

## **ASAT Holdings Limited Reports Record Revenues and After-Tax Earnings For the Quarter and Nine Months Ended October 31, 2000**

HONG KONG - November 27, 2000 - ASAT Holdings Limited, a leading outsource supplier of advanced integrated circuit package designs, assembly and test services for the semiconductor industry, today announced record revenues and after-tax earnings for the quarter ended October 31, 2000.

October 2000 quarter net sales were \$104.1 million, a 32 percent increase compared with net sales of \$78.7 million for the same quarter in 1999. After-tax earnings before extraordinary charges were \$19.9 million for the October 2000 quarter compared with \$8.1 million for the same period a year ago. Earnings per ADS were \$0.15 for the October 2000 quarter, well ahead of analysts' consensus estimates of \$0.13. EBITDA for the October 2000 quarter was \$34.5 million compared with \$28.2 million for the same quarter 1999.

Earnings per ADS for the October 2000 quarter are computed based upon the 135 million American Depository Shares (ADS) ASAT issued when it went public on July 11, 2000. Accordingly, earnings for the nine-month period ended October 2000 are computed based upon a weighted average of 123 million ADS outstanding.

During the October 2000 quarter, ASAT retired 35 percent (\$53 million) of its high-yield senior notes outstanding. Accordingly, the company elected to incur an extraordinary charge in the amount of \$10.6 million (\$0.08 per ADS) for premiums paid to retire the debt early. Including this charge, net earnings were \$9.3 million or \$0.07 per ADS.

For the nine months ended October 2000, sales increased 40 percent to \$290.9 million compared with \$208.1 million for the nine months ended October 31, 1999. Net earnings before the extraordinary charge for the nine months ended October 2000 were \$45.9 million, a 39 percent increase over \$32.9 million for the same period in 1999. Earnings per ADS for the nine-month period ended October 31, 2000 were \$0.37 based upon 123 million weighted average ADS outstanding. Net earnings for the nine months ended October 31, 2000, after a \$13.1 million extraordinary charge associated with the senior note retirement, were \$32.8 million or \$0.27 per ADS, compared with \$32.9 million for the nine months ended October 31, 1999. EBITDA for the nine months ended October 2000 was \$90.8 million compared with \$73.4 million for the same period ended October 1999.

On a sequential basis, sales for the October 2000 quarter increased slightly to \$104.1 compared with \$103.0 million for the previous quarter ended July 31, 2000. Earnings before extraordinary items for the October 2000 quarter were \$19.9 million, a 24 percent increase compared with \$16.1 million for the July 2000 quarter. EBITDA in the October 2000 quarter increased to \$34.5 million compared with \$32.3 million for the July 2000 quarter.

"While sales for the October 2000 quarter compared to the July 2000 quarter were less than we expected, we were encouraged by double-digit growth in our core business: advanced packaging to the communications sector" said Jerry Lee, chief executive officer. "Sales in advanced packaging have grown steadily over the past year, from 51 percent of total sales for the October 1999 quarter to 73 percent of total sales for the quarter ended October 2000. Our growth in this recent October 2000 quarter was constrained by tight capacity for the advanced

package products. Demand for these products were higher than forecast. Sales were limited due to long lead time of specialized equipment. The required equipment is now in place and the capacity issue has been resolved.

"Additionally, we were encouraged by new business growth, particularly from customers outside our top 10, thus broadening our customer base. Sales from customers beyond our top 10 grew to \$5 million for the October 2000 quarter from \$2 million in the quarter ended July 2000. We expect sales for our current 12-month period ended January 31, 2001 to be in the range of \$390 million to \$393 million, representing a 34 percent to 35 percent increase over the \$291.8 million sales recorded for the 12-month period ended January 2000. We expect earnings before extraordinary items for the 12 months ended January 2001 to be \$0.51 per ADS, surpassing analysts' consensus estimates of \$0.48 to \$0.49 per ADS for the same period.

"To be conservative, we would like to temper expectations on top line and earnings growth for the next six months as some of our customers manage their inventory positions in the face of market uncertainty. For ASAT Holdings, this will be partially offset by growth from other customers. In the medium to longer term, management believes the outsourcing trend by both fab and fabless semiconductor producers continues to grow. We believe ASAT is well positioned to take advantage of this trend because of our high-end positioning with respect to advanced packaging solutions.

"We further expect that new technologies recently introduced will ramp up to significant volume. The LPCC (Leadless Plastic Chip Carrier), which was introduced earlier this year, has reached high-volume production levels. The newest member of this product line, Thin Array Plastic Package (TAPP™), was introduced at the Fabless Semiconductor Association (FSA) meeting in October, and is generating high interest levels with its small footprint, very thin profile and excellent electrical and thermal characteristics.

"Given anticipated future demand, we are positioning ASAT to take advantage of the expected upward trend. We plan to utilize \$270 million of our original \$300 million capital expenditure budget through January 2002, deferring \$30 million to the subsequent year. We plan to use interim cash flows as well as a portion of the remaining \$30 million capital to open an additional assembly facility in mainland China over the next 9-12 months to accommodate high volume production items."

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 forward-looking statements intended to qualify under the "Safe Harbor" provision of the Private Securities Litigation Reform Act of 1995, including statements regarding the anticipated demand for ASAT's products and services for Fiscal Years 2000 and 2001. These projections and*

*statements are based on management's estimates and assumptions with respect to future events and financial performance and are believed to be reasonable, though are inherently uncertain and difficult to predict. Actual results could differ materially from those projected as a result of certain factors. A discussion of these factors is included in the Company's periodic reports filed with the Securities and Exchange Commission.*

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[Financial Tables Follow]

**ASAT HOLDINGS LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
(Unaudited)  
As at October 31, 2000 and 1999  
(USD'000)

	<u>Oct'2000</u>	<u>Oct'1999</u>
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash & short term deposits	100,566	7,189
Accounts receivable -trade	42,066	35,046
Amount due from QPL Group	-	-
Inventories	27,878	15,262
Prepaid expenses & deposits	19,470	6,334
<b>Total</b>	<b>189,980</b>	<b>63,831</b>
<b>Fixed Assets</b>		
Cost	350,030	307,364
Accumulated depreciation	(133,633)	(149,872)
<b>Net</b>	<b>216,397</b>	<b>157,492</b>
<b>Option to Acquire ASAT SA</b>	<b>20,000</b>	<b>20,000</b>
<b>Deferred Financing Costs (Net)</b>	<b>4,996</b>	<b>10,970</b>
<b>Noncompete Covenants (Net)</b>	<b>-</b>	<b>935</b>
<b>Total Assets</b>	<b>431,373</b>	<b>253,228</b>
<b><u>LIABILITIES &amp; EQUITY</u></b>		
<b>Current Liabilities</b>		
Short term loan	-	-
Current portion of long term debt	-	-
Accounts payable		
--trade	12,998	15,854
--fixed assets	6,065	7,247
Amount due to QPL Group	4,714	477
Amount due to a related company	572	388
Accrued charges	10,038	9,777
Income taxes payable	12,345	10,260
<b>Total</b>	<b>46,732</b>	<b>44,003</b>
<b>Long Term Debt</b>		
Secured bank loan	-	40,000
12.5% senior notes due 2006	97,277	148,783
<b>Total</b>	<b>97,277</b>	<b>188,783</b>
<b>Deferred Taxes</b>	<b>28,344</b>	<b>20,665</b>
<b>Shareholders' Equity</b>		
Common stock	6,760	5,760
Additional paid-in capital	233,457	12,457
Retained earnings	18,803	(18,440)
<b>Total</b>	<b>259,020</b>	<b>(223)</b>
<b>Total Liabilities &amp; Equity</b>	<b>431,373</b>	<b>253,228</b>

