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, 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 July 31, 2002 was 164,489,328.

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

	FOR THE THREE MONTHS ENDED JUNE 30,		FOR THE SIX MONTHS ENDED JUNE 30,	
	2002	2001	2002	2001
	(UNAUDITED)		(UNAUDITED)	
Net revenues	$ 409,884	$ 350,169	$ 759,525	$ 830,792
Cost of revenues -- including purchases from ASI	397,503	342,158	760,615	740,996
Gross profit (loss)	12,381	8,011	(1,090)	89,796
Operating expenses:				
Selling, general and administrative	49,607	51,365	97,294	105,359
Research and development	8,769	8,135	16,913	18,637
Loss on disposal of fixed assets	1,438	398	3,112	1,522
Amortization of acquired intangibles	1,743	1,181	2,995	2,339
Amortization of goodwill	--	19,392	--	40,146
Special charges	268,166	--	268,166	--

Total operating expenses	329,723	80,471	388,480	168,003
Operating loss	(317,342)	(72,460)	(389,570)	(78,207)
Other expense (income):				
Interest expense, net	37,434	40,411	73,619	85,206
Foreign currency loss	702	2,375	2,705	1,065
Other expense (income), net	(489)	(455)	(987)	(1,411)
Total other expense	37,647	42,331	75,337	84,860
Loss before income taxes, equity in loss of investees and minority interest	(354,989)	(114,791)	(464,907)	(163,067)
Provision (benefit) for income taxes	(25,440)	(25,673)	(47,973)	(30,983)
Equity in loss of investees	(10,111)	(26,345)	(12,205)	(52,593)
Loss on impairment of equity investment	(42,960)	--	(139,536)	--
Minority interest	(908)	(828)	(2,661)	(828)
Net loss	$(383,528)	$(116,291)	$(571,336)	$(185,505)
Per Share Data:				
Basic net loss per common share	$ (2.33)	$ (0.76)	$ (3.49)	$ (1.21)
Diluted net loss per common share	$ (2.33)	$ (0.76)	$ (3.49)	$ (1.21)
Shares used in computing basic net loss per common share	164,281	153,950	163,529	153,068
Shares used in computing diluted net loss per common share	164,281	153,950	163,529	153,068

The accompanying notes are an integral part of these statements.

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

	JUNE 30, 2002 (UNAUDITED)	DECEMBER 31, 2001
ASSETS		
Current assets:		
Cash and cash equivalents	$ 161,938	$ 200,057
Accounts receivable:		
Trade, net of allowance for doubtful accounts of $6,912 and $6,842	253,625	211,419
Due from affiliates	711	871
Other	9,236	8,953
Inventories	80,158	73,784
Other current assets	42,014	37,106
Total current assets	547,682	532,190
Property, plant and equipment, net	1,082,764	1,392,274
Investments	231,336	382,951
Other assets:		
Due from affiliates	21,775	20,518
Goodwill	624,047	659,130
Acquired intangibles, net	49,121	37,050
Deferred taxes	154,013	108,064
Other	84,122	91,141
	933,078	915,903
Total assets	$ 2,794,860	$ 3,223,318
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Bank overdraft	$ 10,189	$ 5,116
Short-term borrowings and current portion of long-term debt	58,625	54,815
Trade accounts payable	176,198	148,923
Due to affiliates	37,166	16,936
Accrued expenses	171,867	145,544
Total current liabilities	454,045	371,334
Long-term debt	1,761,582	1,771,453
Other noncurrent liabilities	78,168	64,077

Total liabilities	2,293,795	2,206,864
Commitments and contingencies		
Minority interest	10,576	7,737
Stockholders' equity:		
Preferred stock	--	--
Common stock	165	162
Additional paid-in capital	1,168,221	1,123,541
Accumulated deficit	(678,311)	(106,975)
Receivable from stockholder	(3,276)	(3,276)
Accumulated other comprehensive income (loss)	3,690	(4,735)
Total stockholders' equity	490,489	1,008,717
Total liabilities and stockholders' equity	$ 2,794,860	$ 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)	TOTAL	COMPREHENSIVE INCOME (LOSS)
Balance at December 31, 2000	152,118	$152	$ 975,026	$ 343,886	$(3,276)	$ (954)	$ 1,314,834	
Net income (loss)	--	--	--	(185,505)	--	--	(185,505)	$(185,505)
Cumulative translation adjustment	--	--	--	--	--	(760)	(760)	(760)
Comprehensive loss								$(186,265)
Issuance of stock through employee stock purchase plan and stock options	533	1	6,869	--	--	--	6,870	
Debt conversion	3,716	3	48,962	--	--	--	48,965	
Balance at June 30, 2001	156,367	$156	$1,030,857	$ 158,381	$(3,276)	$(1,714)	$ 1,184,404	
Balance at December 31, 2001	161,782	$162	$1,123,541	$(106,975)	$(3,276)	$(4,735)	$ 1,008,717	
Net income (loss)	--	--	--	(571,336)	--	--	(571,336)	$(571,336)
Unrealized loss on investments, net of tax	--	--	--	--	--	(6)	(6)	(6)
Cumulative translation adjustment	--	--	--	--	--	8,431	8,431	8,431
Comprehensive loss								$(562,911)
Issuance of stock for acquisitions	1,827	2	35,200	--	--	--	35,202	
Issuance of stock through employee stock purchase plan and stock options	880	1	9,480	--	--	--	9,481	
Balance at June 30, 2002	164,489	$165	$1,168,221	$(678,311)	$(3,276)	$ 3,690	$ 490,489	

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,	
	2002	2001

	(UNAUDITED)	
Cash flows from operating activities:		
Net income (loss)	$(571,336)	$(185,505)
Adjustments to reconcile net income to net cash provided by operating activities --		
Depreciation and amortization	189,139	216,586
Special charges	268,166	--
Deferred debt issuance costs	4,115	14,124
Provision for accounts receivable	70	(588)
Provision for excess and obsolete inventory	(2,245)	11,628
Deferred income taxes	(42,509)	(155)
Equity in (income) loss of investees	12,205	52,593
Loss on impairment of equity investment	139,536	--
Loss on sale of fixed assets	3,112	1,522
Minority interest	2,661	828
Changes in assets and liabilities excluding effects of acquisitions --		
Accounts receivable	(36,275)	73,369
Other receivables	(283)	(1,433)
Inventories	(3,215)	24,014
Due to/from affiliates, net	19,133	(21,705)
Other current assets	(3,522)	(6,054)
Other noncurrent assets	2,800	2,875
Accounts payable	22,860	9,300
Accrued expenses	8,062	(60,913)
Other long-term liabilities	5,449	3,722
Net cash provided by operating activities	17,923	134,208
Cash flows from investing activities:		
Purchases of property, plant and equipment	(51,323)	(112,664)
Acquisitions, net of cash acquired	(10,797)	(7,338)
Proceeds from the sale of property, plant and equipment	1,243	793
Proceeds from the sale (purchase) of investments	(132)	(161)
Net cash used in investing activities	(61,009)	(119,370)
Cash flows from financing activities:		
Net change in bank overdrafts and short-term borrowings	2,767	764
Net proceeds from issuance of long-term debt	--	750,995
Payments of long-term debt	(9,740)	(527,440)
Proceeds from issuance of stock through employee stock purchase plan and stock options	9,481	6,870
Net cash provided by financing activities	2,508	231,189
Effect of exchange rate fluctuations on cash and cash equivalents	2,459	(409)
Net increase (decrease) in cash and cash equivalents	(38,119)	245,618
Cash and cash equivalents, beginning of period	200,057	93,517
Cash and cash equivalents, end of period	$ 161,938	$ 339,135
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 71,516	$ 68,899
Income taxes	$ 2,700	$ (158)

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 June 30, 2002 and for the three and six months ended June 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 six months ended June 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 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. We will adopt SFAS No. 146 beginning with exit or disposal activities that are initiated after December 31, 2002.

2. SPECIAL CHARGES

Special charges consist of the following:

	JUNE 30, 2002 (IN THOUSANDS)
Impairment of long-lived assets (Note 4)	$ 190,266
Impairment of goodwill (Note 3)	73,080
Lease termination and other exit costs (Note 5)	4,820
	$ 268,166

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 JUNE 30,			FOR THE SIX MONTHS ENDED JUNE 30,		
	2002	2001	AS ADJUSTED 2001	2002	2001	AS ADJUSTED 2001
	(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)					
Net revenues	$ 409,884	$ 350,169	$ 350,169	$ 759,525	$ 830,792	$ 830,792
Cost of revenues -- including purchases from ASI	397,503	342,158	342,158	760,615	740,996	740,996
Gross profit (loss)	12,381	8,011	8,011	(1,090)	89,796	89,796
Operating expenses	329,723	80,471	61,079	388,480	168,003	127,857
Operating loss	(317,342)	(72,460)	(53,068)	(389,570)	(78,207)	(38,061)
Other expense, net	37,647	42,331	42,331	75,337	84,860	84,860
Loss before income taxes, equity in loss of investees and minority interest	(354,989)	(114,791)	(95,399)	(464,907)	(163,067)	(122,921)
Provision (benefit) for income taxes	(25,440)	(25,673)	(25,673)	(47,973)	(30,983)	(30,983)
Equity in loss of investees .	(53,071)	(26,345)	(17,392)	(151,741)	(52,593)	(34,777)
Minority interest	(908)	(828)	(828)	(2,661)	(828)	(828)
Net loss	$(383,528)	$(116,291)	$ (87,946)	$(571,336)	$(185,505)	$(127,543)
Basic net loss per share	$ (2.33)	$ (0.76)	$ (0.57)	$ (3.49)	$ (1.21)	$ (0.83)
Diluted net loss per share ..	$ (2.33)	$ (0.76)	$ (0.57)	$ (3.49)	$ (1.21)	$ (0.83)

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.

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.

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	35,202	--	35,202
Goodwill impairment	--	(73,080)	(73,080)
Translation adjustments	2,501	294	2,795
Balance as of June 30, 2002 .	$624,047	$ --	$ 624,047

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 to be disposed. We recognized a $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.

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.

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 cannot be less than 1.7 billion Japanese yen and cannot exceed 2.4 billion Japanese yen ($14.2 million to $20.0 million based on the spot exchange rate at June 30, 2002). If we make the additional contingent payments of 700 million Japanese yen ($5.8 million based on the spot exchange rate at June 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.

Additionally, in April 2002, we signed a non-binding memorandum of understanding with Fujitsu Limited to acquire Fujitsu's packaging and test operation in Kagoshima, Japan. The formation and structure of the acquisition are subject to the negotiation and execution of definitive agreements as well as any necessary corporate and regulatory approvals. We currently anticipate that the transaction will be completed in the fourth quarter of 2002.

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 cannot be less than 1 billion Japanese yen and cannot exceed 4 billion Japanese yen ($8.3 million to $33.3 million based on the spot exchange rate at June 30, 2002).

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

Financial Information for ASI

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

FOR THE SIX MONTHS ENDED

	JUNE 30, 2002	JUNE 30, 2001
	(IN THOUSANDS)	
SUMMARY INCOME STATEMENT INFORMATION FOR ASI		
Net revenues	$109,899	$ 70,449
Gross profit (loss)	(40,057)	(49,662)
Net loss	(29,172)	(84,335)

	JUNE 30, 2002	DECEMBER 31, 2001
	(IN THOUSANDS)	
SUMMARY BALANCE SHEET INFORMATION FOR ASI		
Cash, including restricted cash and bank deposits	$ 88,382	$ 84,721
Current assets	164,966	144,898
Property, plant and equipment, net	566,399	646,298
Noncurrent assets (including property, plant and equipment)	686,323	770,932
Current liabilities	106,156	134,727
Total debt and other long-term financing (including current portion)	192,882	238,970
Noncurrent liabilities (including debt and other long-term financing)	164,976	175,487
Total stockholders' equity	580,157	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 based on negotiations with a third party to acquire a portion of our interest in ASI. These negotiations culminated into the signing of an agreement on July 10, 2002. Additional information regarding the partial sale of our investment in ASI is included in Note 17, Subsequent Events. At June 30, 2002 and July 31, 2002, ASI's stock price was $3.80 per share and $4.21 per share, respectively.

8. INVENTORIES

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

	JUNE 30, 2002	DECEMBER 31, 2001
	(IN THOUSANDS)	
Raw materials and purchased components	$ 70,511	$ 64,752
Work-in-process	9,647	9,032
	$ 80,158	$ 73,784

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	JUNE 30, 2002	DECEMBER 31, 2001
	(IN THOUSANDS)	
Land	$ 89,042	$ 88,667
Buildings and improvements	516,469	495,104
Machinery and equipment	1,506,474	1,661,140
Furniture, fixtures and other equipment	121,731	118,069
Construction in progress	47,050	63,782
	2,280,766	2,426,762
Less -- Accumulated depreciation and amortization	(1,198,002)	(1,034,488)
	$ 1,082,764	$ 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:

	JUNE 30, 2002	DECEMBER 31, 2001
	(IN THOUSANDS)	
Patents and technology rights	$ 61,950	$ 46,713
Less -- Accumulated amortization	(12,829)	(9,663)
	$ 49,121	$ 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:

	JUNE 30, 2002	DECEMBER 31, 2001
	(IN THOUSANDS)	
Equity investments under the equity method:		
ASI (ownership of 42%) (see Note 3 and 17)	$ 226,232	$ 377,947
Other equity investments (20% - 50% owned)	1,035	966
Total equity investments	227,267	378,913

Marketable securities classified as available for sale	4,069	4,038
	$ 231,336	$ 382,951

12. ACCRUED EXPENSES

Accrued expenses consist of the following:

	JUNE 30, 2002	DECEMBER 31, 2001
	(IN THOUSANDS)	
Accrued income taxes	$ 46,861	$ 53,364
Accrued interest	32,731	32,584
Accrued payroll	27,793	20,813
Other accrued expenses	64,482	38,783
	$ 171,867	$ 145,544

13. DEBT

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

	JUNE 30, 2002	DECEMBER 31, 2001
	(IN THOUSANDS)	
Secured bank facility:		
Term B loans, LIBOR plus 4% due September 2005.	$ 97,618	$ 97,706
$100.0 million revolving line of credit, LIBOR plus 2% - 2.75% 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	88,839	94,812
	1,820,207	1,826,268
Less -- Short-term borrowings and current portion of long-term debt	(58,625)	(54,815)
	$ 1,761,582	$ 1,771,453

Interest expense related to short-term borrowings and long-term debt is presented net of interest income of $1.9 million and $5.4 million for the six months ended June 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. For the three and six months ended June 30, 2002, 2.1 million shares and 2.3 million shares, respectively, for outstanding options, convertible notes and warrants for common stock were excluded from the computation of diluted earnings per share as a result of the antidilutive effect. For the three and six months ended June 30, 2001, 3.0 million shares and 2.5 million shares, respectively, for outstanding options, convertible notes and warrants for common stock were excluded from the computation of diluted earnings per share as a result of the antidilutive effect.

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.

We derived 93.3% and 67.2% of our wafer fabrication revenues from Texas Instruments (TI) for the six months ended June 30, 2002 and 2001, respectively. Total net revenues derived from TI accounted for 15.5% and 7.5% of our consolidated net revenues for the six months ended June 30, 2002 and 2001, respectively. With the commencement of operations of Amkor Iwate and the acquisition of a packaging and test facility from Toshiba, total net revenues derived from Toshiba accounted for 11.8% and 14.6% of our consolidated net revenues for the six months ended June 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
Three Months Ended June 30, 2002				
Net revenues	$ 350,471	$ 59,413	--	$ 409,884
Gross profit	6,445	5,936	--	12,381
Operating income (loss)	(320,652)	3,310	--	(317,342)
Three Months Ended June 30, 2001				
Net revenues	$ 311,423	$ 38,746	$ --	$ 350,169
Gross profit	4,089	3,922	--	8,011
Operating income (loss)	(74,168)	1,708	--	(72,460)
Six Months Ended June 30, 2002				
Net revenues	$ 639,426	$120,099	$ --	$ 759,525
Gross profit (loss)	(13,078)	11,988	--	(1,090)
Operating income (loss)	(396,786)	7,216	--	(389,570)
Six Months Ended June 30, 2001				
Net revenues	$ 750,836	$ 79,956	$ --	$ 830,792
Gross profit	82,061	7,735	--	89,796
Operating income (loss)	(81,389)	3,182	--	(78,207)
Total Assets				
June 30, 2002	$ 2,262,260	$120,465	$412,135	$ 2,794,860
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.

	JUNE 30, 2002	DECEMBER 31, 2001
	(IN THOUSANDS)	
Property, Plant and Equipment, net		
United States	$ 88,139	$ 87,776
Philippines	320,201	471,302
Korea	528,702	698,448
Taiwan	87,453	90,088
Japan	44,371	35,074
China	13,229	9,093
Other foreign countries	669	493
	$1,082,764	$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. To date, this dispute has not involved the judicial systems. 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 June 30, 2002, could be up to an additional $16.1 million. The third party is not actively pursuing resolution to this dispute and we have not accrued the potential additional amount.

17. SUBSEQUENT EVENTS

During July 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 ($4.74 per share based on the spot exchange rate at June 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 is currently scheduled to close on August 28, 2002. The proceeds from the sale will used to repay all amounts outstanding under our bank debt. Upon repayment of the bank debt, we will seek to simplify the financial covenants associated with the revolving line of credit or seek a new line of credit. If the transaction with Dongbu does not close as expected, we expect that we will seek an amendment or waiver by March 31, 2003 of the financial covenants associated with the bank debt. One of the conditions to closing of this transaction is that Dongbu, ASI and Texas Instruments enter into a letter of intent to consummate a Technology Transfer Agreement and a Manufacturing and Purchase Agreement. As of the date of this filing we have received a 50% deposit from Dongbu. The balance of the purchase price is payable within two weeks after the closing date. Following the transaction, Amkor will own 27.7 million shares of ASI. The carrying value of our remaining investment in ASI will be valued at approximately $131.4 million, based on the June 30, 2002 investment balance. Dongbu's recent purchase of 12.0 million newly issued shares of ASI together with its purchase of Amkor's 20 million shares will reduce Amkor's ownership interest in ASI to approximately 22%. We cannot assure you that Dongbu, ASI and Texas Instruments will reach agreement on a letter of intent as required to consummate these transactions. In order to reach agreement on the letter of intent, the parties will need to reach agreement on a variety of complex and difficult technical and business issues. In the event such a letter of intent cannot be agreed upon, Amkor may be required to return to Dongbu any amounts paid to Amkor by Dongbu.

The definitive agreements with Dongbu also provide that Amkor, ASI and Dongbu will reach agreement no later than September 30, 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 terms of the foundry agreement, Amkor has exclusive rights to sell all the output of ASI's foundry until 2008. If an agreement can be reached by September 30, 2002, 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.

In connection with the planned 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. Acqutek supplies materials to the semiconductor industry and is a publicly traded company in Korea that had previously been owned 20% by ASI and which an entity controlled by the family of James Kim, currently holds a 25% ownership interest. We have historically purchased and continue to purchase lead frames from Acqutek. Total purchases from Acqutek included in cost of revenue for the six months ended June 30, 2002 and 2001 was $6.3 million and $8.7 million, respectively. We believe these transactions with Acqutek were conducted on an arms-length basis in the ordinary course of business.

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 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 six months ended June 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 the 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, Agere Systems, Inc., Atmel Corporation, Intel Corporation, LSI Logic Corporation, Motorola, Inc., Philips Electronics N.V., 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, because of the steep decline in semiconductor sales on a quarterly basis during 2001, we have experienced and expect to continue to experience significant quarter-to-quarter growth during 2002. In addition, 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. 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 third quarter packaging and test revenue to be around 5% higher than second quarter packaging and test revenues. Wafer fabrication services revenue should be down modestly in the third quarter. Our gross margin should increase from 3% in the second quarter to around 9% in the third quarter, reflecting the positive operating leverage in our business, reduced operating expenses and lower levels of depreciation. We presently expect to incur approximately $10 million to $15 million of charges during the third quarter in connection with additional consolidation and cost reductions initiatives. 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 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 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 will suffer. During the three and six months ended June 30, 2002, as compared to the comparable period a year ago, the decline in average selling prices was in excess of 20% and 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 have invested a total of $500.6 million in ASI including an equity investment of $41.6 million made in October 1999. We own 42% of the outstanding voting stock of ASI and report ASI's results in our financial statements through the equity method of accounting.

During July 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 ($4.74 per share based on the spot exchange rate at June 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 is currently scheduled to close on August 28, 2002. The proceeds from the sale will be applied to paying off our $97.6 million term loan under the secured bank credit agreement. One of the conditions to closing of this transaction is that Dongbu, ASI and Texas Instruments enter into a letter of intent to consummate a Technology Transfer Agreement and a Manufacturing and Purchase Agreement. As of the date of this filing we have received a 50% deposit from Dongbu. The balance of the purchase price is payable within two weeks after the closing date. Following the transaction, Amkor will own 27.7 million shares of ASI. The carrying value of our remaining investment in ASI will be valued at approximately $131.4 million, based on the June 30, 2002 investment balance. Dongbu's recent purchase of 12.0 million newly issued shares of ASI together with its purchase of Amkor's 20 million shares will reduce Amkor's ownership interest in ASI to approximately 22%. We cannot assure you that Dongbu, ASI and Texas Instruments will reach agreement on a letter of intent as required to consummate these transactions. In order to reach agreement on the letter of intent, the parties will need to reach agreement

on a variety of complex and difficult technical and business issues. In the event such a letter of intent cannot be agreed upon, Amkor may be required to return to Dongbu any amounts paid to Amkor by Dongbu.

The definitive agreements with Dongbu also provide that Amkor, ASI and Dongbu will reach agreement no later than September 30, 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 terms of the foundry agreement, Amkor has exclusive rights to sell all the output of ASI's foundry until 2008. If an agreement can be reached by September 30, 2002, 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.

In connection with the planned 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. Acqutek supplies materials to the semiconductor industry and is a publicly traded company in Korea that had previously been owned 20% by ASI and which an entity controlled by the family of James Kim, our founder, CEO and Chairman, currently holds a 25% ownership interest. We have historically purchased and continue to purchase lead frames from Acqutek. Total purchases from Acqutek included in cost of revenue for the six months ended June 30, 2002 and 2001 was $6.3 million and $8.7 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 cannot be less than 1.7 billion Japanese yen and cannot exceed 2.4 billion Japanese yen ($14.2 million to $20.0 million based on the spot exchange rate at June 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.

Additionally, in April 2002, we signed a non-binding memorandum of understanding with Fujitsu Limited to acquire Fujitsu's packaging and test operation in Kagoshima, Japan. The formation and structure of this acquisition are subject to the negotiation and execution of definitive agreements as well as any necessary corporate and regulatory approvals. We currently anticipate that the transaction with Fujitsu will be completed in the fourth quarter of 2002.

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 terminating 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 cannot be less than 1 billion Japanese yen and cannot exceed 4 billion Japanese yen ($8.3 million to $33.1 million based on the spot exchange rate at June 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 JUNE 30,		FOR THE SIX MONTHS ENDED JUNE 30,	
	2002	2001	2002	2001
	(UNAUDITED)		(UNAUDITED)	
Net revenues	100.0%	100.0%	100.0%	100.0%
Gross profit (loss)	3.0	2.3	(0.1)	10.8
Operating loss	(77.4)	(20.7)	(51.3)	(9.4)
Loss before income taxes and equity in loss of investees	(86.6)	(32.8)	(61.2)	(19.6)
Net loss	(93.6)	(33.2)	(75.2)	(22.3)

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

Net Revenues. Net revenues increased $59.8 million, or 17.1%, to $409.9 million in the three months ended June 30, 2002 from $350.1 million in the three months ended June 30, 2001. Packaging and test net revenues increased 12.5% to $350.5 million in the three months ended June 30, 2002 from $311.4 million in the three months ended June 30, 2001. Wafer fabrication net revenues increased 53.3% to $59.4 million in the three months ended June 30, 2002 from $38.7 million in the three months ended June 30, 2001.

The increase in packaging and test net revenues for the three months ended June 30, 2002, excluding the impact of our acquisitions and expansion in Japan, Taiwan and China, was principally attributed to a 35.5% increase in unit volumes partially offset by a 20% 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 65.3% increase for advanced leadframe and laminate packages and a 13.7% increase in our traditional leadframe business. The revenues of our Japanese acquisition, Amkor Iwate, for the three months ended June 30, 2002 declined $5.4 million compared to the three month ended June 30, 2001. Our acquisitions in Taiwan and expansion into China contributed $20.9 million in net revenues for the three months ended June 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 June 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 87.2% increase in sales to Texas Instruments in the three months ended June 30, 2002 as compared with the three months ended June 30, 2001 partially offset by a decrease in demand from our other wafer fabrication services customers. We derived 91.2% and 74.6% of our wafer fabrication revenues from Texas Instruments for the three months ended June 30, 2002 and 2001, respectively. If we are able to consummate the contemplated transactions with Dongbu, we will discontinue the operations associated with our wafer fabrication services.

Gross Profit (Loss). Gross profit increased $4.4 million, or 54.5%, to $12.4 million in the three months ended June 30, 2002 from $8.0 million in the three months ended June 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 have a significant effect on our gross margin. As a result of 2001 acquisitions in Japan and Taiwan as well as other geographic expansions, we substantially increased our fixed costs.

Gross margins as a percentage of net revenues increased 32.0% to 3.0% in the three months ended June 30, 2002 as compared to 2.3% in the three months ended June 30, 2001 principally as a result of the following:

- Increasing unit volumes in the three months ended June 30, 2002 at our factories in Korea and the Philippines that caused an approximate 411% increase in gross margins as a result of the factories' substantial fixed and labor costs being distributed over a larger revenue base and the impact of our cost savings initiatives at these factories.

- Material cost savings that contributed approximately 295% to the increase in gross margins.

- Increased gross profits with respect to our wafer fabrication services as compared to the prior period as well as other factors that increased gross margins by approximately 27%.

The positive impacts on gross margins were partially offset by:

- Average selling price erosion across our product lines caused an estimated 622% decline in gross margins.

- Our acquisitions in Taiwan and expansion into China contributed approximately 79% to the decline in gross margin as a result of the costs associated with these facilities ramping operations in anticipation of the expected increase in demand.

Selling, General and Administrative Expenses. Selling, general and administrative expenses decreased $1.8 million, or 3.4%, to $49.6 million, or 12.1% of net revenues, in the three months ended June 30, 2002 from $51.4 million, or 14.7% of net revenues, in the three months ended June 30, 2001. The decrease in these costs was principally due to:

- Decreased costs of $3.7 million principally related to our U.S. based administrative overhead cost reduction initiatives; partially offset by

- Increased administrative overhead of $0.4 million in our facilities in Korea, the Philippines and Japan as a result of additional indirect labor associated with the additional production volumes; and

- Increased costs of $1.5 million related to the acquisitions in Taiwan and the geographic expansion in China.

Research and Development. Research and development expenses increased $0.7 million to $8.8 million, or 2.1% of net revenues, in the three months ended June 30, 2002 from $8.1 million, or 2.3% of net revenues, in the three months ended June 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 $19.4 million for the three months ended June 30, 2002 as compared with the three months ended June 30, 2001.

Special Charges. During the second quarter of 2002, we recorded $268.2

million of special charges. Special charges were comprised of:

	JUNE 30, 2002 (IN THOUSANDS)
Impairment of long-lived assets	$ 190,266
Impairment of goodwill	73,080
Lease termination and other exit costs	4,820
	$ 268,166

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 a $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.

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.

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 $4.7 million, to $37.6 million, or 9.2% of net revenues, in the three months ended June 30, 2002 from $42.3 million, or 12.1% of net revenues, in the three months ended June 30, 2001. The net decrease in other expenses was primarily a result of a decrease in interest expense of $3.0 million. Net interest expense in the three months ended June 30, 2001 included $2.3 million of unamortized deferred debt issuance costs expensed in connection with the repayment in May 2001 of term loans outstanding under our secured bank facility. Other expenses were positively impacted by a change in foreign currency gains and losses of $1.7 million for the three months ended June 30, 2002 as compared with the corresponding period in the prior year.

Provision (Benefit) for Income Taxes. Our effective tax rate in the three months ended June 30, 2002 and 2001 was a benefit of (7.2%) and (22.4%), respectively. The change in the effective tax rate in the three months ended June 30, 2002 was due to impairment charges recorded in jurisdictions for which there is limited offsetting tax benefits as a result of tax holidays. We project the effective income tax rate to be approximately 18% for the remainder of 2002. 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.

Equity in Loss of Investees. Our earnings included our share of losses in our equity affiliates, principally ASI, in the three months ended June 30, 2002 of $10.1 million compared to $26.3 million ($17.4 million excluding the amortization of equity method goodwill) in the three months ended June 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 $9.0 million for the three months ended June 30, 2002 as compared with the corresponding period.

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 based on negotiations with a third party to acquire a portion of our interest in ASI. These negotiations culminated into the signing of an agreement on July 10, 2002. Dongbu's recent purchase of 12.0 million newly issued shares of ASI together with its contemplated transaction to purchase 20 million shares from our company will reduce our ownership interest in ASI to approximately 22%.

Six Months Ended June 30, 2002 Compared to Six Months Ended June 30, 2001

Net Revenues. Net revenues decreased $71.3 million, or 8.6%, to $759.5 million in the six months ended June 30, 2002 from $830.8 million in the six months ended June 30, 2001. Packaging and test net revenues decreased 14.8% to $639.4 million in the six months ended June 30, 2002 from $750.8 million in the six months ended June 30, 2001. Wafer fabrication net revenues increased 50.2% to $120.1 million in the six months ended June 30, 2002 from $80.0 million in the six months ended June 30, 2001.

The decrease in packaging and test net revenues for the six months ended June 30, 2002, excluding the impact of our acquisitions and expansion in Japan, Taiwan and China, was principally attributed to a 23% 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 3.7% which was driven by a 26.3% increase for advanced leadframe and laminate packages offset by a 12.3% decrease in our traditional

leadframe business. The revenues of our Japanese acquisition, Amkor Iwate, for the six months ended June 30, 2002 declined $27.6 million compared to the six month ended June 30, 2001. Our acquisitions in Taiwan and expansion into China contributed $38.9 million in net revenues for the six months ended June 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 six months ended June 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 108.8% increase in sales to Texas Instruments in the six months ended June 30, 2002 as compared with the six months ended June 30, 2001 partially offset by a 70.6% decrease in demand from our other wafer fabrication services customers. We derived 93.3% and 67.2% of our wafer fabrication revenues from Texas Instruments for the six months ended June 30, 2002 and 2001, respectively. If we are able to consummate the contemplated transactions with Dongbu, we will discontinue the operations associated with our wafer fabrication services.

Gross Profit (Loss). Gross profit decreased $90.9 million, or 101.2%, to a gross loss of $1.1 million in the six months ended June 30, 2002 from a positive $89.8 in the six months ended June 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 have a significant effect on our gross margin. As a result of 2001 acquisitions in Japan and Taiwan as well as other geographic expansions, we substantially increased our fixed costs.

Gross margins as a percentage of net revenues decreased 101.3% to (0.1%) in the six months ended June 30, 2002 as compared to 10.8% in the six months ended June 30, 2001 principally as a result of the following:

- Average selling price erosion across our product lines caused an estimated 150% decline in gross margins.

- Our acquisitions in Taiwan and expansion into China contributed approximately 20% to the decline in gross margin as a result of the costs associated with these facilities ramping operations in anticipation of the expected increase in demand.

The negative impacts on gross margins were partially offset by:

- Material cost savings that contributed approximately 42% to the increase in gross margins.

- Increasing unit volumes in the six months ended June 30, 2002 at our factories in Korea and the Philippines that caused an approximate 21% increase in gross margins as a result of the factories' substantial fixed and labor costs being distributed over a larger revenue base and the impact of our cost savings initiatives at these factories.

- Increased gross profits with respect to our wafer fabrication services as compared to the prior period as well as other factors that increased gross margins by approximately 6%.

Selling, General and Administrative Expenses. Selling, general and administrative expenses decreased $8.1 million, or 7.7%, to $97.3 million, or 12.8% of net revenues, in the six months ended June 30, 2002 from $105.4 million, or 12.7% of net revenues, in the six months ended June 30, 2001. The decrease in these costs was principally due to:

- Decreased costs of $9.8 million principally related to our U.S. based administrative overhead cost reduction initiatives; partially offset by,

- Decreased administrative overhead of $2.5 million in our facilities in Korea, the Philippines and Japan as a result of our cost reduction initiatives in the first and second quarters of 2001, and

- Increased costs of $4.2 million related to the acquisitions in Taiwan and the geographic expansion in China.

Research and Development. Research and development expenses decreased $1.7 million to $16.9 million, or 2.2% of net revenues, in the six months ended June 30, 2002 from $18.6 million, or 2.2% of net revenues, in the six months ended June 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 $40.1 million for the six months ended June 30, 2002 as compared with the six months ended June 30, 2001.

Special Charges. During the second quarter of 2002, we recorded $268.2 million of special charges. Special charges were comprised of:

	JUNE 30, 2002 (IN THOUSANDS)
Impairment of long-lived assets	$ 190,266
Impairment of goodwill	73,080
Lease termination and other exit costs	4,820
	$ 268,166

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 a $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.

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.

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 $9.6 million, to $75.3 million, or 9.9% of net revenues, in the six months ended June 30, 2002 from $84.9 million, or 10.2% of net revenues, in the six months ended June 30, 2001. The net decrease in other expenses was primarily a result of a decrease in interest expense of $11.6 million. Net interest expense in the six months ended June 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 $1.6 million for the six months ended June 30, 2002 as compared with the corresponding period in the prior year.

Provision (Benefit) for Income Taxes. Our effective tax rate in the six months ended June 30, 2002 and 2001 was a benefit of (10.3%) and (19.0%), respectively. The change in the effective tax rate in the six months ended June 30, 2002 was due to impairment charges

recorded in jurisdictions for which there is limited offsetting tax benefits as a result of tax holidays. We project the effective income tax rate to be approximately 18% for the remainder of 2002. 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.

Equity in Loss of Investees. Our earnings included our share of losses in our equity affiliates, principally ASI, in the six months ended June 30, 2002 of $12.2 million compared to $52.6 million ($34.8 million excluding the amortization of equity method goodwill) in the six months ended June 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 $17.8 million for the six months ended June 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 based on negotiations with a third party to acquire a portion of our interest in ASI. These negotiations culminated into the signing of an agreement on July 10, 2002. Dongbu's recent purchase of 12.0 million newly issued shares of ASI together with its contemplated transaction to purchase 20 million shares from our company will reduce our ownership interest in ASI to approximately 22%.

LIQUIDITY AND CAPITAL RESOURCES

Semiconductor industry analysts have forecasted little to no growth in 2002 on an annual basis as compared to 2001. However, because of the steep decline in semiconductor sales on a quarterly basis during 2001, we have experienced and expect to continue to experience significant quarter-to-quarter growth during 2002. In addition, industry analysts have forecasted 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. 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 third quarter packaging and test revenue to be around 5% higher than second quarter packaging and test revenues. Wafer fabrication services revenue should be down modestly in the third quarter. Our gross margin should increase from 3% in the second quarter to around 9% in the third quarter, reflecting the positive operating leverage in our business, reduced operating expenses and lower levels of depreciation. We presently expect to incur approximately $10 million to $15 million of charges during the third quarter in connection with additional consolidation and cost reductions initiatives. Although, we expect our results will continue to be adversely impacted while the semiconductor industry fully recovers, we expect demand for our services to improve to profitable levels on a net income basis by the end of the fourth quarter of 2002. We have undertaken, and may continue to undertake, a variety of measures to reduce our operating costs including 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. 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.

Net cash used by operating activities for the three months ended March 31, 2002 was $8.8 million and net cash provided by operating activities for the three months ended June 30, 2002 was $26.7 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 six months ended June 30, 2002 and 2001 was $61.0 million and $119.4 million, respectively. Net cash provided by financing activities during the six months ended June 30, 2002 and 2001 was $2.5 million and $231.2 million, respectively. Our cash and cash equivalents balance as of June 30, 2002 was $161.9 million, and we have up to $100 million available from our revolving line of credit.

In June 2002 we amended our existing bank debt covenants to provide further flexibility with respect to capital expenditures and investment restrictions. 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. We expect to repay all amounts outstanding under our bank debt with the proceeds from the sale of a portion of our investment in ASI to Dongbu during the third quarter of 2002. At that time, we will seek to simplify the financial covenants associated with the revolving line of credit or seek a new line of credit. If the transaction with Dongbu does not close as expected, we will need to obtain an amendment or waiver by March 31, 2003 of the financial covenants associated with the bank debt or repay amounts outstanding under the bank debt. 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 2001and 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 June 30, 2002, we had a total of $1,820.2 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 six months ended June 30, 2002, interest expense payable in cash was $71.4 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 2002, primarily to support the development of our Flip Chip, System-in-Package and high-end BGA capabilities. During the six months ended June 30, 2002 and 2001, we made capital expenditures of $51.3 million and $112.7 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 cannot be less than 1.7 billion Japanese yen and cannot exceed 2.4 billion Japanese yen ($14.2 million to $20.0 million based on the spot exchange rate at June 30, 2002). Additionally, in April 2002, we signed a non-binding memorandum of understanding with Fujitsu Limited to acquire Fujitsu's packaging and test operation in Kagoshima, Japan. The formation and structure of the acquisition are subject to the negotiation and execution of definitive agreements as well as any necessary corporate and regulatory approvals. We currently anticipate that the transaction will be completed in the fourth quarter of 2002. 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 cannot be less than 1 billion Japanese yen and cannot exceed 4 billion Japanese yen ($8.3 million to $33.1 million based on the spot exchange rate at June 30, 2002).

During July 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 ($4.74 per share based on the spot exchange rate at June 30, 2002) to the Dongbu Group. The transaction is currently scheduled to close on August 28, 2002. The proceeds from the sale will be applied to paying off our $97.6 million term loan under the secured bank credit agreement. As a condition precedent to closing of this transaction, Dongbu and Texas Instruments are negotiating a letter of intent to consummate a Technology Transfer Agreement and a Manufacturing and Purchase Agreement. As of the date of this filing we have received a 50% deposit from Dongbu. The balance of the purchase price is payable within two weeks after the closing date. Following the transaction, Amkor will own 27.7 million shares of ASI. The carrying

value of our remaining investment in ASI will be valued at approximately $131.4 million, based on the June 30, 2002 investment balance. Dongbu's recent purchase of 12.0 million newly issued shares of ASI together with its purchase of Amkor's 20 million shares will reduce Amkor's ownership interest in ASI to approximately 22%. We cannot assure you that Dongbu, ASI and Texas Instruments will reach agreement on a letter of intent as required to consummate these transactions. In order to reach agreement on the letter of intent, the parties will need to reach agreement on a variety of complex and difficult technical and business issues. In the event such a letter of intent cannot be agreed upon, Amkor may be required to return to Dongbu any amounts paid to Amkor by Dongbu.

The definitive agreements with Dongbu also provide that Amkor, ASI and Dongbu will reach agreement no later than September 30, 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 terms of the foundry agreement, Amkor has exclusive rights to sell all the output of ASI's foundry until 2008. If an agreement can be reached by September 30, 2002, we will reflect our wafer fabrication services segment as a discontinued operation. With the termination of the foundry agreement, we will no longer benefit from the income from operations of our wafer fabrication services segment.

In connection with the planned 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. Acqutek supplies materials to the semiconductor industry and is a publicly traded company in Korea that had previously been owned 20% by ASI and which an entity controlled by the family of James Kim, our founder, CEO and Chairman, currently holds a 25% ownership interest. We have historically purchased and continue to purchase lead frames from Acqutek. Total purchases from Acqutek included in cost of revenue for the six months ended June 30, 2002 and 2001 $6.3 million and $8.7 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 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 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. 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 June 30, 2002 and December 31, 2001, the accrual for current taxes and estimated additional taxes was $46.9 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. 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. If these estimates and related assumptions change in the future, 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 a $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. We are evaluating the estimated useful lives of our lower technology packaging assets that are not subject to rapid obsolescence to assess whether a longer life is more appropriate. Our evaluation of the estimated useful lives of such packaging equipment will consider the following:

- expected future cash flows;

- prevailing industry practice;

- consultations with an independent appraisal firm;

- consultations with equipment manufacturers; and

- historical experience.

We believe that our principal competitors depreciate their packaging assets over periods six to eight years. If we were to change the estimated useful lives such a change would be considered a change in estimate and would be accounted for prospectively in the period of change and future periods.

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 based on negotiations with a third party to acquire a portion of our interest in ASI. These negotiations culminated into the signing of an agreement on July 10, 2002. At June 30, 2002 and July 31, 2002, ASI's stock price was $3.80 per share and $4.21 per share, respectively.

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 cannot 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 quarter of 2002 and expect growth in our revenues during the balance of 2002 and into 2003, 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. There can be no assurance that overall industry conditions will continue to recover in 2002. If industry conditions do not continue to improve, it is unlikely we will be able to meet our expectations

of increased revenues in 2002. If our revenues do not increase as expected, we expect to 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 CANNOT 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 six months ended June 30, 2002, the decline in average selling prices were in excess of 20% and significantly impacted our gross margins as compared to the comparable period a year ago. 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 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 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 June 30, 2002, total debt was $1,820.2 million. We have a $100.0 million revolving line of credit of which no amounts were drawn as of June 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.

We expect to repay all amounts outstanding under our bank debt with the proceeds from the sale of a portion of our investment in ASI to Dongbu during the third quarter of 2002. At that time, we will seek to simplify the financial covenants associated with the revolving line of credit or seek a new line of credit. If the transaction with Dongbu does not close as expected, we will need to obtain an amendment or waiver by March 31, 2003 of the financial covenants associated with the bank debt or repay amounts outstanding

under the bank debt. 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 June 30, 2002 we owned approximately 42% 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 was to significantly reduce or curtail its operations for any reason, or if our relationship with ASI was 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 six months ended June 30, 2002. However, 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 July 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 ($4.74 per share based on the spot exchange rate at June 30, 2002) to the Dongbu Group. The transaction is currently scheduled to close on August 28, 2002. The proceeds from the sale will be applied to paying off our $97.6 million term loan under the secured bank credit agreement. One of the conditions to closing of this transaction is that Dongbu, ASI and Texas Instruments enter into a letter of intent to consummate a Technology Transfer Agreement and a Manufacturing and Purchase Agreement. As of the date of this filing we have received a 50% deposit from Dongbu. The balance of the purchase price is payable within two weeks after the closing date. Following the transaction, Amkor will own 27.7 million shares of ASI. Dongbu's recent purchase of 12.0 million newly issued shares of ASI together with its purchase of Amkor's 20 million shares will reduce Amkor's ownership interest in ASI to approximately 22%. We cannot assure you that Dongbu, ASI and Texas Instruments will reach agreement on a letter of intent as required to consummate these transactions. In order to reach agreement on the letter of intent, the parties will need to reach agreement on a variety of complex and difficult technical and business issues. In the event such a letter of intent cannot be agreed upon, Amkor may be required to return to Dongbu any amounts paid to Amkor by Dongbu.

The definitive agreements with Dongbu also provide that Amkor, ASI and Dongbu will reach agreement no later than September 30, 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 terms of the foundry agreement, Amkor has exclusive rights to sell all the output of ASI's foundry until 2008. If an agreement can be reached by September 30, 2002, we will reflect our wafer fabrication services segment as a discontinued operation. If we fail to consummate these transactions, we will still hold 47.7 million shares of ASI's common stock and we will maintain our rights under the foundry agreement.

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 has 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 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. 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 40% of ASI's wafer fabrication facility's capacity in the quarter ending March 31, 2002, 30% of such capacity in the quarter ending June 30, 2002, and 20% of such capacity in each subsequent 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 cannot 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 cannot 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 cannot 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 cannot 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.

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.

In the event we are able to successfully close the contemplated sale of ASI stock to Dongbu, we expect to terminate our foundry agreement with ASI and our wafer fabrication services agreements with Texas Instruments. Accordingly, we will then no longer benefit from the revenues or income from operations of our wafer fabrication segment.

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 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 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 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 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 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 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 July 31, 2002, we held 161 U.S. patents, had 268 pending patents and were preparing an additional 7 patent applications for filing. In addition to the U.S. patents, we held 454 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 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 DETERMINE THE OUTCOME OF ALL MATTERS REQUIRING STOCKHOLDER APPROVAL.

As of July 31, 2002, Mr. James Kim and members of his family beneficially owned approximately 44.4% 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 June 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 $2.8 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. Based on the portfolio of won-based assets and liabilities at June 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 $2.7 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. Based on the portfolio of yen-based assets and liabilities at June 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 $16.0 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 June 30, 2002, we had a total of $1,820.2 million of debt of which 91% was fixed rate debt and 9% 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 June 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 of our fixed and variable rate debt as of June 30, 2002.

	YEAR ENDING DECEMBER 31,							
	2002	2003	2004	2005	2006	THEREAFTER	TOTAL	FAIR VALUE
Long-term debt:								
Fixed rate debt	$ 7,291	$ 15,023	671	--	$ 675,000	$ 958,750	$1,656,735	$1,174,585
Average interest rate	4.0%	4.0%	4.0%		8.0%	8.4%	8.1%	
Variable rate debt ..	$ 43,397	$ 16,947	$ 55,569	$ 42,307	$ 2,974	$ 2,277	$ 163,471	$ 163,471
Average interest rate	1.8%	5.8%	5.8%	5.8%	4.6%	3.7%	4.7%	

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.

PART II. OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITYHOLDERS

At Amkor Technology, Inc.'s Annual Meeting of Stockholders held on June 25, 2002 the following proposals were adopted by the margins indicated.

1. To elect a Board of Directors to hold office until the next Annual Meeting of Stockholders or until their respective successors have been elected or appointed.

	NUMBER OF SHARES VOTED FOR	WITHHELD
James J. Kim	132,286,558	7,411,958
John N. Boruch	132,398,133	7,300,383
Winston J. Churchill	139,614,680	83,836
Thomas D. George	139,637,142	61,374
George K. Hinckley	139,639,065	59,451
Juergen Knorr	139,618,618	79,898
John B. Neff	139,614,601	83,915

2. To ratify the appointment of the accounting firm of PricewaterhouseCoopers LLP as independent auditors for the company for the current year. Votes totaled 138,629,591 for, 1,062,207 against and 6,718 abstain.

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

4.14 Amendment No. 3 to the Amended and restated credit agreement dated as of June 24, 2002 between the Registrant and the Issuing Banks and Salomon Smith Barney, Inc., Citicorp USA, Inc. and Deutsche Banc Alex. Brown, Inc.

10.18 Share Sale and Purchase Agreement between the Registrant and Dongbu Corporation dated as of July 10, 2002

10.19 Shareholders Agreement between the Registrant, Dongbu Corporation, Dongbu Fire Insurance Co., Ltd., and Dongbu Life Insurance Co., Ltd. dated as of July 29, 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

99.2 Sworn Statements Pursuant to Section 21(a)(1) of the Securities Exchange Act of 1934

(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 June 30, 2002:

Current Report on Form 8-K dated March 29, 2002 (filed April 1, 2002) related to the consolidated financial statements of Anam Semiconductor, Inc. and its subsidiaries as of and for each of the three years ended December 31, 2001 filed pursuant to rule 3-09 of Regulation S-X.

Current Report on Form 8-K dated April 23, 2002 (filed April 25, 2002) related to a press release dated April 23, 2002 announcing the signing of a non-binding memorandum of understanding to purchase an packaging and test facility in Japan.

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, 2002

EXHIBIT 4.14

AMENDMENT NO. 3 TO
AMENDED AND RESTATED CREDIT AGREEMENT

This AMENDMENT NO. 3 TO AMENDED AND RESTATED CREDIT AGREEMENT, dated as of June 24, 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 definitions are inserted in Section 1.1 of the Credit Agreement in the appropriate place to preserve the alphabetical order of the definitions in such section:

"Alternative Minimum EBITDA" shall mean, 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
June 30, 2002	$75,000,000
September 30, 2002	$125,000,000

"Amendment Effective Date" has the meaning specified in Amendment No. 3 to this Agreement among the Borrower, the Lenders party thereto and the Administrative Agent.

(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 sentence at the end thereof to read in its entirety as follows:

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 cash Investments pursuant to the immediately preceding sentence, the Borrower shall be permitted to make additional cash Investments, subject to compliance with Section 5.4(f) after giving effect to any cash Investments made or held hereunder, up to a maximum amount, together with any Capital Expenditures made pursuant to the last sentence of clause (o) 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 cash Investments shall be permitted pursuant to this sentence.

(ii) Section 5.2(o) (Capital Expenditures) of the Credit Agreement is hereby amended by replacing the last sentence at the end thereof with the following:

> 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 and December 31, 2002 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 fiscal quarter referenced in the preceding sub-clauses (i) and (ii) (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, 2002, provided further, however, that if the Borrower makes less than $20,000,000 in Capital Expenditures during the fiscal quarters ending on June 30, 2002 and September 30, 2002 collectively then the amount permitted to be carried over to the fiscal quarter ending on December 31, 2002 shall be reduced by an amount equal to (x) $20,000,000 minus (y) the amount of Capital Expenditures actually made by the Borrower during the fiscal quarters ending on June 30, 2002 and September 30, 2002. 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 5.4(f) (Minimum Daily Liquidity) of the Credit Agreement is hereby amended by inserting the following proviso at the end thereof:

> ; 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 last 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).

SECTION 2. CONDITIONS TO EFFECTIVENESS. This Amendment shall become effective as of the date hereof on the date (the "Amendment Effective 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 Borrower shall have paid any fees required to be paid herewith under any Loan Documents.

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.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

CITYBANK N.A.,

____

as Lender

By /s/ Suzanne Crymes

____

Name: Suzanne Crymes

Title: Vice President

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

____

Societe Generale
as Lender

By /s/ Edward J. Grimm

____

Name: Edward J. Grimm

Title: Director

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

IBM Credit Corporation

____

as Lender

By /s/ Thomas S. Curan

____

Name: Thomas S. Curan

Title: Manager at Credit

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

BARCLAYS BANK PLC

____

as Lender

By /s/ John Giannone

____

Name: John Giannone

Title: Director

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

Sierra CLO,I

____

as Lender

By /s/ John M. Casparian

____
Name: John M. Casparian
Title: Chief Operating Officer
Centre Pacific, Manager

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

THE TRAVELERS INSURANCE COMPANY
____
as Lender

By /s/ Matthew J. McInerny
____
Name: MATTHEW J. MCINERNY
Title: ASSISTANT INVESTMENT OFFICER

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

COLISEUM FUNDING LTD.
By Travelers Asset Management
International Company, LLC
____
as Lender

By /s/ Matthew J. McInerny
____
Name: MATTHEW J. MCINERNY
Title: ASSISTANT INVESTMENT OFFICER

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

COLUMBUS LOAN FUNDING LTD.
By Travelers Asset Management
International Company, LLC
____
as Lender

By /s/ Matthew J. McInerny
____
Name: MATTHEW J. MCINERNY
Title: ASSISTANT INVESTMENT OFFICER

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

OCTAGON INVESTMENT PARTNERS II, LLC
By: Octagon Credit Investors, LLC
as sub-investment manager,
____
as Lender

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

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

OCTAGON INVESTMENT PARTNERS III, LLC
By: Octagon Credit Investors, LLC
as Portfolio Manager
__________________________,
as Lender

By /s/ Michael B. Nechamkin

____
Name: Michael B. Nechamkin
Title: Portfolio Manager

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

OCTAGON INVESTMENT PARTNERS IV, LTD.
By: Octagon Credit Investors, LLC
as collateral manager

____
as Lender

By /s/ Michael B. Nechamkin

____
Name: Michael B. Nechamkin
Title: Portfolio Manager

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

David L. Babson & Company Inc., as Collateral Manager for:

TRYON CLO Ltd. 2000-1

APEX (IDM) CDO l, LTD

ELC (Cayman) Ltd.

ELC (Cayman) Ltd.
CDO Series 1999-I

ELC (Cayman) Ltd. 1999-II

ELC (Cayman) Ltd. 2000-I

ELC (Cayman) Ltd. 1999-III

as Lender

By /s/ Michael J. Audino

____
Name: Michael J. Audino
Title: Director

[SIGNATURE PAGE TO AMENDMENT NO. 3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

Comerica Bank

____
as Lender

By /s/ Robert P. Wilson

____
Name: Robert P. Wilson
Title: Vice President

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

ABN AMRO Bank N.V.

____
as Lender

By /s/ Panida Wongchantara

____
Name: PANIDA WONGCHANTARA
Title: ASSISTANT VICE PRESIDENT

By /s/ Alexis Soojin Yoo

____
Name: ALEXIS SOOJIN YOO
Title: VICE PRESIDENT

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

____

Sankary High Yield Asset Partners, L.P.

as Lender

By /s/ Diane J. Exter

____
Name: DIANE J. EXTER
Title: MANAGING DIRECTOR
PORTFOLIO MANAGER

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

____

Sankary High Yield Asset Partners, II L.P.

as Lender

By /s/ Diane J. Exter

____
Name: DIANE J. EXTER
Title: MANAGING DIRECTOR
PORTFOLIO MANAGER

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

____

Sankary High Yield Asset Partners,III L.P.

as Lender

By /s/ Diane J. Exter

____
Name: DIANE J. EXTER
Title: MANAGING DIRECTOR
PORTFOLIO MANAGER

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDE AND RESTATED CREDIT AGREEMENT]

____

Sankary Advisors, LLC as Collateral Manager for Great Point CLO 1999-1 LTD., as Term Lender

as Lender

By /s/ Diane J. Exter

Name: DIANE J. EXTER
Title: MANAGING DIRECTOR
PORTFOLIO MANAGER

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDE AND RESTATED CREDIT AGREEMENT]

Sankary Advisors, LLC as Collateral Manager for Race Point CLO Limited, LTD., as Term Lender

as Lender

By /s/ Diane J. Exter

Name: DIANE J. EXTER
Title: MANAGING DIRECTOR
PORTFOLIO MANAGER

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDE AND RESTATED CREDIT AGREEMENT]

The Bank of Nova Scotia
as Lender

By /s/ Melvin J. Mandelbaum

Name: MELVIN J. MANDELBAUM
Title: MANAGING DIRECTOR

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

BLACK DIAMOND CLO 1999-1 LTD.
as Lender

By /s/ Paul Cope

Name: Paul Cope
Title: Director

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

BLACK DIAMOND CLO 2000-1 LTD.
as Lender

By /s/ Paul Cope

Name: Paul Cope
Title: Director

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

BLACK DIAMOND INTERNATIONAL FUNDING, LTD.
as Lender

By /s/ Paul Cope
____
Name: Paul Cope
Title: Director

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

LONG LANE MASTER TRUST IV,
as Lender

By: Fleet National Bank as Trust Administrator

By /s/ Kevin Kevins
____
Name: Kevin Kevins
Title: Managing Director

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

Toronto Dominion (New York), Inc.,
as Lender

By /s/ Dave Parker
____
Name: Dave Parker
Title: Vice President

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

First Dominion Funding I
_________________________,
as Lender

By /s/ David H. Lerner
____
Name: DAVID H. LERNER
Title: AUTHORIZED SIGNATORY

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

First Dominion Funding II
_________________________,
as Lender

By /s/ David H. Lerner
____
Name: DAVID H. LERNER
Title: AUTHORIZED SIGNATORY

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

CSAM Funding I
_________________________,
as Lender

By /s/ David H. Lerner
____
Name: DAVID H. LERNER
Title: AUTHORIZED SIGNATORY

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED

CREDIT AGREEMENT]

TRSI LLC
as Lender

By /s/ Rosemary F. Dunne
____
Name: Rosemary F. Dunne
Title: Attorney-in-Fact

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

ARES Leveraged Investment Fund II, L.P.

By: ARES Management II, L.P.
Its: General Partner

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

ARES III CLO Ltd.

By: ARES CLO Management, LLC
Its: Investment Manager

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

ARES IV CLO Ltd.

By: ARES CLO Management IV, L.P.
Investment Manager

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

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

ARES V CLO Ltd.

By: ARES CLO Management V, L.P.
Investment Manager

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

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

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED

CREDIT AGREEMENT]

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

By /s/ David P. Meyer

Name: DAVID P. MEYER
Title: VICE PRESIDENT

[SIGNATURE PAGE TO AMENDMENT NO.3-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

Name: Joseph Rotondo
Title: Authorized Signatory

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

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

By /s/ Joseph Rotondo

Name: Joseph Rotondo
Title: Authorized Signatory

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

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

By /s/ Joseph Rotondo

Name: Joseph Rotondo
Title: Authorized Signatory

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

AVALON CAPITAL LTD.
By: INVESCO Senior Secured Management, Inc.
As Portfolio Advisor

By /s/ Joseph Rotondo

Name: Joseph Rotondo
Title: Authorized Signatory

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

AVALON CAPITAL LTD. 2
By: INVESCO Senior Secured Management, Inc.
As Portfolio Advisor

By /s/ Joseph Rotondo

Name: Joseph Rotondo
Title: Authorized Signatory

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

CERES II FINANCE LTD.
By: INVESCO Senior Secured Management, Inc.
As Sub-Managing Agent (Financial)

By /s/ Joseph Rotondo
____
Name: Joseph Rotondo
Title: Authorized Signatory

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

OASIS COLLATERALIZED HIGH INCOME PORTFOLIOS-1, LTD.
By: INVESCO Senior Secured Management, Inc.
As Sub-Managing Agent (Financial)

By /s/ Joseph Rotondo
____
Name: Joseph Rotondo
Title: Authorized Signatory

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

CHARTER VIEW PORTFOLIO
By: INVESCO Senior Secured Management, Inc.
As Investment Advisor

By /s/ Joseph Rotondo
____
Name: Joseph Rotondo
Title: Authorized Signatory

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

AIM FLOATING RATE FUND
By: INVESCO Senior Secured Management, Inc.
As Attorney in fact

By /s/ Joseph Rotondo
____
Name: Joseph Rotondo
Title: Authorized Signatory

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

SEQUILS-LIBERTY, LTD.
By: INVESCO Senior Secured Management, Inc.
As Collateral Manager

By /s/ Joseph Rotondo
____
Name: Joseph Rotondo
Title: Authorized Signatory

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

CypressTree Investment Management Company, Inc.

As Attorney-in-Fact and on behalf of First Allmerica Financial Life Insurance Company as

Portfolio Manager

By /s/ Peter Campo
____
Name: Peter Campo
Title: Associate

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

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

By /s/ Peter Campo
____
Name: Peter Campo
Title: Associate

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

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

By: /s/ Peter Campo
____
Name: Peter Campo
Title: Associate

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

SEQUILS - PILGRIM I, LTD.
By: ING Investments, LLC
as its investment manager

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

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

ML CLO XII PILGRIM AMERICA (CAYMAN) LTD.
By: ING Investments, LLC
as its investment manager

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

[SIGNATURE PAGE TO AMENDMENT NO.3-AMKOR TECHNOLOGY INC. AMENDED AND RESTATED CREDIT AGREEMENT]

CONSENT OF SUBSIDIARY GUARANTOR

Dated as of June 24, 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 J. Heron
____
Name: Kevin J. Heron
Title: Secretary

EXHIBIT 10.18

SHARE SALE AND PURCHASE AGREEMENT

This Share Sale and Purchase Agreement (this "Agreement") is made and entered into as of the 10th day of July 2002, by and between:

Amkor Technology, Inc., a Delaware corporation with a place of business at 1345 Enterprise Drive, West Chester, Pennsylvania 19380 U.S.A ("Seller"); and

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

RECITALS:

A. Seller currently owns 47,707,039 common shares (having par value of KRW5,000 per share) in Anam Semiconductor, Inc., a Korean corporation with its registered office located at 154-17, Samsung-dong, Kangnam-ku, Seoul, Korea (the "Company").

B. Seller wishes to sell to Purchaser, and Purchaser wishes to purchase from Seller, 20,000,000 shares in the Company, on the terms and conditions set forth herein.

NOW, THEREFORE, it is hereby agreed as follows:

ARTICLE 1. DEFINITIONS & INTERPRETATION

1.1 The terms defined in this Article shall have the meanings ascribed to them herein whenever they are used in this Agreement, unless otherwise clearly indicated by the context.

"Action" means any claim, litigation, arbitration or inquiry, or judicial, administrative, regulatory or other proceeding, brought by or before (or, in the case of a claim, capable of being brought by or before) any court, arbitral tribunal, government agency or other Government Authority or any Person.

"Business Day" means a day other than Saturday, Sunday or a day on which banking institutions are authorized or required by law or executive order to remain closed in Seoul, Korea.

"Closing" means consummation of the sale and purchase of the Sale Shares under the terms of this Agreement.

"Closing Date" means the date when the Closing occurs.

"Deposit" means the deposit to be paid by Purchaser as set forth in Article 3.1.

"Encumbrances" means any lien, pledge, mortgage, security interest, charge or other encumbrance.

"Government Approval" means any approval, consent or authorization from, registration or filing with, notice to, or license, permit or certification from, any Government Authority. Government Approvals with respect to any action to be taken by any Party hereunder means such Government Approvals as are required for the action under applicable Law.

"Government Authority" means any national, provincial, local or foreign government, governmental, regulatory or administrative authority or agency, or tribunal, court, or other judicial or arbitral body.

"Interim Payment" means the interim payment to be made by Purchaser as set forth in Article 3.2.

"Interim Payment Date" means the date on which Purchaser makes the Interim Payment.

"Korea" means the Republic of Korea.

"KRW" means the Korean Won, the lawful currency of Korea.

"Law" means any (i) national, provincial, state, or local statutes, regulations, ordinances, rules, codes, judgments, awards, orders or policies of Government Authorities, terms and conditions of Government Approvals, and any other rules, standards or specifications having the force or effect of law, whether Korean or foreign; and (ii) treaties, conventions, protocols and other promulgations having transnational legal effect.

"Party" means individually, Purchaser or Seller, and "Parties" means collectively, Purchaser and Seller.

"Person" means any entity, corporation, company, partnership, association, trust, organization, Government Authority or individual.

"Purchase Price" means the purchase price to be paid by Purchaser for the Sale Shares as set forth in Article 2.

"Sale Shares" means all of the Shares to be sold hereunder by Seller, as set forth in Article 2.1.

"Shareholders Agreement" means the shareholders agreement to be entered into between Purchaser, Seller and such affiliates of Purchaser as may become shareholders in the Company (Purchaser and such affiliates of Purchaser, the "Dongbu Shareholders").

"Shares" means the shares of common stock of the Company, having par value of KRW5,000 each, with full voting rights issued and outstanding as of the date hereof.

"Texas Instruments" means Texas Instruments Incorporated, a Delaware corporation with a place of business at 13500 North Central Expressway, Dallas, Texas, 75265.

1.2 Except where the context otherwise requires, the masculine gender shall include the feminine and neuter and the singular shall include the plural and vice versa.

1.3 References in this Agreement to Articles, Sections and Exhibits shall refer to the articles, sections and exhibits of this Agreement, and the same shall form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement.

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

ARTICLE 2. SALE AND PURCHASE OF SALE SHARES

2.1 Shares to be Purchased. Subject to the terms and conditions of this Agreement, Seller shall sell and transfer to Purchaser, and Purchaser shall purchase from Seller, 20,000,000 Shares (collectively, the "Sale Shares"), free and clear of any Encumbrances.

2.2 Purchase Price. The purchase price for the Sale Shares shall be KRW5,700 per Share and KRW114,000,000,000 in aggregate (the "Purchase Price").

2.3 Payment Method. Purchaser shall pay to Seller the Purchase Price in accordance with the schedule set forth in Article 3 below by remitting such payments in immediately available funds to the bank account designated in writing by Seller in advance.

ARTICLE 3. DEPOSIT, INTERIM PAYMENT AND CLOSING

3.1 Deposit. On or prior to the second Business Day after the date hereof, Purchaser shall pay to Seller 10% of the Purchase Price (the "Deposit"). Against payment by Purchaser of the Deposit in full, Seller shall deliver, or have delivered, to Purchaser a receipt, duly executed by Seller, certifying the receipt by Seller of the Deposit.

3.2 Interim Payment. Subject to the fulfillment of the conditions precedent specified in Article 7.1 on or prior to July 25, 2002, Purchaser shall pay to Seller 40% of the Purchase Price (the "Interim Payment"); provided, however, if any such condition precedent has not been satisfied or otherwise waived as of such date, the Interim Payment shall be paid: (i) on the third Business Day following the date on which the conditions set forth in Articles 7.1 shall be satisfied or waived in accordance with this Agreement or (ii) at such other time as the Parties may agree. Against payment by Purchaser of the Interim Payment in full, Seller shall deliver, or have delivered, to Purchaser a receipt, duly executed by Seller, certifying the receipt by Seller of the Interim Payment.

3.3 Closing. Subject to the fulfillment of the conditions precedent specified in Articles 7.2 and 8 hereof, the sale and purchase of the Sale Shares shall be consummated at 10:00 am local time on or prior to August 28, 2002, at the offices of Bae, Kim & Lee located at 647-15, Yoksam-Dong, Kangnam-Ku, Seoul, Korea; provided, however, that if any such condition precedent has not been satisfied or otherwise waived as of that date, the Closing shall take place: (i) on the third Business Day following the date on which the conditions set forth in Articles 7.2 and 8 shall be satisfied or waived in accordance with this Agreement or (ii) at such other time as the Parties may agree.

3.4 Closing Deliveries of Seller. At the Closing, Seller shall deliver, or have delivered, to Purchaser the share certificates representing the Sale Shares together with all documents necessary to enter Purchaser as new shareholder of the Sale Shares on the Register of Shareholders.

3.5 Closing Deliveries of Purchaser. At the Closing, Purchaser shall deliver, or have delivered, to Seller the payment of the remaining unpaid portion of the Purchase Price.

3.6 Extension of Interim Payment Date and Closing Date. The Interim Payment Date of July 25, 2002 set forth in Article 3.2 and the Closing Date of August 28, 2002 set forth in Article 3.3 may be extended up to 10 Business Days by written notice by Purchaser if Purchaser is unable to make the payments due to be made on such dates.

ARTICLE 4. SELLER'S REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Seller. Seller represents and warrants to Purchaser that the statements contained in this Article 4.1 are correct and complete in all material respects as of the date of this Agreement and will be correct and complete in all material respects as of the Interim Payment Date and as of the Closing Date (as though made then), except as otherwise disclosed in writing at or prior to the signing of this Agreement.

(a) Title to Shares. It is the legal and beneficial owner of the Sale Shares, and such Sale Shares are validly issued, fully paid and non-assessable and as of the Closing Date will be free and clear of all Encumbrances.

(b) Organization. It is a corporation duly organized and existing under the laws of the jurisdiction of its organization.

(c) Corporate Authorization. It has all requisite corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. It has taken all requisite corporate action to execute, deliver and perform this Agreement, and no other corporate proceedings on its part are required in connection with its execution, delivery and performance of this Agreement.

(d) Binding Effect. This Agreement has been duly executed and delivered by Seller. Assuming the due authorization, execution and delivery by Purchaser, this Agreement constitutes Seller's legally binding obligation, enforceable against it in accordance with its terms, except as enforcement may be limited by

bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally.

(e) Non-Contravention. Its execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, do not and will not (i) violate any provision of its Articles of Incorporation or other organizational documents or (ii) violate or result in a breach of or constitute a default under any Law to which it is subject.

(f) Governmental Consents and Approvals. Its execution and delivery of this Agreement, and its performance of its obligations hereunder, including the transfer of the Sale Shares and the Company's registration of Purchaser on its Register of Shareholders as the holder of the Sale Shares, do not and will not require any material filing with, or clearance, consent or approval of, any Governmental Authority.

(g) Other Consent and Approvals. No consent or approval of, or notice to, any other person, other than consent from the lien-holders over the Sale Shares, is necessary to the consummation of the sale and purchase of the Sale Shares contemplated by this Agreement, including, without limitation, consents or approvals from parties to loans, contracts, leases or other agreements to which Seller is a party.

4.2 Disclaimer of Other Representations and Warranties. Except as expressly set forth in Article 4.1 Seller makes no representation or warranty, express or implied, at law or in equity, with respect to itself or the Company, and such other representations or warranties are hereby expressly disclaimed.

4.3 Survival of Representations and Warranties. All of the representations and warranties made by Seller herein shall survive until the first anniversary of the Closing Date, except for the representations and warranties set forth in Article 4.1(a) (Title to Shares) and Article 4.1(c) (Corporate Authorization), which shall survive indefinitely.

ARTICLE 5. PURCHASER'S REPRESENTATIONS AND WARRANTIES

5.1 Purchaser represents and warrants to Seller that the statements contained in this Article 5 are correct and complete in all material respects as of the date of this Agreement and will be correct and complete in all material respects as of the Closing Date (as though made then), except as otherwise disclosed in writing at or prior to the signing of this Agreement.

(a) Organization. It is a corporation duly organized and existing under the Laws of the jurisdiction of its organization.

(b) Corporate Authorization. It has all requisite corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. It has taken all requisite corporate action to execute, deliver and perform this Agreement, and no other corporate proceedings on its part are required in

connection with its execution, delivery and performance of this Agreement.

(c) Binding Effect. This Agreement has been duly executed and delivered by Purchaser. Assuming the due authorization, execution and delivery of this Agreement by Seller, this Agreement constitutes Purchaser's legally binding obligation, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally.

(d) Non-Contravention. Its execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, do not and will not (i) violate any provision of its Articles of Incorporation or other organizational documents or (ii) violate or result in a breach of or constitute a default under any Law to which it is subject.

(e) Governmental Consents and Approvals. Its execution and delivery of this Agreement, and its performance of its obligations hereunder, do not and will not require any material filing with, or clearance, consent or approval of, any Governmental Authority.

(f) Other Consent and Approvals. No consent or approval of, or notice to, any other person is necessary to the consummation of the sale and purchase of the Sale Shares contemplated by this Agreement, including, without limitation, consents or approvals from parties to loans, contracts, leases or other agreements to which Purchaser is a party.

(g) Financial Capability. On the Closing Date, it will have sufficient funds to pay the Purchase Price for the Shares on the terms and conditions contemplated by this Agreement.

(h) Investigation by Purchaser. Purchaser and its representatives and agents have had and exercised, prior to the date hereof, the right to enter upon the Company's facilities and to make all inspections and investigations of the Company and its business and assets. Purchaser is purchasing the Sale Shares based solely on the results of its inspections and investigations, and not on any representation or warranty of Seller not expressly set forth in this Agreement. In light of these inspections and investigations and the representations and warranties made to Purchaser by Seller in Article 4 hereof, Purchaser is relinquishing any right to any claim based on any representations and warranties other than those specifically included in Article 4 hereof. Any claims Purchaser may have for breach of representation or warranty shall be based solely on the representations and warranties of Seller set forth in Article 4 hereof. Purchaser represents that to its knowledge, Seller is not in breach of any of the representations and warranties set forth in Article 4 hereof.

5.2 Survival of Representations and Warranties. All of the representations and warranties made by Purchaser herein shall survive until the first anniversary of the Closing Date, except for the representations and warranties set forth in Article 5.1(b) (Corporate Authorization), which shall survive indefinitely.

ARTICLE 6. COVENANTS

6.1 The Parties shall negotiate in good faith and make their best efforts to enter into the Shareholders Agreement as soon as practicable after the signing hereof, but in no event later than 15 days from the date hereof.

6.2 Between the date hereof and the Closing Date, each Party shall promptly notify the other Party in writing if it becomes aware of (i) any fact or condition that causes or constitutes a breach of any of its representations and warranties made as of the date of this Agreement or (ii) the occurrence after the date of this Agreement of any fact or condition that would, or would be reasonably likely to, cause or constitute a breach of any such representation or warranty had that representation or warranty been made as of the time of the occurrence of, or its discovery of, such fact or condition.

ARTICLE 7. CONDITIONS PRECEDENT TO THE OBLIGATIONS OF PURCHASER

7.1 Conditions Precedent to Interim Payment. The obligation of Purchaser to pay the Interim Payment hereunder is subject, at the option of Purchaser, to the fulfillment prior to or on the Interim Payment Date of each of the following conditions, any one or more of which may be waived by Purchaser in writing:

7.1.1 Covenants. Seller shall have performed and complied with, in all material respects, all covenants, agreements and conditions required by this Agreement to be performed or complied with prior to or on the Interim Payment Date.

7.1.2 Representations and Warranties. All of the representations and warranties made by Seller in this Agreement shall be true, accurate and correct in all material respects at and as of the Interim Payment Date as though such representations and warranties were made at and as of the Interim Payment Date.

7.1.3 Shareholders Agreement. The Shareholders Agreement shall have been executed by the parties thereto in form and substance mutually agreeable to the parties thereto and is in effect.

7.2 Conditions Precedent to Closing. The obligations of Purchaser to complete the Closing hereunder are subject, at the option of Purchaser, to the fulfillment prior to or at the Closing of each of the following conditions, any one or more of which may be waived by Purchaser in writing:

7.2.1 Covenants. Seller shall have performed and complied with, in all material respects, all covenants, agreements and conditions required by this Agreement to be performed or complied with prior to or at the time of Closing.

7.1.2 Representations and Warranties. All of the representations and warranties made by Seller in this Agreement shall be true, accurate and correct in all material

respects at and as of the Closing Date as though such representations and warranties were made at and as of the Closing Date.

7.2.3 Letter of Intent. Purchaser shall have received a copy of letter of intent executed by Texas Instruments to the Company, in form and substance reasonably satisfactory to Purchaser, indicating Texas Instruments' willingness to enter into a technology transfer agreement and a manufacturing purchase agreement with the Company with respect to future semiconductor technology to be acquired by the Company.

7.2.4 Shareholders Agreement. The Shareholders Agreement remains in effect.

ARTICLE 8. CONDITIONS PRECEDENT TO THE OBLIGATIONS OF SELLER

The obligations of Seller to complete the Closing hereunder are subject, at the option of Seller, to the fulfillment prior to or at the Closing of each of the following conditions, any one or more of which may be waived by Seller:

8.1 Covenants. Purchaser shall have performed and complied with, in all material respects, all covenants, agreements and conditions required by this Agreement to be performed or complied with by it, prior to or at the time of Closing.

8.2 Representations and Warranties. All of the representations and warranties made by Purchaser in this Agreement shall be true, accurate and correct in all material respects at and as of the Closing Date as though such representations and warranties were made at and as of the Closing Date.

8.3 Shareholders Agreement. The Shareholders Agreement shall have been executed by the parties thereto in form and substance mutually agreeable to the parties thereto and is in effect.

ARTICLE 9. INDEMNIFICATION

9.1 Indemnification of the Parties.

(a) Seller shall indemnify and hold Purchaser harmless from and against any and all losses, claims, damages, liabilities, expenses (including reasonable legal fees and expenses) and costs (collectively, "Losses") incurred by Purchaser, arising from any inaccurate or misleading representation or breach of warranty, covenant or agreement made by it in this Agreement.

(b) Purchaser shall indemnify and hold Seller harmless from and against any and all Losses incurred by Seller, arising from any inaccurate or misleading representation or breach of warranty, covenant or agreement made by it in this Agreement.

9.2 Notice of Claims. If any Party to be indemnified under Article 9.1 (the "Indemnified

Party") has suffered or incurred any Losses, the Indemnified Party shall so notify the other party (the "Indemnifying Party") promptly in writing describing such Losses, the amount or estimated amount thereof, if known or reasonably capable of estimation, and the method of computation of such Losses, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such Losses shall have occurred. If any Action is instituted by or against a third party with respect to which the Indemnified Party intends to claim any liability or expense as Losses under this Article 9, the Indemnified Party shall promptly notify the Indemnifying Party of such Action and tender the Indemnifying Party the defense of such Action. A failure to give notice and to tender the defense of the Action in a timely manner pursuant to this Article 9.2 shall not limit the obligation of the Indemnifying Party under this Article 9, (i) except to the extent such Indemnifying Party is prejudiced thereby, and for this purpose, any failure to give notice and to tender the defense that results in the Indemnifying Party not controlling or participating in such Action shall be deemed to prejudice the Indemnifying Party, (ii) except to the extent expenses are incurred during the period in which notice was not provided, and (iii) except as provided by Article 9.5 below.

9.3 Third Party Claims.

(a) The Indemnifying Party shall have the right, but not the obligation, to conduct and control, through counsel of its choosing, any third party claim, action or suit ("Third Party Claim"), and the Indemnifying Party may compromise or settle the same, provided that the Indemnifying Party shall give the Indemnified Party advance notice of any proposed compromise or settlement. The Indemnifying Party shall permit the Indemnified Party to participate in, but not control, the defense of any such action or suit through counsel chosen by the Indemnified Party, provided that the fees and expenses of such counsel shall be borne by the Indemnified Party. If the Indemnifying Party elects not to control or conduct the defense or prosecution of a Third Party Claim, (i) the Indemnifying Party shall have the right to participate in, but not conduct or control, the defense or prosecution of any Third Party Claim and, at its own expense, to employ counsel of its own choosing for such purpose, and (ii) the Indemnified Party may compromise or settle a Third Party Claim only upon obtaining the Indemnifying Party's prior written consent which shall not be unreasonably withheld or delayed.

(b) The Parties shall cooperate in the defense or prosecution of any Third Party Claim, with such cooperation to include (i) the retention and the provision to the Indemnifying Party of records and information that are reasonably relevant to such Third Party Claim and (ii) the making available of employees on a mutually convenient basis for proving additional information and explanation of any material provided hereunder.

9.4 Expiration. Notwithstanding anything in this Agreement to the contrary, if the Closing shall have occurred, all covenants, agreements, warranties and representations made herein or in any certificate delivered pursuant hereto shall survive the Closing, but, subject to Articles 4.3 and 5.2, all representations and warranties made herein, and all indemnification obligations under Article 9.1 with respect to any such representation or

warranty, shall terminate and expire on, and no action or proceeding seeking damages or other relief for breach of any thereof or for any misrepresentation or inaccuracy with respect thereto shall be commenced after, the first anniversary of the Closing Date with respect to all claims of any party, and of any Indemnified Persons, which shall not have been previously asserted, with reasonable specificity, by written notice given under Article 9.2 and received by the Indemnifying Party prior to such date.

9.5 Certain Limitations. Seller shall not have any liability under Article 9.1 for Losses unless the aggregate of all such Losses for which it would, but for this provision, be liable exceeds on a cumulative basis 1% of the aggregate amount the Purchase Price.

9.6 Other Limitations. No claim for breach of representation or warranty shall be made by Purchaser under Article 9.1 if (a) such claim is based on a fact or an event occurring prior to Closing (whether or not also occurring prior to the date of this Agreement) and (b) such fact or event was disclosed by Seller prior to Closing in accordance with Article 6.2, and Purchaser elected to proceed with the Closing notwithstanding such breach.

9.7 No Consequential Damages. Notwithstanding anything to the contrary contained herein, no Party shall be liable to or otherwise responsible to the other Party for, and Losses shall exclude, speculative, unforeseeable, consequential, incidental or indirect damages that arise out of or relate to this Agreement or the performance or breach thereof.

ARTICLE 10. TERMINATION

10.1 Termination. The obligation of the Parties to consummate the purchase and sale contemplated hereby may be terminated and abandoned at any time on or before the Closing Date, without cost, expense or liability to a Party by:

(a) The mutual agreement of Purchaser and Seller;

(b) Seller, if there has been a material breach by Purchaser of any of its representations, warranties or covenants set forth in this Agreement and such breach has not been cured within 5 days after notice thereof;

(c) Purchaser, if there has been a material breach by Seller of any of its representations, warranties or covenants set forth in this Agreement and such breach has not been cured within 5 days after notice thereof;

(d) Purchaser or Seller, if the Shareholders Agreement has not been executed within 15 days from the date hereof for whatever reason; or

(e) Purchaser or Seller, if the Closing has not occurred by September 13, 2002, provided that the Party terminating the Agreement is not at fault in causing the delay in Closing.

10.2 Effect of Termination. In the event of termination of this Agreement under Article 10.1, this Agreement shall immediately, as from the date of such termination by the Party entitled to do so, become void, except for Articles 9, 10 and 12. None of the

Parties shall have any liability in respect of a termination of this Agreement, except as follows:

(a) In the event of a termination of this Agreement pursuant of Article 10.1(a), Article 10.1(d) or Article 10.1(e), Seller shall without delay return to Purchaser the Deposit and Interim Payment paid by Purchaser.

(b) In the event of a termination of this Agreement pursuant of Article 10.1(b), Seller shall without delay return to Purchaser the Interim Payment paid by Purchaser and shall retain the Deposit as liquidated damages.

(c) In the event of a termination of this Agreement pursuant of Article 10.1(c), Seller shall without delay return to Purchaser the Deposit and Interim Payment paid by Purchaser and shall pay to Purchaser an additional amount equivalent to the Deposit as liquidated damages.

ARTICLE 11. NOTICE

11.1 Any notices given hereunder shall be in writing and shall be served by hand at, or by being sent by facsimile transmission, commercial courier or prepaid post to, the following addresses and numbers:

To Seller: Amkor Technology, Inc.
1345 Enterprise Drive
West Chester, Pennsylvania 19380
U.S.A

Fax:
Attn: Kevin Heron (General Counsel)

To Purchaser: Dongbu Corporation
Dongbu Financial Center
891-10 Daechi-dong, Kangnam-ku
Seoul, Korea

Fax:
Attn: Woo Sup Baek (Chief of Legal Department)

11.2 Any such notice shall be deemed to be served at the time of delivery (if delivered by hand, by commercial courier or by post) or at the time of transmission (if served by facsimile). Without prejudice to the effectiveness thereof, a notice served by facsimile shall be confirmed promptly in writing delivered by hand or sent by commercial courier or prepaid post.

11.3 Any Party may, by 7 days' written notice served to the aforesaid addresses of the other Party, change the address or facsimile number for service referred to above.

ARTICLE 12. MISCELLANEOUS

12.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of law thereof.

12.2 Arbitration. Any dispute or claim arising out of or relating to this Agreement shall be resolved exclusively and finally by arbitration. The arbitration shall be conducted pursuant to the Rules of Arbitration of the International Chamber of Commerce. The arbitral tribunal shall consist of three arbitrators. One arbitrator shall be appointed by Purchaser, one arbitrator shall be appointed by Seller and the third arbitrator shall be appointed by mutual consent of the two arbitrators so appointed. The arbitration shall be conducted in Philadelphia, Pennsylvania, U.S.A. if Seller is the claimant or in Seoul, Korea if Purchaser is the claimant. The language used in the arbitration shall be the English language. Any decision or award of the arbitral tribunal shall be final and binding upon the Parties. The Parties waive to the extent permitted by law any rights to appeal or to review of such award by any court or tribunal. The Parties agree that the arbitral award may be enforced against the parties to the arbitration proceeding or their assets wherever they may be found and that a judgment upon the arbitral award may be entered in any court having jurisdiction thereof.

12.3 Confidentiality of Information.

(a) Each Party agrees to keep secret and confidential all information obtained pursuant to this Agreement from the other Party or the Company. The Parties agree to take reasonable precautions, in a manner reasonably acceptable to the Party furnishing the information, in order to keep secret and confidential such information and to restrict its use outside and beyond the scope of this Agreement without the prior written consent of the party furnishing such information; provided, however, that any Party may disclose such information to its advisors or to Government Authorities as is required to bring about the purposes intended by this Agreement; and provided, further, that the above restrictions shall not apply to information:

(i) which was or becomes generally available to the public;

(ii) which was or becomes known to the recipient without breach of this or any obligation of confidentiality;

(iii) which is provided to Texas Instruments for the purpose of negotiating, entering into or amending contracts or other commercial arrangements; or

(iv) the disclosure of which is required by Law or by a Government Authority.

The term "information" shall mean any information concerning proprietary, confidential, trade secrets and other non-public information and data, including information concerning the property, operations and business of a Party or the Company.

(b) Each Party shall take reasonable steps to ensure that its directors, officers,

employees, agent and advisers will comply in all respects with this Article 12.3.

(c) In the event of termination of this Agreement pursuant to Article 10.1, each Party shall return to the other Party all information (and all reproductions, thereof) received from such Party.

(d) In the event Purchaser breaches its obligations under this Article 12.3 after the termination of this Agreement, Purchaser shall indemnify Seller and the Company against any loss or damage suffered by them as a result of such breach (including any misuse of the information provided to Purchaser hereunder) by Purchaser or any Person to whom such information is provided by Purchaser. Without limiting Seller's or the Company's rights to claim for damages against Purchaser as aforesaid, the Company and Seller shall have the right to seek injunctive relief or any other appropriate remedy.

(e) For a period of 3 years from the date of termination of this Agreement, Purchaser shall not employ or solicit the employment of any individual who is as of the date of this Agreement an officer or employee of the Company and shall not solicit any customers, clients or accounts of the Company by using the information provided to Purchaser.

12.4 Entire Agreement. This Agreement shall, as of the date of execution hereof, supersede all previous representations, understandings or agreements, oral or written, among the Parties with respect to the subject matter hereof.

12.5 Waivers. No waiver by any Party of any breach or failure to comply with any provision of this Agreement shall be construed as, or constitute, a continuing waiver of such provision or a waiver of any other breach of, or failure to comply with, any other provision of this Agreement.

12.6 Successors and Assigns. This Agreement and each and every covenant, term and condition hereof shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. No Party may assign any of its rights or delegate any of its duties under this Agreement without obtaining the prior consent of the other Parties. Purchaser may, however, assign all or a portion of its rights and obligations hereunder to its affiliate(s) without the prior consent of Seller, provided that Purchaser shall guarantee the performance of the obligations hereunder of such affiliate(s).

12.7 Amendments. This Agreement may be amended or modified only by an instrument in writing duly executed by the Parties.

12.8 Severability of Provisions. If any term or provision of this Agreement is for any reason found invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the validity of any remaining portion, which shall remain in full force and effect as if the invalid portion was never a part of this Agreement when it was executed.

12.9 Language/Counterparts. This Agreement is written in the English language and may be executed in counterparts, each of which shall be deemed an original when executed and delivered, but all counterparts together shall constitute the same document. The English language text of this Agreement shall prevail over any translation thereof.

12.10 Release of Information. Seller shall make its reasonable best efforts to cause the Company to provide Purchaser with such information on the Company as reasonably requested by Purchaser until the execution of the Shareholders Agreement.

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

Amkor Technology, Inc.	Dongbu Corporation
By: /s/ John Boruch	By: /s/ HO IK Paik
Name: John Boruch	Name: HO IK Paik
Title: Chief Operating Officer and President	Title: Representative Director

EXECUTION COPY

SHARE SALE AND PURCHASE AGREEMENT

dated as of July , 2002

between

AMKOR TECHNOLOGY, INC.
as Seller

and

DONGBU CORPORATION
as Purchaser

Bae, Kim & Lee
Seoul, Korea

EXHIBIT 10.19

SHAREHOLDERS AGREEMENT

This Shareholders Agreement ("Agreement") is made and entered into as of the 29th day of July 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 "Shareholder" or a "Party" and collectively as the "Shareholders" or the "Parties".

RECITAL:

A. ATI currently owns 47,707,039 commons shares (having par value of KRW5,000 each) of Anam Semiconductor, Inc., a Korean corporation with its registered office located at 154-17, Samsung-Dong, Gangnam-Ku, Seoul, Korea (the "Company").

B. Pursuant to the Share Sale and Purchase Agreement, dated July 10, 2002, by and between the ATI and Dongbu Corporation (the "Share Sale and Purchase Agreement"), ATI has agreed to sell and Dongbu Corporation has agreed to purchase an aggregate of 20,000,000 common shares in the Company (the "Share Sale and Purchase").

C. The Company has agreed to issue and Dongbu Fire and Dongbu Life have agreed to subscribe an aggregate of 12,000,000 common shares in the Company (the "Share Subscription").

D. The Parties wish to memorialize herein their agreements with respect to the Shareholders' joint ownership and management of the Company after the consummation of the Share Sale and Purchase and the Share Subscription.

Now, it is hereby agreed as follows:

ARTICLE 1. DEFINITIONS & INTERPRETATION

1.1 The terms defined in this Article shall have the meanings ascribed to them herein whenever they are used in this Agreement, unless otherwise clearly indicated by the context.

"AOI" means the articles of incorporation of the Company.

"BOD" means the board of directors of the Company.

"Business Day" means a day other than Saturday, Sunday or a day on which banking institutions are authorized or required by law or executive order to remain closed in Seoul, Korea.

"Dongbu Electronics" means Dongbu Electronics Co., Ltd., a Korean company with its registered office located at Dongbu Financial Center, 891-10 Daechi-Dong, Gangnam-Ku, Seoul, Korea.

"Encumbrances" means any lien, pledge, mortgage, security interest, charge or other encumbrance.

"Government Approval" means any approval, consent or authorization from, registration or filing with, notice to, or license, permit or certification from, any Government Authority. Government Approvals with respect to any action to be taken by any Party hereunder means such Government Approvals as are required for the action under applicable Law.

"Government Authority" means any national, provincial, local or foreign government, governmental, regulatory or administrative authority or agency, or tribunal, court, or other judicial or arbitral body.

"GSM" means the general shareholders' meeting of the Company, duly constituted from time to time.

"Korea" means the Republic of Korea.

"KRW" means the Korean Won, the lawful currency of Korea.

"Law" means any (i) national, provincial, state, or local statutes, regulations, ordinances, rules, codes, judgments, awards, orders or policies of Government Authorities, terms and conditions of Government Approvals, and any other rules, standards or specifications having the force or effect of law, whether Korean or foreign; and (ii) treaties, conventions, protocols and other promulgations having transnational legal effect.

"Person" means any entity, corporation, company, partnership, association, trust, organization, Government Authority or individual.

"Share Purchase Closing" means the consummation of the Share Sale and Purchase.

"Shares" means the shares of common stock of the Company, having par value of KRW5,000 each, with full voting rights.

"Share Subscription Closing" means the consummation of the Share Subscription.

"Texas Instruments" means Texas Instruments Incorporated, a Delaware corporation with a place of business at 13500 North Central Expressway, Dallas, Texas, 75265.

1.2 Except where the context otherwise requires, the masculine gender shall include the feminine and neuter and the singular shall include the plural and vice versa and references to persons include bodies corporate and incorporate.

1.3 References in this Agreement to Articles, Sections and Schedules shall refer to the articles, sections and schedules of this Agreement, and the same shall form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement.

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

ARTICLE 2. GENERAL

2.1 Each of the Shareholders shall at all times vote any Shares owned by it, instruct any BOD members nominated by it and exercise any other powers of control in relation to the Company (as shareholder, director, officer or otherwise) in a timely manner so as to give full effect to, and to cause the Company to comply with, the provisions of this Agreement and to ensure that the AOI do not, at any time hereafter, conflict in any respect with the provisions of this Agreement.

2.2 The Shareholders shall within 7 days after the payment of the Interim Payment (as defined in the Sale Share and Purchase Agreement) commence the procedures to convene a GSM as soon as possible after the execution of this Agreement so that such GSM may be held without delay after both the Share Purchase Closing and the Share Subscription Closing have occurred, for the purpose of electing directors of the Company in accordance with the terms of this Agreement.

2.3 The Shareholders shall meet before any GSM to agree with respect to how to exercise their voting rights at such GSM in accordance with this Agreement, provided that in the case of a GSM voluntarily convened by the Board, the Shareholders shall vote their Shares to effect the proposals to the GSM as determined by the Board.

2.4 Dongbu Corporation, Dongbu Fire and Dongbu Life acknowledge that they have collectively authorized Dongbu Corporation to act as their representative to facilitate convenience of communications between the Parties. All actions of Dongbu

Corporation, including the giving and receiving of notices, notification of determinations or waivers of any matter and any other action taken or purported to be taken with the consent of Dongbu Fire and Dongbu Life, shall be binding on Dongbu, and ATI may rely thereon. Dongbu may change the party which will act as their representative hereunder by written notice to ATI. Nothing herein is intended to constitute Dongbu Corporation or any other representative the agent of the other parties except for the purposes set forth in this Section.

ARTICLE 3. BOARD OF DIRECTORS AND OFFICERS

3.1 On and from the GSM first held after both the Share Purchase Closing and the Share Subscription Closing have occurred and until the earlier of (i) the second anniversary of the date of the above GSM and (ii) date on which ATI's shareholding in the Company becomes less than 10% of all issued and outstanding Shares, each Shareholder shall vote its Shares at any GSM called for the purpose of filling the positions on the BOD and take all other actions necessary to ensure that the Company shall have a total of 7 directors, out of whom 3 directors shall be nominated by ATI or its designee and 4 directors shall be nominated by Dongbu. One director nominated by ATI or its designee and one director nominated by Dongbu shall qualify as independent outside directors under Korean securities laws. One director nominated by ATI shall oversee the securities offerings and M&A transactions of the Company and its subsidiaries.

3.2 After the earlier of (i) the second anniversary of the date of the above GSM and (ii) date on which ATI's shareholding in the Company becomes less than 10% of all issued and outstanding Shares, each Shareholder shall vote its Shares at any GSM called for the purpose of filling the positions on the BOD and take all other actions necessary to ensure that the Company shall have a total of 7 directors, out of whom 2 directors shall be nominated by ATI or its designee and 5 directors shall be nominated by Dongbu. One director nominated by ATI or its designee and one director nominated by Dongbu shall qualify as independent outside directors under Korean securities laws. One director nominated by ATI shall oversee the securities offerings and M&A transactions of the Company and its subsidiaries.

3.3 On and from the GSM first held after both the Share Purchase Closing and the Share Subscription Closing have occurred, each Shareholder shall take all reasonable actions, including voting of its Shares and instructing directors nominated by it, to appoint (i) as the Chief Executive Officer of the Company a person designated by Dongbu and (ii) as the Chief Operating Officer of the Company a person designated by Dongbu with the agreement of ATI.

3.4 In addition to any other resolutions or approvals required under applicable Law or under the AOI, the special resolution of the BOD, which shall be adopted by affirmative votes of at least 5 directors, shall be required for the Company to take any of the following actions:

(a) any merger, consolidation, comprehensive share transfer (under Article 360-15 of the Korean Commercial Code) or comprehensive share exchange (under Article

360-2 of the Korean Commercial Code) with or into any Person (regardless of whether or not the Company is the surviving entity), or acquisition of all or substantially all the assets or more than

50% of the capital stock of any Person;

(b) any creation or issuance of Shares or any creation or issuance of rights to subscribe for Shares, including any options, bonds or other instruments convertible or exercisable for Shares; or

(c) any transaction, whose contract value together with that of all other transactions described in this clause (c) of Article 3.4 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 an affiliate or any major shareholders or affiliates or directors, officers or employees of an affiliate or any major shareholder; 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, including but not limited to any transaction related to the termination of the Foundry Agreement in accordance with Article 4.3 hereof and (iii) any transactions between the Company and Dongbu Electronics shall be excluded.

3.5 Effective on the date of the GSM to be held pursuant to Section 3.1 hereof, the Parties agree that (A) they shall, and they shall use their best efforts to cause the Company to, release to the fullest extent permitted by law, the chairman, directors and officers (with the title of non-registered director or higher) of the Company, either past or incumbent ("Indemnified Persons"), from any and all liabilities, costs or expenses which may arise (i) from any matters occurring since January 1, 1995 until the Closing Date of this Agreement, the consequences of which are reflected in the financial statements of the Company, up to December 31, 2001 and (ii) from the contingent liabilities as shown in the financial statement of the Company dated as of December 31, 2001, and (B) they shall use their best efforts to cause the Company to provide indemnity to said Indemnified Persons to the fullest extent permitted by law with respect to any third party claims related to the aforementioned liabilities. The Parties agree that they shall cause the Company to waive any subrogation rights, whether arising at law or in equity, against the Indemnified Persons if the legal grounds or basis for such subrogation occurred prior to the Closing Date of this Agreement. Dongbu further agrees that effective on the date of the GSM to be held pursuant to Section 3.1 hereof, Dongbu will use its best efforts to cause the Company to give ATI a release to the fullest extent permitted by law from the Company from any and all liabilities to the Company as a result of having been a major shareholder of the Company, the consequences of which are reflected in the financial statements of the Company, up to December 31, 2001 (including but not limited to any matters related to the Foundry Agreement as defined in Article 4.3).

3.6 From the date of the GSM to be held pursuant to Section 3.1 hereof, Dongbu shall hold harmless and indemnify each director of the Company nominated by ATI from any and all liabilities, costs or expenses incurred in connection with any action, suit , claim or proceeding in which such director becomes involved by reason of the fact that such director is or was a director, employee, agent, or fiduciary of the Company or by reason of anything done or not done by such director in any such capacity; provided, however, that the foregoing indemnification shall not apply to actions taken pursuant to Section

3.4 hereto prior to the earlier of (i) the second anniversary of the date of the GSM to be held pursuant to Section 3.1 hereof and (ii) date on which ATI's shareholding in the Company becomes less than 10% of all issued and outstanding Shares.

3.7 As soon as practicable after both the Share Purchase Closing and the Share Subscription Closing have occurred, Dongbu shall cause a designee of ATI to be elected as a director of Dongbu Electronics.

ARTICLE 4. COVENANTS

4.1 The Parties shall make their reasonable best efforts to cause Dongbu Electronics and the Company to be merged as soon as practicable, under terms mutually satisfactory to the Shareholders and in compliance with all applicable Laws.

4.2 As soon as practicable after the election of directors pursuant to Article 3.1, the Parties shall cause the Company to apply all of the proceeds of the Share Subscription to purchase common shares issued by Dongbu Electronics. In connection with such purchase, Dongbu shall indemnify the directors and officers of the Company against any and all losses, claims, damages, liabilities or expenses (including reasonable legal fees and expenses) incurred by them as a result of any third party claim, action or suit arising from such purchase of common shares of Dongbu Electronics, including, but not limited to, claims, actions or suits alleging that such purchase, the structure of the transaction or the price paid for the shares of Dongbu Electronics was in violation of applicable Law.

4.3 As soon as practicable after the date hereof, the Parties shall begin discussing the terms under which the Foundry Agreement dated January 1, 1998 (the "Foundry Agreement") by and among ATI, Amkor Electronics, Inc., C.I.L. Limited (Cayman), Anam USA and the Company will be terminated. (ATI, Amkor Electronics, Inc. and C.I.L. Limited shall be referred to as the "Amkor Parties.") The Parties shall cause the Foundry Agreement to be terminated no later than September 30, 2002. In the event that the Parties and the parties to the Foundry Agreement cannot agree by September 10, 2002 on the terms and conditions under which the Foundry Agreement shall be terminated, the Parties shall within five days thereafter appoint an independent financial adviser mutually agreeable to the Parties, and such financial adviser shall determine the fair value of such Foundry Agreement to the Amkor Parties, with due consideration given to anticipated future business of the Company, including business with Texas Instruments. The Parties agree that the fair value of the Foundry Agreement to the Amkor Parties, as determined by the independent financial adviser as aforesaid, shall be paid to the Amkor Parties by the Company in consideration for their agreement to terminate the Foundry Agreement; provided such amount paid to the Amkor Parties shall not exceed US$65,000,000 and shall not be lower than US$45,000,000.

4.4 The Parties shall cause the Company, and Dongbu shall cause Dongbu Electronics, to grant to ATI the right of first refusal to package and test any wafers produced by the Company and Dongbu Electronics, unless otherwise specifically requested by customers of the Company or Dongbu Electronics, as the case may be. ATI shall make

all reasonable efforts to support the Company's marketing activities.

4.5 From the date hereof until the date of the GSM to be held pursuant to Section 3.1 hereof, ATI shall make its best efforts to cause the Company (i) not to issue any new Shares or securities convertible or exchangeable into, or which grant the right to purchase, new Shares and (ii) to conduct its business only in the ordinary course of business, consistent with past practice and not to enter into any extraordinary transactions which may have a material adverse effect on the Company.

ARTICLE 5. REPRESENTATIONS AND WARRANTIES

5.1 Each Party represents and warrants to the other Parties that the statements contained in this Section 5.1 are correct and complete in all material respects as of the date of this Agreement.

(a) Organization. It is a corporation duly organized and existing under the laws of the jurisdiction of its organization.

(b) Corporate Authorization. It has all requisite corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. It has taken all requisite corporate action to execute, deliver and perform this Agreement, and no other corporate proceedings on its part are required in connection with its execution, delivery and performance of this Agreement.

(c) Binding Effect. This Agreement has been duly executed and delivered by it. Assuming the due authorization, execution and delivery by the other Parties, this Agreement constitutes its legally binding obligation, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally.

(d) Non-Contravention. Its execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, do not and will not (i) violate any provision of its articles of incorporation or other organizational documents, (ii) violate, conflict with, or constitute a default under any material contract or other agreement or other instrument to which it is a party or by which it or its property is bound or (iii) violate or result in a breach of or constitute a default under any Law to which it is subject.

(e) Governmental Consents and Approvals. Its execution and delivery of this Agreement, and its performance of its obligations hereunder, do not and will not require any material filing with, or clearance, consent or approval of, any Governmental Authority.

5.2 ATI represents and warrants to Dongbu that as of the date of this Agreement:

(a) it is the legal and beneficial owner of 47,707,039 Shares and such Shares are validly issued, fully paid and non-assessable.

(b) Other than this Agreement, there is no agreement, proxy or other understanding between ATI and any other person with respect to the exercise of voting or other rights of a shareholder of the Company nor, to the best knowledge of ATI, is there any such agreement among any other shareholder of the Company.

ARTICLE 6. NOTICE

6.1 Any notices given hereunder shall be in writing and shall be served by hand at, or by being sent by facsimile transmission or prepaid post to, the following addresses and numbers:

To ATI: Amkor Technology, Inc.
Address: 1345 Enterprise Drive
West Chester, Pennsylvania 19380
U.S.A

Fax: 1-610-431-7189
Attn: Kevin Heron, General Counsel

To Dongbu: Dongbu Corporation
Address: Dongbu Financial Center
891-10 Daechi-dong, Kangnam-ku
Seoul, Korea

Fax: 822-3484-2354
Attn: Woo Sup Baek (Chief of Legal Department)

6.2 Any such notice shall be deemed to be served at the time of delivery (if delivered by hand, by commercial courier or by post), or at the time of transmission (if served by facsimile). Evidence that the notice was properly addressed, stamped and put into the post shall be conclusive evidence of posting. Without prejudice to the effectiveness thereof, a notice served by facsimile shall be confirmed promptly in writing delivered by hand or sent by commercial courier or prepaid post.

6.3 Any Party may, by 7 days written notice served to the aforesaid addresses of the other Party, change the address or facsimile number for service referred to above.

ARTICLE 7. MISCELLANEOUS

7.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Korea.

7.2 Arbitration. Any dispute or claim arising out of or relating to this Agreement shall be resolved exclusively and finally by arbitration. The arbitration shall be conducted pursuant to the Rules of Arbitration of the International Chamber of Commerce. The arbitral tribunal shall consist of 3 arbitrators. One arbitrator shall be appointed by ATI, one arbitrator shall be appointed by Dongbu and the 3rd arbitrator shall be appointed by mutual consent of the 2 arbitrators so appointed. The arbitration shall be conducted in Seoul, Korea. The language used in the arbitration shall be the English language. Any decision or award of the arbitral tribunal shall be final and binding upon the Parties. The Parties waive to the extent permitted by law any rights to appeal or to review of such award by any court or tribunal. The Parties agree that the arbitral award may be enforced against the parties to the arbitration proceeding or their assets wherever they may be found and that a judgment upon the arbitral award may be entered in any court having jurisdiction thereof.

7.3 Confidentiality of Information.

(a) Each Party agrees to keep secret and confidential all information obtained pursuant to this Agreement from the other Parties. The Parties agree to take reasonable precautions, in a manner reasonably acceptable to the Party furnishing the information, in order to keep secret and confidential such information and to restrict its use outside and beyond the scope of this Agreement without the prior written consent of the party furnishing such information; provided, however, that any Party may disclose such information to any Party's advisors or to Government Authorities as is required to bring about the purposes intended by this Agreement and provided, further, that the above restrictions shall not apply to information:

(i) which was or becomes generally available to the public;

(ii) which was or becomes known to the recipient without breach of this or any obligation of confidentiality;

(iii) which is provided to Texas Instruments for the purpose of negotiating, entering into or amending contracts or other commercial arrangements; or

(iv) the disclosure of which is required by Law or by a Government Authority.

The term "information" shall mean any information concerning proprietary, confidential, trade secrets and other non-public information and data, including information concerning the property, operations and business of the Company or a Shareholder.

(b) Each Party shall take reasonable steps to ensure that its directors, officers, employees, agent and advisers will comply in all respects with this Article 7.3.

(c) In the event of termination of this Agreement pursuant to Article 7.3, each Party shall return to the other Party all information (and all reproductions, thereof) received from such Party.

7.4 Entire Agreement. This Agreement shall, as of the date of execution hereof, supersede all previous representations, understandings or agreements, oral or written, among the Parties with respect to the subject matter hereof.

7.5 Waivers. No waiver by any Party of any breach or failure to comply with any provision of this Agreement shall be construed as, or constitute, a continuing waiver of such provision or a waiver of any other breach of, or failure to comply with, any other provision of this Agreement.

7.6 Successors and Assigns. This Agreement and each and every covenant, term and condition hereof shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. No Party may assign any of its rights or delegate any of its duties under this Agreement without obtaining the prior consent of the other Parties. Dongbu may freely transfer their Shares to any of their affiliates, in which case such transferee shall become a party to this Agreement as a part of Dongbu.

7.7 Amendments. This Agreement may be amended or modified only by an instrument in writing duly executed by the Parties.

7.8 Severability of Provisions. If any term or provision of this Agreement is for any reason found invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the validity of any remaining portion, which shall remain in full force and effect as if the invalid portion was never a part of this Agreement when it was executed.

7.9 Language/Counterparts. This Agreement is written in the English language and may be executed in counterparts, each of which shall be deemed an original when executed and delivered, but all counterparts together shall constitute the same document. The English language text of this Agreement shall prevail over any translation thereof.

7.10 Term of Agreement. This Agreement shall become effective upon the Closing Date as defined in the Share Sale and Purchase Agreement and terminate upon the later of (i) the date on which ATI's shareholding in the Company becomes less than 3% of all issued and outstanding Shares and (ii) the third anniversary of the date hereof.

7.11 Termination. Notwithstanding the provisions of Article 7.10, either ATI or Dongbu, upon written notice to that effect to the other Party, shall have the right to terminate this Agreement at any time in the event that the other Party fails to observe the material provisions and conditions hereof and fails to correct any material default within 30 Business Days after the Party alleging such default has given written notice thereof.

7.12 Effect of Termination. In the event of termination of this Agreement under Article 7.10 or 7.11, this Agreement shall immediately, as from the date of such termination become void, except for Article 7. Nothing shall relieve any of the Parties from liability for actual damages resulting from a breach that leads to the termination of this Agreement pursuant to Article 7.11, provided that none of the Parties shall have any liability for speculative, unforeseeable, consequential, incidental or indirect damages resulting from any breach of this Agreement.

[signature page to follow]

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

AMKOR TECHNOLOGY, INC.

By /s/ John Boruch
____
Name: John Boruch
Title: Chief Operating Officer and President

DONGBU CORPORATION

By /s/ HO IK Paik
____
Name: HO IK Paik
Title: Representative Director

DONGBU FIRE INSURANCE CO., LTD.

By /s/ Su Kwang Lee
____
Name: Su Kwang Lee
Title: Chief Executive Officer and President

DONGBU LIFE INSURANCE CO., LTD.

By /s/ K.J. Chang

____

Name: K.J. Chang

Title: President

EXHIBIT 12.1

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

	YEAR ENDED DECEMBER 31,					SIX MONTHS ENDED JUNE 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)	$(464,907)
Interest expense	37,993	25,860	61,803	127,027	152,067	71,377
Amortization of debt issuance costs	--	1,217	3,466	7,013	22,321	4,115
Interest portion of rent	2,236	2,584	3,481	4,567	7,282	2,720
Less (earnings) loss of affiliates	(512)	--	2,622	--	--	--
	$ 100,723	$130,396	$176,660	$ 336,036	$(248,280)	$(386,695)
Fixed Charges						
Interest expense	37,993	25,860	61,803	127,027	152,067	71,377
Amortization of debt issuance costs	--	1,217	3,466	7,013	22,321	4,115
Interest portion of rent	2,236	2,584	3,481	4,567	7,282	2,720
	$ 40,229	$ 29,661	$ 68,750	$ 138,607	$ 181,670	$ 78,212
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 six months ended June 30, 2002. In order to achieve a ratio of earnings to fixed charges of 1:1, we would have had to generate an additional $464.9 million of earnings in the six months ended June 30, 2002. We recorded charges totaling $268.2 million in the six months ended June 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 June 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 June 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

Exhibit 99.2

SWORN STATEMENT OF CHIEF FINANCIAL OFFICER PURSUANT TO
SECTION 21(a)(1) OF THE SECURITIES EXCHANGE ACT OF 1934

I, Kenneth T. Joyce, Chief Financial Officer of Amkor Technology, Inc. ("ATI"), state and attest that:

(1) To the best of my knowledge, based upon a review of the covered reports of ATI, and, except as corrected or supplemented in a subsequent covered report:

- no covered report contained an untrue statement of a material fact as of the end of the period covered by such report (or in the case of a report on Form 8-K or definitive proxy materials, as of the date on which it was filed); and

- no covered report omitted to state a material fact necessary to make the statements in the covered report, in light of the circumstances under which they were made, not misleading as of the end of the period covered by such report (or in the case of a report on Form 8-K or definitive proxy materials, as of the date on which it was filed).

(2) I have reviewed the contents of this statement with ATI's audit committee.

(3) In this statement under oath, each of the following, if filed on or before the date of this statement, is a "covered report":

- the Annual Report on Form 10-K of ATI for the fiscal year ended December 31, 2001, filed with the SEC on April 1, 2002;

- all reports on Form 10-Q, all reports on Form 8-K and all definitive proxy materials of ATI filed with the Commission subsequent to the filing of the Form 10-K identified above; and

- any amendments to any of the foregoing.

By: /s/ Kenneth T. Joyce
____
Name: Kenneth T. Joyce, CFO

Date: August 14, 2002
____

Subscribed and sworn to before me

this 14th day of August 2002.

/s/ Kimberly A. Reed
____
Notary Public
My Commission Expires:

Notarial Seal
Kimberly A. Reed, Notary Public
East Goshen Twp., Chester County
My Commission Expires May 10, 2003

SWORN STATEMENT OF CHIEF EXECUTIVE OFFICER PURSUANT TO
SECTION 21(a)(1) OF THE SECURITIES EXCHANGE ACT OF 1934

I, James J. Kim, Chief Executive Officer of Amkor Technology, Inc. ("ATI"), state and attest that:

(1) To the best of my knowledge, based upon a review of the covered reports of ATI, and, except as corrected or supplemented in a subsequent covered report:

- no covered report contained an untrue statement of a material fact as of the end of the period covered by such report (or in the case of a report on Form 8-K or definitive proxy materials, as of the date on which it was filed); and

- no covered report omitted to state a material fact necessary to make the statements in the covered report, in light of the circumstances under which they were made, not misleading as of the end of the period covered by such report (or in the case of a report on Form 8-K or definitive proxy materials, as of the date on which it was filed).

(2) I have reviewed the contents of this statement with ATI's audit committee.

(3) In this statement under oath, each of the following, if filed on or before the date of this statement, is a "covered report":

- the Annual Report on Form 10-K of ATI for the fiscal year ended December 31, 2001, filed with the SEC on April 1, 2002;

- all reports on Form 10-Q, all reports on Form 8-K and all definitive proxy materials of ATI filed with the Commission subsequent to the filing of the Form 10-K identified above; and

- any amendments to any of the foregoing.

By: /s/ James J. Kim
Name: James J. Kim, CEO
Date: August 14, 2002

Subscribed and sworn to before me
this 14th day of August 2002.

/s/ Kimberly A. Reed
Notary Public
My Commission Expires:

Notarial Seal
Kimberly A. Reed, Notary Public
East Goshen Twp., Chester County
My Commission Expires May 10, 2003