



2. Amkor operates as a subcontractor of semiconductor packaging and test services worldwide. It offers traditional packaging, which includes traditional lead frame products; and advanced packaging, which includes advanced lead frames and laminate products.

3. The complaint alleges that defendants' issued a series of false and misleading statements to the market artificially inflating the Company's stock. As a consequence of the Company's material inflation of its stock price, the Defendants were able to raise \$152 million in a secondary offering and to complete a \$250 million note offering. More specifically, the Defendants failed to disclose the following materially adverse facts to the market: (1) that the Company was shipping inventory to customer far in excess of customer demand; (2) as a result of this deliberate channel stuffing, the Company undermined the future demand for its products; (3) that the Company's profit margins were significantly and negatively impacted by the rapidly rising material costs; and (4) that as a consequence of the foregoing, the Company's positive statements about its condition and future prospects were lacking in a reasonable basis.

4. On April 27, 2004, Amkor announced that the Company was experiencing weakness for its cell phone products. On this news, shares of Amkor fell \$4.26 per share, or 31.74 percent, to close, on April 27, 2004, at \$9.16 per share. Following this disclosure, on July 1, 2004, Amkor announced that it failed to meet its expected guidance for net income in the second quarter of 2004. On this news, shares of Amkor fell \$2.39 per share, or 29.22 percent, to close, on July 1, 2004, at \$5.79 per share.

5. Then, on August 22, 2005, Amkor announced that the SEC issued a formal order of investigation concerning certain trading in Amkor securities.

JURISDICTION AND VENUE

6. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act, (15 U.S.C. §§ 78j(b) and 78t(a)), and Rule 10b-5 promulgated thereunder (17 C.F.R. §240.10b-5).

7. This Court has jurisdiction over the subject matter of this action pursuant to §27 of the Exchange Act (15 U.S.C. §78aa) and 28 U.S.C. § 1331.

8. Venue is proper in this Judicial District pursuant to §27 of the Exchange Act, 15 U.S.C. § 78aa and 28 U.S.C. § 1391(b). Many of the acts and transactions alleged herein occurred in substantial part in this Judicial District. Additionally, the Company maintained an executive office in this Judicial District during the Class Period.

9. In connection with the acts, conduct and other wrongs alleged in this complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mails, interstate telephone communications and the facilities of the national securities exchange.

PARTIES

10. Plaintiff, Bruce Hoerr, as set forth in the accompanying certification, incorporated by reference herein, purchased Amkor securities at artificially inflated prices during the Class Period and has been damaged thereby.

11. Defendant Amkor is a Delaware corporation with its executive offices located at Goshen Corporate Park, 1345 Enterprise Drive, West Chester, PA 19380.

12. Defendant James J. Kim (“Kim”) was, at all relevant times, the Company’s Chief Executive Officer and Chairman of the Board.

13. Defendant Kenneth T. Joyce (“Joyce”) was, at all relevant times, the Company’s Chief Financial Officer.

14. Defendant John Boruch (“Boruch”) was the Company’s President and Chief Operating Officer during the Class Period until he was promoted to Vice Chairman in January, 2004. He then resumed those positions in August 2004.

15. Defendant Bruce Freyman (“Freyman”) was, between January 2004 and August 2004, the Company’s President and Chief Operating Officer.

16. Defendants Kim, Joyce, Freyman, and Boruch are referred to hereinafter as the “Individual Defendants.” The Individual Defendants, because of their positions with the Company, possessed the power and authority to control the contents of Amkor's quarterly reports, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, i.e., the market. Each defendant was provided with copies of the Company's reports and press releases alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, each of these defendants knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public and that the positive representations which were being made were then materially false and misleading. The Individual Defendants are liable for the false statements pleaded herein, as those

statements were each "group-published" information, the result of the collective actions of the Individual Defendants.

SUBSTANTIVE ALLEGATIONS

Background

17. Amkor operates as a subcontractor of semiconductor packaging and test services worldwide. It offers traditional packaging, which includes traditional leadframe products; and advanced packaging, which includes advanced leadframes and laminate products. Amkor's test solutions include wafer probe, final test, strip test, marking, bake, drypack, and tape and reel. The Company tests various devices, including digital, linear, mixed signal, memory, radio frequency, and integrated combinations of these technologies. Amkor also provides engineering services, including test program development, test hardware development, test program conversion, device characterization, and qualification testing. The Company offers its services to communications, computing, consumer, industrial, and automotive applications.

Materially False And Misleading Statements Issued During The Class Period

18. The Class Period commences on October 27, 2003. At that time, Amkor issued a press release entitled "Amkor Reports Third Quarter 2003 Results." Therein, the Company, in relevant part, stated:

Amkor Technology, Inc. (Nasdaq: AMKR) reported third quarter sales of \$424 million, up 12% sequentially and up 8% over the third quarter of 2002. Amkor returned to profitability in the third quarter, with net income of \$16 million, or \$0.09 per share, compared with a loss of \$59 million, or (\$0.36) per share, in the third quarter of 2002.

Amkor's third quarter net income includes a non-cash gain of \$10 million, or \$0.06 per share, in connection with the reversal of a tax accrual related to tax periods that have closed. Third quarter results

also include a charge, with no tax effect, of \$2 million, or \$0.01 per share, for debt retirement costs in connection with open market purchases of \$28 million in 9¼% Senior Notes due 2008. Amkor's results for the third quarter of 2002 included \$11 million in after-tax charges associated with factory consolidation and operating efficiency initiatives.

"This was a landmark quarter, in which we achieved record unit shipments in most of our ten factories and returned the corporation to positive net income after an unprecedented industry downturn," said James Kim, Amkor's chairman and chief executive officer.

"We believe the outsourced semiconductor assembly and test industry is poised for a period of sustainable growth, at a rate that will outpace the semiconductor industry. We are encouraged that strengthening customer forecasts may partially offset the seasonal weakness typical of our first calendar quarter. Looking broadly at 2004, we are positioning our organization to achieve annual revenues in the neighborhood of \$2 billion, and to reach a peak quarterly gross margin of 27% to 30% during the second half of 2004. We remain committed to improve productivity and profitability, maintain strong liquidity, reduce debt and enhance shareholder value," said Kim.

"During the third quarter we saw accelerating demand, particularly from customers supplying the cell phone industry, for a wide range of advanced packages, including stacked CSP, ChipArray BGA, MicroLeadFrame and camera modules," said John Boruch, Amkor's president and chief operating officer. "Business strengthened as the quarter progressed, with a large number of customers over-supporting their forecasts as demand materialized faster than initially projected. As customer forecasts continued to strengthen, we accelerated our investment in leading-edge assembly and test equipment, and now expect total 2003 capital expenditures to exceed \$200 million. As previously announced, Amkor's bank credit facility has been modified to accommodate this increased capital budget."

"Third quarter gross margin rose to 23.9% from 19.6% in the second quarter. Third quarter operating margin rose to 11.2% from 6.0% in the second quarter reflecting the positive operating leverage in our business and the continued high utilization of assets supporting our high growth package families," said Ken Joyce, Amkor's chief financial officer. "Over the past two years we have made substantial progress enhancing the profitability of our business by improving

operating efficiencies, increasing manufacturing capacity in strategic growth areas and managing costs."

"Our liquidity remained solid, with cash and equivalents of \$341 million at September 30," said Joyce. "During the quarter we received \$19 million as the first scheduled payment of a \$38 million receivable from Dongbu relating to the sale in 2002 of 20 million shares of Anam Semiconductor Inc. common stock. The remaining \$19 million payment is scheduled for February 2004. In the third quarter we also sold an additional five million shares of ASI for net cash proceeds of \$12 million. At September 30, short-term debt totaled \$54 million, principally relating to working capital lines of credit supporting our operations in Japan and Taiwan. As noted earlier, during the third quarter we purchased and retired \$28 million of our 9 ¼% Senior Notes due 2008."

"We are approaching the third anniversary of our successful joint venture with Toshiba, and in January 2004 we will purchase the remaining 40% of the JV with cash payments ranging from \$10 million to \$15 million. This amount includes a payment of \$2 million to terminate our commitment to purchase a tract of land adjacent to the Amkor Iwate facility," said Joyce.

19. On November 6, 2003, Amkor issued a press release entitled "Amkor Technology Announces Pricing of Public Offering of Common Stock." Therein, the Company, in relevant part, stated:

Amkor Technology, Inc. (Nasdaq: AMKR) today announced that its follow-on public offering of 7,000,000 shares of its common stock has been priced at \$19.00 per share. All of the shares are being offered by Amkor. The net proceeds from the offering are being used to repay a portion of the indebtedness outstanding under one or more of the company's bank loans, senior notes, subordinated notes, convertible notes and/or other indebtedness.

The offering was made through an underwriting syndicate led by Citigroup Global Markets Inc., as the sole bookrunning lead manager. Citigroup, Deutsche Bank Securities and J.P. Morgan Securities Inc. acted as joint lead managers, and Bear, Stearns & Co. Inc. acted as co-manager. Amkor has granted the underwriters an option to purchase up to 1,050,000 additional shares to cover over-allotments.

20. On January 28, 2004, Amkor issued a press release entitled "Amkor Reports Fourth Quarter 2003 Results." Therein, the Company, in relevant part, stated:

Amkor Technology, Inc. (Nasdaq: AMKR) reported fourth quarter sales of \$459 million, up 8% sequentially and up 23% over the fourth quarter of 2002. Amkor's fourth quarter net income was \$23 million, or \$0.13 per share, compared with a loss of \$196 million, or (\$1.19) per share, in the fourth quarter of 2002.

Amkor's fourth quarter 2003 net income includes a \$7 million gain on the sale of a marketable security partially offset by \$5 million in debt retirement costs associated with the repurchase of convertible notes. Amkor's \$196 million loss in the fourth quarter of 2002 included \$172 million in non-cash charges associated with (i) establishment of a \$129 million valuation allowance against deferred tax assets; (ii) a \$33 million impairment in Amkor's investment in Anam Semiconductor, Inc. and (iii) \$10 million of estimated costs to consolidate two factories.

For the full year, revenue was \$1.6 billion compared with \$1.4 billion in 2002. Amkor's net income in 2003 was \$2 million, or \$0.01 per share, compared with a loss of \$827 million, or (\$5.04) per share, in 2002.

"We have completed a year of significant accomplishment and believe that 2004 will present exceptional growth opportunities for Amkor," said James Kim, Amkor's chairman and chief executive officer. "Our 2003 results exceeded our initial expectations and were achieved during a year in which we realigned our operating structure, enhanced our balance sheet and strengthened our product development, sales and support organizations. These strategic initiatives place Amkor in an excellent position to drive continued expansion of the outsourcing model for semiconductor assembly and test."

"Since 2001 we have cautiously managed our business in an environment of economic uncertainty and cloudy visibility," continued Kim. "This environment began to change during 2003 as customer demand improved. We believe the semiconductor industry is now entering a period of strong expansion. We are seeing strength in the communications, computer and consumer markets. During the

fourth quarter our customer forecasts continued to strengthen, and we now expect to achieve revenue growth in the first quarter of 2004, which is a significant reversal of what is normally a seasonally down quarter. Historically, a sequential increase in our first quarter sales has always signaled a strong year for Amkor. Last quarter I said we were positioning Amkor to achieve \$2 billion in revenue in 2004; I now believe we will exceed \$2 billion."

"In response to broad-based customer demand we have re-ignited Amkor's growth engine and are aggressively moving to increase production capacity to meet demand that our customers are already forecasting," continued Kim. "We are focused on asserting our leadership position in key package technologies. We have budgeted first quarter capital expenditures of \$200 million to accommodate robust customer demand and expand our operational footprint in Taiwan and China. We will most likely spend between \$300 and \$500 million for 2004."

"We see 2004 as a year of great promise for Amkor. We intend to accommodate growth opportunities while improving our capital structure, and we remain committed to de-levering the balance sheet," said Kim.

"Over the past year we've experienced unprecedented demand for stacked CSP, chip scale BGA, system-in-package, MicroLeadFrame®, camera modules and other advanced package families that are especially well suited for wireless and digital consumer electronic applications," said Bruce Freyman, Amkor's newly appointed president and chief operating officer. "We've also had exceptional demand for several legacy package families, and for strip test. During this period we've significantly increased manufacturing capacity and engineering support for the high-growth areas of our business. We are stepping up our product development and R&D activities to ensure that our packaging and test capabilities continue to keep pace with advances in the front end. We also are working on a variety of innovative design collaborations with several OEMs."

"Fourth quarter gross margin was 25%. As our business expansion program moves into high gear in Q1 and Q2, our goal will be to increase production capacity to get ahead of customer demand," said Ken Joyce, Amkor's chief financial officer. "We expect the associated depreciation expenses and to a lesser extent factory operating

expenses to put some downward pressure on gross margin in the first quarter of 2004, with minimal Amkor on operating margin as first quarter SG&A expenses should increase only modestly."

"During 2003 we strengthened our capital structure -- reducing debt by \$129 million and increasing shareholders equity by \$147 million through the issuance of common stock. Our 2003 initiatives have yielded annualized interest expense savings of \$15 million," said Joyce.

"As Jim Kim stated, we expect to grow significantly this year, and to support this robust growth we continue to evaluate strategies to further enhance our capital structure. We are prepared to supplement our cash resources with proceeds from capital market activities depending on the pace of our capital expenditure program," said Joyce.

21. On March 9, 2004, Amkor issued a press release entitled "Amkor Technology to Issue \$250 Million in Notes." Therein, the Company, in relevant part, stated:

Amkor Technology, Inc. (Nasdaq: AMKR) today announced its intent to issue \$250 million principal amount of senior notes due 2014.

Amkor intends to use the net proceeds of the issuance to repay amounts outstanding under its senior secured credit facility and for general corporate purposes, including capital expenditures.

The notes are being sold to qualified institutional buyers in reliance on Rule 144A and outside the United States in compliance with Regulation S under the Securities Act of 1933. The notes have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

22. The statements contained in ¶¶ 18, 20 were materially false and misleading when made because defendants failed to disclose or indicate the following: (1) that the Company was shipping inventory to customer far in excess of customer demand; (2) as a result of this deliberate

channel stuffing, the Company undermined the future demand for its products; (3) that the Company's profit margins were significantly and negatively impacted by the rapidly rising material costs; and (4) that as a consequence of the foregoing, the Company's positive statements about its condition and future prospects were lacking in a reasonable basis.

The Truth Begins to Emerge

23. On April 27, 2004, Amkor issued a press release entitled "Amkor Reports First Quarter 2004 Results." Therein, the Company, in relevant part, stated:

Amkor Technology, Inc. (Nasdaq: AMKR) reported first quarter sales of \$465 million, up 1% sequentially and up 36% over the first quarter of 2003. Amkor's first quarter net income was \$12 million, or \$0.07 per share, compared with \$15 million, or \$0.09 per share, in the first quarter of 2003.

Amkor's first quarter 2004 net income includes a pre-tax charge of \$2.7 million, in connection with the prepayment of Amkor's term loan under its senior secured credit facility. In the first quarter 2003 Amkor's net income included a loss from continuing operations of \$40 million, or (\$0.24) per share, which was offset by income of \$55 million, or \$0.33 per share, in connection with its divested wafer fabrication services business.

"While first quarter revenue came in slightly below our forecasted range, we nonetheless were pleased to achieve sequential revenue growth, in contrast to what is normally a seasonally down first quarter," said James Kim, Amkor's chairman and chief executive officer. "The increase in Q1 revenue and continued growth in our customers' long range forecasts suggest that we are in the midst of a broad-based industry recovery, and we remain confident of exceeding \$2 billion revenue in 2004. This recovery, combined with what we believe is an acceleration in the outsourcing of semiconductor assembly and test, presents compelling opportunities for Amkor to strengthen our operational capabilities and expand our customer penetration."

"Due to relative weakness in our cell phone products and production constraints at foundries, first quarter demand for some advanced

package products did not materialize as forecast," said Bruce Freyman, Amkor's president and chief operating officer. "During the first quarter we increased capacity in several package products which were on allocation for much of 2003 in order to get ahead of demand, and we are now in a more favorable position to support expected growth of these package products through 2004. We also experienced strong growth in our legacy package products during the quarter, which further suggests that integrated device manufacturers (IDMs) have generally not invested in additional assembly capacity."

"First quarter gross margin of 24% was down 1% sequentially due principally to higher material costs," said Ken Joyce, Amkor's chief financial officer. "We anticipate that second quarter gross margin will remain at 24%, despite higher sales volume, due to higher depreciation and labor costs as we continue to expand production space, add equipment and increase factory workforce in advance of what we expect will be a strong second half. These costs include expenses associated with equipping lines and qualifying new business in our newly acquired facility in Taiwan. We currently expect gross margin to improve in the second half of 2004.

"First quarter SG&A expenses included \$5 million in legal costs in connection with the epoxy mold compound litigation. As previously disclosed, this litigation relates to a certain mold compound used in the assembly of various IC packages which is claimed to have caused a number of package failures on the part of our customers. We expect the current level of legal costs will continue through 2004. We believe we have very good defenses to these claims and have asserted our own claims against the supplier of the compound," said Joyce.

"First quarter capital expenditures totaled \$171 million, including \$41 million associated with our previously announced purchase of a 354,000 square foot assembly and test facility in Taiwan. We continue to invest in key package and test areas where we see long-term growth and are currently budgeting second quarter capital expenditures of \$125 - 150 million," said Joyce.

"In March we enhanced the company's liquidity by issuing \$250 million in 7 1/8% senior notes due 2011 and using the net proceeds to repay amounts outstanding under our senior secured credit facility and for general corporate purposes," said Joyce. "This provides us with the additional financial flexibility to pursue our growth initiatives.

"In April we sold 10.1 million shares of common stock of Anam Semiconductor, Inc. for cash proceeds of approximately \$50 million," said Joyce. "This transaction will result in an after-tax gain of approximately \$20 million, or \$0.11 per share, which will be included in our second quarter results. The incremental cash will be used to fund ongoing capital investments. Following this sale, our investment in ASI has been reduced to 4.6 million shares, or approximately 4% of the company."

24. On this news, shares of Amkor fell \$4.26 per share, or 31.74 percent, to close, on April 27, 2004, at \$9.16 per share.

25. The statements contained in ¶¶ 23 were materially false and misleading when made because defendants failed to disclose or indicate the following: (1) that the Company was shipping inventory to customer far in excess of customer demand; (2) as a result of this deliberate channel stuffing, the Company undermined the future demand for its products; (3) that the Company's profit margins were significantly and negatively impacted by the rapidly rising material costs; and (4) that as a consequence of the foregoing, the Company's positive statements about its condition and future prospects were lacking in a reasonable basis.

26. On July 1, 2004, Amkor issued a press release entitled "Amkor Revises Second Quarter Outlook." Therein, the Company, in relevant part, stated:

Amkor said today that revenues for the second quarter ended June 30, 2004 are expected to be approximately 6% higher than the first quarter of 2004, compared with prior guidance of up 5% to 8%. Amkor expects gross margin for the second quarter to be around 19% compared with prior guidance of around 24%. Net income for the second quarter is expected to be approximately 6 cents per diluted share, compared with prior guidance of 17 to 22 cents, principally due to lower than anticipated gross margin. Both the prior and revised EPS guidance include an after-tax gain of 11 cents per share from the sale of 10.1 million shares of ASI common stock.

"Our second quarter gross margin shortfall is primarily attributable to a very unfavorable product mix," said Ken Joyce, Amkor's Chief Financial Officer. "Our revenue from several high-margin advanced packages, including MicroLeadFrame(R), Stacked CSP and ChipArray(R)BGA, was less than we expected, reflecting weaker-than-normal support of customer forecasts in the wireless sector and some shortages of high-end wafers from the foundries. The soft demand in our higher margin advanced packages was offset by stronger than anticipated support of forecasts in our lower margin PBGA business. In addition, we are still absorbing higher factory costs related to our capacity expansion initiatives, as well as an overall rise in material costs.

"In order to improve our margins during the second half of 2004, we are focusing our efforts on enriching our product mix, selectively raising prices, accelerating our movement to lower cost material vendors and negotiating lower prices with our existing laminate substrate vendors," said Bruce Freyman, Amkor's president and chief operating officer. "While forecasting the product mix has been difficult so far this year, if normal seasonal trends hold, we would expect an improvement in our product mix in the second half of 2004."

27. On this news, shares of Amkor fell \$2.39 per share, or 29.22 percent, to close, on July 1, 2004, at \$5.79 per share.

28. On July 27, 2004, Amkor issued a press release entitled "Amkor Reports Second Quarter 2004 Results." Therein, the Company, in relevant part, stated:

Amkor Technology, Inc. (Nasdaq: AMKR) reported second quarter sales of \$493 million, up 6% sequentially and up 30% over the second quarter of 2003. Amkor's second quarter net income was \$10 million, or \$0.06 per share, and included after-tax gains of \$14 million, or \$0.08 per share, from the sale of 10.1 million shares of Anam Semiconductor, Inc. common stock and \$2.5 million, or \$0.01 per share, on the settlement of litigation with a software provider. In the second quarter of 2003 Amkor reported a net loss of \$51 million, or (\$0.31) per share, which included a charge, with no tax effect, for debt retirement costs of \$31 million, or (\$0.19) per share.

"This quarter's profitability was Amkorted by an unfavorable product mix and factory expenses associated with our capacity expansion initiatives," said James Kim, Amkor's chairman and chief executive officer.

"From a strategic perspective, we are midway through a year in which we have undertaken a series of initiatives designed to position Amkor for long-term growth," said Kim. "In March we acquired a 354,000 square foot assembly and test factory in Hsinchu, Taiwan, which provides needed space to accommodate our growing business in Taiwan. In May we entered into a collaboration with IBM, which includes the acquisition of IBM's Singapore test operations and a 950,000 square foot manufacturing complex in Shanghai, together with a long-term supply agreement.

"Last week we took an important step positioning Amkor in the high growth markets for flip chip and wafer level packaging by announcing agreements to acquire North Carolina-based Unitive, Inc. and a majority interest in Taiwan-based Unitive Semiconductor Technology," said Kim. "These acquisitions will give Amkor the industry's premier electroplated wafer bumping technology, together with the capability to provide complete turn-key solutions for flip chip on 200mm and 300mm wafers that incorporate bump, probe test, assembly and final test.

"With completion of the above initiatives, the facilities and equipment that we have added over the past several quarters should provide Amkor with sufficient production capacity for the foreseeable future. We are currently running at 73% of capacity, and while we will continue to make selected capital investments in flip chip and other strategic growth areas, further increases in assembly capacity will largely depend on customer demand. We acknowledge that costs associated with our growth initiatives will constrain profitability and cash flow in the near-term, however we believe that these strategies will yield the best long-term return for our shareholders," said Kim.

"During the second quarter we experienced softer than expected demand for several of our advanced package families which carry higher-than-average gross margins, said Ken Joyce, Amkor's chief financial officer. "We believe the softness in demand for our advanced packages was due to absorption of semiconductor inventory that was built-up in prior periods. Gross margin was also Amkorted by continued absorption of higher factory and labor costs related to

our capacity expansion initiatives, particularly in Taiwan, where we acquired a new factory in March of this year, and in China, where we are in the process of facilitating our second 75,000 square foot building.

"Near term, our margins should remain under pressure in connection with absorption of our new acquisitions and continued under-utilization of lines supporting advanced packages as the supply chain burns excess inventory," said Joyce. "We are committed to improving the profitability of our core business while absorbing the costs associated with our growth initiatives. Our model has a high degree of operating leverage, and gross margin will be heavily dependent on business volume and mix. We are working to enhance the product mix and have selectively raised package prices. We are qualifying lower cost material vendors and have negotiated lower prices with our existing laminate substrate vendors."

"Second quarter capital expenditures totaled \$124 million, bringing total, first-half capital expenditures to \$295 million," said Joyce. "During the first quarter of this year, we embarked on a program to increase our production capacity for several advanced package families that experienced very strong growth in 2003. Our goal was to get off allocation and ahead of projected near-term demand for these packages. Now that we are comfortably ahead of demand, and in light of current business expectations, we are moderating our capital program for the remainder of this year and are currently budgeting capital expenditures of \$80 million for the second half of 2004. We are targeting to have positive free cash flow in the fourth quarter."

In April the company sold 10.1 million shares of common stock of Anam Semiconductor, Inc. for cash proceeds of approximately \$50 million. For financial accounting purposes, this transaction resulted in an after-tax gain of approximately \$14 million, or \$0.08 per share. In our first quarter, 2004 earnings release we estimated that this transaction would result in an after-tax gain of \$20 million, or \$0.11 per share; however, due to an increase in the effective tax rate from 11% to 35% for the year 2004, this after-tax gain has been adjusted as noted above. For income tax purposes, there will be no tax payment required on this gain. Following this sale, our investment in ASI has been reduced to 4.6 million shares, or approximately 4%.

POST CLASS STATEMENTS

29. On October 12, 2004, Amkor issued a press release entitled "Amkor Discloses Informal SEC Inquiry." Therein, the Company, in relevant part, stated:

Amkor Technology, Inc. (Nasdaq: AMKR) announced today that the Securities and Exchange Commission is conducting an informal inquiry into trading in the securities of Amkor. The company believes that the inquiry relates to transactions in the company's securities by certain individuals, which may include certain insiders, during 2004. In connection with the informal inquiry, the company has received requests from the SEC to voluntarily produce documents and other relevant information concerning these matters, and Amkor is cooperating with these requests. The SEC has advised Amkor that the inquiry should not be construed as either an indication by the SEC that any violations of law have occurred, or as an adverse reflection upon any person, entity or security.

30. On August 22, 2005, Amkor issued a press release entitled "Amkor Discloses Formal SEC Investigation." Therein, the Company, in relevant part, stated:

Amkor Technology, Inc. (Nasdaq: AMKR) announced today that the Securities and Exchange Commission (SEC) has issued a formal order of investigation arising from the previously announced informal inquiry concerning certain trading in Amkor securities. Amkor believes that the investigation continues to relate to transactions in the company's securities by certain individuals, including certain insiders or former insiders and persons associated with them. The primary focus of the investigation appears to be activities during the period from June 2003 to July 2004. Amkor has cooperated fully with the SEC on the informal inquiry and will continue to do so with the formal investigation.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

31. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased the securities of Amkor between October 27, 2003 and July 1, 2004, inclusive (the "Class Period") and who were

damaged thereby. Excluded from the Class are defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

32. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Amkor's securities were actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Amkor or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

33. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by defendants' wrongful conduct in violation of federal law that is complained of herein.

34. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

35. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by defendants' acts as alleged herein;

(b) whether statements made by defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of Amkor; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

36. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

UNDISCLOSED ADVERSE FACTS

37. The market for Amkor's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and misleading statements and failures to disclose, Amkor's securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Amkor securities relying upon the integrity of the market price of Amkor's securities and market information relating to Amkor, and have been damaged thereby.

38. During the Class Period, defendants materially misled the investing public, thereby inflating the price of Amkor's securities, by publicly issuing false and misleading statements and omitting to disclose material facts necessary to make defendants' statements, as set forth herein, not false and misleading. Said statements and omissions were materially false and misleading in that

they failed to disclose material adverse information and misrepresented the truth about the Company, its business and operations, as alleged herein.

39. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, defendants made or caused to be made a series of materially false or misleading statements about Amkor's business, prospects and operations. These material misstatements and omissions had the cause and effect of creating in the market an unrealistically positive assessment of Amkor and its business, prospects and operations, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein.

LOSS CAUSATION

40. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

41. During the Class Period, Plaintiff and the Class purchased securities of Amkor at artificially inflated prices and were damaged thereby. The price of Amkor common stock declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

SCIENTER

42. As alleged herein, defendants acted with scienter in that defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, defendants, by virtue of their receipt of information reflecting the true facts regarding Amkor, their control over, and/or receipt and/or modification of Amkor's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Amkor, participated in the fraudulent scheme alleged herein.

43. Defendants knew and/or recklessly disregarded the falsity and misleading nature of the information which they caused to be disseminated to the investing public. The ongoing fraudulent scheme described in this complaint could not have been perpetrated over a substantial period of time, as has occurred, without the knowledge and complicity of the personnel at the highest level of the Company, including the Individual Defendants.

44. During the Class Period, and with the Company's stock trading at artificially inflated prices, Amkor completed a secondary offering of 8,050,000 million shares for gross proceeds of \$152 million shares. Amkor also issued \$250 million principal amount of senior notes due 2014.

**Applicability Of Presumption Of Reliance:
Fraud-On-The-Market Doctrine**

45. At all relevant times, the market for Amkor securities was an efficient market for the following reasons, among others:

(a) Amkor stock met the requirements for listing, and was listed and actively traded on the NASDAQ, a highly efficient and automated market;

(b) As a regulated issuer, Amkor filed periodic public reports with the SEC and the NASDAQ;

(c) Amkor regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and

(d) Amkor was followed by several securities analysts employed by major brokerage firms who wrote reports which were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

46. As a result of the foregoing, the market for Amkor securities promptly digested current information regarding Amkor from all publicly-available sources and reflected such information in Amkor stock price. Under these circumstances, all purchasers of Amkor securities during the Class Period suffered similar injury through their purchase of Amkor securities at artificially inflated prices and a presumption of reliance applies.

NO SAFE HARBOR

47. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this complaint. Many of the specific statements pleaded herein were not identified as "forward-looking statements"

when made. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor does apply to any forward-looking statements pleaded herein, defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the particular speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized and/or approved by an executive officer of Amkor who knew that those statements were false when made.

FIRST CLAIM
Violation Of Section 10(b) Of
The Exchange Act And Rule 10b-5
Promulgated Thereunder Against All Defendants

48. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

49. During the Class Period, defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Amkor securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, defendants, and each of them, took the actions set forth herein.

50. Defendants (a) employed devices, schemes, and artifices to defraud; (b) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (c) engaged in acts, practices, and a course of business which operated as a fraud and



deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Amkor securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

51. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about the business, operations and future prospects of Amkor as specified herein.

52. These defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Amkor value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and omitting to state material facts necessary in order to make the statements made about Amkor and its business operations and future prospects in the light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of Amkor securities during the Class Period.

53. Each of the Individual Defendants' primary liability, and controlling person liability, arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of his responsibilities and activities as

a senior officer and/or director of the Company was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of and had access to other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew or recklessly disregarded was materially false and misleading.

54. The defendants had actual knowledge of the misrepresentations and omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Amkor's operating condition and future business prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by defendants' overstatements and misstatements of the Company's business, operations and earnings throughout the Class Period, defendants, if they did not have actual knowledge of the misrepresentations and omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

55. As a result of the dissemination of the materially false and misleading information and failure to disclose material facts, as set forth above, the market price of Amkor securities was

artificially inflated during the Class Period. In ignorance of the fact that market prices of Amkor's publicly-traded securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by defendants, or upon the integrity of the market in which the securities trades, and/or on the absence of material adverse information that was known to or recklessly disregarded by defendants but not disclosed in public statements by defendants during the Class Period, Plaintiff and the other members of the Class acquired Amkor securities during the Class Period at artificially high prices and were damaged thereby.

56. At the time of said misrepresentations and omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that Amkor was experiencing, which were not disclosed by defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Amkor securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

57. By virtue of the foregoing, defendants have violated Section 10(b) of the Exchange Act, and Rule 10b-5 promulgated thereunder.

58. As a direct and proximate result of defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

SECOND CLAIM
Violation Of Section 20(a) Of
The Exchange Act Against the Individual Defendants

59. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

60. The Individual Defendants acted as controlling persons of Amkor within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, and their ownership and contractual rights, participation in and/or awareness of the Company's operations and/or intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, the Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. The Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

61. In particular, each of these defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, is presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

62. As set forth above, Amkor and the Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their positions as controlling persons, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of defendants' wrongful conduct, Plaintiff and other

members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

(a) Determining that this action is a proper class action, designating Plaintiff as Lead Plaintiff and certifying Plaintiff as a class representative under Rule 23 of the Federal Rules of Civil Procedure and Plaintiff's counsel as Lead Counsel;

(b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

(c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated:

Respectfully submitted,

SCHIFFRIN & BARROWAY, LLP

By: _____

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