

ASAT Holdings Limited Reduces Revenue and EPS Guidance For the Quarter Ending January 31, 2001; Management Announces Share Repurchase, Acquisition

HONG KONG - January 11, 2001 - Management of ASAT Holdings Limited, a leading outsource supplier of advanced integrated circuit package designs, assembly and test services for the semiconductor industry, today reduced guidance for the quarter ending January 31, 2001, to revenues of \$84 million to \$86 million and earnings estimated at a minimum of \$.08 per share. The Company also said, however, that it would achieve record sales and net earnings after tax but before extraordinary items, increasing 29% and 51% respectively for the twelve months ending January 2001 compared with the same period ended January 2000.

CEO Jerry Lee stated, "After a reasonably good November, we saw customers cut back production orders sharply as December progressed, reflecting inventory corrections and lower demand experienced in their end markets. There have been no key customer losses or significant changes among our top 10 customers," he added.

"Looking forward, we remain cautious regarding near term prospects for our customers' markets and in turn our sales. Longer term, we believe that growth prospects for our Company are excellent, driven by the high growth markets served by our customers, the accelerating trend to outsource assembly and test services, and demand for our newly developed products. We plan to position ourselves to capitalize on these opportunities, both through organic growth prospects and possibly through strategic business combinations, acquisitions, or other ventures. We review such opportunities as they arise on a continuing basis.

"In the meantime, management is taking prudent steps to meet the challenge, including cost containment measures. We plan to defer but not cancel our capital expansion program and will invest as market conditions improve. However, we plan to continue our expansion project as scheduled for China, which we believe will enhance our competitive position."

Mr. Lee stated further, "We have also taken actions recently which we believe will enhance value for shareholders. First, our board has authorized ASAT to exercise its option to acquire an assembly and test facility located in Nancy, France. Strategically, this will give ASAT a stronger platform for growth with our European customers. ASAT Holdings will consolidate 100% of the sales and earnings of the acquired entity beginning with the quarter ending April 2001. Had we made this acquisition at the beginning of the twelve month period ending January 2001, the entity would have contributed approximately \$1.5 million in net earnings or \$.012 per share. The Company negotiated for this option as part the Company's recapitalization plan in 1999. The option exercise will not require any further outlay of cash."

"Second, the ASAT board of directors has approved a share repurchase plan," Lee said. "The fundamentals of our Company are strong, and we believe our company is significantly undervalued relative to our performance. Accordingly, the board has approved up to \$20,000,000 for the repurchase of common shares in the open market during 2001. We currently have over \$90 million in cash and strong EBITDA. We are confident about prospects for longer term shareholder value through the development of our business, including possible business combinations.

Management will host a telephone conference call for investors at 5 p.m. New York time on Thursday, January 11th. To participate in the call please dial 913-981-5509 at least 5 to 10 minutes prior to the scheduled start time. For those unable to participate, a replay of the call will be available from 8:00 p.m. New York time through midnight, Tuesday, January 16th. To access the replay, dial 719-457-0820 and enter the pass code 773315 followed by the # key.

ASAT Holdings Limited is a leader in advanced integrated circuit package designs and has provided outsourced assembly and test services for the semiconductor industry for over 10 years. The Company assembles a broad selection of advanced leaded and ball grid array packages utilizing advanced technology characterized by higher electrical and thermal performance. The Company also has multi-chip module and flip-chip assembly lines, and offers testing for complex broadband mixed-signal and system-on-a-chip devices used in communications. The Company has facilities and offices in Asia, Europe, and across the U.S., with its major manufacturing sites strategically located in Hong Kong.

This news release contains a number of forward-looking statements, including the revenue and earnings guidance for the fourth quarter ending January 2001; capital expenditure plans; growth and strategic combination plans (including the possibility of strategic business combinations, acquisitions and other ventures); the anticipated contribution by ASAT France to net earnings, and the outlook for the Company's fundamentals. The forward-looking statements in the press release involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Potential risks and uncertainties include, without limitation, continued competitive pressures, economic conditions generally, developments in the semiconductor industry and end markets of the Company's customers, the ability of the Company to make timely delivery of its products and implement its business plans in a timely manner, the continued availability of components and services essential to the Company's business, and the ability of the Company to develop new products and respond to technological innovations. More information on potential factors that could affect the Company's financial results is included in the Company's registration statements filed from time to time under the Securities Act of 1933 (including Form F-1 dated July 10, 2000 and Form S-4/F-4 dated October 3, 2000) and the Company's periodic reports and filings under the Exchange Act of 1934 (including its annual report on Form 20-F dated July 31, 2000). The Company undertakes no obligation to update the information in this press release. Purchases under the share repurchase program will be subject to market and industry conditions, pricing, and other factors, and no purchase may be made.

For further information, please contact:

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