

CHIPMOS TECHNOLOGIES BERMUDA LTD

Form F-3

May 21, 2004

Table of Contents

As filed with the Securities and Exchange Commission on May 21, 2004

Registration No. 333-

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**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**

(State or Other Jurisdiction of Incorporation or Organization)

N/A

(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. "

**CALCULATION OF REGISTRATION FEE**

Title of each class of securities to be registered	Amount to be registered <sup>(1)</sup>	Proposed		Proposed maximum aggregate offering price <sup>(2)</sup>	Amount of registration fee <sup>(3)</sup>
		offering price	maximum		
		per share <sup>(2)</sup>			
Common shares, par value US\$0.01 per share	28,750,000 common shares	US\$ 8.12		US\$ 233,450,000	US\$ 29,578

- (1) Includes (a) all common shares initially offered and sold outside the United States that may be resold from time to time in the United States either as part of the distribution or within 40 days after the later of the effective date of this registration statement and the date the securities are first bona fide offered to the public and (b) any shares sold pursuant to the underwriters' over-allotment option. The common shares are not being registered for the purpose of sales outside of the United States.
- (2) Estimated solely for the purpose of determining the amount of the registration fee in accordance with Rule 457(c) under the Securities Act of 1933 on the basis of the average of the high and low prices of the common shares reported on the Nasdaq National Market on May 20, 2004.
- (3) US\$12,500 was paid in connection with the filing of the registrant's Registration Statement on Form F-1 (File No. 333-13218), which was subsequently withdrawn on May 17, 2001. US\$2,705 required to be paid in respect of the filing fee for the registrant's Registration Statement on Form S-8 (File No. 333-85290) filed with the Securities and Exchange Commission on March 28, 2002 was paid out of this amount. Pursuant to Rule 456 under the Securities Act, the balance of US\$9,795 previously paid by the registrant is hereby applied to pay the filing fee required in connection with this Registration Statement and the remaining US\$19,783 of the filing fee has been sent by wire transfer to the Commission in connection with this filing.

**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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**Table of Contents**

The information contained in this prospectus is not complete and may be changed. Neither we nor the selling shareholder may sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell securities, and neither we nor the selling shareholder is soliciting offers to buy these securities, in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated May 21, 2004

**PROSPECTUS**

**25,000,000 Shares**

**Common Shares**

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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 May 20, 2004 was US\$7.96 per common share.

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

	<u>Per Share</u>	<u>Total</u>
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.

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\_\_\_\_\_, 2004

**Table of Contents**

**TABLE OF CONTENTS**

<u>Forward-Looking Statements</u>	1
<u>Prospectus Summary</u>	3
<u>Risk Factors</u>	9
<u>Use of Proceeds</u>	28
<u>Capitalization</u>	29
<u>Selected Consolidated Financial Information</u>	31
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	35
<u>Business</u>	57
<u>Management</u>	86
<u>Principal Shareholders</u>	90
<u>Changes in Issued Share Capital</u>	91
<u>Selling Shareholder</u>	92
<u>Related Party Transactions</u>	93
<u>Description of Share Capital</u>	99
<u>Dividends and Dividend Policy</u>	103
<u>Exchange Rates</u>	104
<u>Market Price Information for Our Common Shares</u>	105
<u>Common Shares Eligible for Future Sales</u>	106
<u>Certain Foreign Issuer Considerations</u>	107
<u>Taxation</u>	109
<u>Underwriting</u>	114
<u>Legal Matters</u>	121
<u>Experts</u>	122
<u>Enforceability of Civil Liabilities</u>	123
<u>Where You Can Find Additional Information</u>	124
<u>Index to Audited Consolidated Financial Statements</u>	F-1

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**Table of Contents**

**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 December 31, 2003, which was NT\$33.99 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 May 20, 2004, the noon buying rate was NT\$33.59 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 are 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;

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

**Table of Contents**

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.



**Table of Contents**

**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\$266 million) and our net income was NT\$482 million (US\$14 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

**Table of Contents**

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](http://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.

**Table of Contents**

**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 outstanding after this offering	77,360,235 common shares, or 79,985,235 common shares if the over-allotment option is exercised in full <sup>(1)</sup>

Use of proceeds We intend to use our net proceeds of approximately US\$129 million (assuming no exercise of the over-allotment option and an offering price of US\$7.96 based on the last reported sale price on May 20, 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 December 31, 2003) 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

(1) The number of common shares outstanding after this offering does not include any shares issued pursuant to share option exercises subsequent to April 30, 2004.

**Table of Contents****Summary 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. You should read the following information 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. 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 these financial statements.

	Year ended December 31,			
	2001	2002	2003	2003
	NT\$	NT\$	NT\$	US\$
	(in millions, except for share data)			
<b>Consolidated Statement of Operations Data:</b>				
<b>ROC GAAP:</b>				
Net revenue	\$ 5,245.1	\$ 6,525.9	\$ 9,026.5	\$ 265.6
Gross profit (loss)	(784.2)	(185.8)	1,567.0	46.1
Income (loss) from operations	(1,475.8)	(860.1)	766.7	22.6
Net income (loss)	(1,134.9)	(970.3)	482.4	14.2
Earnings (loss) per share:				
Basic	\$ (19.45)	\$ (16.49)	\$ 8.19	\$ 0.24
Diluted	\$ (19.45)	\$ (16.49)	\$ 8.12	\$ 0.24
Weighted-average number of shares outstanding:				
Basic	58.3	58.8	58.9	58.9
Diluted	58.3	58.8	59.4	59.4
<b>US GAAP:<sup>(1)</sup></b>				
Net income (loss)	\$ (993.5)	\$ (913.4)	\$ 485.3	\$ 14.3
Earnings (loss) per share:				
Basic	\$ (17.03)	\$ (15.52)	\$ 8.24	\$ 0.24
Diluted	\$ (17.03)	\$ (15.52)	\$ 8.17	\$ 0.24
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) Reflects US GAAP adjustments as described in Note 27 of the notes to the consolidated financial statements.

**Table of Contents**

	As of December 31,			
	2001	2002	2003	2003
	NT\$	NT\$	NT\$	US\$
<b>Consolidated Balance Sheet Data:</b>				
<b>ROC GAAP:</b>				
Cash and cash equivalents	\$ 1,181.1	\$ 2,487.5	\$ 1,731.0	\$ 50.9
Property, plant and equipment, net	10,799.6	10,043.6	11,086.8	326.2
Total assets	16,101.3	17,953.7	19,665.7	578.6
Total liabilities	5,165.4	8,353.3	7,989.5	235.1
Minority interests	3,336.7	2,887.1	4,428.0	130.3
Total shareholders' equity	7,599.2	6,713.3	7,248.2	213.2
<b>US GAAP<sup>(1)</sup>:</b>				
Cash and cash equivalents	\$ 1,181.1	\$ 2,487.5	\$ 1,731.0	\$ 50.9
Property, plant and equipment, net	10,762.5	10,062.8	11,082.4	326.0
Total assets	16,123.5	18,020.9	19,633.5	577.6
Total liabilities	5,127.6	8,353.6	7,993.7	235.2
Minority interests	3,354.9	2,907.1	4,418.5	130.0
Total shareholders' equity	7,641.0	6,760.2	7,221.3	212.4

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

	Year ended December 31,			
	2001	2002	2003	2003
	NT\$	NT\$	NT\$	US\$
<b>Consolidated Statement of Cash Flows Data:</b>				
<b>ROC GAAP:</b>				
Capital expenditures	\$ 992.0	\$ 2,091.3	\$2,508.2	\$73.8
Depreciation and amortization	2,815.4	2,820.6	2,715.0	79.9
Net cash provided by (used in):				
Operating activities	1,620.5	1,463.7	1,877.1	55.2
Investing activities	(1,409.7)	(3,135.9)	(760.8)	(22.4)
Financing activities	(219.8)	2,978.6	(1,841.5)	(54.2)
Effect of exchange rate changes on cash	(0.4)		(31.4)	(0.9)
Net increase (decrease) in cash	(9.4)	1,306.4	(756.6)	(22.3)

**Table of Contents****Recent Developments**

We recently completed our quarter ended March 31, 2004 and announced certain unaudited summary financial results. The following are our unaudited summary financial results based on ROC GAAP for that period as compared to the same period in 2003.

	<b>Three Months ended March 31,</b>		
	<b>2003</b>	<b>2004</b>	<b>2004</b>
	<b>NT\$</b>	<b>NT\$</b>	<b>US\$</b>
	<b>(in millions, except per share data)</b>		
Net revenue	\$ 1,704.5	\$ 3,089.7	\$ 90.9
Gross profit (loss)	63.0	1,120.1	33.0
Income (loss) from operations	(157.1)	917.0	27.0
Net income (loss)	(196.5)	539.5	15.9
Earnings per share:			
Basic	\$(3.34)	\$9.03	\$ 0.27
Diluted	\$(3.34)	\$8.99	\$ 0.26