CHIPMOS TECHNOLOGIES BERMUDA LTD
Form F-3/A
June 14, 2004
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As filed with the Securities and Exchange Commission on June 14, 2004

Registration No. 333-115748

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Amendment No. 1

to

FORM F-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

ChipMOS TECHNOLOGIES (Bermuda) LTD.

(Exact Name of Registrant as Specified in Its Charter)

N/A

(Translation of Registrant s Name into English)

Bermuda	**N/A**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

No. 1, R&D Road 1

Hsinchu Science Park, Hsinchu

Taiwan, Republic of China

(886-3) 566-8800

(Address and Telephone Number of Registrant s Principal Executive Offices)

CT Corporation System

111 Eighth Avenue, New York, New York 10011

Tel: (212) 894-8600

(Name, Address and Telephone Number of Agent for Service)

Copies to:

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ¨

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, please check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. ¨

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Subject to Completion, dated June 14, 2004

PROSPECTUS

25,000,000 Shares

Common Shares

We are offering 17,500,000 common shares and the selling shareholder identified in this prospectus is offering an additional 7,500,000 common shares. We will not receive any of the proceeds from the sale of common shares by the selling shareholder.

Our common shares are quoted on the Nasdaq National Market under the symbol IMOS. The last reported sale price of our common shares on the Nasdaq National Market on June 10, 2004 was US$8.42 per common share.

Investing in our common shares involves risks. See Risk Factors beginning on page 9.

	Per Share	Total
Public Offering Price	US$	US$
Underwriting Discounts and Commissions	US$	US$
Proceeds to ChipMOS Bermuda (before expenses)	US$	US$
Proceeds to Selling Shareholder (before expenses)	US$	US$

The underwriters have been granted a 30-day option to purchase up to 2,625,000 additional common shares from us and up to 1,125,000 common shares from the selling shareholder at the public offering price, less the underwriting discounts and commissions, to cover over-allotments, if any.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Lehman Brothers Inc., on behalf of the underwriters, expects to deliver the common shares to purchasers on or about , 2004.

LEHMAN BROTHERS

THOMAS WEISEL PARTNERS LLC

RBC CAPITAL MARKETS

WR HAMBRECHT + CO

, 2004

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THESE SECURITIES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN THE REPUBLIC OF CHINA, EXCEPT AS PERMITTED BY APPLICABLE LAW OF THE REPUBLIC OF CHINA.

This prospectus, including the information summarized below, contains translations of New Taiwan dollar, or NT dollar or NT$, amounts into United States dollars, or US dollars, or US$, at specified rates solely for the convenience of the reader. Unless otherwise noted, all translations from NT dollars to US dollars and from US dollars to NT dollars were made at the noon buying rate in The City of New York for cable transfers in NT dollars per US dollar as certified for customs purposes by the Federal Reserve Bank of New York, or the noon buying rate, on March 31, 2004, which was NT$33.00 to US$1.00. We make no representation that the NT dollar or US dollar amounts referred to in this prospectus could have been or could be converted into US dollars or NT dollars, as the case may be, at any particular rate or at all. On June 11, 2004, the noon buying rate was NT$33.51 to US$1.00.

FORWARD-LOOKING STATEMENTS

Except for historical matters, the matters discussed in this prospectus are forward-looking statements that are subject to significant risks and uncertainties. These statements are generally indicated by the use of forward-looking terminology such as the words believe, expect, intend, anticipate, estimate, plan, project, may, will or other similar words that express an indication of actions or results of actions that may or a expected to occur in the future. Forward-looking statements include, but are not limited to, statements under the following headings related to the indicated topic:

Risk Factors Risks Relating to Our Industry A decline in average selling prices for our services could result in a decrease in our earnings, about the trend of declining average selling prices;

Risk Factors Risks Relating to Our Business A decrease in market demand for LCD and other flat-panel display driver semiconductors may adversely affect our capacity utilization rates and thereby negatively affect our profitability, about our expectation with respect to the growth in demand for liquid crystal display, or LCD, and other flat-panel display driver semiconductors;

Risk Factors Risks Relating to Our Business We depend on key customers, including affiliates of Mosel Vitelic Inc., for a substantial portion of our net revenue and a loss of, or deterioration of the business from, any one of these customers could result in decreased net revenue and materially adversely affect our results of operations, about our expectation to rely on key customers;

Risk Factors Risks Relating to Our Business The testing and assembly process is complex and our production yields and customer relationships may suffer as a result of defects or malfunctions in our testing and assembly equipment and the introduction of new packages, about the need to offer more sophisticated testing and assembly technologies;

Risk Factors Risks Relating to Our Business Because of the highly cyclical nature of our industry, our capital requirements are difficult to plan. If we cannot obtain additional capital when we need it, we may not be able to maintain or increase our current growth rate and our profits will suffer, about our anticipated capital needs;

Risk Factors Risks Relating to Our Business Our customers generally do not place purchase orders far in advance, which makes it difficult for us to predict our future revenue. As a result, we may be unable to adjust costs in a timely manner to compensate for revenue shortfalls and our results of operations may fluctuate from period to period, about our expectation to be dependent in any quarter upon purchase orders received in that quarter;

Management s Discussion and Analysis of Financial Condition and Results of Operations, about the trends relating to our business; and

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Business Industry Background, about the expected growth in the semiconductor industry, including but not limited to the expected growth in the memory semiconductor market, LCD and other flat-panel display driver semiconductor market, mixed-signal semiconductor market and the outsourcing trends of the semiconductor industry in Taiwan and Mainland China.

Actual results may be materially different from those indicated by our forward-looking statements. Please see Risk Factors for a discussion of certain other factors that may cause actual results to differ materially from those indicated by our forward-looking statements. Some of these forward-looking statements are derived from projections made and published by Gartner Dataquest, the Semiconductor Industry Association and DisplaySearch. These projections are estimates of Gartner Dataquest, the Semiconductor Industry Association and DisplaySearch, respectively, and do not represent facts. We were not involved in the preparation of these projections.

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PROSPECTUS SUMMARY

This summary highlights selected information from this prospectus and may not contain all information that is important to you. To learn about this offering and our business, you should read the entire prospectus carefully, including the risk factors and our financial statements and related notes.

When we refer to the capacity of our semiconductor testing and assembly equipment, we are referring to capacity assessed by our internal personnel based on the specifications and the repair and maintenance frequency of the relevant equipment. Unless otherwise noted, we refers to ChipMOS TECHNOLOGIES (Bermuda) LTD., or ChipMOS Bermuda, and its subsidiaries in this prospectus, and Mainland China refers to the People s Republic of China, excluding Hong Kong, Macau and Taiwan.

ChipMOS TECHNOLOGIES (Bermuda) LTD.

We believe that we are one of the leading independent providers of semiconductor testing and assembly services. Specifically, we believe that we are the largest independent provider of testing and assembly services for liquid crystal display, or LCD, and other flat-panel display driver semiconductors globally, and a leading provider of testing and assembly services for advanced memory products in Taiwan.

We provide a broad range of semiconductor testing and assembly services primarily for memory, mixed-signal, and LCD and other flat-panel display driver semiconductors. We currently expect these sectors to benefit from the anticipated growth in demand for new and improved electronic products and applications. We also provide semiconductor turnkey services by purchasing fabricated wafers and selling tested and assembled semiconductors. In 2003, our consolidated net revenue was NT$9,027 million (US$274 million) and our net income was NT$482 million (US$15 million). In the quarter ended March 31, 2004, our consolidated net revenue was NT$3,090 million (US$94 million) and our net income was NT$539 million (US$16 million).

The depth of our engineering expertise and the breadth of our testing and assembly technologies enable us to provide our customers with advanced and comprehensive solutions. In addition, we believe our geographic presence in Taiwan and Mainland China, two of the world s leading locations for outsourced semiconductor manufacturing, is attractive to customers wishing to take advantage of the logistical and cost efficiencies stemming from our close proximity to foundries and producers of consumer electronic products.

Our Business Strategy

Our goal is to reinforce our position as a leading independent provider of semiconductor testing and assembly services, concentrating principally on memory, mixed-signal and LCD and other flat-panel display driver semiconductors. The principal components of our business strategy are to:

- focus on providing our services to the high-growth segments of the semiconductor industry;

- continue to invest in the research and development of advanced testing and assembly technologies;
- build on our strong presence in Taiwan and expand our operations in Mainland China;
- expand our offering of vertically integrated services; and
- focus on increasing sales through long-term agreements with new and existing customers.

Our Corporate Structure and Other Information

We are a holding company, incorporated under the laws of Bermuda in August 2000. We provide most of our services in Taiwan through our majority-owned subsidiary, ChipMOS TECHNOLOGIES INC., or ChipMOS

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Taiwan, and its subsidiaries and investees. ChipMOS Taiwan was founded in 1997 as a joint-venture between Mosel Vitelic Inc., or Mosel, and Siliconware Precision Industries Co., Ltd., or Siliconware Precision, and with the participation of other investors. As of April 30, 2004, we held 70.3% of the outstanding common shares of ChipMOS Taiwan, and Siliconware Precision held 28.7%. In Taiwan, we conduct testing operations in our facilities at the Hsinchu Science Park and the Hsinchu Industrial Park and testing and assembly operations in our facility at the Southern Taiwan Science Park. We also conduct operations in Mainland China through ChipMOS TECHNOLOGIES (Shanghai) LTD., or ChipMOS Shanghai, a wholly-owned subsidiary of Modern Mind Technology Limited, or Modern Mind, which is one of our controlled consolidated subsidiaries. ChipMOS Shanghai operates a testing and assembly facility at the Qingpu Industrial Zone in Shanghai. Through our subsidiaries, we also have equity interests in other companies that are engaged in the semiconductor industry. As of April 30, 2004, Mosel indirectly owned approximately 43.7% of our common shares. See Business Overview of the Company for more details.

Our principal executive office is located at No. 1, R&D Road 1, Hsinchu Science Park, Hsinchu, Taiwan, Republic of China, and our telephone number at this location is (886-3) 566-8800. Our website address is *www.chipmos.com.tw*. Information contained on our website does not constitute part of this prospectus.

You should rely only on the information contained in this prospectus. Neither we nor the underwriters have authorized anyone, including the selling shareholder, to provide you with information different from that contained in this prospectus. This prospectus is not an offer to sell or a solicitation of an offer to buy our common shares in any jurisdiction where it is unlawful. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of common shares.

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The Offering

Common shares offered by us	17,500,000 common shares
Common shares offered by the selling shareholder	7,500,000 common shares
Common shares to be outstanding after this offering	77,360,235 common shares
Use of proceeds	We intend to use our net proceeds of approximately US$137 million (assuming no exercise of the over-allotment option and an offering price of US$8.42 based on the last reported sale price on June 10, 2004) from this offering as follows:

US$60 million to finance the purchase by ChipMOS Far East Limited, or ChipMOS Far East, of equipment to be consigned or leased to ChipMOS Shanghai;

US$60 million as a loan to Modern Mind to finance the repayment of approximately US$10 million outstanding debt of Modern Mind and a US$50 million capital contribution to ChipMOS Shanghai for the repayment of approximately RMB20 million (US$2 million based on an exchange rate of RMB8.28 per US$1.00 as of March 31, 2004) outstanding bank debt of ChipMOS Shanghai with the remainder for ChipMOS Shanghai s facility construction costs; and

the balance to fund our working capital requirements and potential future merger and acquisition activities.

Pending such uses, we will invest the net proceeds in short-term U.S. government or other investment-grade debt securities or interest-bearing bank deposits. See Use of Proceeds.

We will not receive any proceeds from the sale of our common shares by the selling shareholder in this offering. All of the proceeds from such sales will be for the account of the selling shareholder.

Nasdaq National Market symbol	IMOS

The number of common shares that will be outstanding after this offering is based on the number of shares outstanding as of April 30, 2004 and excludes:

6,256,953 common shares subject to stock options outstanding as of April 30, 2004, with a weighted average exercise price of US$3.2865; and

2,625,000 common shares to be sold by us if the underwriters exercise their over-allotment option in full, as described in Underwriting.

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Summary Consolidated Financial Information

The following tables set forth our selected consolidated financial data. The summary consolidated balance sheet data as of December 31, 2002 and 2003 and our consolidated statement of operations and cash flows data for 2001, 2002 and 2003 are derived from our audited consolidated financial statements included in this prospectus, and should be read in conjunction with the section of this prospectus entitled Management s Discussion and Analysis of Financial Condition and Results of Operations and our audited consolidated financial statements and the related notes beginning on page F-1 of this prospectus. These financial statements have been audited by Moore Stephens. The selected consolidated balance sheet data as of December 31, 2001 is derived from our audited consolidated financial statements not included in this prospectus. The summary consolidated balance sheet data as of March 31, 2004 and our consolidated statement of operations and cash flows data for the quarters ended March 31, 2003 and 2004 are derived from our unaudited consolidated financial statements included in this prospectus, and should be read in conjunction with the section of this prospectus entitled Management s Discussion and Analysis of Financial Condition and Results of Operations, our audited consolidated financial statements and the related notes and our unaudited consolidated financial statements and the related notes beginning on page F-1 of this prospectus. Our consolidated financial statements have been prepared and presented in accordance with generally accepted accounting principles in the Republic of China, or ROC GAAP, which differ in some material respects from generally accepted accounting principles in the United States, or US GAAP. Please see Note 27 to our audited consolidated financial statements for a description of the principal differences between ROC GAAP and US GAAP for the periods covered by the audited consolidated financial statements. There are no material variations in the accounting principles, practices and methods used in preparing the unaudited consolidated financial statements as of March 31, 2004 and for the quarters ended March 31, 2003 and 2004 from US GAAP other than those disclosed in Note 27 to our audited consolidated financial statements. A reconciliation between US GAAP and ROC GAAP has not been included in the notes to the unaudited consolidated financial statements.

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	Year ended December 31,				Three Months ended March 31,[1] (unaudited)		
	2001	2002	2003	2003	2003	2004	2004
	NT$	NT$	NT$	US$	NT$	NT$	US$
	(in millions, except earnings per share)						
Consolidated Statement of Operations Data:							
ROC GAAP:							
Net revenue	$ 5,245.1	$ 6,525.9	$ 9,026.5	$ 273.5	$ 1,704.5	$ 3,089.7	$ 93.6
Gross profit (loss)	(784.2)	(185.8)	1,567.0	47.5	63.0	1,120.1	33.9
Income (loss) from operations	(1,475.8)	(860.1)	766.7	23.2	(157.1)	917.0	27.8
Net income (loss)	(1,134.9)	(970.3)	482.4	14.6	(196.5)	539.5	16.3
Earnings (loss) per share:							
Basic	$ (19.45)	$ (16.49)	$ 8.19	$ 0.25	$ (3.34)	$ 9.03	$ 0.27
Diluted	$ (19.45)	$ (16.49)	$ 8.12	$ 0.25	$ (3.34)	$ 8.99	$ 0.27
Weighted-average number of shares outstanding:							
Basic	58.3	58.8	58.9	58.9	58.9	59.8	59.8
Diluted	58.3	58.8	59.4	59.4	58.9	60.0	60.0
US GAAP:[2]							
Net income (loss)	$ (993.5)	$ (913.4)	$ 485.3	$ 14.7			
Earnings (loss) per share:							
Basic	$ (17.03)	$ (15.52)	$ 8.24	$ 0.25			
Diluted	$ (17.03)	$ (15.52)	$ 8.17	$ 0.25			
Weighted-average number of shares outstanding:							
Basic	58.3	58.8	58.9	58.9			
Diluted	58.3	58.8	59.4	59.4			

(1) For the first quarter of 2003, we consolidated the financial results of ChipMOS TECHNOLOGIES INC., or ChipMOS Taiwan, ChipMOS Japan, Inc., or ChipMOS Japan, ChipMOS USA Inc., or ChipMOS USA, ChipMOS Far East Limited, or ChipMOS Far East, and Modern Mind Technology Limited, or Modern Mind, and its wholly-owned subsidiary, ChipMOS TECHNOLOGIES (Shanghai) LTD., or ChipMOS Shanghai. For the first quarter of 2004, we also consolidated the financial results of ThaiLin Semiconductor Corp., or ThaiLin, (which have been consolidated since December 1, 2003, the date when ChipMOS Taiwan obtained the controlling influence over ThaiLin s decisions on its operations, personnel and financial policies), and from January 12 and 28, 2004, onwards, the financial results of Advanced Micro Chip Technology Co., Ltd., or AMCT, and ChipMOS Logic TECHNOLOGIES INC., or ChipMOS Logic, respectively.

(2) Reflects US GAAP adjustments as described in Note 27 of the notes to the audited consolidated financial statements.

	As of December 31,				As of March 31,[1] (unaudited)	
	2001	2002	2003	2003	2004	2004
	NT$	NT$	NT$	US$	NT$	US$
			(in millions)			
Consolidated Balance Sheet Data:						
ROC GAAP:						
Cash and cash equivalents	$ 1,181.1	$ 2,487.5	$ 1,731.0	$ 52.5	$ 1,351.0	$ 40.9
Property, plant and equipment, net	10,799.6	10,043.6	11,086.8	336.0	12,131.8	367.7
Total assets	16,101.3	17,953.7	19,665.7	595.9	22,337.1	676.9
Total liabilities	5,165.4	8,353.3	7,989.5	242.1	9,585.6	290.5
Minority interests	3,336.7	2,887.1	4,428.0	134.2	4,964.0	150.4
Total shareholders equity	7,599.2	6,713.3	7,248.2	219.6	7,787.5	236.0
US GAAP[2]:						
Cash and cash equivalents	$ 1,181.1	$ 2,487.5	$ 1,731.0	$ 52.5		
Property, plant and equipment, net	10,762.5	10,062.8	11,082.4	335.8		
Total assets	16,123.5	18,020.9	19,633.5	594.9		
Total liabilities	5,127.6	8,353.6	7,993.7	242.2		
Minority interests	3,354.9	2,907.1	4,418.5	133.9		
Total shareholders equity	7,641.0	6,760.2	7,221.3	218.8		

(1) For the first quarter of 2003, we consolidated the financial results of ChipMOS Taiwan, ChipMOS Japan, ChipMOS USA, ChipMOS Far East, and Modern Mind and its wholly-owned subsidiary, ChipMOS Shanghai. For the first quarter of 2004, we also consolidated the financial results of ThaiLin (which have been consolidated since December 1, 2003, the date when ChipMOS Taiwan obtained the controlling influence over ThaiLin s decisions on its operations, personnel and financial policies), and from January 12 and 28, 2004, onwards, the financial results of AMCT and ChipMOS Logic, respectively.

(2) Reflects US GAAP adjustments as described in Note 27 of the notes to the audited consolidated financial statements.

	Year ended December 31,				Three Months ended March 31,[1] (unaudited)		
	2001	2002	2003	2003	2003	2004	2004
	NT$	NT$	NT$	US$	NT$	NT$	US$
				(in millions)			
Consolidated Statement of Cash Flows Data:							
ROC GAAP:							
Capital expenditures	$ 992.0	$ 2,091.3	$ 2,508.2	$ 76.0	$ 985.3	$ 1,663.8	$ 50.4
Depreciation and amortization	2,815.4	2,820.6	2,715.0	82.3	660.8	763.5	23.1
Net cash provided by (used in):							
Operating activities	1,620.5	1,463.7	1,877.1	56.9	64.6	1,447.5	43.9
Investing activities	(1,409.7)	(3,135.9)	(760.8)	(23.1)	(280.4)	(3,589.6)	(108.8)
Financing activities	(219.8)	2,978.6	(1,841.5)	(55.8)	(323.7)	1,800.1	54.6
Effect of exchange rate changes on cash	(0.4)		(31.4)	(0.9)	(1.3)	(38.0)	(1.2)
Net increase (decrease) in cash	(9.4)	1,306.4	(756.6)	(22.9)	(540.8)	(380.0)	(11.5)

(1) For the first quarter of 2003, we consolidated the financial results of ChipMOS Taiwan, ChipMOS Japan, ChipMOS USA, ChipMOS Far East, and Modern Mind and its wholly-owned subsidiary, ChipMOS Shanghai. For the first quarter of 2004, we also consolidated the financial results of ThaiLin (which have been consolidated since December 1, 2003, the date when ChipMOS Taiwan obtained the controlling influence over ThaiLin s decisions on its operations, personnel and financial policies), and from January 12 and 28, 2004, onwards, the financial results of AMCT and ChipMOS Logic, respectively.

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RISK FACTORS

This offering involves a high degree of risk. You should carefully consider the risks described below before you decide to buy our common shares. In particular, as we are a non-U.S. company, there are risks associated with investing in our common shares that are not typical with investments in shares of U.S. companies. If any of the following risks actually occurs, our business, financial condition and results of operations would likely suffer, in which case, the trading price of our common shares could decline, and you could lose all or part of your investment.

Risks Relating to Our Industry

Because we depend on the highly cyclical semiconductor industry, which is characterized by significant and sometimes prolonged downturns from time to time, our net revenue and earnings may fluctuate significantly, which in turn could cause the market price of our common shares to decline.

Because our business is, and will continue to be, dependent on the requirements of semiconductor companies for independent testing and assembly services, any downturn in the highly cyclical semiconductor industry may reduce demand for our services and adversely affect our results of operations. All of our customers operate in this industry and variations in order levels from our customers and in service fee rates may result in volatility in our net revenue and earnings. For instance, during periods of decreased demand for assembled semiconductors, some of our customers may even simplify or forego final testing of certain types of semiconductors, such as dynamic random access memory, or DRAM, further intensifying our difficulties. From time to time, the semiconductor industry has experienced significant, and sometimes prolonged, downturns. For example, the semiconductor industry experienced a downturn beginning in the fourth quarter of 2000 until late 2002. As a result of the downturn, our net revenue and net income for 2001 decreased 36% and 219% from 2000 levels, respectively. Although the semiconductor industry has recovered from the downturn since late 2002 and our net revenue for 2003 increased 38% from 2002, and we generated a net income of NT$482 million in 2003 compared to a net loss of NT$970 million in 2002, we cannot give any assurances that the recovery will continue or that any future downturn will not affect our results of operations.

Any deterioration in the market for end-user applications for semiconductor products would reduce demand for our services and may result in a decrease in our earnings.

Market conditions in the semiconductor industry track, to a large degree, those for their end-user applications. Any deterioration in the market conditions for the end-user applications of semiconductors we test and assemble could reduce demand for our services and, in turn, materially adversely affect our financial condition and results of operations. Our net revenue is largely attributable to fees derived from testing and assembling semiconductors for use in personal computers, consumer electronic products, display applications and communications equipment. A significant decrease in demand for products in these markets could put pricing pressure on our testing and assembly services and negatively affect our net revenue and earnings. The decrease in market demand for personal computers and communications equipment that began in the fourth quarter of 2000 has adversely affected our results of operations in 2000, 2001 and 2002. While the market demand for personal computers and communications equipment has recovered since the beginning of 2003, a significant decrease in demand could again negatively affect our net revenue and earnings.

A decline in average selling prices for our services could result in a decrease in our earnings.

Historically, prices for our testing and assembly services in relation to any given semiconductor tend to decline over the course of its product and technology life cycle. For example, the average price of our testing and assembly services for synchronous dynamic random access memory, or SDRAM, semiconductors in 2003 decreased by approximately 44% from 2002. In addition, the average selling price for our testing and assembly services for DRAM further decreased by approximately 8% in 2003 from the average price in 2002. We expect this trend to continue in the future. Accordingly, if we cannot reduce the cost of our testing and assembly

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services, or introduce higher-margin testing and assembly services for new package types, to offset the decrease in average selling prices for our services, our earnings could decrease.

A reversal or slowdown in the outsourcing trend for semiconductor testing and assembly services could reduce our profitability.

In recent years, integrated device manufacturers, or IDMs, have increasingly outsourced stages of the semiconductor production process, including testing and assembly, to independent companies like us to shorten production cycles. In addition, the availability of advanced independent semiconductor manufacturing services has also enabled the growth of so-called fabless semiconductor companies that focus exclusively on design and marketing and outsource their manufacturing, testing and assembly requirements to independent companies. Our net revenue indirectly generated from these IDMs and fabless companies constitutes a substantial portion of our net revenue, representing 85% and 90% of our net revenue in 2003 and the first quarter of 2004, respectively. We cannot assure you that these companies will continue to outsource their testing and assembly requirements to independent companies like us. A reversal of, or a slowdown in, this outsourcing trend could result in reduced demand for our services, which in turn could reduce our profitability.

Risks Relating to Our Business

If we are unable to compete effectively in the highly competitive semiconductor testing and assembly markets, we may lose customers and our income may decline.

The semiconductor testing and assembly markets are very competitive. We face competition from a number of IDMs with in-house testing and assembly capabilities and other independent semiconductor testing and assembly companies.

Our competitors may have access to more advanced technologies and greater financial and other resources than we do. Many of our competitors have shown a willingness to reduce prices quickly and sharply, as they did in 1998 and 2001, to maintain capacity utilization in their facilities during periods of reduced demand. In addition, an increasing number of our competitors conduct their operations in lower cost centers in Asia such as Mainland China, Thailand, Vietnam and the Philippines. Our prices for testing and assembly of memory and mixed-signal semiconductors were sharply reduced during the second half of 2000 through 2001. Although prices have increased approximately 20% for LCD and other flat-panel display driver semiconductor testing and assembly services in 2003, we cannot assure you that the prices will not decrease in the future. Any renewed or continued erosion in the prices or demand for our testing and assembly services as a result of increased competition could adversely affect our profits.

We are highly dependent on the market for memory products. A downturn in the market for these products could significantly reduce our net revenue and net income.

A significant percentage of our net revenue is derived from testing and assembling memory semiconductors. Our net revenue derived from the testing and assembly of memory semiconductors accounted for 72%, 56%, 62% and 68% of our net revenue in 2001, 2002, 2003 and the first quarter of 2004, respectively. In the past, our service fees for testing and assembling memory semiconductors were sharply reduced in tandem with the decrease in the average selling price of DRAM. For example, the weighted average selling price for DRAM decreased approximately 23% in 2003 from 2002. We cannot assure you that there will be no further decrease in DRAM prices. Any failure of the demand for DRAM to increase or any further decrease in the demand for memory products may therefore decrease the demand for our services and significantly reduce our net revenue and net income.

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A decrease in market demand for LCD and other flat-panel display driver semiconductors may adversely affect our capacity utilization rates and thereby negatively affect our profitability.

We began offering testing and assembly services for LCD and other flat-panel display driver semiconductors in the second quarter of 2000. Our testing and assembly services for LCD and other flat-panel display driver semiconductors generated net revenue of NT$132 million, NT$992 million, NT$1,683 million and NT$741 million in 2001, 2002, 2003 and the first quarter of 2004, respectively. We spent NT$374 million, NT$1,232 million, NT$1,255 million and NT$845 million in 2001, 2002, 2003 and the first quarter of 2004, respectively, on equipment for tape carrier package, or TCP, and chip-on-film, or COF, technologies, which are used in testing and assembly services for LCD and other flat-panel display driver semiconductors. Most of this equipment may not be used for technologies other than TCP or COF. While there is currently a significant demand for our LCD and other flat-panel display driver semiconductor testing and assembly services, which we currently expect will continue to grow in 2004, any decrease in demand for these services would significantly impair our capacity utilization rates and may result in our inability to generate sufficient revenue to cover the significant depreciation expenses for the equipment used in testing and assembling LCD and other flat-panel display driver semiconductors, thereby negatively affecting our profitability. See also Because of our high fixed costs, if we are unable to achieve relatively high capacity utilization rates, our earnings and profitability may be adversely affected.

Our results of operations may fluctuate significantly and may cause the market price of our common shares to be volatile.

Our results of operations have varied significantly from period to period and may continue to vary in the future. Among the more important factors affecting our quarterly and annual results of operations are the following:

- our ability to accurately predict customer demand, as we must commit significant capital expenditures in anticipation of future orders;
- our ability to quickly adjust to unanticipated declines or shortfalls in demand and market prices for our testing and assembly services, due to our high percentage of fixed costs;
- changes in prices for our testing and assembly services;
- volume of orders relative to our testing and assembly capacity;
- capital expenditures and production uncertainties relating to the roll-out of new testing or assembly services;
- our ability to obtain adequate testing and assembly equipment on a timely basis;
- changes in costs and availability of raw materials, equipment and labor;
- changes in our product mix; and
- earthquakes, drought and other natural disasters, as well as industrial accidents.

Because of the factors listed above, our future results of operations or growth rates may be below the expectations of research analysts and investors. If so, the market price of our shares, and the market value of your investment, may fall.

We depend on key customers, including affiliates of Mosel Vitelic Inc., for a substantial portion of our net revenue and a loss of, or deterioration of the business from, any one of these customers could result in decreased net revenue and materially adversely affect our results of operations.

We depend on a small group of customers for a substantial portion of our business. In 2001 and 2002, our largest customer, Mosel Vitelic Inc., or Mosel, accounted for 48% and 35% of our net revenue, respectively. As

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of April 30, 2004, Mosel indirectly owned approximately 43.7% of our outstanding common shares through its wholly-owned subsidiary, Giant Haven Investments Ltd., and its indirectly held subsidiary, Mou-Fu Investment Ltd. In the period from July to December 2003, Mosel transferred all of its DRAM business to its affiliate ProMOS Technologies Inc., or ProMOS, which since then has become our largest customer, accounting for 19% of our net revenue in 2003 and 33% of our net revenue in the first quarter of 2004. Although Mosel was our second largest customer in 2003, accounting for 19% of our net revenue, it ceased to be a key customer of ours following the transfer of its DRAM business to ProMOS. In 2004, we expect that our net revenue generated from ProMOS will increase significantly from 2003 reflecting its operation of its DRAM business for the full year and we do not expect any significant net revenue to be generated from Mosel. Our third largest customer in 2003, Ultima Electronics Corp., or Ultima, accounted for 12% of our net revenue. Ultima was our second largest customer in 2001 and 2002, accounting for approximately 22% and 19% of our net revenue in 2001 and 2002, respectively. As of April 30, 2004, ChipMOS Taiwan owned a 3.7% interest in Ultima.

We expect that we will continue to depend on a relatively limited number of customers for a significant portion of our net revenue. Any adverse development in our key customers operations, competitive position or customer base could materially reduce our net revenue and adversely affect our business and profitability. The decline in market demand for semiconductors in 2001 and, in particular, the substantial decrease in the average selling price of DRAM, from the fourth quarter of 2001 to the end of 2002, adversely impacted Mosel. As a result, our net revenue from DRAM testing and assembly services decreased 60% from 2001 to 2002 and 77% from 2002 to 2003. In addition, since new customers usually require us to pass a lengthy and rigorous qualification process, if we lose any of our key customers, we may not be able to replace them in a timely manner. Also, semiconductor companies generally rely on service providers with whom they have established relationships to meet their testing and assembly needs for existing and future applications. If any of our key customers reduces, delays or cancels its orders, and if we are unable to attract new key customers or use our excess capacity to service our remaining customers, our net revenue could be reduced and our business and results of operations materially adversely affected.

Because of our high fixed costs, if we are unable to achieve relatively high capacity utilization rates, our earnings and profitability may be adversely affected.

Our operations are characterized by a high proportion of fixed costs. For memory and mixed-signal semiconductor testing services, our fixed costs represented 83%, 53%, 53% and 56% of our total cost of revenue in 2001, 2002, 2003 and the first quarter of 2004, respectively. For memory and mixed-signal semiconductor assembly services, our fixed costs represented 37%, 44%, 28% and 25% of our total cost of revenue in 2001, 2002, 2003 and the first quarter of 2004, respectively. For LCD and other flat-panel display driver semiconductor testing and assembly services, our fixed costs represented 64%, 52%, 50% and 45% of our total cost of revenue in 2001, 2002, 2003 and the first quarter of 2004, respectively. Our profitability depends in part not only on absolute pricing levels for our services, but also on the utilization rates for our testing and assembly equipment, commonly referred to as capacity utilization rates . Increases or decreases in our capacity utilization rates can significantly affect our gross margins as unit costs generally decrease as the fixed costs are allocated over a larger number of units. As a result of the decline in the market demand for semiconductors that began in the fourth quarter of 2000, our average capacity utilization rate for memory and mixed-signal semiconductor testing services decreased from 77% in 2000 to 47% in 2001, our average capacity utilization rate for memory and mixed-signal semiconductor assembly services decreased from 53% in 2000 to 43% in 2001, and our average capacity utilization rate for LCD and other flat-panel display driver semiconductor testing and assembly services decreased from 50% in 2000 to 19% in 2001. For 2002, our capacity utilization rate was 69% for memory and mixed-signal semiconductor testing services, 60% for memory and mixed-signal semiconductor assembly services, and 62% for LCD and other flat-panel display driver semiconductor testing and assembly services. Due to the strong recovery of the market demand for semiconductors in 2003, our capacity utilization rate increased to 81% for memory and mixed-signal semiconductor testing services, 89% for memory and mixed-signal semiconductor assembly services, and 82% for LCD and other flat-panel display driver semiconductor testing and assembly services. For the first quarter in 2004, our capacity utilization rate increased further to 89% for memory and mixed-signal semiconductor testing services, and 99% for LCD and other flat-panel display driver semiconductor testing and assembly services, but decreased to 87% for memory and mixed-signal assembly services. If we fail to further increase or maintain our capacity utilization rates, our earnings and profitability may be adversely affected.

The testing and assembly process is complex and our production yields and customer relationships may suffer as a result of defects or malfunctions in our testing and assembly equipment and the introduction of new packages.

Semiconductor testing and assembly are complex processes that require significant technological and process expertise. Semiconductor testing involves sophisticated testing equipment and computer software. We develop computer software to test our customers semiconductors. We also develop conversion software programs that enable us to test semiconductors on different types of testers. Similar to most software programs, these software programs are complex and may contain programming errors or bugs. In addition, the testing process is subject to human error by our employees who operate our testing equipment and related software. Any significant defect in our testing or conversion software, malfunction in our testing equipment or human error could reduce our production yields and damage our customer relationships.

The assembly process involves a number of steps, each of which must be completed with precision. Defective packages primarily result from:

- contaminants in the manufacturing environment;
- human error;
- equipment malfunction;
- defective raw materials; or
- defective plating services.

These and other factors have, from time to time, contributed to lower production yields. They may do so in the future, particularly as we expand our capacity or change our processing steps. In addition, to be competitive, we must continue to expand our offering of packages. Our production yields on new packages typically are significantly lower than our production yields on our more established packages. Our failure to maintain high standards or acceptable production yields, if significant and prolonged, could result in a loss of customers, increased costs of production, delays, substantial amounts of returned goods and related claims by customers. Further, to the extent our customers have set target production yields, we may be required to compensate our customers in a pre-agreed manner. Any of these problems could materially adversely affect our business reputation and result in reduced net revenue and profitability.

Because of the highly cyclical nature of our industry, our capital requirements are difficult to plan. If we cannot obtain additional capital when we need it, we may not be able to maintain or increase our current growth rate and our profits will suffer.

Our capital requirements are difficult to plan as our industry is highly cyclical and rapidly changing. To remain competitive, we will need capital to fund the expansion of our facilities as well as to fund our equipment purchases and research and development activities. We believe that our current cash and cash equivalents, cash flow from operations and available credit facilities will be sufficient to meet our working capital and capital expenditure requirements under our existing arrangements through the end of 2005, except for the investment in a new production facility in Shanghai owned by ChipMOS TECHNOLOGIES (Shanghai) LTD., or ChipMOS Shanghai, a wholly-owned subsidiary of our controlled consolidated subsidiary, Modern Mind Technology

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Limited, or Modern Mind. In addition, future capacity expansions or market or other developments may require additional funding. Our ability to obtain external financing in the future depends on a number of factors, many of which are beyond our control. They include:

- our future financial condition, results of operations and cash flows;
- general market conditions for financing activities by semiconductor testing and assembly companies; and
- economic, political and other conditions in Taiwan and elsewhere.

If we are unable to obtain funding in a timely manner or on acceptable terms, our growth prospects and potential future profitability will suffer.

If Modern Mind fails to invest an additional US$202.5 million into ChipMOS Shanghai by July 6, 2005, ChipMOS Shanghai s business license may become automatically void and ChipMOS Shanghai may have to be liquidated, which could hurt our growth prospects and potential future profitability.

Under applicable regulations of the People s Republic of China, or PRC, and the terms of the business license of ChipMOS Shanghai, a wholly-owned subsidiary of our controlled consolidated subsidiary, Modern Mind, the business license of ChipMOS Shanghai may automatically become void and ChipMOS Shanghai may have to be liquidated if Modern Mind fails to invest an additional US$202.5 million by July 6, 2005, unless an extension has been obtained from competent PRC regulatory authorities. We intend to use approximately US$50 million of our net proceeds from this offering as a loan to Modern Mind to fund an additional US$50 million capital contribution to ChipMOS Shanghai primarily to finance ChipMOS Shanghai s facility construction costs. We will be required to raise additional funds to meet ChipMOS Shanghai s investment commitments. Even if we have the financial resources available, we may decide not to fund the investment if it would cause Mosel to violate applicable ROC laws and regulations. See Risks Relating to Countries in Which We Conduct Operations The investment in Mainland China by our controlled consolidated subsidiary, Modern Mind, through ChipMOS Shanghai, and the related contractual arrangements may result in Mosel violating ROC laws governing investments in Mainland China by ROC companies or persons. Any sanctions on Mosel as a result of any violation of ROC laws may cause Mosel to decrease its ownership in us significantly or cause Mosel to take other actions that may not be in the best interest of our other shareholders.

We have been advised by our PRC counsel, Shanghai Zhenghan law firm, that the relevant PRC regulatory authority is not legally obligated to, but in practice may, grant Modern Mind a grace period of no more than six months if it submits in advance an application for extending the deadlines for making the remaining investments in ChipMOS Shanghai. In 2002, when Modern Mind failed to make the initial investment of US$37.5 million for ChipMOS Shanghai within the three-month duration of its initial business license, ChipMOS Shanghai s business license was extended for another four months, during which Modern Mind made its initial investment. However, there is no assurance that the relevant PRC regulatory authority will grant an extension or that we will be able to raise sufficient funds in a timely manner for the investment in ChipMOS Shanghai. If we are unable to obtain the funding in a timely manner or on acceptable terms or if we are unwilling to provide funding to ChipMOS Shanghai through Modern Mind, ChipMOS Shanghai may lose its business license and may have to be liquidated and our growth prospects and potential future profitability may suffer.

Our research and development efforts may not yield profitable and commercially viable services. As a result, we may have significant short-term research and development expenses, which may not necessarily result in immediate or long-term increases in net revenue.

Our research and development efforts may not yield commercially viable testing or assembly services. The customer qualification process for new services is conducted in various stages, which may take one or more years to complete, and during each stage there is a substantial risk that we will have to abandon a potential test or

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assembly service that is no longer marketable and in which we have invested significant resources. If we are unable to qualify new services, a significant amount of time will have elapsed between our investment and the receipt of any related revenues.

Disputes over intellectual property rights could be costly, deprive us of technologies necessary for us to stay competitive, render us unable to provide some of our services and reduce our opportunities to generate revenue.

Our ability to compete successfully and achieve future growth will depend, in part, on our ability to protect our proprietary technologies and to secure on commercially acceptable terms critical technologies that we do not own. We cannot assure you that we will be able to independently develop, or secure from any third party, the technologies required for our testing and assembly services. Our failure to successfully obtain these technologies may seriously harm our competitive position and render us unable to provide some of our services.

Our ability to compete successfully also depends on our ability to operate without infringing upon the proprietary rights of others. The semiconductor testing and assembly industry is characterized by frequent litigation regarding patent and other intellectual property rights. We may incur legal liabilities if we infringe upon the intellectual property or other proprietary rights of others. The situation is exacerbated by our inability to ascertain what patent applications have been filed in the United States or elsewhere until they are granted.

If any third party succeeds in its intellectual property infringement claims against us or our customers, we could be required to:

- discontinue using the disputed process technologies, which would prevent us from offering some of our testing and assembly services;
- pay substantial monetary damages;
- develop non-infringing technologies, which may not be feasible; or
- acquire licenses to the infringed technologies, which may not be available on commercially reasonable terms, if at all.

Any one of these developments could impose substantial financial and administrative burdens on us and hinder our business. Any litigation, whether as plaintiff or defendant, is costly and diverts our resources. If we fail to obtain necessary licenses or if litigation relating to patent infringement or other intellectual property matters occurs, it could prevent us from testing and assembling particular products or using particular technologies, which could reduce our opportunities to generate revenue.

If we are unable to obtain raw materials and other necessary inputs from our suppliers in a timely and cost-effective manner, our production schedules would be delayed and we may lose customers and growth opportunities and become less profitable.

Our operations require us to obtain sufficient quantities of raw materials at acceptable prices in a timely and cost-effective manner. We source most of our raw materials, including critical materials like leadframes, organic substrates, epoxy, gold wire and molding compound for assembly, and tapes for TCPs, from a limited group of suppliers. We purchase all of our materials on a purchase order basis and have no long-term contracts with any of our suppliers. From time to time, suppliers have extended lead times, increased the price or limited the supply of required materials to us because of market shortages. For example, we have recently seen a significant increase in the prices of leadframes, one of the raw materials that we use for leadframe-based packages. Consequently, we may, from time to time, experience difficulty in obtaining sufficient quantities of raw materials on a timely basis. In addition, from time to time, we may reject materials that do not meet our specifications, resulting in declines in output or yield. Although we typically maintain at least two suppliers for each key raw material, we cannot assure you that we will be able to obtain sufficient quantities of raw materials and other supplies of an acceptable

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quality in the future. It usually takes from three to six months to switch from one supplier to another, depending on the complexity of the raw material. If we begin to produce modules and subsystems, we will need significantly greater quantities and more types of raw materials and other inputs. Many of the new inputs we need to purchase will be mechanical or other non-semiconductor related products such as flat-panel displays or ink-jet printer heads. We currently do not have any arrangements with suppliers to provide the additional inputs that will be required for the modules and subsystems we currently contemplate producing. As a result, we cannot assure you that we will initially be able to purchase supplies of our non-semiconductor related inputs for our modules and subsystems. If we are unable to obtain raw materials and other necessary inputs in a timely and cost-effective manner, we may need to delay our production and delivery schedules, which may result in the loss of business and growth opportunities and could reduce our profitability.

If we are unable to obtain additional testing and assembly equipment or facilities in a timely manner and at a reasonable cost, we may be unable to fulfill our customers orders and may become less competitive and less profitable.

The semiconductor testing and assembly business is capital intensive and requires significant investment in expensive equipment manufactured by a limited number of suppliers. The market for semiconductor testing and assembly equipment is characterized, from time to time, by intense demand, limited supply and long delivery cycles. Our operations and expansion plans depend on our ability to obtain equipment from a limited number of suppliers in a timely and cost-effective manner. For example, we faced a shortage of testers during most of 2000 because of significant global demand, with lead times for delivery of six months or more after the date of order. Currently, the lead time for the delivery of testers for which we have placed orders has been increasing from the usual three months after the date of order. We have no binding supply agreements with any of our suppliers and we acquire our testing and assembly equipment on a purchase order basis, which exposes us to changing market conditions and other significant risks. Semiconductor testing and assembly also requires us to operate sizeable facilities. If we are unable to obtain equipment or facilities in a timely manner, we may be unable to fulfill our customers orders, which could negatively impact our financial condition and results of operations as well as our growth prospects.

If we are unable to manage the expansion of our operations and resources effectively, our growth prospects may be limited and our future profitability may be reduced.

We expect to continue to expand our operations and increase the number of our employees. Rapid expansion puts a strain on our managerial, technical, financial, operational and other resources. As a result of our expansion, we will need to implement additional operational and financial controls and hire and train additional personnel. We cannot assure you that we will be able to do so effectively in the future, and our failure to do so could jeopardize our expansion plans and seriously harm our operations.

Our customers generally do not place purchase orders far in advance, which makes it difficult for us to predict our future revenue. As a result, we may be unable to adjust costs in a timely manner to compensate for revenue shortfalls and our results of operations may fluctuate from period to period.

Most of our customers generally do not place purchase orders far in advance and our contracts with customers generally do not require minimum purchases of our products or services. Our customers purchase orders have varied significantly from period to period because demand for their products is often volatile. As a result, it is difficult for us to forecast our revenue for future periods, and our results of operations may fluctuate from period to period. Moreover, our expense levels are based in part on our expectations of future revenue, and we may be unable to adjust costs in a timely manner to compensate for revenue shortfalls. We expect that in the future our revenue in any quarter will continue to be substantially dependent upon purchase orders received in that quarter. We cannot assure you that any of our customers will continue to place orders with us in the future at the same levels as in prior periods. We also cannot assure you that our customers orders will be consistent with our expectations when we made or make the necessary investments in raw materials, labor and equipment.

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Bermuda law may be less protective of shareholder rights than laws of the United States or other jurisdictions.

Our corporate affairs are governed by our memorandum of association, our bye-laws and laws governing corporations incorporated in Bermuda. Shareholder suits such as class actions (as these terms are understood with respect to corporations incorporated in the United States) are generally not available in Bermuda. Therefore, our shareholders may be less able under Bermuda law than they would be under the laws of the United States or other jurisdictions to protect their interests in connection with actions by our management, members of our board of directors or our controlling shareholder.

It may be difficult to bring and enforce suits against us in the United States.

We are incorporated in Bermuda and a majority of our directors and most of our officers are not residents of the United States. A substantial portion of our assets is located outside the United States. As a result, it may be difficult for our shareholders to serve notice of a lawsuit on us or our directors and officers within the United States. Because most of our assets are located outside the United States, it may be difficult for our shareholders to enforce in the United States judgments of United States courts. Appleby Spurling Hunter, our counsel in Bermuda, has advised us that there is some uncertainty as to the enforcement in Bermuda, in original actions or in actions for enforcement of judgments of United States courts, of liabilities predicated upon United States federal securities laws.

Any environmental claims or failure to comply with any present or future environmental regulations, or any new environmental regulations, may require us to spend additional funds, may impose significant liability on us for present, past or future actions, and may dramatically increase the cost of providing our services to our customers.

We are subject to various laws and regulations relating to the use, storage, discharge and disposal of chemical by-products of, and water used in, our assembly process. Although we have not suffered material environmental claims in the past, a failure or a claim that we have failed to comply with any present or future regulations could result in the assessment of damages or imposition of fines against us, suspension of production or a cessation of our operations or negative publicity. New regulations could require us to acquire costly equipment or to incur other significant expenses. Any failure on our part to control the use of, or adequately restrict the discharge of, hazardous substances could subject us to future liabilities that may materially reduce our earnings.

Fluctuations in exchange rates could result in foreign exchange losses.

Currently, most of our net revenue is denominated in NT dollars. Our cost of revenue and operating expenses, on the other hand, are incurred in several currencies, including NT dollars, Japanese yen, US dollars and Renminbi, or RMB. In addition, a substantial portion of our capital expenditures, primarily for the purchase of testing and assembly equipment, has been, and is expected to continue to be, denominated in Japanese yen with much of the remainder in US dollars. We also have debt denominated in NT dollars, Japanese yen, US dollars and RMB. Fluctuations in exchange rates, primarily among the US dollar, the NT dollar and the Japanese yen, will affect our costs and operating margins in NT dollar terms. In addition, these fluctuations could result in exchange losses and increased costs in NT dollar terms. For example, we recorded foreign exchange gains of NT$55 million in 2001 and foreign exchange losses of NT$42 million, NT$79 million (US$2 million) and NT$38 million (US$1 million), in 2002, 2003 and the first quarter of 2004, respectively. Despite selective hedging and other mitigating techniques implemented by us, fluctuations in exchange rates have affected, and may continue to affect, our financial condition and results of operations.

We may increase our inventory if we expand our services to manufacturing modules and subsystems, which in turn could increase our working capital requirements and subject us to increased risks of inventory losses or writedowns.

If we expand our services to the manufacturing of modules and subsystems, such as memory modules, liquid crystal modules and ink-jet print head modules, we will need to purchase wafers, LCD panels, color filters, polarizer film, ink-jet print heads and other inputs related to our module and subsystems business. We anticipate that we will have to purchase many of these inputs in advance of our completion of the production of the corresponding module or subsystem and thus will hold some of these inputs, either alone or as part of work in progress, in inventory for a period of time. As a result, although we will try to minimize the time between purchase of the inputs and sale of the final modules or subsystems, we will be subject to the risk that the value of such inputs and work in progress will decline, perhaps significantly, prior to the completion of production and sale of the final module or subsystem. Moreover, deteriorating market conditions may result in an increase in our inventory levels, a decline in the average selling price of our products and a corresponding decrease in the stated value of our inventories. We cannot assure you that we will be able to maintain our inventories at a satisfactory level or that we will not incur losses on inventories in the future.

We may not be successful in our acquisitions of and investments in other companies and businesses, and may therefore be unable to implement fully our business strategy.

As part of our growth strategy, from time to time, we make acquisitions and investments in companies or businesses. For example, in 2002 and 2003, we acquired a controlling interest in Modern Mind and its wholly-owned subsidiary ChipMOS Shanghai. Furthermore, in 2002, 2003 and the first quarter of 2004, we acquired through ChipMOS Taiwan an equity interest in Chantek that was 34.2% as of April 30, 2004, an equity interest in ThaiLin Semiconductor Corp., or ThaiLin, that was 35.2% as of April 30, 2004, and an equity interest in Advanced Micro Chip Technology Co., Ltd., or AMCT, that was 99.7% as of April 30, 2004. We have merged WORLD-WIDE TEST Technology Inc., or WWT, into one of our subsidiaries, as discussed in more detail in Business Our Structure and History ChipMOS Logic TECHNOLOGIES, INC. below. The success of our acquisitions and investments depends on a number of factors, including:

- our ability to identify suitable opportunities for investment or acquisition;
- our ability to reach an acquisition or investment agreement on terms that are satisfactory to us or at all;
- the extent to which we are able to exercise control over the acquired company;
- the economic, business or other strategic objectives and goals of the acquired company compared to those of our company; and
- our ability to successfully integrate the acquired company or business with our company.

If we are unsuccessful in our acquisitions and investments, we may not be able to implement fully our business strategy to maintain or grow our business.

Potential conflicts of interest with Siliconware Precision could interfere with our ability to conduct the operations of ChipMOS Taiwan and could result in the loss of our customers to Siliconware Precision.

As of April 30, 2004, Siliconware Precision owned 28.7% of the outstanding equity securities of ChipMOS Taiwan. Siliconware Precision provides testing and assembly services for logic and mixed-signal semiconductors. Under the terms of the joint venture agreement between Mosel and Siliconware Precision regarding the operation of ChipMOS Taiwan, Siliconware Precision is entitled to nominate two of the seven board members of ChipMOS Taiwan. Two of ChipMOS Taiwan s current directors were appointed by Siliconware Precision. As a result, conflicts of interest between those directors duty to Siliconware Precision and to us may arise. We cannot assure you that when such conflicts of interest arise, directors appointed by

Siliconware Precision to our board will act completely in our interests or that conflicts of interest will be resolved in our favor. These conflicts may result in the loss by us of existing or potential customers to Siliconware Precision.

We depend on key personnel, and our revenue could decrease and our costs could increase if we lose their services.

We depend on the continued service of our executive officers and skilled engineering, technical and other personnel. We will also be required to hire a substantially greater number of skilled employees in connection with our expansion plans. In particular, we depend on a number of skilled employees in connection with our LCD and other flat-panel display driver semiconductor testing and assembly services, and the competition for such employees in Taiwan and Mainland China is intense. We may not be able to either retain our present personnel or attract additional qualified personnel as and when needed. Moreover, we do not carry key person insurance for any of our executive officers nor do we have employment contracts with any of our executive officers or employees, and, as a result, none of our executive officers or employees is bound by any non-competition agreement. If we lose any of our key personnel, it could be very difficult to find and integrate replacement personnel, which could affect our ability to provide our services, resulting in reduced net revenue and earnings. In addition, we may need to increase employee compensation levels in order to retain our existing officers and employees and to attract additional personnel. Seven percent of the workforce at our facilities in Taiwan are foreign workers employed by us under work permits that are subject to government regulations on renewal and other terms. Consequently, if the regulations in Taiwan relating to the employment of foreign workers were to become significantly more restrictive or if we are otherwise unable to attract or retain these workers at reasonable cost, we may be unable to maintain or increase our level of services and may suffer reduced net revenue and earnings.

Risks Relating to Our Relationship with Mosel

Mosel exercises significant control over our company and could cause us to take actions that may not be, or refrain from taking actions that may be, in our best interest or the best interest of our other shareholders.

As our largest shareholder, Mosel exercises significant control, and subsequent to this offering may

continue to exercise significant control, over all matters submitted to our shareholders for approval and other corporate actions, such as:

- election of directors;
- timing and manner of dividend distributions;
- approval of contracts between us and Mosel or its affiliates, which could involve conflicts of interest; and
- open market purchase programs or other purchases of our common shares.

Mosel s substantial interests in our company could also:

- delay, defer or prevent a change in who controls us;

- discourage bids for our shares at a premium over the market price; and

- adversely affect the market price of our common shares.

Moreover, because Mosel has the power to direct or influence our corporate actions, we may be required to engage in transactions that may not be agreeable to our other shareholders or that may not be in the best interest of our other shareholders.

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In April 2002, ChipMOS Taiwan purchased NT$242 million of Mosel shares, as described in more detail in the risk factor below. In April 2003, ChipMOS Taiwan purchased from third-party bondholders NT$570 million worth of index bonds due in 2003 of Mosel, as described in more detail in Related Party Transactions Other Related Party Transactions Mosel Vitelic Inc. If we acquire debt or other securities of Mosel in the future, there can be no assurance that we will be able to resell such securities or otherwise recoup any or all of our money used to acquire them.

ChipMOS Taiwan entered into certain transactions that, if determined to have constituted impermissible financings or purchases of assets or equity of Mosel under ROC law, could result in the resignations of members of our management. As a result, our business operations could be disrupted and the market price of our shares could decline.

ROC law limits the ability of a company incorporated in Taiwan to purchase any equity interest in companies, directly or indirectly, holding more than 50% of its issued and outstanding voting securities or registered capital or to provide loans or other financing to any company.

During 2002, ChipMOS Taiwan engaged in certain transactions as described in more detail in Related Party Transactions Certain Transactions in 2002.

In addition, ChipMOS Taiwan purchased NT$242 million worth of Mosel shares in 2002, the market value of which as of June 14, 2004 was approximately NT$39 million. See notes 4 and 20 to our consolidated financial statements included in this prospectus for details of the allowances for loss we have made in 2002 and 2003 against this and other short-term investments.

In 2003, ChipMOS Taiwan took a pledge of 2,360,000 ChipMOS Bermuda shares from Prudent Holdings Group Ltd., or Prudent, as collateral for Prudent s obligations to ChipMOS Taiwan under a credit assignment agreement, as described in more detail in Related Party Transactions Other Related Party Transactions Best Home Corp. Ltd.

Lee and Li, our ROC counsel, has advised us that these transactions do not violate relevant ROC law provisions prohibiting a subsidiary from buying or taking collateral in shares of companies holding, directly or indirectly, more than 50% of its issued and outstanding voting securities or registered capital because Mosel s indirect interest (calculated as the product of (a) Mosel s percentage interest in ChipMOS Bermuda and (b) ChipMOS Bermuda s percentage interest in ChipMOS Taiwan) in ChipMOS Taiwan was less than 50% and ChipMOS Bermuda is incorporated outside of Taiwan. However, we understand that there is no applicable judicial precedent and there is some doubt as to how a court would rule if presented with the situation.

If it were to be determined that any of the transactions described above constituted an impermissible financing or purchase of assets of Mosel by ChipMOS Taiwan, or an impermissible purchase of Mosel s equity by ChipMOS Taiwan, or an impermissible pledge of ChipMOS Bermuda s equity to ChipMOS Taiwan, then ChipMOS Taiwan s then chairman and any responsible officers would be jointly and severally liable to ChipMOS Taiwan for any losses suffered by ChipMOS Taiwan and may also be severally liable criminally for any breach of fiduciary duties that resulted in losses and damages suffered by ChipMOS Taiwan.

Moreover, certain of these transactions may not have been in full compliance with ChipMOS Taiwan s then applicable internal procedures due to the failure to have received an appropriate valuation opinion prior to entering into such purchases. The failure to comply fully with ChipMOS Taiwan s then applicable internal procedures could constitute evidence of a failure by the then chairman of ChipMOS Taiwan and responsible officers to comply fully with their fiduciary duties, which could result in them being held criminally liable for any breach of fiduciary duties that resulted in losses and damages to ChipMOS Taiwan.

If members of our current management were held to have breached their fiduciary duties or become criminally liable for the transactions described above, they may become obliged, whether under law or otherwise,

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to resign from their respective positions at ChipMOS Bermuda and our affiliates. Any loss of the services of these persons could disrupt our business, damage our reputation, and cause the market price of our shares to decline.

The ongoing criminal investigation involving Mr. Hung-Chiu Hu, our former chairman, could have a material adverse effect on our business or cause our stock price to decline.

Mr. Hung-Chiu Hu, who resigned as our chairman on May 19, 2004 but remains as our director, is currently being investigated by the Taipei Prosecutor Office. We understand that the investigation was initiated after certain directors of Pacific Electric Wire & Cable Co. Ltd., or Pacific Electric, a company incorporated in Taiwan and, until April 28, 2004, listed on the Taiwan Stock Exchange, filed a complaint in February 2004 with the Taipei Prosecutor Office against Mr. Hu alleging that he embezzled certain corporate funds and misappropriated certain assets while he was an executive vice president and a director of Pacific Electric. Pacific Electric and its directors have also filed similar lawsuits against certain former directors and officers of Pacific Electric s subsidiaries. Mr. Hu has informed us that he believes the allegations are without merit and that he will vigorously defend himself. On March 26, 2004, Mr. Hu filed a criminal complaint for false accusation with the Taipei Prosecutor Office against one of the directors who Mr. Hu believes was involved in the filing of the complaint against him. If the Taipei Prosecutor Office decides to prosecute Mr. Hu upon concluding the investigation and if such prosecution results in a conviction of Mr. Hu by a court, Mr. Hu may be barred from acting as an officer or director of any company incorporated in Bermuda or in Taiwan, which would include ChipMOS Bermuda and ChipMOS Taiwan, respectively. Any adverse publicity from this investigation or the potential indictment or conviction of Mr. Hu could have a material adverse effect on our business or cause our stock price to decline.

Potential conflicts of interest with our major shareholder and its affiliates may cause us to turn down orders from other customers.

As of April 30, 2004, Mosel indirectly held a 43.7% interest in us through its wholly-owned subsidiary Giant Haven Investments Ltd., and its indirectly held subsidiary, Mou-Fu Investment Ltd. Subsequent to this offering, Mosel will indirectly hold a 24.1% interest in us (or a 21.9% interest if the over-allotment option is exercised in full) (assuming no issuances of shares pursuant to share option exercises subsequent to April 30, 2004). Prior to the transfer by Mosel of all of its DRAM business in the period from July to December 2003 to its affiliate, ProMOS, Mosel designed and manufactured semiconductor products, including static random access memory, or SRAM, and flash memory. Its affiliate, ProMOS, in which Mosel held a 18.0% interest as of April 30, 2004, designs and manufactures DRAM.

Mosel, with its significant ownership interest in us, has the ability to influence our major business decisions, including the allocation of testing and assembly service capacities and the development of our testing and assembly technologies. Mosel s involvement in the semiconductor business may lead to conflicts of interest in providing testing and assembly services to our other customers. Such a situation could damage our relationship with our other customers and could encourage them to divert their business with us to our competitors. In addition, some of our directors also hold positions at Mosel. As a result, conflicts of interest between their duty to Mosel and us may arise. For an example of such a conflict of interest, see Risks Relating to Countries in Which We Conduct Operations The investment in Mainland China by our controlled consolidated subsidiary, Modern Mind, through ChipMOS Shanghai, and the related contractual arrangements may result in Mosel violating ROC laws governing investments in Mainland China by ROC companies or persons. Any sanctions on Mosel as a result of any violation of ROC laws may cause Mosel to decrease its ownership in us significantly or cause Mosel to take other actions that may not be in the best interest of our other shareholders. We cannot assure you that when conflicts of interest arise, Mosel s directors on our board will act completely in our interests, or that conflicts of interest will be resolved in our favor. These conflicts may result in the loss of existing or potential customers.

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If Mosel experiences significant liquidity and other financial difficulties, it may pledge or sell its interests in us, which could result in a change of control in our company and could cause our stock price to decline.

In 2000, 2001, and 2002, Mosel experienced significant liquidity and other financial difficulties. While Mosel s financial condition and results of operations have stabilized, it may need to pledge or sell our common shares to obtain additional capital if its financial condition and results of operations were again to deteriorate. Any pledge or sale of our common shares by Mosel could result in a change of control in our company and could affect the market price of our common shares.

Potential defaults by Mosel under the terms of the joint venture agreement between Mosel and Siliconware Precision regarding the operation of ChipMOS Taiwan could harm our relationship with Mosel or require us to dilute our shareholding in ChipMOS Taiwan.

Under the terms of the joint venture agreement between Mosel and Siliconware Precision regarding the operation of ChipMOS Taiwan, Mosel has agreed to cooperate with Siliconware Precision to ensure that the shares of ChipMOS Taiwan are listed on the Taiwan Stock Exchange, the GreTai Securities Market or any other stock exchange. Mosel has also agreed to maintain at least a 28.8% equity interest in ChipMOS Taiwan for five years after such listing. We currently have no plans to list ChipMOS Taiwan, and Mosel currently has no direct equity interest in ChipMOS Taiwan. There can be no assurance that Siliconware Precision may not in the future seek to enforce against Mosel its obligations under the joint venture agreement. Remedies for breaches by Mosel of, or non-compliance by Mosel with, the terms of the joint venture agreement may include damages, the right of Siliconware Precision to purchase from Mosel additional shares of ChipMOS Taiwan or the right of Siliconware Precision to sell to Mosel its shares of ChipMOS Taiwan. Any litigation or any payments that Mosel will be required to make could strain Mosel s resources or adversely affect its financial condition, which could in turn adversely affect our relationship with Mosel. Any transfer of ChipMOS Taiwan shares could affect Mosel s ownership interests in and its exercise of significant control over ChipMOS Taiwan or us. As a result of any breach by Mosel of the joint venture agreement, Siliconware Precision s right to purchase ChipMOS Taiwan shares from Mosel would be limited to the number of ChipMOS Taiwan shares then owned by Mosel, and Siliconware Precision would be entitled to require Mosel to purchase all of the ChipMOS Taiwan shares then owned by Siliconware Precision. There can be no assurance that resolution of any disputes between Siliconware Precision and Mosel in this regard will not have an adverse effect on our business or financial condition.

Risks Relating to Countries in Which We Conduct Operations

The investment in Mainland China by our controlled consolidated subsidiary, Modern Mind, through ChipMOS Shanghai, and the related contractual arrangements may result in Mosel violating ROC laws governing investments in Mainland China by ROC companies or persons. Any sanctions on Mosel as a result of any violation of ROC laws may cause Mosel to decrease its ownership in us significantly or cause Mosel to take other actions that may not be in the best interest of our other shareholders.

ROC laws and regulations prohibit any investment by ROC entities in Mainland China in the semiconductor testing and assembly industry. Investment is defined for this purpose to mean:

- establishing a new company or enterprise in Mainland China;
- increasing one s equity interest in an existing company or enterprise in Mainland China;

acquiring shares of an existing company or enterprise in Mainland China, excluding shares of companies that are publicly traded; or

establishing or expanding a branch office in Mainland China.

We provide our services in Mainland China through ChipMOS Shanghai, a company incorporated under the laws of the PRC and a wholly-owned subsidiary of Modern Mind. Modern Mind is a company incorporated

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under the laws of the British Virgin Islands and is wholly owned by Jesper Limited, a company incorporated under the laws of the British Virgin Islands. While we do not own any equity interest in Modern Mind, we control Modern Mind through our ownership of a convertible note issued by Modern Mind, convertible into a controlling equity interest in Modern Mind at a conversion rate of one common share of Modern Mind for every US$1.00 if repayment is not made when due. Under accounting principles that are applicable to us, Modern Mind is our controlled consolidated subsidiary. We are currently in the process of restructuring our control of ChipMOS Shanghai and our Mainland China operations, which is expected to be implemented as of the closing of this offering. We currently expect to replace the outstanding US$37.5 million convertible note previously issued by Modern Mind in its entirety with US$97.5 million demand notes, with the additional amount representing a US$60 million loan that we currently expect to extend to Modern Mind from the net proceeds of this offering. The demand notes will be convertible at any time into common shares representing immediately after the conversion almost 100% of the then outstanding common shares of Modern Mind at a conversion rate of US$1.00 for each common share of Modern Mind. In addition, we will obtain from Jesper Limited an irrevocable option to acquire the common shares of Modern Mind then owned by Jesper Limited. Payment under the demand notes will be fully and unconditionally guaranteed by Jesper Limited and secured by a security interest in the entire equity interest in Modern Mind and ChipMOS Shanghai. We are also in the process of implementing certain additional contractual arrangements with regard to ChipMOS Shanghai. Please see Business Our Structure and History Modern Mind Technology Limited and ChipMOS TECHNOLOGIES (Shanghai) LTD. and Business Restructuring of Our Control of Modern Mind and ChipMOS Shanghai for further details on these contractual arrangements.

As the regulations described above are applicable only to entities organized within the ROC with respect to specified investments in Mainland China made by these entities, in the opinion of Lee and Li, our ROC counsel, ChipMOS Bermuda s indirect control over ChipMOS Shanghai through the ownership of convertible notes or demand notes issued by Modern Mind and the above contemplated contractual arrangements are in compliance with all existing ROC laws and regulations. There are, however, substantial uncertainties regarding the interpretation and application of ROC laws and regulations, including the laws and regulations governing the enforcement and performance of our contractual arrangements. Accordingly, we cannot assure you that ROC regulatory authorities will not take a view contrary to the opinion of our ROC counsel.

In addition, under current applicable ROC regulations, if a company incorporated in the ROC has directly or indirectly invested in a company incorporated outside of the ROC and has controlling power over the management and operations of that non-ROC company, an investment by the non-ROC company in the PRC will constitute an investment by the ROC shareholder that is subject to ROC laws and regulations. As a result, for the purposes of these regulations, any investment (within the meaning of the ROC laws regulating investments in Mainland China) by ChipMOS Bermuda in ChipMOS Shanghai may be deemed to be an investment in Mainland China by Mosel, if Mosel is determined to have controlling power over our management and operations. While the regulations do not define what constitutes controlling power over management and operations, we understand from our ROC counsel, Lee and Li, based on the verbal indication of officials at the Investment Commission of the ROC Ministry of Economic Affairs, or the Investment Commission, that Mosel may be considered to have controlling power over our management and operations because it owns more than 10% of our common shares and has representatives on our board of directors. Any conversion of the convertible notes or demand notes into shares of Modern Mind or other acquisition of shares of Modern Mind or ChipMOS Shanghai by ChipMOS Bermuda may be deemed an investment subject to the prohibitions described in the first paragraph of this risk factor. As a result, so long as Mosel is deemed to have controlling power over ChipMOS Bermuda s management and operations, ChipMOS Bermuda may have to choose not to convert its convertible notes or demand notes into common shares of Modern Mind in order to avoid any violations by Mosel under these regulations. As a result, any significant ownership of our common shares by Mosel could materially and adversely restrict our ability and flexibility in structuring our investment in Mainland China and thereby affect our business prospects.

If Mosel were determined to be in violation of the applicable ROC laws and regulations governing investments in Mainland China, Mosel may be ordered by the Investment Commission to cease such investment

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activities in Mainland China within a specified period of time and may be subject to a fine of between NT$50,000 and NT$25 million. Mosel could comply with the order of the Investment Commission either by causing us to terminate our investment activities in Mainland China or by taking actions that will cause Mosel to cease having controlling power over our management and operations. If Mosel does not comply with the order of the Investment Commission, the ROC government can impose on the chairman of Mosel up to two years imprisonment, a fine of up to NT$25 million, or both. We cannot provide any assurance that any actions taken by Mosel to address any orders by the Investment Commission will be in the best interest of our other shareholders. See Risks Relating to Our Relationship with Mosel Potential conflicts of interest with our major shareholder and its affiliates may cause us to turn down orders from other customers. Any termination or disposal of ChipMOS Shanghai s operations in Mainland China could have a material adverse effect on our financial condition, results of operations or prospects, as well as the market price of our common shares.

ROC laws and regulations prohibit certain technology cooperation between ROC persons or entities with PRC persons or entities, and our current technology transfer arrangements between ChipMOS Bermuda and ChipMOS Shanghai may be found to be in violation of such prohibition, which may result in the termination of such technology transfer arrangements and therefore have a material adverse effect on the operations of ChipMOS Shanghai and our financial condition and results of operations.

ROC laws and regulations prohibit any transfer of semiconductor testing and assembly technologies to any person or entity located in Mainland China. The ROC Ministry of Economic Affairs has the ultimate administrative authority in interpreting such laws and regulations. Under a technology transfer agreement, dated August 1, 2002, ChipMOS Bermuda licensed to ChipMOS Shanghai testing and assembly-related technologies that ChipMOS Bermuda controlled at that time, which included technologies that ChipMOS Bermuda had licensed from ChipMOS Taiwan. ChipMOS Bermuda also provided technical support and consulting services under this agreement to ChipMOS Shanghai. On April 7, 2004, ChipMOS Bermuda entered into an assignment agreement with ChipMOS Taiwan, pursuant to which ChipMOS Taiwan transferred all of the technologies it owned to ChipMOS Bermuda, including those previously licensed to ChipMOS Bermuda. ChipMOS Bermuda will continue to license such technologies to ChipMOS Shanghai pursuant to the above mentioned technology transfer agreement dated August 1, 2002.

In the opinion of Lee and Li, our ROC counsel, our technology transfer arrangements after April 7, 2004 as described above are in compliance with all applicable ROC laws and regulations. However, substantial uncertainties regarding the interpretation and application of those laws and regulations exist. Accordingly, we cannot assure you that ROC regulatory authorities will not take a view contrary to the opinion of our ROC counsel.

If ChipMOS Taiwan were determined to be in violation of applicable ROC laws and regulations governing technology cooperation with PRC persons and entities, ChipMOS Taiwan may be ordered by the Investment Commission to terminate such activity within a specified period of time and may be subject to a fine of between NT$50,000 and NT$25 million. In addition, if ChipMOS Taiwan does not comply with the order of the Investment Commission, the ROC government can impose on the chairman of ChipMOS Taiwan up to two years imprisonment, a fine of up to NT$25 million, or both. Any termination of our current technology transfer to ChipMOS Shanghai could materially adversely affect our Mainland China operations and our financial condition, results of operations or prospects, as well as the market price of our common shares.

Our current ownership structure and contractual arrangements and our contemplated contractual arrangements with Jesper Limited, Modern Mind and ChipMOS Shanghai may not be effective in providing operational control of our Mainland China operations.

We provide our services in Mainland China through ChipMOS Shanghai, a wholly-owned subsidiary of Modern Mind. While we do not own any equity interest in Modern Mind, we have a controlling interest in Modern Mind through our ownership of a convertible note issued by Modern Mind. We are currently in the

process of restructuring our control of ChipMOS Shanghai and the way we provide our services in Mainland China through contractual arrangements with Jesper Limited, Modern Mind, and ChipMOS Shanghai. See The investment in Mainland China by our controlled consolidated subsidiary, Modern Mind, through ChipMOS Shanghai, and the related contractual arrangements may result in Mosel violating ROC laws governing investments in Mainland China by ROC companies or persons. Any sanctions on Mosel as a result of any violation of ROC laws may cause Mosel to decrease its ownership in us significantly or cause Mosel to take other actions that may not be in the best interest of our other shareholders and Business Restructuring of Our Control of Modern Mind and ChipMOS Shanghai for further details on these contractual arrangements. These contractual arrangements, however, may not be as effective in providing control over our Mainland China operations as would direct ownership in ChipMOS Shanghai.

Our ability to direct the operations we conduct through our subsidiaries and affiliated companies that we do not fully own may be limited by legal duties owed to other shareholders of such companies.

We conduct almost all of our operations through companies that we do not fully own. For example, almost all of our current consolidated operations are conducted through ChipMOS Taiwan, our 70.3% subsidiary, Chantek, ChipMOS Taiwan s 34.2% subsidiary as of April 30, 2004, ThaiLin, ChipMOS Taiwan s 35.2% subsidiary as of April 30, 2004, and ChipMOS Shanghai, in which we exercise control without holding any direct or indirect equity interest. We also conduct other activities through our affiliated entities. In accordance with the various laws of the relevant jurisdictions in which our subsidiaries and affiliates are organized, each of our subsidiaries and affiliates and their respective directors owe various duties to their respective shareholders. As a result, the actions we wish our subsidiaries or affiliates to take could be in conflict with their or their directors legal duties owed to their other shareholders. When those conflicts arise, our ability to cause our subsidiaries or affiliates to take the action we desire may be limited.

Any future outbreak of severe acute respiratory syndrome or other new or unusual diseases may materially affect our operations and business.

An outbreak of a contagious disease such as severe acute respiratory syndrome, for which there is no known cure or vaccine, may potentially result in a quarantine of infected employees and related persons, and affect our operations at one or more of our facilities. We cannot predict at this time the impact any future outbreak could have on our business and results of operations.

Strained relations between the Republic of China and the People s Republic of China could negatively affect our business and the market price of our shares.

Our principal executive offices and most of our testing and assembly facilities are located in Taiwan. The ROC has a unique international political status. The PRC regards Taiwan as a renegade province and does not recognize the legitimacy of the ROC. Although significant economic and cultural relations have been established during recent years between the ROC and the PRC, relations have often been strained. The government of the PRC has not renounced the use of military force to gain control over Taiwan, particularly under what it considers as highly provocative circumstances, such as a declaration of independence by Taiwan or the refusal by the ROC to accept the PRC s stated one China policy. Past developments in relations between the ROC and the PRC have on occasion depressed the market prices of the securities of Taiwanese or Taiwan related companies, including our own. Relations between the ROC and the PRC and other factors affecting military, political or economic conditions in Taiwan could have a material adverse effect on our financial condition and results of operations, as well as the market price and the liquidity of our common shares.

Any political or economic destabilization of the ROC could negatively affect our stock price, our business and results of operations.

In the Taiwan presidential elections held on March 20, 2004, the pro-independence Democratic Progressive Party won by a very narrow margin. The losing Kuomintang-People s First Party alliance has challenged the

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validity of the election results and a recount was conducted from May 10, 2004 to May 18, 2004, but the Taiwan High Court has not yet released the results of the recount. Since the election, the market prices of the securities of many Taiwanese and Taiwan related companies listed on the Taiwan Stock Exchange or foreign securities exchanges, including our own, have been adversely affected. There is no assurance that the uncertainty caused by the challenge to the presidential elections and the outcome of the recount will not result in further political or economic destabilization. Any further political or economic destabilization of the ROC could negatively affect our stock price, our business and results of operations.

We are vulnerable to disasters and other events disruptive to our business and operations.

We currently provide most of our testing services through our facilities in the Hsinchu Industrial Park and the Hsinchu Science Park in Taiwan and all of our assembly services through our facility in the Southern Taiwan Science Park in Taiwan. Significant damage or other impediments to these facilities as a result of natural disasters, industrial strikes or industrial accidents could significantly increase our operating costs.

Taiwan is particularly susceptible to earthquakes. For example, in late 1999, Taiwan suffered severe earthquakes that caused significant property damage and loss of life, particularly in the central part of Taiwan. These earthquakes damaged production facilities and adversely affected the operations of many companies involved in the semiconductor and other industries. We experienced NT$1 million in damages to our machinery and equipment, NT$6 million in damages to our facilities, NT$1 million in damages to our inventory and five days of delay in our production schedule as a result of these earthquakes.

In addition, the production facilities of many of our suppliers and customers and providers of complementary semiconductor manufacturing services, including foundries, are located in Taiwan. If our customers are affected, it could result in a decline in the demand for our testing and assembly services. If our suppliers and providers of complementary semiconductor manufacturing services are affected, our production schedule could be interrupted or delayed. As a result, a major earthquake, natural disaster or other disruptive event in Taiwan could severely disrupt the normal operation of business and have a material adverse effect on our financial condition and results of operations.

Risks Relating to Our Holding Company Structure

Our ability to receive dividends and other payments from our subsidiaries may be restricted by commercial, statutory and legal restrictions, and thereby materially adversely affect our ability to grow, fund investments, make acquisitions, pay dividends, and otherwise fund and conduct our business.

We are a holding company, and our most significant asset is our ownership interest in ChipMOS Taiwan. Although we control ChipMOS Shanghai through Modern Mind, we do not hold any equity interest in these entities due to ROC regulatory restrictions on investments in Mainland China. As long as we do not hold any equity interest in these entities, we are not entitled to any dividends distributed by these entities and our contractual arrangements may not effectively prevent these entities from declaring any dividends to their shareholders. Dividends we receive from our subsidiaries, if any, will be subject to taxation. The ability of our subsidiaries to pay dividends, repay intercompany loans from us or make other distributions to us is restricted by, among other things, the availability of funds, the terms of various credit arrangements entered into by our subsidiaries, as well as statutory and other legal restrictions. In addition, although there are currently no foreign exchange control regulations which restrict the ability of our subsidiaries located in Taiwan to distribute dividends to us, we cannot assure you that the relevant regulations will not be changed and that the ability of our subsidiaries to distribute dividends to us will not be restricted in the future. A Taiwan company is generally not permitted to distribute dividends or to make any other distributions to shareholders for any year in which it did not have either earnings or retained earnings (excluding reserves). In addition, before distributing a dividend to shareholders following the end of a fiscal year, the company must recover any past losses, pay all outstanding taxes and set aside 10% of its annual net income (less prior years losses and outstanding taxes) as a legal reserve

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until the accumulated legal reserve equals its paid-in capital, and may set aside a special reserve. In addition, PRC law requires that our PRC-incorporated subsidiary only distributes dividends out of its net income, if any, as determined in accordance with PRC accounting standards and regulations. Under PRC law, it is also required to set aside at least 10% of its after-tax net income each year into its reserve fund until the accumulated legal reserve amounts to 50% of its registered capital. PRC-incorporated companies are further required to maintain a bonus and welfare fund at percentages determined at their sole discretion. The reserve fund and the bonus and welfare fund are not distributable as dividends. Any limitation on dividend payments by our subsidiaries could materially adversely affect our ability to grow, fund investments, make acquisitions, pay dividends, and otherwise fund and conduct our business.

Our ability to make further investments in ChipMOS Taiwan may be dependent on regulatory approvals. If ChipMOS Taiwan is unable to receive the equity financing it requires, its ability to grow and fund its operations may be materially adversely affected.

As ChipMOS Taiwan is not a listed company, it generally depends on us to meet its equity financing requirements. Any capital contribution by us to ChipMOS Taiwan may require the approval of the relevant ROC authorities. For example, any capital contribution by us to ChipMOS Taiwan will require the approval of the authorities of the Science Park Administration. We may not be able to obtain any such approval in the future in a timely manner, or at all. If ChipMOS Taiwan is unable to receive the equity financing it requires, its ability to grow and fund its operations may be materially adversely affected.

Risks Relating to Our Common Shares

Our common shares are subject to removal from the Nasdaq National Market if our common shares fail to maintain a minimum bid price of US$1.00.

Under the rules of the Nasdaq National Market, our common shares are subject to removal if the minimum bid price for our common shares fails to remain at or above US$1.00 for a period of 30 consecutive business days. On six days in May 2003, the market price of our common shares dropped below US$1.00. We can give no assurance that the bid price of our common shares will remain above US$1.00.

Volatility in the price of our common shares may result in shareholder litigation that could in turn result in substantial costs and a diversion of our management s attention and resources.

The financial markets in the United States and other countries have experienced significant price and volume fluctuations, and market prices of technology companies have been and continue to be extremely volatile. Volatility in the price of our common shares may be caused by factors outside of our control and may be unrelated or disproportionate to our results of operations. In the past, following periods of volatility in the market price of a public company s securities, shareholders have frequently instituted securities class action litigation against that company. Litigation of this kind could result in substantial costs and a diversion of our management s attention and resources.

Certain provisions in our bye-laws make the acquisition of us by another company more difficult and therefore may delay, defer or prevent a change of control.

Our bye-laws provide that our board of directors is divided into three classes of directors, each class to be re-elected only once every three years. As a result, shareholders would not generally be able to replace a majority of the directors until after two annual general meetings. In addition, any extraordinary corporate transaction such as a merger, amalgamation or consolidation, or a sale or transfer of all or substantially all of our assets, cannot be done without the approval of shareholders representing 70% of all votes present at a general meeting called to consider such extraordinary transaction.

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Future sales or issuance of common shares by us or our current shareholders could depress our share price and you may suffer dilution.

Sales of substantial amounts of shares in the public market, or the perception that future sales may occur following the quotation of our common shares on the Nasdaq National Market, could depress the prevailing market price of our shares. As of April 30, 2004, we had approximately 60 million shares outstanding, approximately 21 million shares of which are currently freely tradeable within the United States without restriction or further registration under the Securities Act of 1933.

In addition, we plan to issue, from time to time, additional shares in connection with employee compensation and to finance possible future investments or acquisitions. The issuance of additional shares may have a dilutive effect on other shareholders and may cause the price of our common shares to decrease. See Management Share Option Plan for a discussion of the Share Option Plan that we have adopted for the benefit of all of our directors, officers, employees and consultants.

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USE OF PROCEEDS

Our net proceeds from this offering will be approximately US$137 million, or approximately US$158 million if the underwriters exercise the over-allotment option in full, assuming an offering price of US$8.42, based on the last reported sale price on June 10, 2004, and after deducting underwriting discounts and estimated offering expenses.

We intend to use our net proceeds from this offering as follows:

- US$60 million to finance the purchase by ChipMOS Far East of equipment to be consigned or leased to ChipMOS Shanghai;
- US$60 million as a loan to Modern Mind to finance:
  - repayment of approximately US$10 million outstanding debt of Modern Mind;
  - US$50 million capital contribution to ChipMOS Shanghai for the repayment of approximately RMB20 million (US$2 million based on an exchange rate of RMB8.28 per US$1.00 as of March 31, 2004) outstanding bank debt of ChipMOS Shanghai with the remainder for ChipMOS Shanghai s facility construction costs; and
- the balance to fund our working capital requirements and potential future merger and acquisition activities.

Pending such uses, we will invest the net proceeds in short-term U.S. government or other investment-grade debt securities or interest-bearing bank deposits.

We will not receive any of the proceeds from the sale of our common shares by the selling shareholder in this offering. All of the proceeds from such sale will be for the account of the selling shareholder.

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CAPITALIZATION

The following table sets out our consolidated cash and cash equivalents and capitalization as of March 31, 2004. Our capitalization is presented:

- on an actual basis;
- on an as adjusted basis to reflect:
  - the net proceeds of this offering (assuming a public offering price of US$8.42 per share) after deducting underwriting discounts and the estimated expenses of the offering and applying RMB20 million (US$2 million based on an exchange rate of RMB8.28 per US$1.00 as of March 31, 2004) of the proceeds from the offering to repay bank debt at ChipMOS Shanghai; and
- on a combined adjusted basis to reflect:
  - the net proceeds of this offering (assuming a public offering price of US$8.42 per share) after deducting underwriting discounts and the estimated expenses of the offering and applying RMB20 million (US$2 million based on an exchange rate of RMB8.28 per US$1.00 as of March 31, 2004) of the proceeds from the offering to repay bank debt at ChipMOS Shanghai;
  - the repayment of NT$1,216 million short-term bank loans by ChipMOS Taiwan in April 2004 through the disposal of short-term investments and cash and cash equivalents;
  - the issuance of 31,697 common shares in April 2004 pursuant to the exercise of employee share options;
  - the increase in consolidated debt resulting from the merger of PlusMOS Technologies Inc. into CHANTEK ELECTRONIC CO., LTD., or Chantek, effective April 1, 2004, with Chantek as the surviving entity, which we are required to consolidate subsequent to the completion of the merger on April 1, 2004; and
  - the merger of WORLD-WIDE TEST Technology Inc. into ChipMOS Logic TECHNOLOGIES INC., or ChipMOS Logic, effective April 30, 2004, with ChipMOS Logic as the surviving entity, which does not have any significant impact on our capitalization.

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This table should be read in conjunction with our audited consolidated financial statements as of December 31, 2002 and 2003 and for the years ended December 31, 2001, 2002 and 2003, our unaudited consolidated financial statements as of March 31, 2004 and for the quarters ended March 31, 2003 and 2004, the related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this prospectus. All of our long-term liabilities consist of either secured or unguaranteed and unsecured long-term debt. Other than as adjusted for in the following table, there has been no material change in our long-term debt and shareholders equity since March 31, 2004.

	As of March 31, 2004 (unaudited)					
	Actual		As adjusted for this offering		As adjusted combined	
	NT$	US$	NT$ (in millions)	US$	NT$	US$
Cash and cash equivalents	$ 1,351.0	40.9	5,788.8	$ 175.4	$ 5,700.8	$ 172.8
Long-term debt (excluding current portion of long-term debt)						
Secured long-term debt	2,208.0	66.9	2,208.0	66.9	2,474.6	75.0
Unguaranteed and unsecured long-term debt	597.1	18.1	597.1	18.1	597.1	18.1
Total long-term debt	2,805.1	85.0	2,805.1	85.0	3,071.7	93.1
Shareholders equity						
(US$0.01 par value per common share, 59,828,538 shares issued as of March 31, 2004, 59,860,235 as of April 30, 2004, and 77,360,235 shares issued and outstanding following this offering (assuming over-allotment option is not exercised))	19.6	0.6	25.4	0.8	25.4	0.8
Capital surplus	7,751.3	234.9	12,262.5	371.6	12,344.6	374.1
Option warrants	75.9	2.3	75.9	2.3	136.4	4.1
Deferred compensation	(34.3)	(1.0)	(34.3)	(1.0)	(92.4)	(2.8)
Retained earnings (accumulated deficits)	44.5	1.3	44.5	1.3	271.5	8.2
Treasury stock	0.4		0.4		0.4	
Cumulative translation adjustments	(69.9)	(2.1)	(69.9)	(2.1)	(55.5)	(1.7)
Total shareholders equity	7,787.5	236.0	12,304.5	372.9	12,630.4	382.7
Total capitalization	$ 10,592.6	$ 321.0	$ 15,109.6	$ 457.9	$ 15,702.1	$ 475.8

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SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth our selected consolidated financial data. The selected consolidated balance sheet data as of December 31, 2002 and 2003 and our consolidated statement of operations and cash flows data for 2001, 2002 and 2003 are derived from our audited consolidated financial statements included in this prospectus, and should be read in conjunction with the section of this prospectus entitled Management s Discussion and Analysis of Financial Condition and Results of Operations and our audited consolidated financial statements and related notes beginning on page F-1 of this prospectus. These audited consolidated financial statements have been audited by Moore Stephens. The selected consolidated balance sheet data as of December 31, 1999, 2000 and 2001 and the consolidated statement of operations and cash flows data for the years ended December 31, 1999 and 2000 are derived from our audited consolidated financial statements not included in this prospectus. The selected consolidated balance sheet data as of March 31, 2004 and our consolidated statement of operations and cash flows data for the quarters ended March 31, 2003 and 2004 are derived from our unaudited consolidated financial statements included in this prospectus, and should be read in conjunction with the section of this prospectus entitled Management s Discussion and Analysis of Financial Condition and Results of Operations, our audited consolidated financial statements and the related notes and our unaudited consolidated financial statements and the related notes beginning on page F-1 of this prospectus. Our consolidated financial statements have been prepared and presented in accordance with ROC GAAP, which differs in some material respects from US GAAP. Please see Note 27 to our audited consolidated financial statements for a description of the principal differences between ROC GAAP and US GAAP for the periods covered by the audited consolidated financial statements. There are no material variations in the accounting principles, practices and methods used in preparing the unaudited consolidated financial statements as of March 31, 2004 and for the quarters ended March 31, 2003 and 2004 from US GAAP other than those disclosed in Note 27 to our audited consolidated financial statements. A reconciliation between US GAAP and ROC GAAP has not been included in the notes to the unaudited consolidated financial statements. The financial data set forth below have been presented as if (1) we had been in existence since July 28, 1997, and (2) we acquired our interest in ChipMOS Taiwan on July 28, 1997.

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	Year ended December 31,						Three Months ended March 31, (1) (unaudited)		
	1999	**2000**	**2001**	**2002**	**2003**	**2003**	**2003**	**2004**	**2004**
	NT$	**NT$**	**NT$**	**NT$**	**NT$**	**US$**	**NT$**	**NT$**	**US$**
	(in millions, except for share data)								
Consolidated Statement of Operations Data:									
ROC GAAP:									
Net revenue:									
Related parties(2)	$ 4,162.4	$ 5,311.1	$ 3,719.0	$ 3,665.4	$ 5,072.9	$ 153.7	$1,087.1	$ 1,231.8	$ 37.3
Others	2,221.5	2,913.1	1,526.1	2,860.5	3,953.6	119.8	617.4	1,857.9	56.3
Total net revenue	6,383.9	8,224.2	5,245.1	6,525.9	9,026.5	273.5	1,704.5	3,089.7	93.6
Cost of revenue	4,936.4	5,511.0	6,029.3	6,711.7	7,459.5	226.0	1,641.5	1,969.6	59.7
Gross profit (loss)	1,447.5	2,713.2	(784.2)	(185.8)	1,567.0	47.5	63.0	1,120.1	33.9
Operating expenses:									
Research and development	281.7	357.4	408.9	326.8	295.0	9.0	69.2	72.6	2.2
Sales and marketing	84.2	138.0	34.7	37.3	65.4	2.0	7.0	14.2	0.4
General and administrative	169.0	238.5	248.0	310.2	439.9	13.3	143.9	116.3	3.5
Total operating expenses	534.9	733.9	691.6	674.3	800.3	24.3	220.1	203.1	6.1
Income (loss) from operations	912.6	1,979.3	(1,475.8)	(860.1)	766.7	23.2	(157.1)	917.0	27.8
Other income (expenses), net	(67.7)	(106.9)	(77.2)	(397.6)	(77.1)	(2.3)	(51.6)	(11.2)	(0.4)
Income (loss) before income tax and minority interests and interest in bonuses paid by subsidiaries(3)	844.9	1,872.4	(1,553.0)	(1,257.7)	689.6	20.9	(208.7)	905.8	27.4
Income tax benefit (expense)	102.1	(333.4)	(32.4)	(97.9)	29.0	0.9	(25.9)	(77.5)	(2.3)
Income (loss) before minority interests and interest in bonuses paid by subsidiaries(3)	947.0	1,539.0	(1,585.4)	(1,355.6)	718.6	21.8	(234.6)	828.3	25.1
Minority interests	(290.5)	(465.7)	450.5	385.3	(256.9)	(7.8)	38.1	(288.8)	(8.8)
Interest in bonuses paid by subsidiaries(3)	(70.8)	(115.9)							
Pre-acquisition earnings(4)					20.7	0.6			
Net income (loss)	$ 585.7	$ 957.4	$ (1,134.9)	$ (970.3)	$ 482.4	$ 14.6	$(196.5)	$ 539.5	$ 16.3
Earning (loss) per share:									
Basic	$ 13.04	$ 17.76	$ (19.45)	$ (16.49)	$ 8.19	$ 0.25	$(3.34)	$ 9.03	$ 0.27
Diluted	$ 13.04	$ 17.76	$ (19.45)	$ (16.49)	$ 8.12	$ 0.25	$(3.34)	$ 8.99	$ 0.27
Weighted-average number of shares outstanding:									
Basic	44.9	53.9	58.3	58.8	58.9	58.9	58.9	59.8	59.8
Diluted	44.9	53.9	58.3	58.8	59.4	59.4	58.9	60.0	60.0
US GAAP:(5)									
Net income (loss)	$ 631.2	$ 879.8	$ (993.5)	$ (913.4)	$ 485.3	$ 14.7			
Earning (loss) per share:									
Basic	$ 12.65	$ 16.42	$ (17.03)	$ (15.52)	$ 8.24	$ 0.25			
Diluted	$ 12.65	$ 16.42	$ (17.03)	$ (15.52)	$ 8.17	$ 0.25			

Weighted-average number of shares outstanding:						
Basic	49.9	53.6	58.3	58.8	58.9	58.9
Diluted	49.9	53.6	58.3	58.8	59.4	59.4

(1) For the first quarter of 2003, we consolidated the financial results of ChipMOS TECHNOLOGIES INC., or ChipMOS Taiwan, ChipMOS Japan Inc., or ChipMOS Japan, ChipMOS USA Inc., or ChipMOS USA, ChipMOS Far East Limited, or ChipMOS Far East, and Modern Mind Technology Limited, or Modern Mind, and its wholly-owned subsidiary, ChipMOS TECHNOLOGIES (Shanghai) LTD., or ChipMOS Shanghai. For the first quarter of 2004, we also consolidated the financial results of ThaiLin Semiconductor Corp., or ThaiLin, (which have been consolidated since December 1, 2003, the date when ChipMOS Taiwan obtained the controlling influence over ThaiLin s decisions on its operations, personnel and financial policies), and from January 12 and 28, 2004, onwards, the financial results of Advanced Micro Chip Technology Co., Ltd., or AMCT, and ChipMOS Logic TECHNOLOGIES INC., or ChipMOS Logic, respectively.

(2) Related parties include Mosel Vitelic Inc., or Mosel, Siliconware Precision Industries Co., Ltd., or Siliconware Precision, PlusMOS Technologies Inc., or PlusMOS, Ultima Electronics Corp., or Ultima, ProMOS Technologies Inc., or ProMOS, ThaiLin, CHANTEK ELECTRONIC CO., LTD., or Chantek, Best Home Corp. Ltd., or Best Home, DenMOS TECHNOLOGY Inc., or DenMOS, Sun-Fund Securities Ltd., or Sun-Fund, AMCT, Jesper Limited and Prudent Holdings Group Ltd. See Note 20 of the notes to the audited consolidated financial statements. Effective April 1, 2004, PlusMOS was merged into Chantek with Chantek as the surviving entity. See Business Our Structure and History CHANTEK ELECTRONIC CO., LTD. For the first quarter of 2004, related parties also include ChipMOS Logic. Effective April 30, 2004, WORLD-WIDE TEST Technology Inc., or WWT, was merged into ChipMOS Logic with ChipMOS Logic as the surviving entity. See Business Our Structure and History ChipMOS Logic TECHNOLOGIES INC. .

(3) Refers to bonuses to directors, supervisors and employees paid by a subsidiary.

(4) Represents our share of pre-acquisition profits of ThaiLin prior to December 1, 2003, the date when we began to consolidate the accounts of ThaiLin.

(5) Reflects the US GAAP adjustments as described in Note 27 of the notes to the audited consolidated financial statements.

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	As of December 31,						As of March 31, [1] (unaudited)	
	1999	2000	2001	2002	2003	2003	2004	2004
	NT$	NT$	NT$	NT$ (in millions)	NT$	US$	NT$	US$
Consolidated Balance Sheet Data:								
ROC GAAP:								
Current assets:								
Cash and cash equivalents	$ 149.7	$ 1,190.5	$ 1,181.1	$ 2,487.5	$ 1,731.0	$ 52.5	$ 1,351.0	$ 40.9
Restricted cash and cash equivalents	5.0	34.0	234.0	76.9	282.4	8.6	232.3	7.0
Short-term investments	788.0	2,048.2	969.9	874.9	664.3	20.1	2,505.0	75.9
Notes and accounts receivable	2,161.7	1,988.2	1,481.5	1,697.4	2,644.8	80.1	3,001.9	91.0
Other receivables related parties	4.9	19.1	11.6	11.5	266.2	8.1	221.4	6.7
Other receivables third parties	35.6	18.1	10.6	92.3	866.6	26.3	721.8	21.9
Inventories	214.0	325.2	172.3	166.5	335.5	10.2	405.6	12.3
Prepaid expenses and other current assets	57.5	87.6	17.9	223.2	422.2	12.8	462.2	14.0
Total current assets	3,424.4	5,753.9	4,119.6	5,668.7	7,479.7	226.6	9,018.3	273.3
Long-term investments	150.1	280.3	271.4	1,441.9	640.5	19.4	637.5	19.3
Property, plant and equipment, net	7,943.0	12,428.8	10,799.6	10,043.6	11,086.8	336.0	12,131.8	367.7
Intangible assets net	472.8	321.4	155.3	51.9	225.2	6.8	185.5	5.6
Other assets	310.9	178.6	755.4	747.6	233.5	7.1	364.0	11.0
Total assets	12,301.2	18,963.0	16,101.3	17,953.7	19,665.7	595.9	22,337.1	676.9
Current liabilities:								
Short-term bank loans	1,002.1	233.6	1,066.8	2,032.6	1,566.8	47.5	2,113.6	64.0
Current portion of long-term loans	319.3	1,076.3	1,180.0	352.2	692.8	21.0	1,198.2	36.3
Convertible bonds					267.6	8.1	188.3	5.7
Notes and accounts payable	255.0	228.2	120.1	145.4	372.7	11.3	393.3	11.9
Accrued expenses and other current liabilities	197.7	417.7	152.8	465.1	438.0	13.3	318.7	9.7
Total current liabilities	2,450.7	3,209.9	3,021.0	4,083.4	3,951.1	119.7	6,251.7	189.5
Long-term liabilities	2,314.8	3,125.5	1,969.4					