## Advanced Semiconductor Engineering, Inc.



## FOR IMMEDIATE RELEASE

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## ADVANCED SEMICONDUCTOR ENGINEERING, INC. PRESS RELEASE

TAIPEI, TAIWAN, R.O.C., MAY 2, 2005 – Advanced Semiconductor Engineering Inc. (TAIEX: 2311, NYSE: ASX) ("We", "ASE", or the "Company") today provided additional information relating to the fire that took place yesterday at its facilities in Chungli, Taiwan. Beginning this morning, local governmental authorities have initiated investigations into the cause of the fire. While the official investigations continue, the Company has commenced discussions with insurance providers relating to claims for the damage caused by the fire. Representatives from insurance providers visited the premises today to conduct an inspection of the damage caused by the fire.

ASE has retained structural engineers to assess the extent of the damage to the building that caught fire. The first four floors of the building, which housed part of the Company's operations for the production of interconnect materials, suffered direct damage by the fire. The Company estimates the damage to equipment and inventory on these floors, most of which is covered by insurance, at US\$130 million. This does not include any damage to the building which has been incurred. In addition, most of the equipment and inventory on other floors of the eleven-floor building, the substantial majority of which is for semiconductor packaging and test, while not damaged by the fire, were damaged by smoke caused by the fire. The Company expects to commence, with the insurance providers, the process of assessing the actual extent of damage, upon regaining access to all floors of the building. The Company will also begin its clean-up efforts tomorrow.

The Company currently estimates that its production facilities in Kaohsiung have sufficient packaging and test capacity to meet all customer requirements that are expected to be diverted from Chungli as a result of the fire. Following direct communications with its customers, ASE expects to facilitate expeditiously their qualification of ASE's Kaohsiung facilities in order to give effect to the planned transfer of production as quickly and smoothly as possible, pending the recovery of Chungli to full operating capacity.