

CHIPMOS TECHNOLOGIES BERMUDA LTD

Form 6-K

March 11, 2005

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SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

For the month of March, 2005

ChipMOS TECHNOLOGIES (Bermuda) LTD.

(Translation of Registrant's Name Into English)

No. 1, R&D Road 1

Hsinchu Science Park

Hsinchu, Taiwan

Republic of China

(Address of Principal Executive Offices)

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(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes No

(If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-____ .)

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ChipMOS TECHNOLOGIES (Bermuda) LTD.

(Registrant)

Date: March 11, 2005

By /S/ S.J. Cheng

Name: S. J. Cheng

Title: Chairman & Chief Executive Officer

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EXHIBITS

In connection with the merger on April 30, 2004 between WORLD-WIDE TEST Technology Inc., or WWT, and ChipMOS Logic TECHNOLOGIES INC., or ChipMOS Logic, with ChipMOS Logic as the surviving entity, we file the following documents as exhibits:

**Exhibit
Number**

- | | |
|-----|---|
| 1.1 | Unaudited Financial Statements of WWT as of and for the three months ended March 31, 2003 and 2004 |
| 2.1 | Unaudited Pro Forma Financial Information of ChipMOS TECHNOLOGIES (Bermuda) LTD. and subsidiaries for the six months ended Jun 30, 2004 |

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Exhibit 1.1

WORLD-WIDE TEST TECHNOLOGY INC.BALANCE SHEETS

(EXPRESSED IN THOUSANDS OF DOLLARS)

(Unaudited)

	March 31,		
	2003	2004	
	NTD	NTD	USD
			(Note 2)
ASSETS			
Current Assets			
Cash (Note 4(1))	\$ 25,763	\$ 34,742	\$ 1,053
Short-term investments (Note 4(2))	22	22	1
Notes receivable	6,716	6,420	195
Accounts receivable net (Note 4(3))	37,707	27,533	834
Other receivables	5,044	3,975	120
Other receivable related parties (Note 5)	65,489	42,569	1,290
Other financial assets-current (Note 6)	1,000	1,000	30
Prepayments	5,054	15,878	481
Other current assets (Notes 4(16))	68,750	90,676	2,748
	<u>215,545</u>	<u>222,815</u>	<u>6,752</u>
Funds and Long-term Investments			
(Note 4(4))			
Long-term investments accounted for under the equity method	14,742	1,926	58
Long-term investments accounted for under the cost method	13,896	15,243	462
	<u>28,638</u>	<u>17,169</u>	<u>520</u>
Other financial assets-non-current (Note 6)	<u>12,240</u>		
Property, Plant and Equipment, Net			
(Notes 4(5) and 6)			
Cost			
Land	74,278	74,278	2,251
Buildings	346,564	346,564	10,502
Machinery and equipment	757,792	844,797	25,600
Transportation equipment	2,283	2,283	69
Office equipment	39,716	40,839	1,238
Leased assets	237,084	237,084	7,184
Other equipment	64,709	64,709	1,961

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	1,522,426	1,610,554	48,805
Less: Accumulated depreciation	(487,959)	(753,210)	(22,825)
Prepayment for fixed assets		3,965	120
	<u>1,034,467</u>	<u>861,309</u>	<u>26,100</u>
<u>Other Assets</u>			
Idle assets (Notes 4(6) and 6)	688,601	386,543	11,714
Deposits-out	214	13	
Deferred charges	13,025	1,090	33
Other assets-others (Notes 4(7) and 4 (16))	29,524		
	<u>731,364</u>	<u>387,646</u>	<u>11,747</u>
<u>TOTAL ASSETS</u>	<u>\$ 2,022,254</u>	<u>\$ 1,488,939</u>	<u>\$ 45,119</u>

(Continued)

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Table of ContentsWORLD-WIDE TEST TECHNOLOGY INC.BALANCE SHEETS (CONTINUED)

(EXPRESSED IN THOUSANDS OF DOLLARS)

(Unaudited)

	March 31,		
	2003	2004	
	NTD	NTD	USD
			(Note 2)
<u>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</u>			
<u>Current Liabilities</u>			
Short-term loans (Notes 4(8) and 6)	\$ 269,932	\$	\$
Commercial paper (Note 4(9))	45,000		
Accounts payable	3,045	2,825	85
Accrued expenses (Note 4(10))	96,727	11,310	343
Other payables (Note 4(11))	13,382	1,741,088	52,760
Receipts in advance	22,644	1,613	49
Current portion of long-term loans and leases payable (Note 4(5) and 4(12))	1,354,951		
	<u>1,805,681</u>	<u>1,756,836</u>	<u>53,237</u>
<u>Other Liabilities</u>			
Accrued pension liabilities (Note 4(13))	1,248	2,434	74
<u>TOTAL LIABILITIES</u>	<u>1,806,929</u>	<u>1,759,270</u>	<u>53,311</u>
<u>Stockholders' Equity (Deficit)</u>			
Common stock (Notes 4(14))	1,443,530	1,443,530	43,743
Retained earnings (Note 4(15))			
Accumulated deficit	(1,199,898)	(1,684,282)	(51,039)
Unrealized loss on market value decline of long-term investments	(2,008)	(2,197)	(66)
Cumulative translation adjustments	1,083		
Treasury stock (Note 4(17))	(27,382)	(27,382)	(830)
<u>TOTAL STOCKHOLDERS' EQUITY (DEFICIT)</u>	<u>215,325</u>	<u>(270,331)</u>	<u>(8,192)</u>
<u>Commitments and Contingent Liabilities (Note 7)</u>			
<u>Significant Subsequent Events (Note 9)</u>			
<u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u>	<u>\$ 2,022,254</u>	<u>\$ 1,488,939</u>	<u>\$ 45,119</u>

The accompanying notes are an integral part of the financial statements.

Table of ContentsWORLD-WIDE TEST TECHNOLOGY INC.STATEMENTS OF INCOME

(EXPRESSED IN THOUSANDS OF DOLLARS)

(Unaudited)

	<u>For three months ended March 31,</u>		
	<u>2003</u>	<u>2004</u>	
	<u>NTD</u>	<u>NTD</u>	<u>USD</u>
			<u>(Note 2)</u>
Operating revenues	\$ 36,796	\$ 51,506	\$ 1,560
Discounts and allowances on operating revenues	(14)	(7)	
Net operating revenues	36,782	51,499	1,560
Operating costs	(65,891)	(71,294)	(2,160)
Gross loss	(29,109)	(19,795)	(600)
Operating expenses			
Selling expenses	(638)	(367)	(11)
General and administrative expenses	(13,818)	(27,199)	(824)
Research and development expenses	(7,461)	(6,068)	(184)
	(21,917)	(33,634)	(1,019)
Operating loss	(51,026)	(53,429)	(1,619)
Non-operating income			
Interest income	164	4	
Exchange gain, net	140		
Gain on debt restructure		36,777	1,114
Other income	4,890	3,375	102
	5,194	40,156	1,216
Non-operating expenses			
Interest expense	(23,619)		
Investment loss accounted for under equity method	(7,353)		
Other investment loss	(89,000)		
Loss on disposal of property, plant and equipment		(8,534)	(258)
Exchange loss, net		(1,078)	(33)
Other losses	(32,632)	(85,523)	(2,591)
	(152,604)	(95,135)	(2,882)
Loss before income tax	(198,436)	(108,408)	(3,285)

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Income tax expense (Note 4(16))		(4,240)	(129)
Net loss	\$ (198,436)	\$ (112,648)	\$ (3,414)

The accompanying notes are an integral part of the financial statements.

Table of ContentsWORLD-WIDE TEST TECHNOLOGY INC.STATEMENTS OF CASH FLOWS

(EXPRESSED IN THOUSANDS OF DOLLARS)

(Unaudited)

	<u>For three months ended March 31,</u>		
	<u>2003</u>	<u>2004</u>	
	<u>NTD</u>	<u>NTD</u>	<u>USD</u>
			(Note 2)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Net loss	\$ (198,436)	\$ (112,648)	\$ (3,414)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation	137,420	125,228	3,795
Amortization	7,379	8,206	249
Loss on disposal of long-term investments	3,156		
Investment loss accounted for under the equity method	4,197		
Realized long-term investment loss accounted for under the cost method	89,000		
Loss on disposal of property, plant and equipment		8,534	259
Reversal of allowance for decline in market value of idle assets	(55,375)		
Gain on debt restructure		(36,777)	(1,114)
(Increase) / decrease in assets:			
Notes receivable	(1,388)	(69)	(2)
Accounts receivable	(3,524)	20,622	625
Other receivables	1,659	1,326	40
Other receivables related parties	(3,300)	26,017	788
Prepayments	(2,033)	13,049	395
Deferred income tax assets		4,240	128
Increase / (decrease) in liabilities:			
Accounts payable	2,460	(2,382)	(72)
Accrued expenses	19,138	(9,848)	(298)
Other payables	(959)	(3,379)	(102)
Receipts in advance	(769)	(149)	(5)
Accrued pension liabilities	280	258	8
Net cash (used in) provided by operating activities	<u>(1,095)</u>	<u>42,228</u>	<u>1,280</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in other financial assets- noncurrent		11,790	357
Increase in deferred charges	(1,344)	(862)	(26)
Decrease in deposits-out, net	6,000	80	2
Proceeds from disposal of long-term investment	1,845		
Additions to property, plant and equipment		(5,251)	(159)
Net cash provided by investing activities	<u>6,501</u>	<u>5,757</u>	<u>174</u>

(Continued)

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Table of ContentsWORLD-WIDE TEST TECHNOLOGY INC.STATEMENTS OF CASH FLOWS (CONTINUED)

(EXPRESSED IN THOUSANDS OF DOLLARS)

(Unaudited)

	<u>For three months ended March 31,</u>		
	<u>2003</u>	<u>2004</u>	
	<u>NTD</u>	<u>NTD</u>	<u>USD</u>
			<u>(Note 2)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term loans, net	\$ (261)	\$	\$
Repayment of long-term notes and leases payables	(8,144)	(51,222)	(1,552)
Net cash used in financing activities	<u>(8,405)</u>	<u>(51,222)</u>	<u>(1,552)</u>
Net (decrease) increase in cash	(2,999)	(3,237)	(98)
Cash at beginning of the period	<u>28,762</u>	<u>37,979</u>	<u>1,151</u>
Cash at end of the period	<u>\$ 25,763</u>	<u>\$ 34,742</u>	<u>\$ 1,053</u>
<u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</u>			
Cash paid during the period for:			
Interest	<u>\$</u>	<u>\$</u>	<u>\$</u>
Income tax	<u>\$</u>	<u>\$</u>	<u>\$</u>

The accompanying notes are an integral part of the financial statements.

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WORLD-WIDE TEST TECHNOLOGY INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2003 AND 2004

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,

EXCEPT AS OTHERWISE INDICATED)

1. **HISTORY AND ORGANIZATION**

- 1) World-Wide Test Technology Inc. (the Company) was incorporated on December 18, 1996. The Company is engaged in the research, development, manufacturing, testing, and assembly of integrated circuits.
- 2) The Company suffered recurring losses from operations and as of March 31, 2004. The Company has accumulated deficit of \$1,684,282 and stockholders' deficit of \$270,331. On April 29, 2004, the Company was merged into ChipMOS Logic TECHNOLOGIES INC., a subsidiary of a NASDAQ listed company, ChipMOS TECHNOLOGIES (Bermuda) LTD., and the Company was extinguished from the merger effective on April 30, 2004. The financial statements have been prepared assuming that the Company will continue as a going concern.
- 3) As of March 31, 2003 and 2004, the Company had 160 and 180 employees, respectively.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements were prepared in accordance with generally accepted accounting principles in the Republic of China (R.O.C. GAAP). A summary of significant accounting policies of the Company is as follows:

- 1) **Translation of foreign currencies**

The accounts of the Company are maintained in New Taiwan dollars. Transactions denominated in foreign currencies are translated at the exchange rates at dates of transactions. Receivables, other monetary assets and liabilities denominated in foreign currencies are translated into New Taiwan dollars at the exchange rates prevailing at balance sheet date. Foreign exchange gains or losses are included in the current year's operating results.

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2) Short-term investments

Short-term investments are stated at the lower of aggregate cost or market value. Cost is determined using the acquisition cost. The market value of listed stocks is determined based on the average closing price during the last month of the accounting period, and the market value of open-ended funds is based on the net asset value at the balance sheet date. The amount by which aggregate cost exceeds market value is reported as a loss in the current year.

3) Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on the evaluation of the collectibility and age of notes receivable, accounts receivable and other receivables at the balance sheet date.

4) Long-term investments

- A. Long-term investments are recorded at cost when acquired. Long-term investments in which the Company owns less than 20% of the investee company's voting rights and has no significant influence on the investee company's operational decisions are accounted for at the lower of cost or market value, if the investee company is listed, and at cost if the investee company is not listed. The market value of listed stocks is determined using the average closing price during the last month of the accounting period. The unrealized loss on decline in market value is recognized as a deduction from stockholders' equity. When it becomes evidently clear that there has been a permanent impairment in value of investments in both listed and non-listed investee companies and the chance of recovery is minimal, loss is recognized in the current year's operating results.
- B. Long-term investments in which the Company owns at least 20% of the investee company's voting rights are accounted for by the equity method.
- C. Majority owned subsidiaries, in which the Company owns more than 50% of the investee companies' voting rights, are consolidated except for the subsidiaries with total assets and operating revenue constituting less than 10% of the non-consolidated total assets and operating revenues of the Company, respectively. Irrespective of the above test, when the total combined assets or operating revenues of all such non-consolidated subsidiaries constitute more than 30% of the Company's non-consolidated total assets or operating revenues, respectively, then each individual subsidiary with total assets or operating revenues greater than 3% of the Company's non-consolidated total assets or operating revenues, respectively, has to be included in the consolidation. Majority owned subsidiaries which are not consolidated are accounted for under the equity method.

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- D. For foreign investments accounted for under the cost method, the investments denominated in foreign currencies are translated into New Taiwan dollars at the rates of exchange prevailing at the balance sheet date. The excess of the original cost which is based on the actual New Taiwan dollar amount remitted over the translated amount is recognized as an adjustment of cumulative translation adjustment under stockholders' equity. The accumulated translation difference arising from the translation of financial statements of a foreign investee accounted for under equity method will be recognized proportionally as an adjustment under stockholders' equity.

5) Property, plant and equipment, net

- A. Property, plant and equipment are stated at cost. Interest costs incurred during the construction or installation of the assets are capitalized.
- B. The Company provides depreciation on the straight-line method over the assets' estimated economic service lives, plus one additional year as salvage value. Salvage value of fixed assets which are still in use after the end of the original estimated service lives are depreciated over their new remaining estimated service lives. The estimated useful lives are 5 - 55 years for buildings and 2-6 years for other property and equipment.
- C. Maintenance and repairs are charged to expense as incurred. Renewals and betterments are capitalized and depreciated accordingly. When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts and the resultant gain or loss is included in current year's operating results.
- D. For capital leases, the present value of periodic lease payments are capitalized as assets and the Company correspondingly recognizes the lease payments as liabilities in the balance sheet. A sale and lease back transaction where the seller-lessee sells an asset to the buyer-lessor and leases the asset back is deemed to be one transaction and gains/losses arising from this sale is deferred and amortized over the period of lease for an operating lease and over the future economic useful life of sold assets for capital lease. A loss on a sale-leaseback is recognized immediately by the seller-lessee to the extent that net book value exceeds fair value.
- E. Fixed assets which are not in use are reclassified to idle assets at the lower of net realizable value or book value. Depreciation provided on the idle assets is recorded as non-operating expense in the current period.

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6) Deferred charges

Deferred charges, mainly consisting of computer software costs and electronic power supplies, are stated at cost and amortized over 2-5 years using the straight-line method.

7) Retirement plan

The Company has a defined benefit retirement plan (the Plan) covering all regular employees. Benefits under the Plan are generally determined based upon years of credited service, age at retirement and average compensation in accordance with the Republic of China (the R.O.C.) Labor Standards Law. The Company recognizes net periodic pension cost, which includes service cost, interest cost, expected return on plan assets, amortization of unrecognized transition obligation, pension gains/losses and prior service cost, based on an actuarial valuation in accordance with and FAS No. 18, Accounting for Pension .

8) Income tax

- A. In accordance with FAS No. 22, Accounting for Income Taxes , the income tax effect resulting from temporary differences, net operating loss carryforward and investment credits is recorded as income tax assets or liabilities using the asset and liability method. Deferred tax assets or liabilities are further classified into current or non-current items and are presented on the financial statements as net balance according to the nature of the underlying assets and liabilities and timing of their expected realization. Valuation allowance on deferred tax assets are not provided unless the available evidence indicating the deferred tax assets cannot be realized.
- B. According to FAS No. 12, Accounting for Income Tax Credit , the Company's income tax credits generated from the acquisition of automation equipment or technology, expenses for research and development, employee training and investment are recognized in the period when the tax credits arise.
- C. The 10% additional income tax on undistributed earnings under the imputation tax system is recorded as income tax expense in the year when the shareholders resolve to retain the earnings.
- D. Under or over provision of prior year's income taxes is adjusted to income tax in the current year.

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9) Treasury stock

- A. The cost for the purchase of outstanding shares of the Company is reported as a deduction of stockholders' equity.
- B. When treasury stock is disposed of, the related gain is credited to capital reserve-treasury stock transaction and any loss is offset against capital reserve account arising from the transactions of treasury stock of the same kind or against retained earnings when there is no sufficient capital reserve.
- C. Treasury stock is stated at cost using the weighted average method.
- D. The Company's stocks traded by its subsidiaries were accounted for as treasury stocks when preparing the financial statements.

10) Recognition of revenues and expenses

Revenue is recognized either when the earning process is completed or when the revenue is realized or realizable. Cost is recognized when related revenue is accrued. Expenses are recognized as incurred under the accrual basis.

11) Use of estimate

The preparation of financial statements in conformity with the R.O.C. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

12) Convenience translation into US dollars (Unaudited)

For convenience purposes, U.S. dollar amounts presented in the accompanying financial statements have been translated from New Taiwan dollars at the noon buying rate in the City of New York cable transfers in New Taiwan dollars as certified for customers purposes by the Federal reserve Bank of New York as of March 31, 2004, which was NT\$33.00 to US\$1.00. These convenience translations should not be construed as representations that the New Taiwan dollar amounts have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

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3. EFFECTS OF CHANGES IN ACCOUNTING PRINCIPLES

None.

4. DETAILS OF SIGNIFICANT ACCOUNTS

1) Cash

	<u>March 31,</u>	
	<u>2003</u>	<u>2004</u>
	(Unaudited)	
Cash and petty cash	\$ 15,565	\$ 80
Savings account	10,198	34,662
	<u>\$ 25,763</u>	<u>\$ 34,742</u>

2) Short-term investments

	<u>March 31,</u>	
	<u>2003</u>	<u>2004</u>
	(Unaudited)	
Listed stocks	\$ 22	\$ 22

3) Accounts receivable, net

	<u>March 31,</u>	
	<u>2003</u>	<u>2004</u>
	(Unaudited)	
Accounts receivable	\$ 45,699	\$ 39,170
Less: Allowance for doubtful accounts	(7,992)	(11,637)
	<u>\$ 37,707</u>	<u>\$ 27,533</u>

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4) Long-term investments

A. The details are as follows:

	<u>March 31, 2003</u>		<u>March 31, 2004</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
	(Unaudited)			
<u>Name of investee company</u>				
<u>Accounted for under the equity method:</u>				
Hua Shen Investment Company (Hua Shen)	\$ 1,926	99.93	\$ 1,926	100
World-Wide Test Technology USA, Inc. (WWT USA)				