 30, 2002 and 2001 was $12.5 million and $11.5 million, respectively. We believe these transactions with Acqutek were conducted on an arms-length basis in the ordinary course of business.

We believe that our existing cash balances, available credit lines, cash flow from operations and available equipment lease financing will be sufficient to meet our projected capital expenditures, debt service, working capital and other cash requirements for at least the next twelve months. We may require capital sooner than currently expected. We can not assure you that additional financing will be available when we need it or, if available, that it will be available on satisfactory terms. In addition, the terms of the secured bank facility, senior notes and senior subordinated notes significantly reduce our ability to incur additional debt. Failure to obtain any such required additional financing could have a material adverse effect on our company.

CRITICAL ACCOUNTING POLICIES

Financial Reporting Release No. 60, which was released by the Securities and Exchange Commission, requires all companies to include a discussion of critical accounting policies or methods used in the preparation of financial statements. We have identified the policies below as critical to our business operations and the understanding of our results of operations. A summary of our significant accounting policies used in the preparation of our consolidated financial statements appears in Note 1 of the notes to the consolidated financial statements in our annual report on Form 10-K, as amended. Our preparation of this quarterly report on Form 10-Q requires us to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenue and expenses during the reporting period. There can be no assurance that actual results will not differ from those estimates.

Revenue Recognition and Risk of Loss. Revenues from packaging semiconductors and performing test services are recognized upon shipment or completion of the services. Our company does not take ownership of customer-supplied semiconductor wafers. Title and risk of loss remains with the customer for these materials at all times. Accordingly, the cost of the customer-supplied materials is not included in the consolidated financial statements. We record wafer fabrication services revenues upon shipment of completed wafers. Such policies are consistent with provisions in the Securities and Exchange Commission's Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements."

Provision for Income Taxes. We operate in and file income tax returns in various U.S. and non-U.S. jurisdictions, which are subject to examination by tax authorities. Our tax returns have been examined through 1994 in the Philippines and through 1996 in the U.S. The tax returns for open years in all jurisdictions in which we do business are subject to changes upon examination. We believe that we have estimated and provided adequate accruals for the probable additional taxes and related interest expense that may ultimately result from examinations related to our transfer pricing and local attribution of income resulting from significant intercompany transactions, including ownership and use of intellectual property, in various U.S. and non-U.S. jurisdictions. Our estimated tax liability is subject to change as examinations of specific tax years are completed in the respective jurisdictions. We believe that any additional taxes or related interest over the amounts accrued will not have a material effect on our financial condition or results of operations, nor do we expect that examinations to be completed in the near term would have a material favorable impact. As of September 30, 2002 and December 31, 2001, the accrual for current taxes and estimated additional taxes was $51.9 million and $53.4 million, respectively. In addition, changes in the mix of income from our foreign subsidiaries, expiration of tax holidays and changes in tax laws or regulations could result in increased effective tax rates in the future.

Additionally, we record the estimated future tax effects of temporary differences between the tax bases of assets and liabilities and amounts reported in the accompanying consolidated balance sheets, as well as operating loss and tax credit carryforwards. As of September 30, 2002, net deferred tax assets were $165.4 million. The carrying value of our net deferred tax assets assumes that we will be able to generate sufficient future taxable income in certain tax jurisdictions, based on estimates and assumptions. The year ending December 31, 2002, will be our second consecutive year of losses; however, we generated during the years ended December 31, 2000, 1999, and 1998 cumulative income before income taxes, equity in income of investees and minority interest of $403.5 million. If we continue to incur losses, we may be required to increase our valuation allowance.

Valuation of Long-Lived Assets. We assess the carrying value of long-lived assets which includes property, plant and equipment, intangible assets and goodwill whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors we consider important which could trigger an impairment review include the following:

- significant under-performance relative to expected historical or projected future operating results;

- significant changes in the manner of our use of the asset;

- significant negative industry or economic trends; and

- our market capitalization relative to net book value.

Upon the existence of one or more of the above indicators of impairment, we would test such assets for a potential impairment. The carrying value of a long-lived asset is considered impaired when the anticipated cash flows are less than the asset's carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair market value of the long-lived asset. Fair market value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved.

Although significant recovery was noted in our company's core packaging services during the second quarter of 2002, our test services assets and several non-core packaging services assets remained at low utilization rates relative to our projections, and are no

longer expected to reach previously anticipated utilization levels. In addition, during the second quarter of 2002, we experienced a significant decline in our market capitalization. These events triggered an impairment review in accordance with SFAS No. 144. This review included a company-wide evaluation of underutilized assets that could be sold and a detailed update of our operating and cash flow projections. As a result of this analysis, we identified $19.8 million of test and packaging fixed assets to be disposed. We recognized an $18.7 million impairment charge to reduce the carrying value of the test and packaging fixed assets to be disposed to their fair value less cost to sell. Fair value of the assets to be disposed was determined with the assistance of an appraisal firm and available information on the resale value of the equipment. Additionally, we tested for impairment our long-lived test assets that are held and used, including intangible assets that we are amortizing, and certain non-core packaging fixed assets that are held and used. For the test and packaging assets that are held and used, we recognized a $171.6 million impairment charge to reduce the carrying value of those assets to fair value. An appraisal firm was engaged to assist in the determination of the fair value of the assets held for use. The determination of fair value was based on projected cash flows discounted at a rate commensurate with the risk involved.

In 2002, Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets" became effective and as a result, we ceased amortization of goodwill. In lieu of amortization, we were required to perform an initial impairment review of our goodwill as of January 1, 2002 and then on an annual basis or between annual tests in certain circumstances including a significant adverse change in the business climate and testing for recoverability of long-lived assets. Based on the comparison of the fair value of the reporting units with their respective carrying values each as of January 1, 2002, we concluded that goodwill associated with our packaging and test services reporting units was not impaired as of adoption. Since we tested our long-lived assets for recoverability as of June 30, 2002, we retested goodwill for impairment as of June 30, 2002, and concluded that the carrying value of the assets and liabilities associated with the test services reporting unit exceeded its fair value. As of June 30, 2002, we recognized a $73.1 million goodwill impairment charge. Such impairment charge was measured by comparing the implied fair value of the goodwill associated with the test services reporting unit to its carrying value. An appraisal firm was engaged to assist in the determination of the fair value of our reporting units. The determination of fair value was based on projected cash flows discounted at a rate commensurate with the risk involved.

Depreciation accounting requires estimation of the useful lives of the assets to be depreciated as well as adoption of a method of depreciation. We have historically calculated depreciation using the straight-line method over the estimated useful lives of the depreciable assets. We have historically estimated the useful lives of our machinery and equipment to be three to five years, with the substantial majority of our packaging assets having estimated useful lives of four years. Effective with the fourth quarter of 2002, we will change the estimated useful lives of certain of our packaging equipment from four years to seven years for depreciation purposes, which is in line with our historical usage and consistent with other companies in our industry. We will not extend the useful lives of the packaging equipment associated with the second quarter impairment charge based on our expected use of that equipment and the associated cash flows. This change is expected to reduce depreciation expense by approximately $18 million per quarter. Our decision to change the estimated useful lives of such packaging equipment was based on the following:

- historical experience;

- expected future cash flows;

- prevailing industry practice;

- consultations with an independent appraisal firm; and

- consultations with equipment manufacturers.

We believe that our principal competitors depreciate their packaging assets over periods six to eight years. The change of the estimated useful lives is considered a change in estimate and will be accounted for prospectively beginning with the fourth quarter of 2002.

Evaluation of Equity Investments. We evaluate our investments for impairment due to declines in market value that are considered other than temporary. Such evaluation includes an assessment of general economic and company specific considerations such as regular customer forecasts provided by Texas Instruments, regularly updated projections of ASI operating results, and other indications of value including valuations indicated by possible strategic transactions involving ASI that Amkor and ASI have explored. In the event of a determination that a decline in market value is other than temporary, a charge to earnings is recorded for the unrealized loss, and a new cost basis in the investment is established. The stock prices of semiconductor companies' stocks, including ASI and its competitors, have experienced significant volatility beginning in 2000 and continuing into 2002. The weakness in the semiconductor industry has affected the demand for the wafer output from ASI's foundry and the market value of ASI's stock as traded on the Korea Stock Exchange. During the three months ended March 31, 2002, we recorded a $96.6 million impairment charge to reduce the carrying value of our investment in ASI to ASI's market value based on its closing share price on March 31, 2002. During the three months ended June 30, 2002, we recorded an additional impairment charge of $43.0 million to reduce the carrying value of our investment in ASI to its fair value of $4.74

per share as of June 30, 2002 based on negotiations with a Dongbu to acquire a portion of our interest in ASI. At September 30, 2002 and October 31, 2002, ASI's stock price was $2.96 per share and $4.13 per share, respectively. During the fourth quarter of 2002, if the market value of ASI's stock remains below our carrying value, we will likely record an additional impairment charge.

Valuation of Inventory. In general we order raw materials based on customers' forecasted demand and we do not maintain any finished goods inventory. If our customers change their forecasted requirements and we are unable to cancel our raw materials order or if our vendors require that we order a minimum quantity that exceeds the current forecasted demand, we will experience a build-up in raw material inventory. We will either seek to recover the cost of the materials from our customers or utilize the inventory in production. However, we may not be successful in recovering the cost from our customers or be able to use the inventory in production and accordingly if we believe that it is probable that we will not be able to recover such costs we adjust our reserve estimate. Additionally, our reserve for excess and obsolete inventory is based on forecasted demand we receive from our customers. When a determination is made that the inventory will not be utilized in production it is written-off and disposed.

RISK FACTORS THAT MAY AFFECT FUTURE OPERATING PERFORMANCE

The following section discloses the known material risks facing our company. Additional risks and uncertainties that are presently unknown to us or that we currently deem immaterial may also impair our business operations. We can not assure you that any of the events discussed in the risk factors below will not occur. If they do, our business, financial condition or results of operations could be materially adversely affected.

DEPENDENCE ON THE HIGHLY CYCLICAL SEMICONDUCTOR AND ELECTRONIC PRODUCTS INDUSTRIES -- WE OPERATE IN VOLATILE INDUSTRIES, AND INDUSTRY DOWNTURNS HARM OUR PERFORMANCE.

Our business is tied to market conditions in the semiconductor industry, which is highly cyclical. Because our business is, and will continue to be, dependent on the requirements of semiconductor companies for subcontracted packaging, test and wafer fabrication services, any downturn in the semiconductor industry or any other industry that uses a significant number of semiconductor devices, such as the personal computer and telecommunication devices industries, could have a material adverse effect on our business.

THE SEMICONDUCTOR INDUSTRY MAY NOT RECOVER AS EXPECTED -- WE MAY RECOGNIZE LOWER THAN EXPECTED REVENUES.

Although we experienced significant recovery in our company's core packaging services during the second and third quarter of 2002, there continues to be significant uncertainty throughout the industry related to market demand which is hindering visibility throughout the supply chain. That lack of visibility makes it difficult to forecast whether the recovery we are experiencing will be sustained. If industry conditions do not continue to improve, we could continue to sustain significant losses which could materially impact our business including our liquidity.

FLUCTUATIONS IN OPERATING RESULTS -- OUR OPERATING RESULTS MAY VARY SIGNIFICANTLY AS A RESULT OF FACTORS THAT WE CAN NOT CONTROL.

Our operating results have varied significantly from period to period. Many factors could materially and adversely affect our revenues, gross profit and operating income, or lead to significant variability of quarterly or annual operating results. These factors include, among others:

- evolutions in the life cycles of our customers' products,

- changes in our capacity utilization,

- the cyclical nature of both the semiconductor industry and the markets addressed by end-users of semiconductors,

- the short-term nature of our customers' commitments, timing and volume of orders relative to our production capacity,

- rescheduling and cancellation of large orders,

- erosion of packaging selling prices,

- fluctuations in wafer fabrication service charges paid to ASI,

- changes in costs, availability and delivery times of raw materials and components and changes in costs and availability of labor,

- fluctuations in manufacturing yields,

- changes in semiconductor package mix,

- timing of expenditures in anticipation of future orders,

- availability and cost of financing for expansion,

- ability to develop and implement new technologies on a timely basis,

- competitive factors,

- changes in effective tax rates,

- loss of key personnel or the shortage of available skilled workers,

- international political, economic or terrorist events,

- currency and interest rate fluctuations,

- environmental events, and

- intellectual property transactions and disputes.

DECLINING AVERAGE SELLING PRICES -- THE SEMICONDUCTOR INDUSTRY PLACES DOWNWARD PRESSURE ON THE PRICES OF OUR PRODUCTS.

Prices for packaging and test services and wafer fabrication services have declined over time. Historically, we have been able to partially offset the effect of price declines by successfully developing and marketing new packages with higher prices, such as advanced leadframe and laminate packages, by negotiating lower prices with our material vendors, and by driving engineering and technological changes in our packaging and test processes which resulted in reduced manufacturing costs. During the three and nine months ended September 30, 2002, as compared to the comparable periods a year ago, the decline in average selling prices of 7% and 18%, respectively, significantly impacted our gross margins. We expect that average selling prices for our packaging and test services will continue to decline in the future. If our semiconductor package mix does not shift to new technologies with higher prices or we can not reduce the cost of our packaging and test services and wafer fabrication services to offset a decline in average selling prices, our future operating results will suffer.

HIGH LEVERAGE AND RESTRICTIVE COVENANTS -- OUR SUBSTANTIAL INDEBTEDNESS COULD MATERIALLY RESTRICT OUR OPERATIONS AND ADVERSELY AFFECT OUR FINANCIAL CONDITION.

We now have, and for the foreseeable future will have, a significant amount of indebtedness. As of September 30, 2002, total debt was $1,805.7 million. We have a $100.0 million revolving line of credit of which no amounts were drawn as of September 30, 2002. In addition, despite current debt levels, the terms of the indentures governing our indebtedness may limit our ability to increase our indebtedness, but they do not prohibit us or our subsidiaries from incurring substantially more debt. If new debt is added to our consolidated debt level, the related risks that we now face could intensify.

In June 2002 and September 2002 we amended our existing bank debt covenants to provide further flexibility with respect to capital expenditures, investment restrictions and other financial covenants measured in part by our liquidity and earnings. As part of the September 2002 amendment, lenders under our bank debt facility agreed to extend the existing financial covenant framework through December 31, 2003. Our bank debt encompasses a $97.4 million term loan and the unused revolving line of credit. The term loan maintained its scheduled amortization of approximately $12 million per quarter beginning in December 2003 through December 2005. The bank debt facility will revert to its original covenant structure in January 2004. In general, covenants in the agreements governing our existing debt, and debt we may incur in the future, may materially restrict our operations, including our ability to incur debt, pay dividends, make certain investments and payments and encumber or dispose of assets. In addition, financial covenants contained in agreements relating to our existing and future debt could lead to a default in the event our results of operations do not meet our plans and we are unable to amend such financial covenants prior to default. A default under one debt instrument may also trigger cross-defaults under our other debt instruments. An event of default under one or more of our debt instruments, if not cured or waived, could have a material adverse effect on us. Our credit and debt ratings were lowered in August 2002, and accordingly, it may be difficult for us to secure additional financing, if we need it, on satisfactory terms or at all. Our substantial indebtedness could:

- increase our vulnerability to general adverse economic and industry conditions;

- limit our ability to fund future working capital, capital expenditures, research and development and other general corporate requirements;

- require us to dedicate a substantial portion of our cash flow from operations to service interest and principal payments on our debt;

- limit our flexibility to react to changes in our business and the industry in which we operate;

- place us at a competitive disadvantage to any of our competitors that have less debt; and

- limit, along with the financial and other restrictive covenants in our indebtedness, among other things, our ability to borrow additional funds.

RELATIONSHIP WITH ASI -- OUR BUSINESS PERFORMANCE CAN BE ADVERSELY AFFECTED BY ASI'S FINANCIAL PERFORMANCE OR A DISRUPTION IN THE WAFER FABRICATION SERVICES ASI PROVIDES TO US.

As of September 30, 2002 we owned approximately 21% of ASI's outstanding voting stock. Accordingly, we report ASI's financial results in our financial statements through the equity method of accounting. If ASI's results of operations are adversely affected for any reason (including as a result of losses at its consolidated subsidiaries and equity investees), our results of operations will suffer as well. Financial or other problems affecting ASI could also lead to a complete loss of our investment in ASI. Our wafer fabrication business may suffer if ASI reduces its operations or if our relationship with ASI is disrupted.

Our wafer fabrication business depends on ASI providing wafer fabrication services on a timely basis. If ASI were to significantly reduce or curtail its operations for any reason, or if our relationship with ASI were to be disrupted for any reason, our wafer fabrication business would be harmed. We may not be able to identify and qualify alternate suppliers of wafer fabrication services quickly, if at all. In addition, we currently have no other qualified third party suppliers of wafer fabrication services and do not have any plans to qualify additional third party suppliers.

The weakness in the semiconductor industry in 2001 adversely affected the demand for the wafer output from ASI's foundry, our wafer fabrication services results and ASI's operating results. Demand for our wafer fabrication services and the wafer output from ASI's foundry have improved significantly for the three and nine months ended September 30, 2002. Wafer fabrication services revenue should be around $50 million for the fourth quarter of 2002. There can be no assurance that industry conditions will continue to improve as expected. If industry conditions do not recover as expected, our and ASI's operating results could be adversely affected.

During the third quarter of 2002, we entered into definitive agreements to sell 20 million shares of common stock of Anam Semiconductor, Inc. (ASI) at a price of 5,700 Korean won per share ($4.66 per share based on the spot exchange rate at September 30, 2002) to the Dongbu Group. The Dongbu Group comprises Dongbu Corporation, Dongbu Fire Insurance Co., Ltd. and Dongbu Life Insurance Co., Ltd., all of which are Korean corporations and are collectively referred herein as "Dongbu." The transaction closed on September 30, 2002. As of the closing date, we received $58.1 million in net cash proceeds and promissory notes totaling 42 billion Korean won ($34.2 million based on the spot exchange rate at September 30, 2002) of which 21 billion Korean won is payable on September 30, 2003 and the balance is payable on February 10, 2004. We divested an additional 1 million shares of ASI stock as payment of transaction costs to our financial advisors in connection this transaction. In a separate transaction, Dongbu acquired 12.0 million newly issued shares of ASI in July 2002. Following these transactions, we own 26.7 million shares of ASI or approximately 21% of ASI's outstanding voting stock.

The definitive agreements with Dongbu also provide that Amkor, ASI and Dongbu will reach agreement no later than December 31, 2002 to terminate Amkor's foundry agreement with ASI. In consideration of such termination, Dongbu will pay Amkor at least $45.0 million and no more than $65.0 million. Under the existing terms of the foundry agreement, Amkor has exclusive rights to sell all the output of ASI's foundry until 2008. As of the date of this report, the negotiations with Dongbu to terminate the foundry agreement and to acquire the net assets associated with our wafer fabrication services segment were ongoing. The ultimate amount of net proceeds associated with these transactions is uncertain and can not be reasonably estimated. Upon termination of the foundry agreement, we will reflect our wafer fabrication services segment as a discontinued operation and we will no longer benefit from the income from operations of our wafer fabrication services segment.

ABSENCE OF BACKLOG -- WE MAY NOT BE ABLE TO ADJUST COSTS QUICKLY IF OUR CUSTOMERS' DEMAND FALLS SUDDENLY.

Our packaging and test business does not typically operate with any material backlog. We expect that in the future our quarterly net revenues from packaging and test will continue to be substantially dependent upon our customers' demand in that quarter. None of our customers have committed to purchase any significant amount of packaging or test services or to provide us with binding forecasts of demand for packaging and test services for any future period. In addition, our customers could reduce, cancel or delay their purchases of packaging and test services. Because a large portion of our costs is fixed and our expense levels are based in part on our expectations of future revenues, we may be unable to adjust costs in a timely manner to compensate for any revenue shortfall.

RISKS ASSOCIATED WITH INTERNATIONAL OPERATIONS -- WE DEPEND ON OUR FACTORIES IN THE PHILIPPINES, KOREA, JAPAN, TAIWAN AND CHINA. MANY OF OUR CUSTOMERS' AND VENDORS' OPERATIONS ARE ALSO LOCATED OUTSIDE OF THE U.S.

We provide packaging and test services through our factories located in the Philippines, Korea, Japan, Taiwan and China. We also source wafer fabrication services from ASI's wafer fabrication facility in Korea. Moreover, many of our customers' and vendors'

operations are located outside the U.S. The following are some of the risks inherent in doing business internationally:

- regulatory limitations imposed by foreign governments;

- fluctuations in currency exchange rates;

- political and terrorist risks;

- disruptions or delays in shipments caused by customs brokers or government agencies;

- unexpected changes in regulatory requirements, tariffs, customs, duties and other trade barriers;

- difficulties in staffing and managing foreign operations; and

- potentially adverse tax consequences resulting from changes in tax laws.

DIFFICULTIES INTEGRATING ACQUISITIONS -- WE FACE CHALLENGES AS WE INTEGRATE NEW AND DIVERSE OPERATIONS AND TRY TO ATTRACT QUALIFIED EMPLOYEES TO SUPPORT OUR GROWTH.

We have experienced, and may continue to experience, growth in the scope and complexity of our operations and in the number of our employees. This growth has strained our managerial, financial, manufacturing and other resources. Future acquisitions may result in inefficiencies as we integrate new operations and manage geographically diverse operations.

Our success depends to a significant extent upon the continued service of our key senior management and technical personnel, any of whom would be difficult to replace. Competition for qualified employees is intense, and our business could be adversely affected by the loss of the services of any of our existing key personnel. We can not assure you that we will continue to be successful in hiring and properly training sufficient numbers of qualified personnel and in effectively managing our growth. Our inability to attract, retain, motivate and train qualified new personnel could have a material adverse effect on our business.

RISKS ASSOCIATED WITH OUR WAFER FABRICATION BUSINESS -- OUR WAFER FABRICATION BUSINESS IS SUBSTANTIALLY DEPENDENT ON TEXAS INSTRUMENTS.

Our wafer fabrication business depends significantly upon Texas Instruments. The amended Manufacturing and Purchasing Agreement with Texas instruments requires Texas Instruments to purchase from us at least 20% of ASI's wafer fabrication facility's capacity per quarter, and, under certain circumstances, Texas Instruments has the right to purchase from us up to 70% of this capacity. From time to time, Texas Instruments has failed to meet its minimum purchase obligations, and we can not assure you that Texas Instruments will meet its purchase obligations in the future. As a result of the weakness in the semiconductor industry, Texas Instruments and our other customers' demand for the output of ASI's wafer foundry decreased significantly in 2001. Texas Instruments did not meet the minimum purchase commitment throughout the twelve months ended December 31, 2001. Texas Instruments has made certain concessions to us to partially mitigate the shortfall in its purchases. If Texas Instruments fails to meet its purchase obligations, our company and ASI's businesses could be harmed.

Texas Instruments has transferred certain of its complementary metal oxide silicon (CMOS) process technologies to ASI, and ASI is dependent upon Texas Instruments' assistance for developing certain other state-of-the-art wafer manufacturing processes. In addition, ASI's technology agreements with Texas Instruments only cover 0.35 micron, 0.25 micron, and 0.18 micron CMOS process technology. Texas Instruments has provided ASI a license to use wafer fabrication-related trade secrets for non-Texas Instruments products. Texas Instruments has not granted ASI a license to Texas Instruments patents, copyrights, or maskworks. Moreover, Texas Instruments has no obligation to transfer any next-generation technology to ASI. Our company and ASI's businesses could be harmed if ASI can not obtain new technology on commercially reasonable terms or ASI's relationship with Texas Instruments is disrupted for any reason.

In order for the Manufacturing and Purchasing Agreement and the technology assistance agreements we and ASI have entered into with Texas Instruments to continue until December 31, 2007, Amkor, ASI and Texas Instruments would have to enter into a new technology assistance agreement by December 31, 2002. However, the advanced wafer fabrication technology that would be licensed under this agreement would require ASI either to (i) invest in excess of $400 million to refurbish its existing manufacturing facility, requiring the shutdown of part or all of its existing facility during the period of refurbishment, (ii) obtain access to a new or existing manufacturing facility owned by a third party that could support the advanced technology, or (iii) build and equip a new manufacturing facility, which would require substantially greater capital investment by ASI than the other options. We can not be certain that Amkor and ASI will be able to negotiate successfully a new technical assistance agreement with Texas Instruments. Moreover, we believe that it will be extremely difficult for ASI to finance, acquire and equip the necessary manufacturing facility to deploy the advanced wafer fabrication technology that would be transferred by Texas Instruments. If the Manufacturing and Purchasing Agreement and the technology assistance agreements with Texas Instruments were to be terminated, we can not be certain what the nature of Amkor's and ASI's business relationship, if any, would be with Texas Instruments. If Texas Instruments was to significantly reduce or terminate its purchase of ASI's wafer fabrication services, our wafer fabrication business would be seriously harmed.

The definitive agreements we consummated with Dongbu provide that Amkor, ASI and Dongbu will reach agreement no later than December 31, 2002 to terminate Amkor's foundry agreement with ASI. Under the existing terms of the foundry agreement, Amkor has exclusive rights to sell all the output of ASI's foundry until 2008. As of the date of this report, the negotiations with Dongbu to terminate the foundry agreement and to acquire the net assets associated with our wafer fabrication services segment were ongoing. In addition, pursuant to the definitive agreements, Amkor and Dongbu agreed to use reasonable best efforts to cause Dongbu Electronics and ASI to be merged together as soon as practicable. As of the date of this report, Texas Instruments, Dongbu and ASI are negotiating revisions to the technology transfer assistance agreement and the manufacturing and purchase agreements.

Under the existing technical assistance agreements between Texas Instruments and ASI, ASI has a license to use wafer fabrication-related trade secrets of Texas Instruments for non-Texas Instruments' products. In the event that the Manufacturing and Purchase Agreement is terminated, this license will also terminate. At such time, it would be necessary for ASI to negotiate a new license agreement with Texas Instruments relating to its trade secrets, or ASI would not be able to continue its wafer fabrication operations as currently practiced. This would have the result of shutting down the wafer fabrications business of ASI and Amkor unless and until alternative technology arrangements could be made and implemented at ASI's wafer manufacturing facility.

DEPENDENCE ON MATERIALS AND EQUIPMENT SUPPLIERS -- OUR BUSINESS MAY SUFFER IF THE COST OR SUPPLY OF MATERIALS OR EQUIPMENT CHANGES ADVERSELY.

We obtain from various vendors the materials and equipment required for the packaging and test services performed by our factories. We source most of our materials, including critical materials such as leadframes and laminate substrates, from a limited group of suppliers. Furthermore, we purchase all of our materials on a purchase order basis and have no long-term contracts with any of our suppliers. Our business may be harmed if we can not obtain materials and other supplies from our vendors: (1) in a timely manner, (2) in sufficient quantities, (3) in acceptable quality and (4) at competitive prices.

RAPID TECHNOLOGICAL CHANGE -- OUR BUSINESS WILL SUFFER IF WE CAN NOT KEEP UP WITH TECHNOLOGICAL ADVANCES IN OUR INDUSTRY.

The complexity and breadth of both semiconductor packaging and test services and wafer fabrication are rapidly changing. As a result, we expect that we will need to offer more advanced package designs and new wafer fabrication technology in order to respond to competitive industry conditions and customer requirements. Our success depends upon the ability of our company and ASI to develop and implement new manufacturing processes and package design technologies. The need to develop and maintain advanced packaging and wafer fabrication capabilities and equipment could require significant research and development and capital expenditures in future years. In addition, converting to new package designs or process methodologies could result in delays in producing new package types or advanced wafer designs that could adversely affect our ability to meet customer orders.

Technological advances also typically lead to rapid and significant price erosion and may make our existing products less competitive or our existing inventories obsolete. If we can not achieve advances in package design and wafer fabrication technology or obtain access to advanced package designs and wafer fabrication technology developed by others, our business could suffer.

COMPETITION -- WE COMPETE AGAINST ESTABLISHED COMPETITORS IN BOTH THE PACKAGING AND TEST BUSINESS AND THE WAFER FABRICATION BUSINESS.

The subcontracted semiconductor packaging and test market is very competitive. This sector is comprised of 12 principal companies. We face substantial competition from established packaging and test service providers primarily located in Asia, including companies with significant manufacturing capacity, financial resources, research and development operations, marketing and other capabilities. These companies also have established relationships with many large semiconductor companies that are current or potential customers of our company. On a larger scale, we also compete with the internal semiconductor packaging and test capabilities of many of our customers.

The subcontracted wafer fabrication business is also highly competitive. Our wafer fabrication services compete primarily with other subcontractors of semiconductor wafers, including those of Chartered Semiconductor Manufacturing, Inc., Taiwan Semiconductor Manufacturing Company, Ltd. and United Microelectronics Corporation. Each of these companies has significant manufacturing capacity, financial resources, research and development operations, marketing and other capabilities and have been operating for some time. Many of these companies have also established relationships with many large semiconductor companies that

are current or potential customers of our company. If we can not compete successfully in the future against existing or potential competitors, our operating results will suffer.

ENVIRONMENTAL REGULATIONS -- FUTURE ENVIRONMENTAL REGULATIONS COULD PLACE ADDITIONAL BURDENS ON OUR MANUFACTURING OPERATIONS.

The semiconductor packaging process uses chemicals and gases and generates byproducts that are subject to extensive governmental regulations. For example, at our foreign manufacturing facilities, we produce liquid waste when silicon wafers are diced into chips with the aid of diamond saws, then cooled with running water. Federal, state and local regulations in the United States, as well as international environmental regulations, impose various controls on the storage, handling, discharge and disposal of chemicals used in our manufacturing processes and on the factories we occupy.

Increasingly, public attention has focused on the environmental impact of semiconductor manufacturing operations and the risk to neighbors of chemical releases from such operations. In the future, applicable land use and environmental regulations may: (1) impose upon us the need for additional capital equipment or other process requirements, (2) restrict our ability to expand our operations, (3) subject us to liability or (4) cause us to curtail our operations.

PROTECTION OF INTELLECTUAL PROPERTY -- WE MAY BECOME INVOLVED IN INTELLECTUAL PROPERTY LITIGATION.

As of October 31, 2002, we held 187 U.S. patents and had 259 pending patents. In addition to the U.S. patents, we held 531 patents in foreign jurisdictions. We expect to continue to file patent applications when appropriate to protect our proprietary technologies, but we can not assure you that we will receive patents from pending or future applications. In addition, any patents we obtain may be challenged, invalidated or circumvented and may not provide meaningful protection or other commercial advantage to us.

We may need to enforce our patents or other intellectual property rights or to defend our company against claimed infringement of the rights of others through litigation, which could result in substantial cost and diversion of our resources. If we fail to obtain necessary licenses or if we face litigation relating to patent infringement or other intellectual property matters, our business could suffer.

The semiconductor industry is characterized by frequent claims regarding patent and other intellectual property rights. If any third party makes a valid claim against us, we could be required to:

- discontinue the use of certain processes;

- cease the manufacture, use, import and sale of infringing products;

- pay substantial damages;

- develop non-infringing technologies; or

- acquire licenses to the technology we had allegedly infringed.

CONTINUED CONTROL BY EXISTING STOCKHOLDERS -- MR. JAMES KIM AND MEMBERS OF HIS FAMILY CAN SUBSTANTIALLY CONTROL THE OUTCOME OF ALL MATTERS REQUIRING STOCKHOLDER APPROVAL.

As of October 31, 2002, Mr. James Kim and members of his family beneficially owned approximately 44.3% of our outstanding common stock. Mr. James Kim's family, acting together, will substantially control all matters submitted for approval by our stockholders. These matters could include:

- the election of all of the members of our Board of Directors;

- proxy contests;

- approvals of transactions between our company and ASI or other entities in which Mr. James Kim and members of his family have an interest, including transactions which may involve a conflict of interest;

- mergers involving our company;

- tender offers; and

- open market purchase programs or other purchases of our common stock.

STOCK PRICE VOLATILITY

The trading price of our common stock has been and is likely to continue to be highly volatile and could be subject to wide fluctuations in response to factors such as:

- actual or anticipated quarter-to-quarter variations in operating results;

- announcements of technological innovations or new products and services by Amkor or our competitors;

- general conditions in the semiconductor industry;

- changes in earnings estimates or recommendations by analysts;

- developments affecting ASI; and

- other events or factors, many of which are out of our control.

In addition, the stock market in general, and the Nasdaq National Market and the markets for technology companies in particular, have experienced extreme price and volume fluctuations. This volatility has affected the market prices of securities of companies like ours for reasons that have often been unrelated or disproportionate to such companies' operating performance. These broad market fluctuations may adversely affect the market price of our common stock.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

MARKET RISK SENSITIVITY

Our company is exposed to market risks, primarily related to foreign currency and interest rate fluctuations. In the normal course of business, we employ established policies and procedures to manage the exposure to fluctuations in foreign currency values and changes in interest rates.

Foreign Currency Risks

Our company's primary exposures to foreign currency fluctuations are associated with transactions and related assets and liabilities denominated in Philippine pesos, Korean won and Japanese yen. The objective in managing these foreign currency exposures is to minimize the risk through minimizing the level of activity and financial instruments denominated in pesos, won and yen. Our use of derivatives instruments including forward exchange contracts has been insignificant throughout 2002 and 2001 and we expect our use of derivative instruments to continue to be minimal.

The peso-based financial instruments primarily consist of cash, non-trade receivables, deferred tax assets and liabilities, non-trade payables, accrued payroll, taxes and other expenses. Based on the portfolio of peso-based assets and liabilities at September 30, 2002 and December 31, 2001, a 20% increase in the Philippine peso to U.S. dollar spot exchange rate as of the balance sheet dates would result in a decrease of approximately $2.0 million and $3.9 million, respectively, in peso-based net assets.

The won-based financial instruments primarily consist of cash, non-trade receivables, non-trade payables, accrued payroll, taxes and other expenses and include the cash and promissory notes received by us from Dongbu in connection with the September 2002 transaction to divest a portion of our investment in ASI. Based on the portfolio of won-based assets and liabilities at September 30, 2002 and December 31, 2001, a 20% increase in the Korean won to U.S. dollar spot exchange rate as of the balance sheet dates would result in a decrease of approximately $4.3 million and $3.8 million, respectively, in won-based net assets.

The yen-based financial instruments primarily consist of cash, non-trade receivables, accrued payroll taxes, debt and other expenses. Our exposure to the yen is principally a result of our 2001 acquisition of Amkor Iwate Corporation and our 2002 acquisition of a semiconductor packaging business of Citizen Watch Co., Ltd . Based on the portfolio of yen-based assets and liabilities at September 30, 2002 and December 31, 2001, a 20% decrease in the Japanese yen to U.S. dollar spot exchange rate as of the balance sheet date would result in an increase of approximately $16.4 million and $15.6 million, respectively, in yen-based net liabilities.

Interest Rate Risks

Our company has interest rate risk with respect to our long-term debt. As of September 30, 2002, we had a total of $1,805.7 million of debt of which 92% was fixed rate debt and 8% was variable rate debt. Our variable rate debt principally consisted of short-term borrowings and amounts outstanding under our secured bank facilities that included term loans and a $100.0 million revolving line of credit of which no amounts were drawn as of September 30, 2002. The fixed rate debt consisted of senior notes, senior subordinated

notes, convertible subordinated notes and foreign debt. As of December 31, 2001, we had a total of $1,826.3 million debt of which 91% was fixed rate debt and 9% was variable rate debt. Changes in interest rates have different impacts on our fixed and variable rate portions of our debt portfolio. A change in interest rates on the fixed portion of the debt portfolio impacts the fair value of the instrument but has no impact on interest incurred or cash flows. A change in interest rates on the variable portion of the debt portfolio impacts the interest incurred and cash flows but does not impact the fair value of the instrument. The fair value of the convertible subordinated notes is also impacted by the market price of our common stock.

The table below presents the interest rates, maturities and fair value, in thousands, of our fixed and variable rate debt as of September 30, 2002.

	YEAR ENDING DECEMBER 31,							
	2002	2003	2004	2005	2006	THEREAFTER	TOTAL	FAIR VALUE
Long-term debt:								
Fixed rate debt	$ 3,628	$ 14,879	$ 767	$ 62	$ 675,000	$ 958,750	$1,653,086	$ 507,211
Average interest rate	4.0%	4.0%	4.0%	4.0%	8.0%	8.4%	8.1%	
Variable rate debt	$ 36,118	$ 38,281	$ 55,268	$ 17,860	$ 2,858	$ 2,187	$ 152,572	$ 152,572
Average interest rate	2.0%	5.8%	5.8%	5.7%	4.3%	3.4%	4.8%	

Equity Price Risks

Our outstanding 5.75% convertible subordinated notes due 2006 and 5% convertible subordinated notes due 2007 are convertible into common stock at $35.00 per share and $57.34 per share, respectively. We intend to repay our convertible subordinated notes upon maturity, unless converted. If investors were to decide to convert their notes to common stock, our future earnings would benefit from a reduction in interest expense and our common stock outstanding would be increased. If we induced such conversion, our earnings could include an additional charge.

ITEM 4. CONTROLS AND PROCEDURES

(a) Within the 90-day period prior to the date of this report, we carried out an evaluation, under the supervision and with the participation of our management, including the Chief Executive

Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-14 of the Securities Exchange Act of 1934 (the "Exchange Act"). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in our Exchange Act filings.

(b) There were no significant changes in the our company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation. There were no significant deficiencies or material weaknesses, and therefore there were no corrective actions taken.

PART II. OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITYHOLDERS

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) The following exhibits are filed as part of this report:

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT
4.15	Amendment No. 4 to the Amended and restated credit agreement dated as of September 26, 2002 between the Registrant and the Issuing Banks and Salomon Smith Barney, Inc., Citicorp USA, Inc. and Deutsche Banc Alex. Brown, Inc.
10.20	Amendment to share sale and purchase agreement and shareholders agreement the Registrant and Dongbu Corporation dated as of September 27, 2002
12.1	Computation of Ratio of Earnings to Fixed Charges
99.1	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) REPORTS ON FORM 8-K

We filed the following reports on Form 8-K with the Securities and Exchange Commission during the quarterly period ended September 30, 2002:

Current Report on Form 8-K dated August 21, 2002 (filed August 22, 2002) related to a press release dated August 21, 2002 announcing the status of negotiations between Texas Instruments, Dongbu and Anam Semiconductor, Inc.

Current Report on Form 8-K dated July 30, 2002 (filed August 1, 2002) related to press releases dated July 30, 2002 and July 31, 2002 announcing our financial results for the second quarter ended June 30, 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereto duly authorized.

AMKOR TECHNOLOGY, INC.

By: /s/ KENNETH T. JOYCE

Kenneth T. Joyce
Chief Financial Officer
(Principal Financial, Chief Accounting Officer and Duly Authorized Officer)

Date: November 14, 2002

SECTION 302(A) CERTIFICATION

I, James J. Kim, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Amkor Technology, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including

any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 14, 2002

/s/ JAMES J. KIM

By: James J. Kim
Title: Chief Executive Officer

SECTION 302(A) CERTIFICATION

I, Kenneth T. Joyce, certify that:

7. I have reviewed this quarterly report on Form 10-Q of Amkor Technology, Inc.;

8. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

9. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

10. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

    d) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

    e) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

    f) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

11. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:

    c) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

    d) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

12. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 14, 2002

/s/ KENNETH T. JOYCE

By: Kenneth T. Joyce

Title: Chief Financial Officer

Exhibit 4.15
EXECUTION COPY

AMENDMENT NO. 4 TO
AMENDED AND RESTATED CREDIT AGREEMENT

This AMENDMENT NO. 4 TO AMENDED AND RESTATED CREDIT AGREEMENT, dated as of September 26, 2002, among Amkor Technology, Inc. a Delaware corporation (the "Borrower") and the Lenders (as defined below) party hereto and the Administrative Agent (as defined below), amends certain provisions of the Amended and Restated Credit Agreement dated as of March 30, 2001 (as amended, the "Credit Agreement") among the Borrower, the lenders party thereto (collectively the "Lenders"), the issuing banks party thereto, Salomon Smith Barney Inc. ("SSBI"), as sole book manager, Citicorp USA, Inc., as administrative agent (the "Administrative Agent") and as collateral agent (the "Collateral Agent"), SSBI and Deutsche Banc Alex. Brown Inc. ("DBAB"), as arrangers, and DBAB as syndication agent.

PRELIMINARY STATEMENTS:

(1) The parties to this Amendment are party to the Credit Agreement. Capitalized terms defined in the Credit Agreement and not otherwise defined in this Amendment are used herein as therein defined.

(2) The parties hereto have agreed to amend the Credit Agreement as hereinafter set forth.

SECTION 1. AMENDMENTS. Subject to the satisfaction of the conditions precedent set forth in Section 2 hereof, the Credit Agreement is hereby amended as follows:

(a) AMENDMENTS TO ARTICLE I (DEFINITIONS AND ACCOUNTING TERMS).

(i) The following new definition is hereby inserted in Section 1.1 (Certain Defined Terms) of the Credit Agreement in the appropriate place to preserve the alphabetical order of the definitions in such section:

> "March 2004 Compliance Date" means the date the Agent receives the quarterly financial statements and accompanying certificates delivered pursuant to Section 5.3(c) for the fiscal quarter ending March 31, 2004.

(ii) The definition of "Applicable Margin" in Section 1.1 (Certain Defined Terms) of the Credit Agreement is hereby amended by (x) replacing in its entirety the phrase "December 31, 2002" in the second line thereof with the phrase "the March 2004 Compliance Date" and (y) inserting the following sentence at the end thereto to read in its entirety as follows:

> Notwithstanding the foregoing, in the event a Default has occurred and is continuing on the March 2004 Compliance Date, then the Applicable Margin with respect to the Term B Facility and the Revolving Credit Facility shall be as set forth above in clauses (a)(i) and (a)(ii) respectively.

(iii) The definition of "Unused Commitment Fee Rate" in Section 1.1 (Certain Defined Terms) of the Credit Agreement is hereby amended and restated in it entirety to read as follows:

> "Unused Commitment Fee Rate" means (i) for the period beginning on October 1, 2001 through the March 2004 Compliance Date, 0.75% per annum and (ii) at all other times, 0.50% per annum; provided, however, that in the event a Default has occurred and is continuing on the March 2004 Compliance Date, then the Unused Commitment Fee Rate shall be the rate set forth in clause (i) of this definition.

(b) AMENDMENTS TO ARTICLE V (COVENANTS OF THE BORROWER).

(i) Section 5.2(f) (Investments in Other Persons) of the Credit Agreement is hereby amended by inserting the following paragraph at the end thereof to read in its entirety as follows:

> Notwithstanding anything in this Section 5.2(f) to the contrary, during the period commencing on January 1, 2003 and ending on December 31, 2003,

cash Investments made pursuant to clauses (ii), (vii) and (x) above shall not exceed $40,000,000 in the aggregate (net of (x) cash returns received on such Investments made during such period and (y) Net Cash Proceeds received in any transaction or series of transactions where any such cash Investment is made and, in connection with such cash Investment, cash is paid, repaid or refunded in the issuance of, or in exchange for, Equity Interests of the Borrower during such period).

(ii) Section 5.2(o) (Capital Expenditures) of the Credit Agreement is hereby amended by replacing in its entirety the last paragraph thereof with the following paragraph to read as follows:

Notwithstanding anything in this clause (o) to the contrary, the Borrower will not at any time permit Capital Expenditures during (i) the fiscal quarters ending on December 31, 2001, March 31, 2002, September 30, 2002, December 31, 2002, March 31, 2003, June 30, 2003, September 30, 2003 and December 31, 2003 to exceed $25,000,000 in any such quarter and (ii) the fiscal quarter ending on June 30, 2002 to exceed $45,000,000; provided, that the unused portion of Capital Expenditures permitted in any such fiscal quarter (including any amount carried over from a previous quarter pursuant to this proviso) and not used in such quarter may be carried over and added to the amount otherwise permitted in the immediately succeeding fiscal quarter, through the fiscal quarter ending on December 31, 2003. In the event that, during the period commencing on the Amendment Effective Date through December 31, 2002, the Borrower is not permitted to make any Capital Expenditures pursuant to the immediately preceding sentence, the Borrower shall be permitted to make additional Capital Expenditures, subject to compliance with Section 5.4(f) after giving effect to any Capital Expenditures made hereunder, up to a maximum amount, together with any cash Investments made pursuant to the last sentence of clause (f) of this Section 5.2, not to exceed $50,000,000 in the aggregate; provided, however, that if, after receipt of the quarterly financial statements delivered pursuant to Section 5.3(c) for the fiscal quarter ending June 30, 2002 or September 30, 2002, it is determined that the Borrower has not maintained the Alternative Minimum EBITDA for such quarter, then no additional Capital Expenditures shall be permitted pursuant to this sentence.

(iii) Section 5.3(o) (Monthly Financials) of the Credit Agreement is hereby amended by replacing in its entirety the phrase "December, 2002" in the third line thereof with the phrase "April, 2004".

(iv) Section 5.4 (Financial Covenants) of the Credit Agreement is hereby amended in its entirety to read as follows:

(a) Fixed Charge Coverage Ratio; Revolving Credit Availability. Maintain at all times from and after January 1, 2004, (i) a Fixed Charge Coverage Ratio of not less than 1.10:1 and (ii) as at the last day of each Measurement Period, a Revolving Credit Availability of not less than $50,000,000.

(b) Leverage Ratio. Maintain at all times a Leverage Ratio of not more than the amount set forth below for each period set forth below:

QUARTER ENDING	RATIO
March 31, 2004	2.00:1
June 30, 2004	2.00:1
September 30, 2004	2.00:1
December 31, 2004	2.00:1
March 31, 2005	2.00:1
June 30, 2005	2.00:1
September 30, 2005	2.00:1

(c) Interest Coverage Ratio. Maintain at all times an Interest Coverage Ratio of not less than the amount set forth below for each period set forth below:

QUARTER ENDING	RATIO
March 31, 2004	4.00:1
June 30, 2004	4.00:1
September 30, 2004	4.00:1
December 31, 2004	4.00:1
March 31, 2005	4.00:1
June 30, 2005	4.00:1
September 30, 2005	4.00:1

(d) Tangible Net Worth. The Borrower will not permit Tangible Net Worth at any time on or after January 1, 2004 to be less than (i) 90% of the Tangible Net Worth on September 30, 2001 plus (ii) 50% of the sum of Consolidated Net Income of the Borrower and its Restricted Subsidiaries for each fiscal quarter beginning with the first quarter after September 30, 2001 (without reduction for losses) plus (iii) the amount of Net Cash Proceeds from issuances of Equity Interests received by the Borrower since September 30, 2001.

(e) Minimum EBITDA. Maintain for each Measurement Period ending on the last day of each fiscal quarter set forth below, EBITDA of not less than the amount set forth below opposite such fiscal quarter:

QUARTER ENDING	AMOUNT
September 30, 2001	$330,000,000
December 31, 2001	$145,000,000
March 31, 2002	$60,000,000
June 30, 2002	$55,000,000
September 30, 2002	$120,000,000
December 31, 2002	$150,000,000
March 31, 2003	$155,000,000
June 30, 2003	$170,000,000
September 30, 2003	$200,000,000
December 31, 2003	$225,000,000

(f) Minimum Daily Liquidity. Maintain on each day during each fiscal quarter set forth below the sum on such day of (i) Revolving Credit Availability and (ii) cash and Cash Equivalents of not less than the amount set forth below opposite such quarter:

QUARTER ENDING	AMOUNT
December 31, 2001	$125,000,000
March 31, 2002	$90,000,000
June 30, 2002	$75,000,000
September 30, 2002	$140,000,000
December 31, 2002	$140,000,000
March 31, 2003	$140,000,000
June 30, 2003	$140,000,000
September 30, 2003	$140,000,000
December 31, 2003	$140,000,000;

provided, however, that the amounts for each quarter set forth above shall be increased by an amount (rounded upwards, if necessary, to the nearest $1,000,000) equal to 50% of the sum of (i) any Investment made or held by the

Borrower during any such quarter pursuant to the penultimate sentence of Section 5.2(f) and (ii) any Capital Expenditure made by the Borrower during any such quarter pursuant to the last sentence of Section 5.2(o); provided further, however, that the amounts for each quarter set forth above shall be increased by the amount, if any, by which (x) the U.S. dollar equivalent of Net Cash Proceeds received in connection with the Company's September 30, 2002 disposition of the shares of Anam (determined as of the date of the receipt thereof by using the rate of exchange quoted by Citibank in New York, New York at 11:00 am (New York time) on such date) exceeds (y) the sum of (1) the aggregate amount of any mandatory prepayment of the Term B Advances from such Net Cash Proceeds pursuant to Section 2.6(b)(ii), plus (2) the aggregate amount of any prepayments of the Term B Advances made after September 30, 2002 pursuant to Section 2.6(a), plus (3) any reduction of the Revolving Credit Facility made after September 30, 2002 pursuant to Section 2.5(a).

SECTION 2. CONDITIONS TO EFFECTIVENESS. This Amendment shall become effective as of the date hereof on the date when the following conditions precedent have been satisfied:

(a) the Administrative Agent shall have received counterparts of this Amendment executed by the Borrower and the Required Lenders or, as to any of the Lenders, evidence satisfactory to the Administrative Agent that such Lender has executed this Amendment;

(b) each Subsidiary Guarantor shall have executed a consent to this Amendment in the form attached hereto; and

(c) the Administrative Agent shall have received from the Borrower (x) for the account of each Lender that has executed this Amendment and delivered evidence thereof satisfactory to the Administrative Agent at or before 5:00 p.m. New York City time on September 26, 2002, an amendment fee equal to 0.25% of the aggregate amount of the outstanding Term B Advances and Revolving Credit Commitments of each such Lender as of such date and (y) the fees set forth in that certain fee letter dated as of September 12, 2002 from the Administrative Agent to the Company.

Furthermore this Amendment is subject to the provisions of Section 8.1 of the Credit Agreement.

SECTION 3. CONSTRUCTION WITH THE LOAN DOCUMENTS.

(a) On and after the Amendment Effective Date, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of like import, and each reference in the other Loan Documents to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended hereby, and this Amendment and the Credit Agreement shall be read together and construed as a single instrument. The table of contents, signature pages and list of Exhibits and Schedules of the Credit Agreement shall be modified to reflect the changes made in this Amendment as of the Amendment Effective Date.

(b) Except as expressly amended hereby or specifically waived above, all of the terms and provisions of the Credit Agreement and all other Loan Documents are and shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Lenders, the Issuing Banks, the Arranger or the Administrative Agent under any of the Loan Documents, nor constitute a waiver or amendment of any other provision of any of the Loan Documents or for any purpose except as expressly set forth herein.

(d) This Amendment is a Loan Document.

SECTION 4. GOVERNING LAW. This Amendment is governed by the law of the State of New York.

SECTION 5. REPRESENTATIONS AND WARRANTIES. The Borrower hereby represents and warrants that each of the representations and warranties made by the Borrower in the Credit Agreement, as amended hereby, and the other Loan Documents to which the Borrower is a party or by which the Borrower is bound, shall be true and correct in all material respects on and as of the date hereof (other than representations and warranties in any such Loan Document which expressly speak as of a specific date, which shall have been true and correct in all material respects as of such specific date) and no Default or Event of Default has occurred and is continuing as of the date hereof.

SECTION 6. EXECUTION IN COUNTERPARTS. This Amendment may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are attached to the same document. Delivery of an executed counterpart by telecopy shall be effective as delivery of a manually executed counterpart of this Amendment.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

AMKOR TECHNOLOGY, INC.,

By /s/ KENNETH T. JOYCE
____
Name: KENNETH T. JOYCE
Title: CHIEF FINANCIAL OFFICER

CITICORP USA, INC.,
as Administrative Agent

By /s/ SUZANNE CRYMES
____
Name: SUZANNE CRYMES
Title: VICE PRESIDENT

[Signature page To Amendment No. 4 Amkor Technology Inc. Amended and Restated Credit Agreement]

Aeries Finance-II LTD
By: INVESCO Senior Secured Management, Inc.
As Sub-Managing Agent

By: /s/ Joseph Rotondo
Title: Authorized Signatory

AIM Floating Rate Fund
By: INVESCO Senior Secured Management, Inc.
As Attorney in Fact

By: /s/ Joseph Rotondo
Title: Authorized Signatory

AMARA-1 FINANCE LTD.
By: INVESCO Senior Secured Management, Inc.
As Financial Manager

By: /s/ Joseph Rotondo
Title: Authorized Signatory

AMARA-2 FINANCE LTD.
By: INVESCO Senior Secured Management, Inc.

As Financial Manager

By: /s/ Joseph Rotondo
Title: Authorized Signatory

AMMC CDO II, Limited
By: American Money Management Corp., as
Collateral Manager

By: /s/ David P. Meyer
Title: Vice President

APEX (IDM) CDO-1, Ltd.
By: David L. Babson & Company
as Collateral Manager

By: /s/ John Stelwagon
Title: Managing Director

[SIGNATURE PAGE TO AMENDMENT NO. 4 AMKOR TECHNOLOGY, INC. AMENDED AND RESTATED CREDIT AGREEMENT]

ARES III CLO Ltd..
By: ARES CLO Management, LLC
General Partner

By: /s/ Seth J. Brufsky
Title: Vice President

Ares IV CLO Ltd.
By: Ares CLO GP IV, LLC,
Its Managing Member

By: /s/ Seth J. Brufsky
Title: Vice President

Ares V CLO Ltd.
By: ARES CLO Management V, LP,
Investment Manager

By: ARES CLO GP V, LLC,
Its Managing Member

By: /s/ Seth J. Brufsky
Title: Vice President

Ares VI CLO Ltd.
By: ARES CLO Management VI, LP,
Investment Manager

By: ARES CLO GP VI, LLC,
Its Managing Member

By: /s/ Seth J. Brufsky
Title: Vice President

Avalon Capital Ltd.
By: INVESCO Senior Secured Management, Inc.
As Portfolio Advisor

By: /s/ Joseph Rotondo
Title: Authorized Signatory

Avalon Capital Ltd. 2
By: INVESCO Senior Secured Management, Inc.
As Portfolio Advisor

By: /s/ Joseph Rotondo
Title: Authorized Signatory

Bank of America N.A.

By: /s/ Clara Y. Strand
Title: Managing Director

Bank of China, New York Branch
as Lender

By: /s/ William Warren Smith, Jr.
Title: Chief Loan Officer

Bank of Tokyo Mitsubishi Trust Co.
as Lender

By: /s/ Jeffrey K. Stanton
Title: Vice President

Barclays Bank Plc
as Lender

By: /s/ Robert Esposito
Title: Director

Black Diamond CLO 1998-1 Ltd.

By: /s/ Alan Corkish
Title: Director

Black Diamond CLO 2000-1 Ltd.

By: /s/ Alan Corkish
Title: Director

Black Diamond International Funding, Ltd.

By: /s/ Alan Corkish
Title: Director

Captiva Finance Ltd.
as Lender

By: /s/ David Dyer
Title: Director

Ceres II Finance Ltd.
By: INVESCO Senior Secured Management, Inc
As Sub-Managing Agent (Financial)

By: /s/ Joseph Rotondo
Title: Authorized Signatory

Charter View Portfolio
By: INVESCO Senior Secured Management, Inc
As Investment Advisor

By: /s/ Joseph Rotondo
Title: Authorized Signatory

Citibank, N.A.

as Lender

By: /s/ Suzanne Crymes
Title: Vice President

Citadel Hill 2000 Ltd.
as Lender

By: /s/ N. Kasiotis
Title: Authorized Signatory

Clydesdale CLO 2001-1, Ltd.
as Lender
By: Nomura Corporate Research and Asset
Management Inc.
As Collateral Manager

By: /s/ Elizabeth Maclean
Title: Vice President

Coliseum Funding Ltd.
By: Travelers Asset Management
International Company LLC

By: /s/ Matthew J. McInerny
Title: Assistant Investment Officer

Columbus Loan Funding Ltd.
as Lender
By: Travelers Asset Management
International Company LLC

By: /s/ Matthew J. McInerny
Title: Investment Officer

Comerica Bank
as Lender

By: /s/ Robert P. Wilson
Title: Vice President

CSAM Funding I
as Lender

By: /s/ Andrew H. Marshak
Title: Authorized Signatory

CypressTree Investment Partners I, Ltd.,
By: CypressTree Investment Management
Company, Inc., as Portfolio Manager

By: /s/ Michael Ashton
Title: Principal

CypressTree Investment Partners II, Ltd.,
By: CypressTree Investment Management
Company, Inc., as Portfolio Manager

By: /s/ Michael Ashton
Title: Principal

CypressTree Investment Management Company, Inc.
As: Attorney-in-Fact and on behalf of First
Allmerica Financial Life Insurance Company
as Portfolio Manager

By: /s/ Michael Ashton
Title: Principal

Deutsche Bank Trust Company Americas
as Lender

By: /s/ Alexander Bici
Title: Vice President

ELC (CAYMAN) Ltd.
as Lender
By: David L. Babson & Company Inc.,
as Collateral Manager

By: /s/ John Stelwagon
Title: Managing Director

ELC (CAYMAN) Ltd.1999-III
as Lender
By: David L. Babson & Company Inc.,
as Collateral Manager

By: /s/ John Stelwagon
Title: Director

ELC (CAYMAN) Ltd.1999-II
as Lender
By: David L. Babson & Company Inc.,
as Collateral Manager

By: /s/ John Stelwagon
Title: Director

ELC (CAYMAN) Ltd.2000-1
as Lender
By: David L. Babson & Company Inc.,
as Collateral Manager

By: /s/ John Stelwagon
Title: Director

ELC (CAYMAN) Ltd.CDO Series 1999-I
as Lender
By: David L. Babson & Company Inc.,
as Collateral Manager

By: /s/ John Stelwagon
Title: Director

ERSTE Bank
as Lender

By: /s/ Gregory T. Aptman
Title: Vice President
By: /s/ John S. Runnion
Title: Managing Director

First Dominion Funding II
as Lender

By: /s/ Andrew Marshak
Title: Authorized Signatory

Fleet National Bank
as Lender

By: /s/ Alisa B. Callahan
Title: Vice President

Harbour Town Funding LLC
as Lender

By: /s/ Ann E. Morris
Title: Assistant Vice President

Harbour Town Funding Trust
as Lender

By: /s/ Ann E. Morris
Title: Assistant Vice President

IBM Credit Corporation

By: /s/ Thomas S. Curcio
Title: Manager of Credit

Keybank National Association
as Lender

By: /s/ Jeff Kalinowski
Title: Vice President

Long Lane Master Trust IV
As Lender
By: Fleet National Bank as Trust Administrator

By: /s/ Renee Nadler
Title: Authorized Signatory

Metropolitan Property and Casualty Insurance
Company

By: /s/ James R. Dingler
Title: Director

Mizuho Corporate Bank, LTD.
as Lender

By: /s/ Nobucki Koike
Title: Senior Vice President

ML CLO II Pilgrim America (Cayman) Ltd.
By: ING Pilgrim Investment, LLC
as its investment manager

By: /s/ Robert L. Wilson
Title: Vice President

Mountain Capital CLO II Ltd.,
as Initial Lender

By: /s/ Darren P. Riley
Title: Director

Oasis Collateralized High Income Portfolio-1 Ltd.
By: INVESCO Senior Secured Management, Inc
as Subadvisor

By: /s/ Joseph Rotondo
Title: Authorized Signatory

Octagon Investment Partners II, LLC
By: Octagon Credit Investors, LLC
as sub-investment manager

By: /s/ Michael B. Nechamkin
Title: Portfolio Manager

Octagon Investment Partners III, LLC
By: Octagon Credit Investors, LLC
as portfolio manager

By: /s/ Michael B. Nechamkin
Title: Portfolio Manager

Octagon Investment Partners IV, LLC
By: Octagon Credit Investors, LLC
as Collateral Manager

By: /s/ Michael B. Nechamkin
Title: Portfolio Manager

Sankaty Advisors, LLC as Collateral Manager for
Great Point CLO 1999-1 TD.,
as Term lender

By: /s/ Timothy M. Bams
Title: Vice President

Sankaty Advisors, LLC as Collateral Manager for
Castle Hill I - INGOTS, LTD,
as Term lender

By: /s/ Timothy M. Bams
Title: Vice President

Sankaty Advisors, LLC as Collateral Manager for
Race Point CLO Limited,
as Term lender

By: /s/ Timothy M. Bams
Title: Vice President

Sankaty High Yield Partners II, L.P.
as Lender

By: /s/ Timothy M. Bams
Title: Vice President

Seaboard CLO 2000 Ltd.
By: Orix Capital Markets LLC
its Collateral Manager

By: /s/ Sheppard HC Davis, Jr.
Title: Managing Director

Sequils Pilgrim-1 Ltd.
By: ING Investments, LLC
as its investment manager

By: /s/ Robert L. Wilson
Title: Vice President

Sequils-Liberty, Ltd.
By: INVESCO Senior Secured Management, Inc.
As Collateral Manager

By: /s/ Joseph Rotondo
Title: Authorized Signatory

Sierra CLO-I
as Lender

By: /s/ John M. Casparian
Title: Chief Operating Officer (Sierra CLO) Centre Pacific, Manager

Societe Generale

By: /s/ Edward J. Grimm
Title: Director

Stanfield CLO Ltd.
By: Stanfield Capital Partners LLC
as its collateral manager

By: /s/ Christopher A. Bondy
Title: Partner

Stanfield/RMF Transatlantic CDO Ltd.
By: Stanfield Capital Partners LLC
as its collateral manager

By: /s/ Christopher A. Bondy
Title: Partner

Stanfield Arbitrage CDO Ltd.
By: Stanfield Capital Partners LLC
as its collateral manager

By: /s/ Christopher A. Bondy
Title: Partner

Sunamerica Senior Floating Rate Fund Inc.
By: Stanfield Capital Partners LLC
as subadvisor

as Lender

By: /s/ Christopher A. Bondy
Title: Partner

The Travelers Insurance Company
as Lender

By: /s/ Matthew J. McInerny
Title: Investment Officer

Toronto Dominion (New York), Inc.
as Lender

By: /s/ Stacey L. Malek
Title: Vice President

TRSI LLC,
as Lender

By: /s/ Rosemary F. Dune
Title: Attorney-in-Fact

Tyron CLO Ltd. 2000-1
as Lender
By: David L. Babson & Company, Inc.,
as Collateral Manager

By: /s/ John Stelwagon
Title: Director

Wachovia Bank, N.A. fka First Union National Bank
as Lender

By: /s/ James F. Heatwole
Title: Director

Windsor Loan Funding, Limited
By: Stanfield Capital Partners LLC
as its Investment Manager

By: /s/ Christopher A. Bondy
Title: Partner

EXECUTION COPY

CONSENT OF SUBSIDIARY GUARANTOR

Dated as of September 27, 2002

Each of the undersigned corporations, as a Subsidiary Guarantor under the Subsidiary Guaranty dated April 28, 2000 (as confirmed by the Guaranty and Security Confirmation dated as of March 30, 2001, the "Subsidiary Guaranty") in favor of the Secured Parties under the Credit Agreement referred to in the foregoing Amendment, hereby consents to such Amendment and hereby confirms and agrees that notwithstanding the effectiveness of such Amendment, the Subsidiary Guaranty is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects, except that, on and after the effectiveness of such Amendment, each reference in the Subsidiary Guaranty to the "Credit Agreement", "thereunder", "thereof" or words of like import shall mean and be a reference to the Credit Agreement, as amended by such Amendment.

GUARDIAN ASSETS, INC.

By: /s/ KEVIN HERON
Name: KEVIN HERON
Title: SECRETARY

Exhibit 10.20

AMENDMENT TO SHARE SALE AND PURCHASE AGREEMENT AND SHAREHOLDERS AGREEMENT

This Amendment to Share Sale and Purchase Agreement and Shareholders Agreement (this "Amendment") is made and entered into as of the 27th day of September 2002, by and among:

AMKOR TECHNOLOGY, INC., a Delaware corporation with a place of business at 1345 Enterprise Drive, West Chester, Pennsylvania 19380, U.S.A ("ATI");

DONGBU CORPORATION, a Korean corporation with its registered office located at Dongbu Financial Center, 891-10 Daechi-dong, Kangnam-ku, Seoul, Korea ("Dongbu Corporation");

DONGBU FIRE INSURANCE CO., LTD., a Korean corporation with its registered office located at Dongbu Financial Center, 891-10 Daechi-dong, Kangnam-ku, Seoul, Korea ("Dongbu Fire"); and

DONGBU LIFE INSURANCE CO., LTD., a Korean corporation with its registered office located at Dongbu Financial Center, 891-10 Daechi-dong, Kangnam-ku, Seoul, Korea ("Dongbu Life").

Dongbu Corporation, Dongbu Fire and Dongbu Life shall hereinafter be collectively referred to as "Dongbu". ATI and Dongbu shall hereinafter be referred to individually as a "Party" and collectively as the "Parties".

RECITALS:

A. Anam Semiconductor, Inc., a Korean corporation with its registered office located at 154-17, Samsung-dong, Kangnam-ku, Seoul, Korea (the "Company") issued, and Dongbu Fire and Dongbu Life subscribed for, an aggregate of 12,000,000 common shares of the Company, on July 26, 2002.

B. ATI and Dongbu Corporation entered into a certain share sale and purchase agreement dated July 10, 2002 (the "Share Sale and Purchase Agreement") pursuant to which ATI agreed to sell, and Dongbu Corporation agreed to purchase, an aggregate of 20,000,000 common shares of the Company.

C. ATI and Dongbu entered into a certain shareholders agreement dated July 29, 2002 (the "Shareholders Agreement") in which the parties thereto memorialized their agreements with respect to their joint ownership and management of the Company after the closing of the share sale and purchase transaction under the Share Sale and Purchase Agreement.

D. The parties to this Amendment desire to amend the Share Sale and Purchase

Agreement and the Shareholders Agreement on the terms and conditions set forth herein.

Now, it is hereby agreed as follows:

ARTICLE 1. DEFINITIONS & INTERPRETATION

1.1 The terms used herein shall have the same meanings as in the Share Sale and Purchase Agreement and the Shareholders Agreement unless otherwise defined herein.

1.2 Except where the context otherwise requires, each gender shall include the other genders and the singular shall include the plural and vice versa, and references to persons shall include bodies corporate and incorporate.

1.3 Headings of Articles in this Amendment are for convenience only and do not substantively affect the terms of this Amendment.

ARTICLE 2. AMENDMENTS TO THE SHARE SALE AND PURCHASE AGREEMENT

ATI and Dongbu Corporation hereby agree to amend the Share Sale and Purchase Agreement as follows:

2.1 Article 2.3 shall be amended and restated in its entirety as follows:

"Payment Method. Purchaser shall pay to Seller the Purchase Price by means of cash payments and delivery of the Promissory Notes in the amounts and in the manner set forth in Articles 3,1, 3.2 and 3.5."

2.2 Article 3.3 shall be amended by replacing "August 28, 2002" in the third line thereof with "September 30, 2002".

2.3 Article 3.5 shall be amended and restated in its entirety as follows:

"Closing Deliveries of Purchaser. At the Closing, Purchaser shall pay, or have paid, to Seller the remaining unpaid portion of the Purchase Price, (i) by payment in cash in immediately available funds to the bank account designated in writing by Seller in advance, KRW15,000,000,000 (against which payment Seller shall deliver, or have delivered, to Purchaser a receipt, duly executed by Seller, certifying the receipt by Seller of such payment) and (ii) by delivery, or having delivered, to Seller or its designated affiliate (subject to Korean foreign exchange regulations) the following:

(a) a promissory note in the amount of KRW21,000,000,000, bearing interest at a rate of 5% per annum, payable 12 months after the Closing Date; and

(b) a promissory note in the amount of KRW21,000,000,000, bearing interest at a rate of 5% per annum, payable on February 10, 2004.

Each promissory note referred to in (a) and (b) of this Article 3.5 is referred to as a "Promissory Note" and together are referred to as the "Promissory Notes". The

Promissory Notes shall be issued by Purchaser and payable at bank (eun-haeng-do-yak-sok-eo-eum). The Promissory Notes shall be secured by Purchaser's pledge to Seller of 10,000,000 of the Sale Shares (the "Pledge"). Seller (as pledgee) shall hold the share certificates in respect of the pledged Shares through a third party assistant-possessor for Seller (jeom-yu-bo-jo-ja) mutually agreeable to Seller and Purchaser. The Promissory Notes shall be in the form of Exhibit 1 attached hereto, and the Pledge shall be in the form of Exhibit 2 attached hereto.

2.4 Article 3.6 shall be deleted.

2.5 Articles 5.1 (b) through (g) shall be amended so that each representation and warranty therein by Seller with respect to the Share Sale and Purchase Agreement shall apply mutatis mutandis to the Promissory Notes and the Pledge.

2.6 Article 7.2.3 shall be deleted.

2.7 Article 7.2.4 shall be renumbered as Article 7.2.3 and shall be amended and restated in its entirety as follows:

"Shareholders Agreement. The Shareholders Agreement has not been terminated."

2.8 Article 8.3 shall be amended and restated in its entirety as follows:

"Shareholders Agreement. The Shareholders Agreement has not been terminated."

2.9 Article 10.1(e) shall be amended by replacing "September 13, 2002" in the first line thereof with "October , 2002".

2.10 Exhibits 1 and 2 attached hereto shall be added as exhibits to the Share Sale and Purchase Agreement.

ARTICLE 3. AMENDMENTS TO THE SHAREHOLDERS AGREEMENT

ATI and Dongbu hereby agree to amend the Shareholders Agreement as follows:

3.1 Article 2.2 shall be amended by replacing "within 7 days after the payment of the Interim Payment (as defined in the Share Sale and Purchase Agreement)" in the first and second lines thereof with "no later than October 7, 2002".

3.2 Article 3.4(a) shall be amended by adding at the end thereof "; provided that the integration of the Company with Dongbu Electronics shall be excluded".

3.3 Article 3.4(b) shall be amended by adding at the end thereof "; provided that share issuance in connection with the merger between the Company and Dongbu Electronics or contribution in kind of Dongbu Electronics shares as an interim step toward such merger shall be excluded.

3.4 Article 3.4(c) shall be amended and restated as follows:

"(A) prior to the date on which the Foundry Agreement (as defined in Article 4.3) has been terminated and the fair value of the Foundry Agreement has been fully paid by the Company in accordance with Article 4.3, any transaction whose contract value together with that of all other transactions in a fiscal year exceeds KRW50,000,000,000 or any transaction between the Company and its directors, officers, employees, major shareholders or affiliates or directors, officers, employees of its major shareholders or affiliates; provided that (i) employment contracts in the ordinary course of business, (ii) such transactions which are on an arm's length basis and normal commercial terms and (iii) any transaction to be made in accordance with Sections 4.3, 4.4 and 4.5 hereof, shall be excluded; (B) after the Foundry Agreement has been terminated and the fair value of the Foundry Agreement has been fully paid by the Company in accordance with Section 4.3, any transaction, whose contract value together with that of all other such transactions in a fiscal year exceeds KRW50,000,000,000, between the Company and its directors, officers, employees, major shareholders or affiliates or directors, officers, employees of its major shareholders or affiliates; provided that (i) employment contracts in the ordinary course of business, (ii) such transactions which are on an arm's length basis and normal commercial terms, (iii) any transaction to be made in accordance with Sections 4.3, 4.4 and 4.5 hereof and (iv) any transaction between the Company and Dongbu Electronics, shall be excluded; and (C) after the payment in full of the Promissory Notes (as defined in the Share Sale and Purchase Agreement), this clause (c) of Article 3.4 shall be deleted."

3.5 Article 4.1 shall be amended by replacing the phrase "under terms mutually satisfactory" in the second line thereof with "in accordance with a merger ratio (the ratio of Company shares to Dongbu Electronics shares upon which the merger will be consummated) mutually satisfactory" and by adding at the end of such Article 4.1 the following:

"Pending such merger, ATI and Dongbu shall cooperate and consult with each other in good faith as to the management of the Company and Dongbu Electronics with the goal of aligning the activities and policies of the Company and Dongbu Electronics toward the mutual benefit of both companies; provided, however, that Dongbu shall have no obligations of any kind toward ATI with respect to the management of Dongbu Electronics other than such consultation and except as set forth in Article 3.7. In the event the Shareholders cannot agree on mutually satisfactory merger ratio for such merger, the Shareholders shall appoint an independent financial adviser in Korea mutually agreeable to the Shareholders, and such financial advisor shall determine the fair merger ratio. The Shareholders agree that the fair merger ratio as determined by the independent financial advisor as aforesaid shall be the basis upon which the Company and Dongbu Electronics will be merged; provided that such merger complies with all applicable laws. ATI and Dongbu acknowledge that capital contribution in kind of Dongbu Electronics shares into the Company may occur as an interim step toward the above merger, in which case such capital contribution shall be made based on a valuation of Dongbu Electronics share mutually agreeable to the Shareholders. In the event the Shareholders cannot mutually agree on such valuation, the procedure set forth above for the determination of the merger ratio by an independent financial advisor shall apply mutatis mutandis."

3.6 Article 4.2 shall be amended by replacing the phrase "the election of directors pursuant to Article 3.1" in the first line thereof with "the Share Purchase Closing".

3.7 Article 4.3 shall be amended and restated in its entirety as follows:

"ATI and Dongbu acknowledge that the Foundry Agreement dated January 1, 1998 (the "Foundry Agreement") by and among ATI, Amkor Electronics, Inc. and C.I.L. Limited (Cayman) (the "Amkor Parties") and Anam USA and the Company will be terminated as soon as practicable and prior to the end of 2002 and that the process for agreeing to the terms and conditions of such termination shall be as follows: (i) ATI will appoint a third party appraiser to determine the fair value to the Amkor Parties of such Foundry Agreement; (ii) if based on the determination of such appraiser the Amkor Parties and the Company cannot agree on the terms and conditions of the termination of the Foundry Agreement, which are mutually agreeable to the Shareholders, the Company will, with the consent of Dongbu, which consent shall not be unreasonably withheld, appoint a third party appraiser to determine such fair value; and (iii) if based on the determinations of the appraisers appointed by ATI and the Company, the Amkor Parties and the Company cannot agree on the terms and conditions of the termination of the Foundry Agreement, which are mutually agreeable to the Shareholders, the terms and conditions of the termination of the Foundry Agreement shall be determined pursuant to arbitration as provided in the Foundry Agreement. Each of the Shareholders shall vote its Shares and/or instruct directors nominated by it, as applicable, to cause the Company to terminate the Foundry Agreement in accordance with this Section 4.3; provided the amount paid by the Company to the Amkor Parties in consideration for their agreement to terminate the Foundry Agreement shall not exceed US$65,000,000 and shall not be lower than US$45,000,000."

3.8 Section 7.11 shall be amended by adding at the end thereof the following:

"In addition, ATI may upon written notice to that effect to Dongbu terminate this Agreement if an event of default under the Promissory Notes or the Pledge (as such terms are defined in the Share Sale and Purchase Agreement) and such default has not been cured within all applicable grace or cure periods. In the event of termination of this Agreement due to such an event of default under the Promissory Notes or the Pledge, Dongbu shall immediately cause their designated directors and officers of the Company to resign and shall not thereafter participate in the management of the Company."

ARTICLE 4. EFFECTIVENESS OF THE SHARE SALE AND PURCHASE AGREEMENT AND THE SHAREHOLDERS AGREEMENT

Except as hereby amended, the Share Sale and Purchase Agreement and the Shareholders Agreement shall remain in full force and effect.

ARTICLE 5 GOVERNING LAW & ARBITRATION

5.1 This Amendment shall be governed by and construed in accordance with the laws of Korea.

5.2 Section 7.2 of the Shareholders Agreement shall hereby be incorporated by reference into this Amendment.

[signature page to follow]

IN WITNESS WHEREOF, the Parties executed this Amendment as of the date first above written.

AMKOR TECHNOLOGY, INC.

By /s/ JOHN N. BORUCH
____

Name: JOHN N. BORUCH
Title: PRESIDENT AND COO

DONGBU CORPORATION

By /s/ HO-IK PAIK

____

Name: HO-IK PAIK
Title: PRESIDENT AND CEO

DONGBU FIRE INSURANCE CO., LTD.

By /s/ SU KWANG LEE

____

Name: SU KWANG LEE
Title: PRESIDENT AND CEO

DONGBU LIFE INSURANCE CO., LTD.

By /s/ KI CHI CHANG

____

Name: KI CHI CHANG
Title: PRESIDENT AND CEO

EXHIBIT 12.1

AMKOR TECHNOLOGY, INC.
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(IN THOUSANDS EXCEPT RATIO DATA)

	YEAR ENDED DECEMBER 31,					NINE MONTHS ENDED SEPTEMBER 30,
	1997	1998	1999	2000	2001	2002
Earnings						
Income (loss) before income taxes, equity in income (loss) of investees and minority interest	$ 61,006	$ 100,735	$ 105,288	$ 197,429	$ (429,950)	$ (520,447)
Interest expense	37,993	25,860	61,803	127,027	152,067	107,734
Amortization of debt issuance costs	--	1,217	3,466	7,013	22,321	6,170
Interest portion of rent	2,236	2,584	3,481	4,567	7,282	3,751
Less (earnings) loss of affiliates	(512)	--	2,622	--	--	--
	$ 100,723	$ 130,396	$ 176,660	$ 336,036	$ (248,280)	$ (402,792)
Fixed Charges						
Interest expense	37,993	25,860	61,803	127,027	152,067	107,734
Amortization of debt issuance costs	--	1,217	3,466	7,013	22,321	6,170
Interest portion of rent	2,236	2,584	3,481	4,567	7,282	3,751
	$ 40,229	$ 29,661	$ 68,750	$ 138,607	$ 181,670	$ 117,655
Ratio of earnings to fixed charges	2.5x	4.4x	2.6x	2.4x	-- x(1)	-- x(1)

(1) The ratio of earnings to fixed charges was less than 1:1 for the nine months ended September 30, 2002. In order to achieve a ratio of earnings to fixed charges of 1:1, we would have had to generate an additional $520.4 million of earnings in the nine months ended September 30, 2002. We recorded charges totaling $282.0 million in the nine months ended September 30, 2002 for goodwill and long-lived asset impairments, lease termination costs and other exit costs. The ratio of earnings to fixed charges was less than 1:1 for the year ended December 31, 2001. In order to achieve a ratio of earnings to fixed charges of 1:1, we would have had to generate an additional $430.0 million of earnings in the year ended December 31, 2001.

Exhibit 99.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, James J. Kim, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Amkor Technology, Inc. on Form 10-Q for the quarterly period ended September 30, 2002 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-Q fairly presents in all material respects the financial condition and results of operations of Amkor Technology, Inc.

By: /s/ JAMES J. KIM
Name: James J. Kim
Title: Chief Executive Officer

I, Kenneth T. Joyce, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Amkor Technology, Inc. on Form 10-Q for the quarterly period ended September 30, 2002 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-Q fairly presents in all material respects the financial condition and results of operations of Amkor Technology, Inc.

By: /s/ KENNETH T. JOYCE
Name: Kenneth T. Joyce
Title: Chief Financial Officer