

SECURITIES AND EXCHANGE COMMISSION

FORM 6-K

Current report of foreign issuer pursuant to Rules 13a-16 and 15d-16 Amendments

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ADVANCED SEMICONDUCTOR ENGINEERING INC

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SIC: **3674** Semiconductors & related devices

Mailing Address

26 CHIN THIRD ROAD
NANTZE EXPORT
PROCESSING ZONE
KAOHSIUNG TAIWAN F5
00000

Business Address

26 CHIN THIRD ROAD
NANTZE EXPORT
PROCESSING ZONE
KAOHSIUNG TAIWAN F5
00000

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, thereunto duly authorized.

ADVANCED SEMICONDUCTOR
ENGINEERING, INC.

Dated: August 3, 2001

By: /s/ Joseph Tung

Name: Joseph Tung
Title: Chief Financial Officer

FOR IMMEDIATE RELEASE

Contact:

<TABLE>		
<S>	<C>	<C>
ASE, Inc.	Thomson Financial/Carson	
Joseph Tung, CFO / Vice President	Mylene Kok, Regional Director	Daniel Loh
Freddie Liu, Assistant Vice President	Judith Walls, Vice President	Director
Tel: + 886-2-8780-5489	+ 65-879-9881	+ 1-212-701-1998
Fax: + 886-2-2757-6121	mylene.kok@tfn.com.sg	dan.loh@tfn.com
Investor_relations@asek.asetwn.com.tw	judith.walls@tfn.com.sg	
http://www.aseglobal.com		
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ADVANCED SEMICONDUCTOR ENGINEERING, INC. REPORTS YEAR 2001
SECOND-QUARTER FINANCIAL RESULTS

Taipei, Taiwan, R.O.C., August 3, 2001 - Advanced Semiconductor Engineering, Inc. (TAIEX: 2311, NYSE: ASX), ("ASE", or the "Company"), one of the world's largest independent providers of semiconductor packaging and testing services, today reported quarterly sales of NT\$ 8,499 million and a quarterly net loss of NT\$ 618 million in the second quarter ended June 30, 2001. The fully diluted loss per share for the quarter was NT\$ 0.22, or US\$ 0.034 per ADS.

"We continued to see the weakness across all 3C sectors in the second quarter," said Mr. Jason Chang, chairman of ASE Inc. "Both assembly and test volumes continued to decline, while overall visibility remains very poor. However, we believe that the industry is gradually stabilizing based on our observation of customer forecasts, which are now less volatile compared with previous quarter, and the actual ship-out rate is getting closer to the forecast. Meanwhile, we have made considerable progress in our advanced assembly operations, especially wafer bumping and flip-chip packaging. Our wafer bumping business continues to grow rapidly, and that has allowed us to successfully penetrate several major IDM accounts. We are expanding that part of the business further to solidify our leadership position."

Dr. Leonard Liu, president of ASE also commented, "Even though the industry weakness is expected to continue in the near term, we have made significant progress in terms of upgrading our capabilities and exploring new markets. In the second quarter, for example, we were very pleased to work with VIA and Transmeta to offer them the most advanced assembly and test solutions for their microprocessors. This is a major milestone for us as it demonstrates our capability at the top-end of the semiconductor technology. We shall continue to focus more on offering the most advanced solutions to our partners."

Financial Results

Net Revenues:

Consolidated net revenues totaled NT\$ 8,499 million in the second quarter of 2001, decreased 32% from NT\$ 12,436 million in the same period in 2000. Assembly revenues decreased 33% to NT\$ 6,273 million, and testing revenues decreased 26% to NT\$ 2,221 million.

Sequentially, total net revenues declined 24.5%. Assembly revenue fell 23%, and test revenue dropped 28% compared to previous quarter. Overall assembly and test volume declined 20% and ASP dropped around 5%.

In terms of end-sector exposure, net revenues from the personal computer, communications and consumer markets accounted for 26%, 38% and 35% of total sales in the second quarter, unchanged from the previous quarter.

Gross Profit:

Gross profit decreased 76% YoY to NT\$ 910 million. Gross margin also declined to 10.7%

from 30.8% in the same period of 2000, mainly as a result of volume declines in both assembly and test operations that lowered ASE's equipment utilization rate. Depreciation expense during the quarter totaled NT\$ 2,552 million, a 36% increase from the same period last year. Depreciation expense as a percentage of net revenues rose from 15.1% in Q2 2000 to 30.0% in Q2 2001 as a result of lower utilization rates and expanded capacity in both assembly and test operations. Raw material costs decreased from NT\$ 3,626 million in the second quarter of 2000 to NT\$ 2,586 million in the latest quarter, which represented an increase of only 1% as a percentage of net revenues compared with the year-ago period. Direct and indirect labor costs totaled NT\$ 1,298 million, a 17% decrease versus the same quarter last year.

On a sequential basis, gross profit declined 62%. Raw material cost decreased 24% from NT\$ 3,401 million in the previous quarter. Direct and indirect labor costs decreased 17% versus previous quarter. Depreciation expense increased slightly, rising 3.4% versus the previous quarter.

Operating Expenses/Income:

Operating expenses increased 10% YoY to NT\$ 1,489 million. Of the total, research and development ("R&D") spending increased 21% to NT\$ 355 million, or 4.2% of net revenues versus 2.4% for the same period last year. Selling, general and administrative expenses during the quarter increased 7% from the year-ago period to NT\$ 1,134 million, or 13.3% of net revenues versus 8.5% for the same quarter last year. Total operating expenses as a percentage of revenues rose to 17.5% in Q2 2001 from 10.9% in Q2 2000. Goodwill amortization expense relating to the acquisition of consolidated entities (including ASE Chung Li, ASE Korea, ISE Labs and ASE Test) increased to NT\$ 164 million in the latest quarter compared with NT\$ 136 million in the same quarter last year due to additional purchases of ISE Labs and ASE Test shares. The Company owned 51.2% of ASE Test and ASE Test owned 80.4% of ISE Labs as of June 30, 2001.

Compared with the previous quarter, total operating expenses increased 5%. R&D expenses decreased 2% sequentially. Selling, general and administrative expenses increased 8%, reflecting the cash bonus and director compensation of NT\$ 181 million distributed during the quarter.

Operating loss incurred during the quarter amounted to NT\$ 579 million. Operating margin, meanwhile, declined to (6.8%) in the latest quarter from 19.9% in the same period last year and 8.6% from the first quarter 2001.

Non-operating Expenses:

Total non-operating expenses decreased from NT\$ 400 million a year ago to NT\$ 338 million. Net interest expense increased 22% to NT\$ 441 million during the latest quarter from NT\$ 361 million in Q2 2000 as a result of increased leverage in 2001. The Company recorded a foreign exchange gain of NT\$ 76 million in the latest quarter as a result of the Yen's depreciation, which had a positive impact on Yen denominated liabilities. Long-term investment gain or loss decreased from a gain of NT\$ 23 million to a loss of NT\$ 54 million, mainly due to the loss recorded by Hung Ching Construction in the latest quarter. Goodwill amortization expenses for non-consolidated entities amounted to NT\$ 95 million during the quarter.

Sequentially, non-operating expense increased 18% versus previous quarter. Net interest expenses inched up 7% sequentially. The loss on long-term investment decreased to NT\$ 54 million in the second quarter from NT\$ 191 million in the first quarter, reflecting improved operating results at USI.

Net income:

Income tax expense amounted to NT\$ 156 million. Minority interest expense totaled (NT\$ 455) million in the quarter. Net loss for the second quarter 2001 totaled NT\$ 618 million.

A fully diluted loss per share of NT\$ 0.22 in Q2 2001 compares with fully diluted earnings per share of NT\$ 0.55 in Q2 2000 and NT\$ 0.13 in the previous quarter. A fully diluted loss per

ADS of US\$ 0.034 contrasts with fully diluted earnings per ADS of US\$ 0.09 in the second quarter last year and US\$ 0.02 in the first quarter this year.

Shares Outstanding:

Retroactively adjusted for the Company's 31.5% 1999 stock dividend that was paid out in 2000, a weighted average total of 2,752 million ASE common shares were used to calculate per share data for the 2Q 2001 versus 2,652 million common shares for the same period 2000. Each ADS represents 5 common shares.

Capital Expenditures:

Capital spending in Q2 2001 totaled US\$ 60 million, of which US\$ 34 million was for advanced assembly operations (including US\$ 12 million for wafer bumping facilities and flip-chip packaging; and US\$ 12 million for automated tooling upgrades), US\$ 18 million was for test operations, and US\$ 8 million was for substrate manufacturing operations.

Cashflow

EBITDA (earnings before interest, tax, depreciation and amortization) for the second quarter of 2001 reached NT\$ 2,722 million.

Highlights for the Quarter

- o ASE Announces Its Success In Achieving the RosettaNet Work-In-Process Milestone

ASE announced at the RosettaNet Semiconductor Manufacturing board meeting that it has achieved RosettaNet's Manufacturing Work-In-Process Milestone specifically implementing the Partner Interface Process™ (PIP) 3D8. This creates an environment for automated and real-time communication between semiconductor manufacturing partners (foundries, packaging and test manufacturers, and system assembly contractors) and their customers. All parties are able to exchange information as well as track the status at any stage of the manufacturing process.

- o ASE to Provide Advanced Packaging Technologies and Test Services for Transmeta's New Crusoe TM5800 Microprocessor

ASE announced that it has been selected as the back-end manufacturing partner for Transmeta Corporation's new Crusoe TM5800 and TM5500 microprocessors. ASE, together with subsidiary ASE Test Limited (Nasdaq: ASTSF), will provide Transmeta with complete back-end assembly and test services using ASE's leading flip-chip assembly and test process, which includes wafer bumping, bumped wafer probing, flip-chip assembly, and final test.

- o ASE Named Supplier of the Year by Zoran Corporation

ASE has been named the "Supplier of the Year 2000" by Zoran Corporation (NASDAQ: ZRAN).

- o VIA Unveils New 0.13 Micron Version VIA C3(tm) Processor at Computex Taipei 2001

VIA Technologies, Inc. jointly announced the introduction of the latest version of the VIA C3(tm) processor with ASE and TSMC at Computex Taipei 2001. Formerly known by its code name "Ezra", new VIA C3(tm) is the first processor in the world to go into volume production using a leading-edge 0.13 micron process, ensuring higher levels of performance and enhanced power consumption and thermal dissipation properties.

- o ASE First to Offer World-Leading SCSP and SiP Package Technologies

ASE announced its introduction of two new chip manufacturing technologies - Sandwich SCSP (Stacked-die Chip Scale Package) and SiP (System in a Package) - to meet the growing worldwide demand from the communications and hand-held products markets. In these markets, the trend has been towards Chip Scale Packaging (CSP) technology because

of its flexibility, density, performance, low cost and small form factor.

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About ASE Inc.

ASE Inc. is one of the world's largest independent providers of semiconductor packaging services and, together with its subsidiary ASE Test Limited (Nasdaq:ASTSF), one of the world's largest independent providers of semiconductor testing services, including front-end engineering testing, wafer probing and final testing services. The Company's international customer base of more than 200 blue-chip customers includes such leading names as Advanced Micro Devices, Inc., Altera Corporation, Cirrus Logic International Ltd., Conexant Systems, Inc., LSI Logic Corporation, and Qualcomm Incorporated. With advanced-process technological capabilities and a global presence spanning Taiwan, Korea, Hong Kong, Singapore, Malaysia and the United States, ASE Inc. has established a reputation for reliable, high quality products and services. For more information, visit the website, <http://www.aseglobal.com>

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding our future results of operations and business prospects. Although these forward-looking statements are based on our own information and information from other sources we believe to be reliable, you should not place undue reliance on these forward-looking statements, which apply only as of the date of this press release. Our actual results of operations, financial condition or business prospects may differ materially from those expressed or implied in these forward looking statements for a variety of reasons, including risks associated with cyclicalities and market conditions in the semiconductor industry, demand for the outsourced semiconductor assembly and testing services we offer and for such outsourced services generally, our ability to maintain a high capacity utilization rate relative to our fixed costs, competition in our industry, and other factors. For a discussion of these risks and other factors, please see the documents we file from time to time with the Securities and Exchange Commission, including our Annual Report on Form 20-F filed on June 28, 2001.

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Supplemental Financial Information

Consolidated Operations

Amounts in NT\$ Millions	2Q/01	2Q/00	1Q/01
Net Revenue	8,499	12,436	11,250
End Application by Revenue			
Communication	38%	38%	38%
Computer	26%	31%	26%
Automotive and Consumers	35%	27%	35%
Others	1%	4%	1%
Region by Revenue			
North America	66%	65%	60%
Europe	4%	3%	5%
Taiwan	26%	26%	31%
Japan	2%	1%	1%
Other Asia	2%	5%	3%

Assembly Operations

Amounts in NT\$ Millions	2Q/01	2Q/00	1Q/01
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Net Revenue	6,273	9,347	8,142
End Application by Revenue			
Communication	37%	42%	38%
Computer	26%	30%	26%
Automotive and Consumers	36%	26%	36%
Others	1%	2%	0%
Package Type by Revenue			
BGA	49%	45%	52%
QFP	28%	32%	27%
PDIP, PLCC, Sps	13%	15%	12%
Others	10%	8%	9%
Capacity			
CapEx (US\$ Millions)*	34	108	26
Number of Wirebonders	3,991	3,636	3,909

Testing Operations

Amounts in NT\$ Millions	2Q/01	2Q/00	1Q/01
Net Revenue	2,221	3,014	3,106
End Application by Revenue			
Communication	39%	27%	37%
Computer	28%	34%	29%
Automotive and Consumers	32%	30%	32%
Others	1%	9%	2%
Testing Type by Revenue			
Logic and Mixed Signal	98%	98%	97%
Memory	2%	2%	3%
Capacity			
CapEx (US\$ Millions)*	18	141	24
Number of Testers	1,052	871	1,059

* Capital expenditure amounts exclude building construction cost.

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Advanced Semiconductor Engineering, Inc.
Consolidated Summary Income Statements Data
(In NT\$ millions, except per share data)
(Unaudited)

<TABLE>

	For the three months ended			For the six months ended	
	Jun. 30 2001	Jun. 30 2000	Mar. 31 2001	Jun. 30 2001	Jun. 30 2000
Net revenues:					
<S>	<C>	<C>	<C>	<C>	<C>
Assembly	6,273	9,347	8,142	14,416	17,725
Testing	2,221	3,014	3,106	5,327	5,790
Others	5	75	2	6	82
Total net revenues	8,499	12,436	11,250	19,749	23,597
Cost of revenues	7,589	8,605	8,867	16,456	16,276
Gross Profit	910	3,831	2,383	3,293	7,321
Operating expenses:					
Research and development	355	295	364	719	535
Selling, general and administrative	1,134	1,058	1,051	2,185	2,054
Total operating expenses	1,489	1,353	1,415	2,904	2,589
Operating income	(579)	2,478	968	389	4,732
Other (income) expenses:					
Interest expenses, net	441	361	411	853	818
Foreign currency loss (gain), net	(76)	66	(264)	(340)	(184)

Loss (gain) on long-term investment	148	67	285	434	86
Loss (gain) on dispose of assets	(8)	(9)	8	(1)	6
Other non-operating expenses	(167)	(85)	(154)	(322)	(18)
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Total non-operating expenses	338	400	286	624	708
	-----	-----	-----	-----	-----
Income before income tax	(917)	2,078	682	(235)	4,024
	-----	-----	-----	-----	-----
Income tax expense (credit)	156	260	156	312	499
	-----	-----	-----	-----	-----
Net income before minority interest	(1,073)	1,818	526	(547)	3,525
	-----	-----	-----	-----	-----
Minority interest	(455)	361	174	(280)	604
Net income	(618)	1,457	352	(267)	2,921
	-----	-----	-----	-----	-----
Per share data:					
EPS - Basic	NT\$(0.22)	NT\$0.55	NT\$0.13	NT\$(0.10)	NT\$1.10
EPS - Fully Diluted	NT\$(0.22)	NT\$0.55	NT\$0.13	NT\$(0.10)	NT\$1.09
Earnings per ADS - Basic	US\$(0.034)	US\$0.090	US\$0.020	US\$(0.015)	US\$0.180
Earnings per ADS - Fully Diluted	US\$(0.034)	US\$0.090	US\$0.020	US\$(0.015)	US\$0.177
Number of weighted average shares used in the EPS calculation (in thousands, retroactively adjusted for stock dividend)	2,752,000	2,651,838	2,752,000	2,752,000	2,651,838
Forex (NT\$ per US\$1)	33.26	30.57	32.61	32.94	30.67

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Advanced Semiconductor Engineering, Inc.
Consolidated Summary Balance Sheet Data
(In NT\$ millions)
(Unaudited)

	As of Jun. 30, 2001 =====	As of Mar. 31, 2001 =====
Current assets:		
Cash and cash equivalents	15,055	12,775
Short-term investments	1,663	1,685
Notes and accounts receivable	7,277	9,332
Inventories	2,944	2,879
Others	1,314	2,575
	-----	-----
Total	28,253	29,246
Long-term investments	10,177	10,652
Properties - net	60,904	60,600
Other assets	7,286	7,695
	-----	-----
Total assets	106,620	108,193
	-----	-----
Current liabilities:		
Short-term debts	12,949	14,144
Notes and accounts payable	2,517	3,346
Others	5,117	6,461
	-----	-----
Total	20,583	23,951
Long-term debts	29,696	26,410
Other liabilities	669	1,537
	-----	-----
Total liabilities	50,948	51,898
Minority interest	12,343	12,253
Shareholders' equity	43,329	44,042
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Total liabilities & shareholders' equity

106,620

108,193

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