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 JUNE 30, 2000

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
5 3/4% CONVERTIBLE SUBORDINATED NOTES DUE 2003
10 1/2% SENIOR SUBORDINATED NOTES DUE 2009
9 1/4% SENIOR NOTES DUE 2006
5% CONVERTIBLE SUBORDINATED NOTES DUE 2007

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 August 7, 2000 was 151,823,358.

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 JUNE 30,		FOR THE SIX MONTHS ENDED JUNE 30,	
	2000	1999	2000	1999
	(UNAUDITED)		(UNAUDITED)	
Net revenues	$ 547,036	$ 449,925	$ 1,101,847	$ 869,882
Cost of revenues -- including purchases from ASI	407,441	379,133	847,221	735,918
Amortization of goodwill and acquired intangibles	15,266	4,029	21,454	4,626
Total cost of revenues	422,707	383,162	868,675	740,544

Gross profit	124,329	66,763	233,172	129,338
Operating expenses:				
Selling, general and administrative	47,058	35,017	89,129	65,123
Research and development	4,872	2,843	8,243	5,094
Total operating expenses	51,930	37,860	97,372	70,217
Operating income	72,399	28,903	135,800	59,121
Other (income) expense:				
Interest expense, net	29,428	10,799	44,857	12,434
Foreign currency loss	1,756	98	2,592	404
Other expense (income), net	(322)	2,006	2,038	3,628
Total other expense	30,862	12,903	49,487	16,466
Income before income taxes and equity in income (loss) of investees	41,537	16,000	86,313	42,655
Provision for income taxes	(6,230)	(4,480)	(15,186)	(12,210)
Equity in income (loss) of investees	(4,371)	--	(3,035)	--
Net income	$ 30,936	$ 11,520	$ 68,092	$ 30,445
Per Share Data:				
Basic net income per common share	$ 0.21	$ 0.10	$ 0.49	$ 0.26
Diluted net income per common share	$ 0.20	$ 0.10	$ 0.47	$ 0.26
Shares used in computing basic net income per common share	148,530	118,131	139,701	117,995
Shares used in computing diluted net income per common share	157,617	118,396	148,078	118,289

The accompanying notes are an integral part of these statements.

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

	JUNE 30, 2000 (UNAUDITED)	DECEMBER 31, 1999
ASSETS		
Current assets:		
Cash and cash equivalents	$ 136,274	$ 98,045
Short-term investments	--	136,595
Accounts receivable --		
Trade, net of allowance for doubtful accounts of $2,443	264,799	157,281
Due from affiliates	2,778	6,278
Other	6,986	6,469
Inventories	93,327	91,465
Other current assets	23,684	11,117
Total current assets	527,848	507,250
Property, plant and equipment, net	1,428,187	859,768
Investments	399,227	63,672
Other assets:		
Due from affiliates	27,181	27,858
Goodwill and acquired intangibles	767,029	232,350
Other	232,216	64,191
Total other assets	1,026,426	324,399

Total assets	$ 3,381,688	$ 1,755,089

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Bank overdraft	$ 28,169	$ 16,209
Short-term borrowings and current portion of long-term debt	73,579	6,465
Trade accounts payable	182,036	122,147
Due to affiliates	37,683	37,913
Accrued expenses	104,355	88,577
Accrued income taxes	45,245	41,587
Total current liabilities	471,067	312,898
Long-term debt	1,642,076	687,456
Other noncurrent liabilities	44,585	16,994
Total liabilities	2,157,728	1,017,348
Commitments and contingencies		
Stockholders' equity:		
Common stock	152	131
Additional paid-in capital	970,087	551,964
Retained earnings	257,825	189,733
Receivable from stockholder	(3,276)	(3,276)
Accumulated other comprehensive income	(828)	(811)
Total stockholders' equity	1,223,960	737,741
Total liabilities and stockholders' equity	$ 3,381,688	$ 1,755,089

The accompanying notes are an integral part of these statements.

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

	COMMON STOCK SHARES	COMMON STOCK AMOUNT	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	RECEIVABLE FROM STOCKHOLDER
Balance at December 31, 1998	117,860	$ 118	$ 381,061	$ 109,738	$ --
Net income	--	--	--	30,445	--
Unrealized losses on investments, net of tax	--	--	--	--	--
Comprehensive income					
Issuance of stock through employee stock purchase plan and stock options	399	--	1,548	--	--
Balance at June 30, 1999	118,259	$ 118	$ 382,609	$ 140,183	$ --
Balance at December 31, 1999	130,660	$ 131	$ 551,964	$ 189,733	$ (3,276)
Net income	--	--	--	68,092	--
Unrealized losses on investments, net of tax	--	--	--	--	--
Comprehensive income					
Issuance of 20.5 million common stock shares and 3.9 million common stock warrants	20,500	21	409,979	--	--
Issuance of stock through employee stock purchase plan and stock options	382	--	4,684	--	--
Debt conversion	248	--	3,460	--	--
Balance at June 30, 2000	151,790	$ 152	$ 970,087	$ 257,825	$ (3,276)

	ACCUMULATED OTHER COMPREHENSIVE INCOME	TOTAL	COMPREHENSIVE INCOME
Balance at December 31, 1998	$ (556)	$ 490,361	
Net income	--	30,445	$ 30,445
Unrealized losses on investments, net of tax	(223)	(223)	(223)
Comprehensive income			$ 30,222
Issuance of stock through employee stock purchase plan and stock options	--	1,548	
Balance at June 30, 1999	$ (779)	$ 522,131	
Balance at December 31, 1999	$ (811)	$ 737,741	
Net income	--	68,092	$ 68,092
Unrealized losses on investments, net of tax	(17)	(17)	(17)
Comprehensive income			$ 68,075
Issuance of 20.5 million common stock shares and 3.9 million common stock warrants	--	410,000	
Issuance of stock through employee stock purchase plan and stock options	--	4,684	
Debt conversion	--	3,460	
Balance at June 30, 2000	$ (828)	$1,223,960	

The accompanying notes are an integral part of these statements.

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

	FOR THE SIX MONTHS ENDED JUNE 30, 2000	1999
	(UNAUDITED)	
Cash flows from operating activities:		
Net income	$ 68,092	$ 30,445
Adjustments to reconcile net income to net cash provided by operating activities --		
Depreciation and amortization	130,629	72,989
Amortization of deferred debt issuance costs	2,626	1,369
Debt conversion expense	272	--
Provision for excess and obsolete inventory	3,500	3,573
Deferred income taxes	1,935	8,069
Equity in loss of investees	3,035	720
Loss on sale of fixed assets and investments	1,012	864
Changes in assets and liabilities excluding effects of acquisitions --		
Accounts receivable	(38,218)	(54,633)
Repurchase of accounts receivable under securitization agreement	(71,500)	(2,700)
Other receivables	2,363	(54,842)
Inventories	(2,585)	7,272
Due to/from affiliates, net	3,947	90,502
Other current assets	(13,129)	(365)
Other noncurrent assets	(10,372)	(10,597)
Accounts payable	62,089	21,299
Accrued expenses	8,353	(6,597)
Accrued income taxes	3,658	(9,746)
Other long-term liabilities	3,473	(4,895)
Net cash provided by operating activities	159,180	92,727
Cash flows from investing activities:		
Purchases of property, plant and equipment	(288,837)	(105,400)

Acquisition of K1, K2 and K3, net of cash acquired	(924,548)	--
Investment in ASI	(339,000)	--
Cash held in escrow to fund ASI investment commitment	(120,000)	--
Acquisition of Integra Technologies, LLC, cash held in escrow	(7,580)	--
Acquisition of K4	--	(575,000)
Proceeds from the sale (purchase) of investments	136,988	(118,491)
Net cash used in investing activities	(1,542,977)	(798,891)
Cash flows from financing activities:		
Net change in bank overdrafts and short-term borrowings	8,574	(12,702)
Net proceeds from issuance of long-term debt	1,029,154	604,714
Payments of long-term debt	(30,386)	(7,430)
Net proceeds from the issuance of 20.5 million common shares in a private equity offering	410,000	--
Proceeds from issuance of stock through employee stock purchase plan and stock options	4,684	1,548
Net cash provided by financing activities	1,422,026	586,130
Net increase (decrease) in cash and cash equivalents	38,229	(120,034)
Cash and cash equivalents, beginning of period	98,045	227,587
Cash and cash equivalents, end of period	$ 136,274	$ 107,553
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 41,531	$ 8,470
Income taxes	$ 8,255	$ 13,568

The accompanying notes are an integral part of these statements.

AMKOR TECHNOLOGY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. INTERIM FINANCIAL STATEMENTS

The consolidated financial statements and related disclosures as of June 30, 2000 and for the three and six months ended June 30, 2000 and 1999 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, 1999 filed on Form 10-K with the Securities and Exchange Commission. The results of operations for the three months and six months ended June 30, 2000 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.

2. 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 both the semiconductor and the personal computer industries, competitive pricing and declines in average selling prices, dependence on our relationship with ASI for all of our wafer fabrication output, reliance on a small group of principal customers, timing and volume of orders relative to the production capacity, availability of manufacturing capacity and fluctuations in manufacturing yields, availability of financing, competition, dependence on international operations and sales, dependence on raw material and equipment suppliers, exchange rate fluctuations, dependence on key personnel, difficulties in managing growth, enforcement of intellectual property rights, environmental regulations and the results of ASI through the equity method of accounting.

3. RELATIONSHIP WITH ANAM SEMICONDUCTOR INC.

On May 1, 2000 we completed our purchase of ASI's three remaining packaging and test factories, known as K1, K2 and K3 for a purchase price of $950.0 million and made an additional equity investment in ASI of $309.0 million of the total $459.0 million we committed to invest at that time. We made our second installment of our committed investment on June 30, 2000 in the amount of $30.0 million. We expect to fulfill the remaining equity investment commitment of $120.0 million in two equal installments by August 31, 2000 and October 31, 2000. Included in our June 30, 2000 consolidated balance sheet within noncurrent other assets is a restricted escrow account balance of $120.0 million to fund the remaining two installments of our equity investment commitment. We financed the acquisition and investment with the proceeds of a $258.8 million convertible subordinated notes offering, a $410.0 million private equity financing, $750.0 million of new secured bank debt and approximately $103 million from cash on hand.

As of June 30, 2000, we have invested a total of $380.6 million in ASI. The amount by which the cost of our investment exceeds our share of the underlying assets of ASI as of the date of our investment is being amortized on a straight-line basis over a five-year period. The amortization is included in our consolidated statement of income within equity in income of investees. As of June 30, 2000, the unamortized excess of the cost of our equity investment in ASI above our share of the underlying net assets is $140.2 million. By October 2000 after we have made our remaining $120.0 million committed investment in ASI and ASI's creditor banks convert an additional 13.2 billion won (approximately $11.7 million) of ASI's debt to equity, we expect our ownership in the outstanding voting stock will be approximately 42%. We will continue to report ASI's results in our financial statements through the equity method of accounting. ASI was released from workout with its Korean creditor banks on July 18, 2000.

The acquisition of K1, K2 and K3 was accounted for as a purchase. Accordingly, the results of K1, K2 and K3 have been included in the accompanying consolidated financial statements since the date of acquisition. Goodwill and acquired intangibles as of the acquisition date, based on the preliminary estimates of fair value, were $556.5 million and are being amortized on a straight-line basis over a 10 year period. Acquired intangibles include the value of acquired patent rights and of a workforce-in-place. We do not expect that the final purchase price allocation will differ significantly from the preliminary purchase price allocation recorded as of June 30, 2000.

Through our supply agreements with ASI, we historically have had a first right to substantially all of the packaging and test services capacity of ASI and the exclusive right to all of the wafer output of ASI's wafer fabrication facility. Beginning in May 2000 with our acquisition of K1, K2 and K3, we no longer receive packaging and test services from ASI. We continue to have certain contractual and other business relationships with ASI, primarily our wafer fabrication services supply agreement. Under this supply agreement, we have the exclusive right to all of the wafer output of ASI's wafer fabrication facility, and we expect to continue to purchase all of ASI's wafer fabrication services.

On May 17, 1999, we purchased ASI's packaging and test business known as K4. The purchase price for K4 was $575.0 million in cash plus the assumption of approximately $7.0 million of employee benefit liabilities. The acquisition was accounted for as a purchase. Accordingly, the results of K4 have been included in the accompanying consolidated financial statements since the date of acquisition.

Pro Forma Financial Information for Amkor (unaudited)

The unaudited pro forma information below assumes that the May 2000 acquisition of K1, K2 and K3 has occurred at the beginning of 2000 and 1999 and the May 1999 acquisition of K4 had occurred at the beginning of 1999. The pro forma adjustments include a provision for amortization of goodwill and other identified intangibles, an adjustment of depreciation expenses related to our estimate of the fair market value of the acquired assets, interest expense on debt issued to finance the acquisitions and income taxes related to the pro forma adjustments. The pro forma results are not necessarily indicative of the results we would actually have achieved if the acquisition had been completed as of the beginning of each of the periods presented, nor are they necessarily indicative of future consolidated results.

	FOR THE SIX MONTHS ENDED JUNE 30, 2000	1999
	(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)	
Net revenues	$1,112,068	$ 881,123
Income before income taxes and equity in income (loss) of investees	105,867	77,191
Net income	87,890	29,164
Earnings per share:		
Basic net income per common share	0.58	0.21
Diluted net income per common share	0.55	0.21

The pro forma adjustments exclude the effects of our investments in ASI. Had we included pro forma adjustments for the six months ended June 30, 2000 related to our investments in ASI, pro forma net income would have been $82.1 million and pro forma earnings per share on a diluted basis would have been $0.52.

Financial Information for ASI

The following summary of unaudited consolidated financial information was derived from the consolidated financial statements of ASI, reflecting ASI's packaging and test operations as discontinued operations within their results of operations. Net income includes a $436.8 million gain on sale of K1, K2 and K3, which was eliminated for purposes of calculating our equity in income of ASI.

	THREE MONTHS ENDED JUNE 30, 2000	SIX MONTHS ENDED JUNE 30, 2000
	(IN THOUSANDS)	
SUMMARY INCOME STATEMENT INFORMATION FOR ASI		
Net revenues	$ 78,427	$ 157,596
Loss from continuing operations	(5,670)	(19,254)
Net income	430,964	459,310

SUMMARY BALANCE SHEET INFORMATION FOR ASI	JUNE 30, 2000	DECEMBER 31, 1999
	(IN THOUSANDS)	
Cash, including current portion of restricted cash and bank deposits	$ 238,087	$ 202,969
Property, plant and equipment, net	728,382	1,037,935
Total assets	1,167,922	1,487,469
Total debt	262,631	1,447,975
Total liabilities	565,485	1,785,219
Total stockholders' equity	602,437	(297,750)

4. INVENTORIES

Inventories consist of raw materials and purchased components that are used in the semiconductor packaging process. Inventories are located at our facilities in the Philippines and Korea. Components of inventories follow:

	JUNE 30, 2000	DECEMBER 31, 1999
	(IN THOUSANDS)	
Raw materials and purchased components	$78,491	$81,379
Work-in-process	14,836	10,086
	$93,327	$91,465

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	JUNE 30, 2000	DECEMBER 31, 1999
	(IN THOUSANDS)	
Land	$ 80,048	$ 38,349
Buildings and improvements	431,720	303,077
Machinery and equipment	1,342,615	883,057
Furniture, fixtures and other equipment	72,419	52,866
Construction in progress	63,184	47,393
	1,989,986	1,324,742
Less -- Accumulated depreciation and amortization	561,799	464,974
	$1,428,187	$ 859,768

6. INVESTMENTS

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

	JUNE 30, 2000	DECEMBER 31, 1999
	(IN THOUSANDS)	
Equity investments under the equity method:		
ASI (ownership of 38% and 18%, respectively)	$376,643	$ 39,927
Other equity investments (20% - 50% owned)		
Taiwan Semiconductor Technology Corporation	17,745	18,456
Other	541	860
Total equity investments	394,929	59,243
Marketable securities classified as available for sale	4,298	4,429
	$399,227	$ 63,672

7. DEBT

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

	JUNE 30, 2000	DECEMBER 31, 1999
	(IN THOUSANDS)	
Short-term borrowings	$ --	$ 3,386
$900.0 million secured bank facility:		
Term A loan, LIBOR plus 2.75% due March 2005	332,500	--
Term B loan, LIBOR plus 3% due September 2005	349,125	--
$200.0 million revolving line of credit, LIBOR plus 2.75% due March 2005	100,000	--
Senior notes, 9.25%, due May 2006	425,000	425,000
Senior subordinated notes, 10.5%, due May 2009	200,000	200,000
Convertible subordinated notes, 5.75%, due May 2003	50,191	53,435
Convertible subordinated notes, 5%, due March 2007	258,750	--
Note payable, interest at bank's prime, due in installments with balance due April 2004	--	11,472
Other, primarily capital lease obligations and other debt	89	628
	1,715,655	693,921
Less -- Short-term borrowings and current portion of long-term debt	(73,579)	(6,465)
	$ 1,642,076	$ 687,456

In March 2000, we issued $258.8 million of convertible subordinated notes due March 2007. The notes accrue interest at a rate of 5% per annum and are convertible into Amkor common stock at a conversion price of $57.34 per share.

In May 2000, we incurred $750.0 million of secured bank debt related to our acquisition of K1, K2 and K3 and investment in ASI. The secured bank debt consists of a $900.0 million secured bank facility that includes a $200.0 million revolving credit line and two term loans with interest rates that vary with LIBOR. The secured bank debt provides for amortization of the drawn amount over a five to a five and one-half year period and quarterly principal and interest payments. Under the terms of the secured bank facility, we are required to make mandatory prepayments out of a portion of any excess cash flow, net proceeds of any asset sales and the net proceeds of any issuance of debt or equity securities, subject to certain exceptions. The bank facility is secured by our domestic assets, certain intercompany loans and our equity investment in ASI and includes financial covenants, as well as covenants restricting our ability to incur debt, pay dividends, make certain investments and payments and encumber or dispose of assets.

In connection with our issuance of the convertible notes due March 2007 and our secured bank facility, we incurred debt issuance costs of $9.3 million and $20.2 million. The debt issuance costs have been deferred over the life of the associated debt and are included, net of amortization, in other noncurrent assets in the consolidated balance sheet.

In the first half of 2000, we completed an early conversion of convertible subordinated notes. As a result, we exchanged approximately 248,000 shares of our common stock for $3.2 million of the 5.75% convertible subordinated notes due May 2003. The fair value of the shares of common stock issued in the exchanges in excess of the shares required for conversion was $0.3 million, and was expensed during the first half of 2000. This amount is included in other expense in the accompanying consolidated statements of income.

Interest expense related to short-term borrowings and long-term debt is presented net of interest income of $8.3 million and $5.7 million for the six months ended June 30, 2000 and 1999, respectively, in the accompanying consolidated statements of income.

8. STOCKHOLDERS' EQUITY

In May 2000, we issued 20.5 million shares of our common stock in the private equity financing and granted warrants that expire four years from issuance to purchase 3.9 million additional shares of our common stock at $27.50 per share. The fair vale of the stock warrants, based on the Black-Scholes pricing model, is $35.0 million and is included in additional paid-in capital on our June 30, 2000 consolidated balance sheet.

9. EARNINGS PER SHARE

Statement of Financial Accounting Standards ("SFAS") of 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. The following table presents a reconciliation of basic and diluted earnings, weighted average shares and per share amounts for the three and six months ended June 30, 2000 and 1999:

	FOR THE THREE MONTHS ENDED JUNE 30,					
	2000			1999		
	EARNINGS (NUMERATOR)	WEIGHTED AVERAGE SHARES (DENOMINATOR)	PER SHARE AMOUNT	EARNINGS (NUMERATOR)	WEIGHTED AVERAGE SHARES (DENOMINATOR)	PER SHARE AMOUNT
	(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)					
Basic earnings per share	$30,936	148,530	$ 0.21	$11,520	118,131	$ 0.10
Impact of convertible notes	606	3,726		--	--	
Dilutive effect of options and warrants	--	5,361		--	265	
Diluted earnings per share	$31,542	157,617	$ 0.20	$11,520	118,396	$ 0.10

	FOR THE SIX MONTHS ENDED JUNE 30,					
	2000			1999		
	EARNINGS (NUMERATOR)	WEIGHTED AVERAGE SHARES (DENOMINATOR)	PER SHARE AMOUNT	EARNINGS (NUMERATOR)	WEIGHTED AVERAGE SHARES (DENOMINATOR)	PER SHARE AMOUNT
	(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)					
Basic earnings per share	$68,092	139,701	$ 0.49	$30,445	117,995	$ 0.26
Impact of convertible notes	1,190	3,771		--	--	
Dilutive effect of options and warrants	--	4,606		--	294	
Diluted earnings per share	$69,282	148,078	$ 0.47	$30,445	118,289	$ 0.26

10. SEGMENT INFORMATION

In accordance with SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," we have two reportable segments, packing 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 three factories located in the Philippines and our four factories located in Korea, we offer a complete and integrated set of packaging and test services including IC packaging design, leadframe and substrate design, IC package assembly, 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 of ASI's deep submicron CMOS foundry, under a long-term supply agreement. We derive substantially all of these revenues from Texas Instruments. During the six months ended June 30, 2000 and 1999, we derived 15.4% and 16.2%, respectively, of our net revenues from sales to Texas Instruments.

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 ASI and Taiwan Semiconductor Technology Corporation and other investments.

	PACKAGING AND TEST	WAFER FABRICATION	OTHER	TOTAL
	(IN THOUSANDS)			
Three Months Ended June 30, 2000				
Net Revenues	$ 462,677	$ 84,359	$ --	$ 547,036
Gross Profit	115,864	8,465	--	124,329
Operating Income	67,621	4,778	--	72,399
Three Months Ended June 30, 1999				
Net Revenues	$ 379,899	$ 70,026	$ --	$ 449,925
Gross Profit	59,751	7,012	--	66,763
Operating Income	24,817	4,086	--	28,903
Six Months Ended June 30, 2000				
Net Revenues	$ 931,612	$ 170,235	$ --	$1,101,847
Gross Profit	216,204	16,968	--	233,172
Operating Income	125,439	10,361	--	135,800
Six Months Ended June 30, 1999				
Net Revenues	$ 730,419	$ 139,463	$ --	$ 869,882
Gross Profit	115,388	13,950	--	129,338
Operating Income	50,801	8,320	--	59,121
Total Assets				
June 30, 2000	$2,781,509	$ 37,874	$ 562,305	$3,381,688
December 31, 1999	1,391,105	37,011	326,973	1,755,089

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

	JUNE 30, 2000	DECEMBER 31, 1999
	(IN THOUSANDS)	
Property, Plant and Equipment, net		
United States	$ 66,191	$ 48,438
Philippines	570,023	448,644
Korea	791,400	362,144
Other foreign countries	573	542
	$1,428,187	$ 859,768

11. 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 currently engaged in negotiations regarding amounts due under a technology license agreement with a third party. To date, this dispute has not involved the judicial systems. We have accrued our estimate of amounts due under this agreement. However, depending on the results of the negotiations, the ultimate amount payable could be less than the amount accrued or exceed the amount accrued by up to $10.7 million.

12. SUBSEQUENT EVENT

In July 2000 we completed our acquisition of the net assets of Integra Technologies, LLC which had historical annual sales of $12.5 million. Integra is a provider of production and test services, specializing in the development and conversion of integrated circuit test software for most major automated test platforms. The purchase price was approximately $17.8 million in cash plus the assumption of approximately $1.0 million of liabilities. The acquisition will be accounted for as a purchase in the third quarter of 2000 commencing as of the acquisition date; accordingly, the purchase price will be allocated to the underlying assets and liabilities based on their respective estimated fair values at the date of acquisition.

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 statements regarding: (1) the anticipated growth in the market for our products, (2) our anticipated capital expenditures and financing needs, (3) our expected capacity utilization rates, (4) our belief as to our future operating performance, (5) statements regarding future won/dollar exchange rates, (6) statements regarding the future of our relationship with ASI and (7) other statements that are not historical facts. 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 six months ended June 30, 2000 and our liquidity and capital resources. You should read the following discussion in conjunction with and our consolidated financial statements and the related notes, included elsewhere in this quarterly report as well as the reports we file with the Securities and Exchange Commission.

OVERVIEW

We generate revenues primarily from the sale of semiconductor packaging and test services. Historically we performed these services at our three factories in the Philippines and subcontracted for additional services with ASI which operated four packaging and test facilities in Korea. 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. We also generate revenue by marketing the wafer fabrication services performed by the wafer fabrication facility owned by ASI. With the completion of our acquisition of K1, K2 and K3, we will no longer depend upon ASI for packaging or test services, but we will continue to market ASI's wafer fabrication services.

Historically, our cost of revenues has consisted principally of: (1) service charges paid to ASI for packaging and test services performed for us, (2) costs of materials and (3) labor and other costs at our factories. Service charges paid to ASI and our gross margins on sales of services performed by ASI were set in accordance with our supply agreements with ASI, which provided for periodic pricing adjustments based on changes in forecasted demand, product mix, capacity utilization and fluctuations in exchange rates, as well as our mutual long-term strategic interests. Fluctuations in service charges we paid to ASI have historically had a significant effect on our gross margins. In addition, our gross margins on sales of services performed by ASI have generally been lower than our gross margins on sales of services performed by our factories in the Philippines, but we had not previously borne any of ASI's fixed costs. Effective with our May 2000 acquisition of K1, K2 and K3 and May 1999 acquisition of K4, we bear all of the costs associated with these factories, but we no longer pay service charges to ASI for packaging and test services. We will continue to incur costs of direct materials used in packages that we produce for our customers. Because a portion of our costs at our factories in the Philippines and Korea will remain fixed, increases or decreases in capacity utilization rates may continue to have a significant effect on our gross profit. The unit cost of packaging and test services generally decreases as fixed charges, such as depreciation expense on our equipment, are allocated over a larger number of units produced.

Historically, prices for our packaging and test services and wafer fabrication services have declined over time. Beginning in 1997, a worldwide slowdown in demand for semiconductor devices led to excess capacity and increased competition. As a result, price declines in 1998 accelerated. 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. We cannot assure you that we will be able to offset any such price declines in the future. Beginning in the third quarter of 1999, demand for packaging and test services increased significantly, which reduced the decline in average selling prices.

Relationship with ASI

Through our supply agreements with ASI, we historically have had a first right to substantially all of the packaging and test services capacity of ASI and the exclusive right to all of the wafer output of ASI's wafer fabrication facility. Beginning in May 2000 with our acquisition of K1, K2 and K3, we no longer receive packaging and test services from ASI. We continue to have certain contractual and other business relationships with ASI, primarily our wafer fabrication services supply agreement. Under this supply agreement, we have the exclusive right to all of the wafer output of ASI's wafer fabrication facility, and we expect to continue to purchase all of ASI's wafer fabrication services. Currently we own 38% of ASI's outstanding voting stock. We expect to own approximately 42% of ASI's outstanding voting stock by October 2000 after we make our final installments of our $459.0 million equity investment. We expect to

make the final $120.0 million investment in ASI in two equal installments by August 31, 2000 and October 31, 2000. Our company and ASI continue to have close ties due to our overlapping ownership and management. We will continue to report ASI's results in our financial statements through the equity method of accounting. ASI was released from workout with its Korean creditor banks on July 18, 2000. For more information concerning our relationship with ASI, you should read "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Risk Factors that May Affect Future Operating Performance."

Financial Impact of Our Acquisition of K1, K2 and K3 and Investment in ASI on Our Results of Operations

Historically we were very dependent on ASI's packaging and test operations. Our dependence on ASI has decreased subsequent to our 1999 acquisition of the K4 factory, and now with our most recent acquisition of the K1, K2 and K3 factories. As a result of those acquisitions, net revenues subject to our former supply agreement with ASI for packaging and test services decreased to 13.5% of total packaging and test net revenues for the three months ended June 30, 2000 as compared with 46.7% of total packaging and test net revenues for the three months ended March 31, 2000 and 53.2% for the year ended December 31, 1999. Our acquisition of K1, K2 and K3 was effective May 1, 2000. Because we historically sold substantially all of the output of K1, K2 and K3, there was not and will not be a significant change in our revenues as a result of this acquisition. Our gross profits improved since the cost to operate the factories is less than the payments made to ASI under our previous supply agreement with ASI. For the period under our ownership, K1, K2 and K3 generated a combined gross margin of 29.6% after deducting $9.1 million of amortization of goodwill and acquired intangibles related to the acquisition. This represented an overall improvement in gross profits of an estimated $21 million based on the 12.8% gross margin for the three months ended March 31, 2000 generated under the previous ASI assembly and test supply agreement. We expect our consolidated gross margin to be approximately 25% for the quarter ending September 30, 2000, principally reflecting a full quarter's benefit of this acquisition.

The favorable increase in gross profits was offset by increased operating expenses related to the operations of K1, K2 and K3. Our interest expense increased by $18.6 million due to the total debt we incurred to finance the $950.0 million acquisition of K1, K2 and K3 and our $459.0 million investment in ASI. Additionally, during the quarter ended June 30, 2000 our overall effective tax rate decreased to 15% due to the fact that the profits of K1, K2 and K3 are subject to a tax holiday in Korea. This is a decrease from our effective tax rate of 20% for the three months ended March 31, 2000. The tax holiday applies to 100% of the profits of K1, K2 and K3 for seven years and then to 50% of such profits for three additional years. We expect our overall corporate tax rate to remain at approximately 15% for the foreseeable future.

Our earnings included equity in income of ASI for the six months ended June

30, 2000 of $6.0 million excluding $8.2 million of amortization of the excess of the cost of our investment in ASI over our share of the underlying net assets. We expect ASI will continue to strengthen as a result of their significantly reduced debt burden and the expansion of their wafer fabrication capacity. Actual results may differ materially from those anticipated in such forward-looking statements as a result of certain factors, including those set forth in "Risk Factors that May Affect Future Operating Performance".

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 JUNE 30,		FOR THE SIX MONTHS ENDED JUNE 30,	
	2000	1999	2000	1999
	(UNAUDITED)		(UNAUDITED)	
Net revenues	100.0%	100.0%	100.0%	100.0%
Gross profit	22.7%	14.8%	21.2%	14.9%
Operating income	13.2%	6.4%	12.3%	6.8%
Income before income taxes and equity in income of investees	7.6%	3.6%	7.8%	5.0%
Net income	5.7%	2.6%	6.2%	3.6%

Three Months Ended June 30, 2000 Compared to Three Months Ended June 30, 1999

Net Revenues. Net revenues increased $97.1 million, or 21.6%, to $547.0 million in the three months ended June 30, 2000 from $449.9 million in the three months ended June 30, 1999. Packaging and test net revenues increased 21.8% to $462.7 million in the three months ended June 30, 2000 from $379.9 million in the three months ended June 30, 1999. For the same three month periods, wafer fabrication net revenues increased to $84.4 million from $70.0 million.

The increase in packaging and test net revenues was primarily attributable to a significant increase in unit volumes. Overall unit volume increased approximately 33.7%. Growth in demand for our services was driven by our customers in the PC and telecommunications industries. Particularly strong was the demand for packages used in cellular phones and internet enabling equipment. In addition, changes in the mix of products we are selling, to more advanced and laminate packages, also provided an offset to overall price erosion. Offsetting the growth in unit volumes and favorable changes in product mix were significant average selling price erosion across all product lines. The average selling price erosion slowed during the second half of 1999 and the first half of 2000 due to increasing product demand. In addition, we believe revenues for the three months ended June 30, 2000 were adversely effected by advanced wafer capacity limitations at some of our customer locations, a wafer production shift by one of our largest customers and the loss of business in our P3 factory due to a laminate contamination issue. We have resolved the laminate contamination issue and are in the process of requalifying all of the affected customers.

The increase in wafer fabrication net revenues represents the expanded capacity of the wafer fabrication facility from approximately 18,000 wafer starts per month in the three months ended June 30, 1999 compared to approximately 24,000 wafer starts per month in the three months ended June 30, 2000.

Gross Profit. Gross profit increased $57.6 million, or 86.2%, to $124.3 million, or 22.7% of net revenues, in the three months ended June 30, 2000 from $66.8 million, or 14.8% of net revenues, in the three months ended June 30, 1999.

Gross margins were positively impacted by:

- Improved gross margin on revenues from the output of K1, K2 and K3 following our acquisition in May 2000;

- An improvement in gross margin at our test operations in the Philippines; and

- Increasing unit volumes during the second quarter of 2000, which permitted better absorption of our factories' substantial fixed costs, resulting in a lower manufacturing cost per unit and improved gross margins.

The positive impact on gross margins was partially offset by:

- Significant average selling price erosion across our product lines; and

- Capacity expansion in support of the expected demand during the second half of 2000 for our high-end and modules packages utilized in telecommunications products and internet enabling equipment.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased $12.1 million, or 34.4%, to $47.1 million, or 8.6% of net revenues, in the three months ended June 30, 2000 from $35.0 million, or 7.8% of net revenues, in the three months ended June 30, 1999. The increase in these costs was due to:

- Increased headcount and related personnel costs within our marketing, sales, modules and wafer fabrication groups; and

- Increased costs related to our Korean factories primarily as a result of the assumption of the general and administrative expenses of K1, K2 and K3.

Research and Development. Research and development expenses increased $2.0 million, or 71.4%, to $4.9 million, or 0.9% of net revenues, in the three months ended June 30, 2000 from $2.8 million, or 0.6% of net revenues, in the three months ended June 30, 1999. Increased research and development expenses resulted from increased headcount and general development activities, primarily the expansion of our Chandler, Arizona-based research facility and the acquisition of the packaging and test research and development group within ASI related to the K1, K2 and K3 transaction.

Other (Income) Expense. Other expenses increased $18.0 million, to $30.9 million, or 5.6% of net revenues, in the three months ended June 30, 2000 from $12.9 million, or 2.9% of net revenues, in the three months ended June 30, 1999. The net increase in other expenses was primarily a result of an increase in interest expense of $18.6 million. The increased interest expense resulted from the issuance of $258.8 million of convertible subordinated notes and $750.0 million of secured bank debt to fund our May 2000 acquisition of K1, K2 and K3 and our investment in ASI. Additionally, the increased interest expense resulted from having a full quarter of interest expense for the second quarter of 2000 related to the May 1999 issuance of senior and senior subordinated notes to fund the K4

acquisition. Other expenses were favorably impacted by a savings of $1.1 million in accounts receivable securitization charges as a result of the termination of our accounts receivable securitization agreement at the end of March 2000.

Income Taxes. Our effective tax rate in the three months ended June 30, 2000 and 1999 was 15.0% and 28.0%, respectively. The decrease in the effective tax rate in 2000 was due to the higher operating profits at our factories that operate with tax holidays significantly impacted by the acquisition of K1, K2 and K3. We have structured our global operations to take advantage of lower tax rates in certain countries and tax incentives extended to encourage investment. 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.

Six Months Ended June 30, 2000 Compared to Six Months Ended June 30, 1999

Net Revenues. Net revenues increased $231.9 million, or 26.7%, to $1,101.8 million in the six months ended June 30, 2000 from $869.9 million in the six months ended June 30, 1999. Packaging and test net revenues increased 27.5% to $931.6 million in the six months ended June 30, 2000 from $730.4 million in the three months ended June 30, 1999. For the same six month periods, wafer fabrication net revenues increased to $170.2 million from $139.5 million.

The increase in packaging and test net revenues was primarily attributable to a significant increase in unit volumes. Overall unit volume increased approximately 39.5% from the comparative six month period. Growth in demand for our services was driven by our customers in the PC and telecommunications industries. Particularly strong was the demand for packages used in cellular phones and internet enabling equipment. In addition, changes in the mix of products we are selling, to more advanced and laminate packages, also provided an offset to overall price erosion. Offsetting the growth in unit volumes and favorable changes in product mix were significant average selling price erosion across all product lines. The average selling price erosion slowed during the second half of 1999 and the first half of 2000 due to increasing product demand. In addition, we believe revenues for the six months ended June 30, 2000 were adversely effected by advanced wafer capacity limitations at some of our customer locations, a wafer production shift by one of our largest customers and the loss of business in our P3 factory due to a laminate contamination issue all of which occurred in the second quarter of 2000. We have resolved the laminate contamination issue and are in the process of requalifying all of the affected customers.

The increase in wafer fabrication net revenues represents the expanded capacity of the wafer fabrication facility.

Gross Profit. Gross profit increased $103.9 million, or 80.3%, to $233.2 million, or 21.2% of net revenues, in the six months ended June 30, 2000 from $129.3 million, or 14.9% of net revenues, in the six months ended June 30, 1999.

Gross margins were positively impacted by:

- Increasing unit volumes during the first half of 2000, which permitted better absorption of our factories' substantial fixed costs, resulting in a lower manufacturing cost per unit and improved gross margins;

- Improved gross margin on revenues from the output of K1, K2 and K3 following our acquisition in May 2000 and the benefit of a full six month period of improved margin on revenues from the output of K4 following our May 1999 acquisition of K4;

- An improvement in gross margin at our test operations in the Philippines; and

- Change in the contract pricing under our supply agreement with ASI prior to our acquisition of ASI's remaining package and test factories in May 2000.

The positive impact on gross margins was partially offset by:

- Significant average selling price erosion across our product lines; and

- Capacity expansion in support of the expected demand during the second half of 2000 for our high-end and modules packages utilized in telecommunications products and internet enabling equipment.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased $24.0 million, or 36.9%, to $89.1 million, or 8.1% of net revenues, in the six months ended June 30, 2000 from $65.1 million, or 7.5% of net revenues, in the six

months ended June 30, 1999. The increase in these costs was due to:

- Increased headcount and related personnel costs within our marketing, sales, modules and wafer fabrication groups; and

- Increased costs related to our Korean factories primarily as a result of the assumption of the general and administrative expenses of K1, K2 and K3 as well as K4.

Research and Development. Research and development expenses increased $3.1 million, or 61.8%, to $8.2 million, or 0.7% of net revenues, in the six months ended June 30, 2000 from $5.1 million, or 0.6% of net revenues, in the six months ended June 30, 1999. Increased research and development expenses resulted from increased headcount and general development activities, primarily the expansion of our Chandler, Arizona-based research facility and the acquisition of the packaging and test research and development group within ASI related to the K1, K2 and K3 transaction.

Other (Income) Expense. Other expenses increased $33.0 million, to $49.5 million, or 4.5% of net revenues, in the six months ended June 30, 2000 from $16.5 million, or 1.9% of net revenues, in the six months ended June 30, 1999. The net increase in other expenses was primarily a result of an increase in interest expense of $32.4 million. The increased interest expense resulted from the issuance of $258.8 million of convertible subordinated notes and $750.0 million of secured bank debt to fund our May 2000 acquisition of K1, K2 and K3 and our investment in ASI. Additionally, the increased interest expense resulted from having a full six months of interest expense in 2000 related to the May 1999 issuance of senior and senior subordinated notes to fund the K4 acquisition. Other expenses were favorably impacted by a savings of $1.1 million in accounts receivable securitization charges as a result of the termination of the agreement at the end of March 2000.

Income Taxes. Our effective tax rate in the six months ended June 30, 2000 and 1999 was 17.6% and 28.6%, respectively. The decrease in the effective tax rate in 2000 was due to the higher operating profits at our factories that operate with tax holidays significantly impacted by the acquisition of K1, K2 and K3. We have structured our global operations to take advantage of lower tax rates in certain countries and tax incentives extended to encourage investment. 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.

LIQUIDITY AND CAPITAL RESOURCES

Our ongoing primary cash needs are for equipment purchases, factory expansions, interest and principal payments on our debt and working capital, in addition to our acquisitions and investments.

In May 2000 we completed our purchase of ASI's remaining three packaging and test factories, known as K1, K2 and K3 for a purchase price of $950.0 million and made an additional equity investment in ASI of $309.0 million, We committed to invest $459.0 million in total. We made our second installment of our committed investment on June 30, 2000 in the amount of $30.0 million. We expect to make the remaining equity investment of $120.0 million in two equal installments by August 31, 2000 and October 31, 2000. We financed the acquisition and investment with the proceeds of a $258.8 million convertible subordinated notes offering, a $410.0 million private equity financing, $750.0 million of secured bank debt and approximately $103 million of cash on hand. The new secured bank debt consists of a new $900.0 million secured bank facility that includes a $200.0 million revolving credit line. As of June 30, 2000, $100.0 million was available under the revolving credit line. The new secured bank debt provides for amortization of the drawn amount over a five to a five and one-half year period and quarterly principal and interest payments. In conjunction with the private equity financing, we issued 20.5 million shares of our common stock in the private equity offering and granted warrants to purchase 3.9 million additional shares of our common stock at $27.50 per share.

In connection with the new secured bank debt, we terminated a trade receivables securitization agreement and repaid $71.5 million due under this facility. The securitization agreement represented a commitment by a commercial financial institution to purchase, with limited recourse, all right, title and interest in up to $100 million in eligible receivables. In addition, we repaid $11.4 million of additional secured term loans.

On May 17, 1999 we completed an asset purchase of ASI's newest and largest packaging and test factory, K4, excluding cash and cash equivalents, notes and accounts receivables, intercompany accounts and existing claims against third parties. The purchase price for K4 was $575 million, plus the assumption of approximately $7 million of employee benefit liabilities. In conjunction with our purchase of K4, we completed a private placement in May 1999 to raise $425 million in senior notes and $200 million in senior subordinated notes.

We have invested significant amounts of capital to increase our packaging and test services capacity. During the last three years we have constructed our P3 and P4 facilities, added capacity in our other factories in the Philippines and constructed a new research and development facility in the U.S. During the six months ended June 30, 2000 and 1999, we made capital expenditures of $288.8 million and $105.4 million, respectively. We intend to spend approximately $500 million in total capital expenditures in 2000 primarily for the expansion of our factories. We believe the increase in capital expenditures is necessary to expand our capacity to meet the growth in demand we expect in 2000 and 2001.

Covenants in the agreements governing our new $900.0 million secured bank facility, our existing $425 million of senior notes and $200 million of senior subordinated notes and any future indebtedness 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. A default under one debt instrument may also trigger cross-defaults under our other debt instruments. An event of default under any debt instrument, if not cured or waived, could have a material adverse effect on us.

Net cash provided by operating activities in the six months ended June 30, 2000 and 1999 was $159.2 million and $92.7 million, respectively. Net cash used in investing activities in the six months ended June 30, 2000 and 1999 was $1,543.0 million and $798.9 million, respectively. Net cash provided by financing activities in the six months ended June 30, 2000 and 1999 was $1,422.0 million and $586.1 million, respectively.

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 cannot 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 new 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.

RISK FACTORS THAT MAY AFFECT FUTURE OPERATING PERFORMANCE

In addition to the factors discussed elsewhere in this form 10-Q and in our report on Form 10-K for the year ended December 31, 1999 and our other reports filed with the Securities and Exchange Commission, the following are important factors which could cause actual results or events to differ materially from those contained in any forward looking statements made by or on behalf of Amkor.

FLUCTUATIONS IN OPERATING RESULTS

Our operating results have varied significantly from period to period. A variety of 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:

- 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,
- changes in our capacity utilization,
- evolutions in the life cycles of our customers' products,
- 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 labor, raw materials and components,
- fluctuations in manufacturing yields,
- changes in product mix,
- timing of expenditures in anticipation of future orders,

- availability and cost of financing for expansion,
- the ability to develop and implement new technologies on a timely basis,
- competitive factors,
- changes in effective tax rates,
- the loss of key personnel or the shortage of available skilled workers,
- international political or economic events,
- currency and interest rate fluctuations,
- environmental events, and intellectual property transactions and disputes.

Unfavorable changes in any of the above factors may adversely affect our business, financial condition and results of operations. In addition, we increase our level of operating expenses and investment in manufacturing capacity based on anticipated future growth in revenues. If our revenues do not grow as anticipated and we are not able to decrease our expenses, our business, financial condition and operating results would be materially and adversely affected.

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

Historically, prices for our packaging and test services and wafer fabrication services have declined over time. Beginning in 1997, a worldwide slowdown in demand for semiconductor devices led to excess capacity and increased competition. As a result, price declines in 1998 accelerated. We expect that average selling prices for our packaging and test services will continue to decline in the future. If we cannot 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 could suffer.

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 independent packaging, test and wafer fabrication services, any future downturn in the semiconductor industry or any other industry that uses a significant number of semiconductor devices, such as the personal computer industry, could have a material adverse effect on our business. For example, our operating results for 1998 were adversely affected by downturns in the semiconductor market.

HIGH LEVERAGE AND RESTRICTIVE COVENANTS -- OUR SUBSTANTIAL INDEBTEDNESS COULD ADVERSELY AFFECT THE FINANCIAL HEALTH OF OUR COMPANY AND COULD RESTRICT OUR OPERATIONS.

We now have a significant amount of indebtedness, which increased substantially in connection with our acquisition of K1, K2 and K3 and our investment in ASI. Our indebtedness increased after the incurrence of approximately $750.0 million of new secured bank debt, which was drawn from a $900.0 million facility of which $200.0 million is a revolving credit facility and $258.8 million of convertible subordinated notes to fund the acquisition and investment.

Covenants in the agreements governing the new secured bank debt, our existing senior notes and senior subordinated notes and any future indebtedness 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. A default under one debt instrument may also trigger cross-defaults under our other debt instruments. An event of default under any debt instrument, if not cured or waived, could have a material adverse effect on us.

Our substantial indebtedness could:

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

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

- limit our ability to obtain additional financing;

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

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

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

We cannot assure you that our business will generate cash in an amount sufficient to enable us to service our debt or to fund our other liquidity needs. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms or at all.

Despite current debt levels, the terms of the instruments governing our debt 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.

RELATIONSHIP WITH ASI

We report ASI's financial results in our financial statements, and if ASI encounters financial difficulties, our financial performance could suffer.

With our $459.0 million additional investment in ASI and the conversion of 150 billion won (approximately $132.0 million) of ASI's debt to equity by ASI's creditor banks, we expect to own approximately 42% of ASI's outstanding voting stock. Accordingly, we will continue to 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. ASI was released from workout with its Korean creditor banks on July 18, 2000.

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.

ABSENCE OF BACKLOG -- OUR NET REVENUES IN ANY QUARTER DEPEND ON OUR CUSTOMERS' DEMAND FOR PACKAGING AND TEST SERVICES IN THAT QUARTER, AND 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 packaging and test net revenues in any quarter will continue to be substantially dependent upon our customers' demand in that quarter. None of our customers have committed to purchase any amount of packaging or test services or to provide us with binding forecasts of demand for packaging and test services for any 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.

CUSTOMER CONCENTRATION -- WE GENERATE A LARGE PERCENTAGE OF OUR NET REVENUES

FROM A SMALL GROUP OF CUSTOMERS WHO HAVE NO MINIMUM PURCHASE OBLIGATIONS.

We depend on a small group of customers for a substantial portion of our revenues. During the three months ended June 30, 2000 and 1999, we derived 24.9% and 32.0%, respectively, of our net revenues from sales to five packaging and test customers, with 7.0% and 14.9% of our net revenues, respectively, derived from sales to Intel Corporation. In addition, during the three months ended June 30, 2000 and 1999, we derived 15.4% and 15.6%, respectively, of our net revenues from wafer fabrication services, and we derived substantially all of these revenues from Texas Instruments. Our ability to maintain close, satisfactory relationships with these customers is important to the ongoing success and profitability of our business. We expect that we will continue to be dependent upon a small number of customers for a significant portion of our revenues in future periods.

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

We provide packaging and test services through our three factories located in the Philippines and our four factories in Korea. We also source wafer fabrication services from ASI's wafer fabrication facility. In addition, many of our customers' operations are located outside the U.S. The following are risks inherent in doing business internationally:

- regulatory limitations imposed by foreign governments;

- fluctuations in currency exchange rates;

- political 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.

In addition to the risks listed above, our operations in Korea and the Philippines are subject to certain country-specific risks described below.

Risks Associated with Our Operations in Korea

Our operations in Korea, as well as ASI's operations, are subject to risks inherent to operating in Korea. While our revenues in Korea will be denominated in U.S. dollars, our labor costs and some of our operating costs will be denominated in won. Substantially all of ASI's revenues are denominated in U.S. dollars, while its labor and some operating costs are denominated in won. Fluctuations in the won-dollar exchange rate will affect both our company's and ASI's financial results. With our additional investment in ASI, our financial results will be further affected by exchange rate fluctuations.

Relations between Korea and the Democratic People's Republic of Korea ("North Korea") have been tense over most of Korea's history. Incidents affecting relations between the two Koreas continually occur. If the level of tensions with North Korea increases or changes abruptly, both our company's and ASI's businesses could be harmed.

Risks Associated with Our Operations in the Philippines

Although the political situation and the general state of the economy in the Philippines have stabilized in recent years, each has historically been subject to significant instability. Most recently, the devaluation of the Philippine peso relative to the U.S. dollar beginning in July 1997 led to economic instability in the Philippines. Any future economic or political disruptions or instability in the Philippines could have a material adverse effect on our business.

Because the functional currency of our operations in the Philippines is the U.S. dollar, we have recently benefited from cost reductions relating to peso-denominated expenditures, primarily payroll costs. We believe that any future devaluations of the Philippine peso will eventually lead to inflation in the Philippines, which could offset any savings achieved to date.

RISKS ASSOCIATED WITH OUR ACQUISITION OF ASI'S PACKAGING AND TEST BUSINESS -- THE ACQUISITION OF THIS BUSINESS REPRESENTS A MAJOR COMMITMENT OF OUR CAPITAL AND MANAGEMENT RESOURCES.

Our acquisition of ASI's packaging and test factories will require our management to devote a significant portion of our resources to the maintenance and operation of factories in Korea. We have limited experience in owning and operating a business in Korea. It may take time for us to learn how to comply with relevant Korean regulations, including tax, environmental and labor laws. During the transition period in which we will integrate ASI's packaging and test business into our company, our management may not have adequate time and attention to devote to other aspects of our business, and those parts of our business could suffer.

We retained the approximately 6,600 Korean employees currently working at K1, K2 and K3, and we may face cultural difficulties until we learn how to interact with these new employees. If these employees become dissatisfied working for a U.S. company, they may leave us. If we cannot find new employees to replace departing ones, our new operations could suffer.

MANAGEMENT OF GROWTH -- WE FACE CHALLENGES AS WE INTEGRATE NEW AND DIVERSE OPERATIONS AND TRY TO ATTRACT QUALIFIED EMPLOYEES TO SUPPORT OUR EXPANSION PLANS.

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.

In order to manage our growth, we must continue to implement additional operating and financial controls and hire and train additional personnel. We cannot 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. If we fail to: (1) properly manage growth, (2) improve our operational, financial and management systems as we grow or (3) integrate new factories and employees into our operations, our financial performance could be materially adversely affected.

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. In addition, in connection with our expansion plans, our company and ASI will be required to increase the number of qualified engineers and other employees at our respective factories in the Philippines and Korea. 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. Our inability to attract, retain and motivate 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, which commenced operations in January 1998, depends significantly upon Texas Instruments. An agreement with ASI and Texas Instruments requires Texas Instruments to purchase from us at least 40% of the capacity of ASI's wafer fabrication facility, and under certain circumstances, Texas Instruments has the right to purchase from us up to 70% of this capacity. We cannot assure you that Texas Instruments will meet its purchase obligations in the future. If Texas Instruments fails to meet its purchase obligations, our company's and ASI's businesses could be harmed.

Texas Instruments has transferred certain of its complementary metal oxide silicon ("CMOS") process technology to ASI, and ASI is dependent upon Texas Instruments' assistance for developing other state-of-the-art wafer manufacturing processes. In addition, ASI's technology agreements with Texas Instruments only cover .25 micron and .18 micron CMOS process technology. Texas Instruments has not granted ASI a license under Texas Instruments' patents to manufacture semiconductor wafers for third parties. Moreover, Texas

Instruments has no obligation to transfer any next-generation technology to ASI. Our company's and ASI's businesses could be harmed if ASI cannot obtain new technology on commercially reasonable terms or ASI's relationship with Texas Instruments is disrupted for any reason.

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

We obtain from 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 cannot 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 CANNOT 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 process 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 cannot 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 MUST COMPETE AGAINST LARGE AND ESTABLISHED COMPETITORS IN BOTH THE PACKAGING AND TEST BUSINESS AND THE WAFER FABRICATION BUSINESS.

The independent semiconductor packaging and test market is very competitive. This sector is comprised of approximately 40 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. Such companies have also 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 independent wafer fabrication business is also highly competitive. Our wafer fabrication services compete primarily with independent semiconductor wafer foundries, 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 has 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 cannot compete successfully in the future against existing or potential competitors, our operating results would suffer.

ENVIRONMENTAL REGULATIONS -- FUTURE ENVIRONMENTAL REGULATIONS COULD PLACE ADDITIONAL BURDENS ON THE MANUFACTURING OPERATIONS OF OUR COMPANY OR ASI.

The semiconductor packaging process uses chemicals and gases and generates byproducts that are subject to extensive governmental regulations. For example, 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 environmental regulations in Korea and the Philippines, impose various controls on the storage, handling, discharge and disposal of chemicals used in our company's and ASI's manufacturing processes and on the factories occupied by our company and ASI.

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 our company the need for additional capital equipment or other process requirements, (2) restrict our company's ability to expand our respective operations, (3) subject our company to liability or (4) cause our company to curtail our operations.

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

As of July 31, 2000, we hold 73 U.S. patents, and we also have 150 pending patents and are preparing an additional 45 patent applications for filing. In addition to the U.S. patents we hold 333 patents in foreign jurisdictions. We expect to continue to file patent applications when appropriate to protect our proprietary technologies, but we cannot 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.

Although we are not currently a party to any material litigation, the semiconductor industry is characterized by frequent claims regarding patent and other intellectual property rights. If any third party makes a valid claim against our company or ASI, our company or ASI could be required to: (1) discontinue the use of certain processes, (2) cease the manufacture, use, import and sale of infringing products, (3) pay substantial damages, (4) develop non-infringing technologies or (5) acquire licenses to the technology we had allegedly infringed. Our business, financial condition and results of operations could be materially and adversely affected by any of these negative developments.

In addition, Texas Instruments has granted ASI very limited licenses under the Texas Instruments Technology Agreements, including a license under Texas Instruments' trade secret rights to use Texas Instruments' technology in connection with ASI's provision of wafer fabrication services. However, Texas Instruments has not granted ASI a license under Texas Instruments' patents to manufacture semiconductor wafers for third parties. Furthermore, Texas Instruments has reserved the right to bring infringement claims against customers of our company or customers of ASI with respect to semiconductor wafers purchased from our company or ASI. Such customers and others could in turn subject our company or ASI to litigation in connection with the sale of semiconductor wafers produced by ASI.

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

As of August 1, 2000 subsequent to the completion of our private equity offering, Mr. James Kim and members of his family beneficially owned approximately 51% of our outstanding common stock. Mr. James Kim's family, acting together, will effectively 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;

- or 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 that have often been unrelated or disproportionate to the 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

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 Philippine peso-based transactions and related peso-based assets and liabilities, as well as Korean-won based transactions and related won-based assets and liabilities. The objective in managing this foreign currency exposure is to minimize the risk through minimizing the level of activity and financial instruments denominated in pesos and won. Although we have selectively hedged some of our currency exposure through short-term (generally not more than 30 to 60 days) forward exchange contracts, the hedging activity to date has been immaterial.

At June 30, 2000, the peso-based financial instruments primarily consisted 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 June 30, 2000, a 20% increase in the Philippine peso to U.S. dollar exchange rate would result in a decrease of approximately $2 million, in peso-based net assets.

At June 30, 2000, the won-based financial instruments primarily consisted of cash, non-trade receivables, non-trade payables, accrued payroll, taxes and other expenses. Based on the portfolio of won-based assets and liabilities at June 30, 2000, a 20% increase in the Korean won to U.S. dollar exchange rate would result in a decrease of approximately $3 million, in won-based net assets.

Interest Rate Risks

Our company has interest rate risk with respect to our investment in cash and cash equivalents, use of short-term borrowings and long-term debt, including the convertible subordinated notes, senior notes and senior subordinated notes outstanding, and will have such risk with respect to the new secured bank debt. Overall, we mitigate the interest rate risks by investing in short-term investments, which are due on demand or carry a maturity date of less than three months. In addition, both the short-term borrowings and long-term debt, excluding our convertible subordinated notes, senior notes and senior subordinated notes, have variable rates that reflect currently available terms and conditions for similar borrowings. As the convertible subordinated notes, senior notes and senior subordinated notes bear fixed rates of interest, the fair value of these instruments fluctuate with market interest rates. 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, maturity dates, principal cash flows and fair value of our fixed rate debt as of June 30, 2000.

	FIXED INTEREST DEBT	MATURITY DATE	PRINCIPAL	FAIR VALUE
		(IN THOUSANDS)		
Convertible Notes..................	5.75%	May 2003	$ 50,191	$ 131,300
Senior Notes.......................	9.25%	May 2006	$ 425,000	$ 418,625
Convertible Notes..................	5.00%	May 2007	$ 258,750	$ 237,080
Senior Subordinated Notes..........	10.5%	May 2009	$ 200,000	$ 201,000

Based on our conservative policies with respect to investments in cash and cash equivalents, use of variable rate debt, and the fact we currently intend to repay upon maturity our senior notes, senior subordinated notes and our convertible subordinated notes (unless converted), we believe that the risk of potential loss due to interest rate fluctuations is not material.

Equity Price Risks

Our outstanding 5.75% and 5% convertible subordinated notes are convertible into common stock at $13.50 per share and $57.34 per share, respectively. As stated above, we intend to repay our convertible subordinated notes upon maturity, unless converted. If investors were to decide to convert their convertible subordinated notes to common stock, there would be no impact on our future earnings, other than a reduction in interest expense, unless such conversion were induced by us.

PART II. OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

In April and May, 2000 we raised an aggregate of $410 million in equity financing through the sale to a group of private investors an aggregate of 20,500,000 shares of our common stock at a price of $20.00 per share. In addition, we issued these investors four-year warrants for an aggregate of 3.895 million shares of common stock with a strike price of $27.50 per share. The common stock and warrants were issued in reliance on Rule 506 promulgated under the Securities Act of 1933, as amended. We used the net proceeds from this financing to partially fund the acquisition of three semiconductor packaging factories from Anam Semiconductor, Inc.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITYHOLDERS

In connection with our acquisition of the packaging and test business of Anam Semiconductor, Inc. ("ASI") and an investment in ASI (the "Acquisition Transactions"), pursuant to a written consent of stockholders in lieu of a special meeting effective as of April 17, 2000, our stockholders approved the following: (1) the issuance of up to approximately 4,512,560 shares of common stock upon conversion of $258.75 million of the 5% convertible subordinated notes due 2007 sold by us on March 22, 2000 in a private transaction; (2) the sale of an aggregate of 20,500,000 shares of common stock and warrants for 3,895,000 shares of common stock in a private transaction we completed in connection with the Acquisition Transactions; and (3) other equity financings, pursuant to which the Company would issue common stock or securities convertible into common stock which, when combined with the common stock to be issued pursuant to (1) and (2) above, would in the aggregate exceed 20% of the outstanding common stock of the Company as of April 12, 2000. Stockholders holding an aggregate of 73,425,953 shares, representing 56% of our outstanding voting stock as of April 12, 2000 voted to approve the foregoing. We did not solicit written consents from any other stockholders.

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
27.1	Financial Data Schedule.

(b) REPORTS ON FORM 8-K

We filed with the Securities and Exchange Commission the following reports on Form 8-K during the quarterly period ended June 30, 2000:

Current Report on Form 8-K dated May 2, 2000 (filed May 12, 2000) related to the acquisition of K1, K2 and K3 and our investment in Anam Semiconductor, Inc. and the financing transactions related to the acquisition and investment.

Current Report on Form 8-K dated May 2, 2000 (filed June 19, 2000) related to the acquisition of K1, K2 and K3 and our investment in Anam Semiconductor, Inc. and the financing transactions related to the acquisition and investment.

Current Report on Form 8-K dated June 27, 2000 (filed June 30, 2000) related to a press release dated June 27, 2000 announcing our preliminary financial results for the second quarter ending June 30, 2000 and our outlook for the fiscal year ending December 31, 2000.

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: August 14, 2000

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