



## ChipMOS REPORTS THIRD QUARTER 2019 RESULTS

November 6, 2019

### Q3'19 Highlights (as compared to Q2'19):

- Revenue Grows 10.1% to US\$173.9 Million Compared to US\$158.0 Million
- Gross Profit Improves to US\$37.1 Million Compared to US\$27.0 Million
- Gross Margin Increases to 21.4% Compared to 17.1%
- Net Earnings of NT\$0.81 or US\$0.03 per Basic Common Share or US\$0.52 per Basic ADS
- Distributed Cash Dividend of NT\$1.2 Per Common Share on August 30, 2019 and US\$0.764 Per ADS on September 9, 2019

HSINCHU, Nov. 6, 2019 /PRNewswire-FirstCall/ -- ChipMOS TECHNOLOGIES INC. ("ChipMOS" or the "Company") (Taiwan Stock Exchange: 8150 and NASDAQ: IMOS), an industry leading provider of outsourced semiconductor assembly and test services ("OSAT"), today reported unaudited consolidated financial results for the third quarter ended September 30, 2019. All U.S. dollar figures cited in this press release are based on the exchange rate of NT\$31.05 against US\$1.00 as of September 30, 2019.

All the figures were prepared in accordance with Taiwan-International Financial Reporting Standards ("Taiwan-IFRS").

Revenue for the third quarter of 2019 was NT\$5,399.1 million or US\$173.9 million, an increase of 10.1% from NT\$4,905.3 million or US\$158.0 million in the second quarter of 2019 and an increase of 7.9% from NT\$5,005.2 million or US\$161.2 million for the same period in 2018.

Net profit attributable to equity holders of the Company for the third quarter of 2019 was NT\$585.9 million or US\$18.9 million, and NT\$0.81 or US\$0.03 per basic common share, as compared to net profit attributable to equity holders of the Company for the second quarter of 2019 of NT\$1,274.6 million or US\$41.0 million, and NT\$1.75 or US\$0.06 per basic common share, and compared to net profit attributable to equity holders of the Company in the third quarter of 2018 of NT\$439.6 million or US\$14.2 million, and NT\$0.56 or US\$0.02 per basic common share. Net earnings for the third quarter of 2019 were US\$0.52 per basic ADS, compared to US\$1.13 per basic ADS for the second quarter of 2019 and US\$0.36 per basic ADS in the third quarter of 2018.

S.J. Cheng, Chairman and President of ChipMOS, said, "Strength in our core business and continued execution is helped us drive double digit revenue growth with a significant gross margin improvement. We achieved 10.1% revenue growth compared to Q2 and improved our gross margin to 21.4% from 17.1% over the same period. Revenue in our Flash business grew 22.5% in Q3 from Q2, led by increased demand from the industrial and automotive end markets and higher demand from new module house customers. We also benefitted from strong demand in our 12" gold bump and TDDI businesses with increasing TDDI product penetration of the HD panel segment for smartphones given higher content per unit in newer phones. We did experience some softness at the end of the quarter in demand related to the TV market, which we expect to more than offset in order to achieve stable revenue and margins over the near-term. Adding to our confidence, high-end wafer test capacity has been tightening, led by increasing OLED panel driver IC demand, and we are benefitting from higher efficiency programs including increased usage of AI and automation at our facilities."

Silvia Su, Vice President of Finance and Accounting, commented, "We are pleased with the positive operating leverage in our business as we focus on expansion of our higher margin business, continued operating expense control and controlled CapEx. We generated US\$123.8 million in cash from operating activities in the third quarter compared to US\$87.5 million in the year ago period. While our CapEx level has been tracking below 2018 for most of 2019, we made the strategic decision to invest US\$59.5 million in CapEx in the third quarter to expand capacity to meet current and expected higher customer demand levels, mainly for DDIC test and 12" fine pitch COF. Our focus on profitability and operating cash flow expansion also allowed us to reward investors with our latest cash dividend, NT\$1.2 per common share or US\$0.764 per ADS, which was distributed on August 30<sup>th</sup> to common stock holders and on September 9<sup>th</sup> to ADS holders. We remain focused on building further value for the company and its shareholders."

### Selected Operation Data

|  | Q3'19            | Q2'19            |
|--|------------------|------------------|
| Revenue by segment                     |                  |                  |
| Testing                                | 20.8%            | 20.1%            |
| Assembly                               | 25.8%            | 24.7%            |
| LCD Driver                             | 33.7%            | 36.0%            |
| Bumping                                | 19.7%            | 19.2%            |
| CapEx                                  | US\$59.5 million | US\$23.1 million |
| Testing                                | 7.6%             | 25.2%            |
| Assembly                               | 9.6%             | 8.5%             |
| LCD Driver                             | 70.0%            | 56.4%            |
| Bumping                                | 12.8%            | 9.9%             |
| Depreciation and amortization expenses | US\$30.7 million | US\$29.7 million |
| Utilization by segment                 |                  |                  |
| Testing                                | 74%              | 69%              |

|            |     |     |
|------------|-----|-----|
| Assembly   | 76% | 75% |
| LCD Driver | 73% | 81% |
| Bumping    | 70% | 70% |
| Overall    | 74% | 75% |

| Condensed consolidated statements of cash flows        | Period ended  | Period ended  |
|--|---------------|---------------|
|  | Sep. 30, 2019 | Sep. 30, 2018 |
|  | US\$ million  | US\$ million  |
| Net cash generated from (used in) operating activities | 123.8         | 87.5          |
| Net cash generated from (used in) investing activities | (82.6)        | (135.6)       |
| Net cash generated from (used in) financing activities | (41.5)        | (15.5)        |
| Net increase (decrease) in cash and cash equivalents   | (0.3)         | (63.6)        |
| Effect of exchange rate changes on cash                | 0.1           | 0.2           |
| Cash and cash equivalents at beginning of period       | 149.5         | 258.8         |
| Cash and cash equivalents at end of period             | 149.3         | 195.4         |

#### Investor Conference Call / Webcast Details

ChipMOS will host two conference calls on Wednesday, November 6, 2019 to discuss the Company's financial results for the third quarter of 2019.

1. Date: Wednesday, November 6, 2019

Time: 4:00PM Taiwan (3:00AM New York)

Dial-In: +886-2-21928016

Password: 248429 #

Replay Starting 2 Hours After Live Call Ends: [www.chipmos.com](http://www.chipmos.com)

**Language: Mandarin**

2. Date: Wednesday, November 6, 2019

Time: 8:00PM Taiwan (7:00AM New York)

Dial-In: +1-323-701-0225

Password: 3755750

Replay Starting 2 Hours After Live Call Ends: +1-412-317-6671, with ID 3755750

Webcast of Live Call and Replay: [www.chipmos.com](http://www.chipmos.com)

**Language: English**

#### About ChipMOS TECHNOLOGIES INC.:

ChipMOS TECHNOLOGIES INC. ("ChipMOS" or the "Company") (Taiwan Stock Exchange: 8150 and NASDAQ: IMOS) (<https://www.chipmos.com>) is an industry leading provider of outsourced semiconductor assembly and test services. With advanced facilities in Hsinchu Science Park, Hsinchu Industrial Park and Southern Taiwan Science Park in Taiwan, ChipMOS provide assembly and test services to a broad range of customers, including leading fabless semiconductor companies, integrated device manufacturers and independent semiconductor foundries.

#### Forward-Looking Statements

This press release may contain certain forward-looking statements. These forward-looking statements may be identified by words such as 'believes,' 'expects,' 'anticipates,' 'projects,' 'intends,' 'should,' 'seeks,' 'estimates,' 'future' or similar expressions or by discussion of, among other things, strategy, goals, plans or intentions. These statements may include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Actual results may differ materially in the future from those reflected in forward-looking statements contained in this document, due to various factors. Further information regarding these risks, uncertainties and other factors are included in the Company's most recent Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the "SEC") and in the Company's other filings with the SEC.

#### About Non-Generally Accepted Accounting Principles ("Non-GAAP") Financial Measures

To supplement the consolidated financial results presented in accordance with the Taiwan-IFRS, ChipMOS uses non-GAAP free cash flow, non-GAAP earnings before interest, taxes, depreciation and amortization ("EBITDA") and non-GAAP net debt to equity ratio in this press release. The non-GAAP free cash flow represents operating profit plus depreciation, amortization and interest income and less capital expenditures, interest expense, income tax expense and dividend. The non-GAAP EBITDA represents operating profit plus depreciation and amortization. The non-GAAP net debt to equity ratio represents the ratio of net debt, the sum of debt less cash and cash equivalent, divided by equity attributable to equity holders of the Company. These non-GAAP financial measures may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently.

The presentation of non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with the Taiwan-IFRS.

ChipMOS considers the use of non-GAAP free cash flow, non-GAAP EBITDA and non-GAAP net debt to equity ratio provides useful information to management to manage the Company's business and make financial and operational decisions and also to the investors to understand and evaluate the Company's business and operating performance. For more information on these non-GAAP financial measures, please refer to the table captioned "Reconciliations of Non-GAAP Measures to the Nearest Comparable GAAP Measures" in this press release.

#### Contacts:

In Taiwan

In the U.S.

- FINANCIAL TABLES FOLLOW BELOW -

**ChipMOS TECHNOLOGIES INC.**  
**UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
For the Three Months Ended Sep. 30, Jun. 30, 2019, and Sep. 30, 2018  
Figures in Millions of U.S. dollars (USD) <sup>(1)</sup>  
Except for Per Share Amounts and Weighted Average Shares Outstanding

|   | Three months ended |               |               |
|---|--------------------|---------------|---------------|
|   | Sep. 30, 2019      | Jun. 30, 2019 | Sep. 30, 2018 |
|   | USD                | USD           | USD           |
| Revenue   | 173.9              | 158.0         | 161.2         |
| Cost of revenue   | (136.8)            | (131.0)       | (129.8)       |
| Gross profit  | 37.1               | 27.0          | 31.4          |
| Research and development expenses   | (8.1)              | (8.5)         | (7.5)         |
| Sales and marketing expenses  | (0.5)              | (0.4)         | (0.5)         |
| General and administrative expenses   | (4.0)              | (4.5)         | (3.8)         |
| Other operating income (expenses), net  | 0.8                | 1.0           | 0.9           |
| Operating profit  | 25.3               | 14.6          | 20.5          |
| Non-operating income (expenses), net  | (1.8)              | 29.5          | (2.3)         |
| Profit (loss) before tax  | 23.5               | 44.1          | 18.2          |
| Income tax benefit (expense)  | (4.6)              | (3.1)         | (4.0)         |
| Profit (loss) for the period  | 18.9               | 41.0          | 14.2          |
| Other comprehensive income (loss)   |                    |               |               |
| Exchange differences on translation of foreign operations   | (3.4)              | (1.1)         | (3.3)         |
| Unrealized gain (loss) on valuation of equity instruments at fair value through other comprehensive income    | (0.7)              | 0.6           | 0.9           |
| Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method | 0.1                | 0.0           | (0.1)         |
| Income tax effect   | 0.1                | (0.1)         | (0.2)         |
| Total other comprehensive income (loss)   | (3.9)              | (0.6)         | (2.7)         |
| Total comprehensive income (loss)   | 15.0               | 40.4          | 11.5          |
| Profit (loss) attributable to the Company - basic   | 18.9               | 41.0          | 14.2          |
| Earnings (loss) per share attributable to the Company - basic   | 0.03               | 0.06          | 0.02          |
| Earnings (loss) per ADS equivalent - basic  | 0.52               | 1.13          | 0.36          |
| Weighted average shares outstanding (in thousands) - basic  | 727,240            | 727,032       | 786,260       |
| Profit (loss) attributable to the Company - diluted   | 18.9               | 41.0          | 14.2          |
| Earnings (loss) per share attributable to the Company - diluted   | 0.03               | 0.06          | 0.02          |
| Earnings (loss) per ADS equivalent - diluted  | 0.52               | 1.12          | 0.36          |
| Weighted average shares outstanding (in thousands) - diluted  | 729,827            | 733,661       | 792,443       |

Note:

(1) All U.S. dollar figures in this release are based on the exchange rate of NT\$31.05 against US\$1.00 as of Sep. 30, 2019. The convenience translation should not be construed as representations that the NT dollar amounts have been, or could be in the future be, converted into US dollars at this or any other exchange rate.

ChipMOS TECHNOLOGIES INC.  
**UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
For the Three Months Ended Sep. 30, Jun. 30, 2019, and Sep. 30, 2018  
Figures in Millions of NT dollars (NTD)  
Except for Per Share Amounts and Weighted Average Shares Outstanding

|   | Three months ended |                |                |
|---|--------------------|----------------|----------------|
|   | Sep. 30, 2019      | Jun. 30, 2019  | Sep. 30, 2018  |
|   | NTD                | NTD            | NTD            |
| Revenue   | 5,399.1            | 4,905.3        | 5,005.2        |
| Cost of revenue   | (4,246.3)          | (4,067.0)      | (4,029.4)      |
| Gross profit  | <u>1,152.8</u>     | <u>838.3</u>   | <u>975.8</u>   |
| Research and development expenses   | (253.3)            | (263.7)        | (233.6)        |
| Sales and marketing expenses  | (14.8)             | (14.3)         | (13.8)         |
| General and administrative expenses   | (124.9)            | (138.6)        | (119.0)        |
| Other operating income (expenses), net  | <u>26.0</u>        | <u>30.8</u>    | <u>26.7</u>    |
| Operating profit  | <u>785.8</u>       | <u>452.5</u>   | <u>636.1</u>   |
| Non-operating income (expenses), net  | <u>(54.7)</u>      | <u>917.0</u>   | <u>(71.4)</u>  |
| Profit (loss) before tax  | 731.1              | 1,369.5        | 564.7          |
| Income tax benefit (expense)  | <u>(145.2)</u>     | <u>(94.9)</u>  | <u>(125.1)</u> |
| Profit (loss) for the period  | <u>585.9</u>       | <u>1,274.6</u> | <u>439.6</u>   |
| Other comprehensive income (loss)   |                    |                |                |
| Exchange differences on translation of foreign operations   | (103.6)            | (33.8)         | (103.0)        |
| Unrealized gain (loss) on valuation of equity instruments at fair value through other comprehensive income    | (21.4)             | 17.4           | 28.2           |
| Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method | 1.9                | (0.2)          | (1.0)          |
| Income tax effect   | <u>4.3</u>         | <u>(3.5)</u>   | <u>(5.6)</u>   |
| Total other comprehensive income (loss)   | <u>(118.8)</u>     | <u>(20.1)</u>  | <u>(81.4)</u>  |
| Total comprehensive income (loss)   | <u>467.1</u>       | <u>1,254.5</u> | <u>358.2</u>   |
| Profit (loss) attributable to the Company - basic   | <u>585.9</u>       | <u>1,274.6</u> | <u>439.6</u>   |
| Earnings (loss) per share attributable to the Company - basic   | <u>0.81</u>        | <u>1.75</u>    | <u>0.56</u>    |
| Earnings (loss) per ADS equivalent - basic  | <u>16.11</u>       | <u>35.06</u>   | <u>11.18</u>   |
| Weighted average shares outstanding (in thousands) - basic  | <u>727,240</u>     | <u>727,032</u> | <u>786,260</u> |
| Profit (loss) attributable to the Company - diluted   | <u>585.9</u>       | <u>1,274.6</u> | <u>439.6</u>   |
| Earnings (loss) per share attributable to the Company - diluted   | <u>0.80</u>        | <u>1.74</u>    | <u>0.55</u>    |
| Earnings (loss) per ADS equivalent - diluted  | <u>16.06</u>       | <u>34.75</u>   | <u>11.09</u>   |
| Weighted average shares outstanding (in thousands) - diluted  | <u>729,827</u>     | <u>733,661</u> | <u>792,443</u> |

ChipMOS TECHNOLOGIES INC.  
**UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
As of Sep. 30, Jun. 30, 2019, and Sep. 30, 2018  
Figures in Millions of U.S. dollars (USD) <sup>(1)</sup>

| ASSETS                    | Sep. 30, 2019 | Jun. 30, 2019 | Sep. 30, 2018 |
|---------------------------|---------------|---------------|---------------|
|                           | USD           | USD           | USD           |
| Current assets            |               |               |               |
| Cash and cash equivalents | 149.3         | 171.5         | 195.4         |

|   |                |                |                |
|---|----------------|----------------|----------------|
| Current financial assets at amortized cost                        | 5.6            | 5.6            | 0.5            |
| Accounts and notes receivable, net                                | 167.8          | 146.6          | 152.2          |
| Inventories   | 57.1           | 55.3           | 57.0           |
| Other current assets  | 19.0           | 20.1           | 16.7           |
| Total current assets  | <u>398.8</u>   | <u>399.1</u>   | <u>421.8</u>   |
| Non-current assets  |                |                |                |
| Financial assets at fair value through profit or loss             | 0.3            | 0.4            | 0.4            |
| Financial assets at fair value through other comprehensive income | 4.5            | 5.2            | 4.6            |
| Non-current financial assets at amortized cost                    | 3.2            | 3.2            | 2.2            |
| Investments accounted for using equity method                     | 111.5          | 114.5          | 127.3          |
| Property, plant & equipment                                       | 554.9          | 525.9          | 514.7          |
| Right-of-use assets   | 23.3           | 28.7           | -              |
| Other non-current assets  | 9.5            | 12.1           | 10.4           |
| Total non-current assets  | <u>707.2</u>   | <u>690.0</u>   | <u>659.6</u>   |
| Total assets  | <u>1,106.0</u> | <u>1,089.1</u> | <u>1,081.4</u> |

## **LIABILITIES AND EQUITY**

### **LIABILITIES**

#### **Current liabilities**

|  |              |              |              |
|--|--------------|--------------|--------------|
| Accounts payable and payables to contractors and equipment suppliers | 67.9         | 38.3         | 43.8         |
| Current lease liabilities  | 1.1          | 1.3          | -            |
| Long-term bank loans, current portion                                | 24.1         | 24.1         | 24.1         |
| Long-term lease obligations payable, current portion                 | -            | -            | 0.7          |
| Other current liabilities  | 68.8         | 91.2         | 120.0        |
| Total current liabilities  | <u>161.9</u> | <u>154.9</u> | <u>188.6</u> |

#### **Non-current liabilities**

|                               |              |              |              |
|-------------------------------|--------------|--------------|--------------|
| Long-term bank loans          | 279.2        | 279.2        | 303.3        |
| Non-current lease liabilities | 21.7         | 26.9         | -            |
| Other non-current liabilities | 26.4         | 26.4         | 24.3         |
| Total non-current liabilities | <u>327.3</u> | <u>332.5</u> | <u>327.6</u> |
| Total liabilities             | <u>489.2</u> | <u>487.4</u> | <u>516.2</u> |

### **EQUITY**

|  |                |                |                |
|--|----------------|----------------|----------------|
| Capital stock – common stock                         | 234.2          | 238.3          | 242.5          |
| Capital surplus                                      | 195.2          | 198.6          | 202.3          |
| Retained earnings                                    | 186.5          | 175.6          | 149.3          |
| Other equity interest                                | 0.9            | 4.7            | 2.1            |
| Treasury stock                                       | -              | (15.5)         | (31.0)         |
| Equity attributable to equity holders of the Company | <u>616.8</u>   | <u>601.7</u>   | <u>565.2</u>   |
| Total equity   | <u>616.8</u>   | <u>601.7</u>   | <u>565.2</u>   |
| Total liabilities and equity                         | <u>1,106.0</u> | <u>1,089.1</u> | <u>1,081.4</u> |

Note:

(1) All U.S. dollar figures in this release are based on the exchange rate of NT\$31.05 against US\$1.00 as of Sep. 30, 2019. The convenience translation should not be construed as representations that the NT dollar amounts have been, or could be in the future be, converted into US dollars at this or any other exchange rate.

**ChipMOS TECHNOLOGIES INC.**  
**UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
As of Sep. 30, Jun. 30, 2019, and Sep. 30, 2018  
Figures in Millions of NT dollars (NTD)

|  | <u>Sep. 30, 2019</u> | <u>Jun. 30, 2019</u> | <u>Sep. 30, 2018</u> |
|--|----------------------|----------------------|----------------------|
| <b>ASSETS</b>                              | <b>NTD</b>           | <b>NTD</b>           | <b>NTD</b>           |
| Current assets                             |                      |                      |                      |
| Cash and cash equivalents                  | 4,634.7              | 5,326.4              | 6,067.2              |
| Current financial assets at amortized cost | 173.6                | 173.2                | 15.5                 |
| Accounts and notes receivable, net         | 5,211.9              | 4,552.3              | 4,725.3              |
| Inventories                                | 1,772.1              | 1,716.6              | 1,770.1              |
| Other current assets                       | 590.1                | 623.8                | 519.5                |
| Total current assets                       | <u>12,382.4</u>      | <u>12,392.3</u>      | <u>13,097.6</u>      |
| Non-current assets                         |                      |                      |                      |

|   |                 |                 |                 |
|---|-----------------|-----------------|-----------------|
| Financial assets at fair value through profit or loss             | 11.1            | 11.6            | 11.4            |
| Financial assets at fair value through other comprehensive income | 138.8           | 160.2           | 142.9           |
| Non-current financial assets at amortized cost                    | 100.0           | 99.9            | 68.4            |
| Investments accounted for using equity method                     | 3,462.8         | 3,557.1         | 3,954.2         |
| Property, plant & equipment                                       | 17,230.8        | 16,329.2        | 15,979.9        |
| Right-of-use assets   | 722.4           | 890.5           | -               |
| Other non-current assets  | 293.7           | 377.3           | 323.3           |
| Total non-current assets  | <u>21,959.6</u> | <u>21,425.8</u> | <u>20,480.1</u> |
| Total assets  | <u>34,342.0</u> | <u>33,818.1</u> | <u>33,577.7</u> |

#### LIABILITIES AND EQUITY

##### LIABILITIES

###### Current liabilities

|  |                |                |                |
|--|----------------|----------------|----------------|
| Accounts payable and payables to contractors and equipment suppliers | 2,109.5        | 1,189.3        | 1,360.7        |
| Current lease liabilities  | 35.1           | 39.7           | -              |
| Long-term bank loans, current portion                                | 748.3          | 748.2          | 747.3          |
| Long-term lease obligations payable, current portion                 | -              | -              | 20.7           |
| Other current liabilities  | 2,135.4        | 2,833.4        | 3,725.7        |
| Total current liabilities  | <u>5,028.3</u> | <u>4,810.6</u> | <u>5,854.4</u> |

###### Non-current liabilities

|                               |                 |                 |                 |
|-------------------------------|-----------------|-----------------|-----------------|
| Long-term bank loans          | 8,669.6         | 8,668.0         | 9,418.4         |
| Non-current lease liabilities | 674.3           | 836.9           | -               |
| Other non-current liabilities | 818.9           | 818.8           | 754.6           |
| Total non-current liabilities | <u>10,162.8</u> | <u>10,323.7</u> | <u>10,173.0</u> |
| Total liabilities             | <u>15,191.1</u> | <u>15,134.3</u> | <u>16,027.4</u> |

##### EQUITY

|  |                 |                 |                 |
|--|-----------------|-----------------|-----------------|
| Capital stock -- common stock                        | 7,272.4         | 7,400.9         | 7,529.0         |
| Capital surplus                                      | 6,059.6         | 6,165.9         | 6,280.9         |
| Retained earnings                                    | 5,791.5         | 5,453.4         | 4,636.1         |
| Other equity interest                                | 27.4            | 146.2           | 66.8            |
| Treasury stock                                       | -               | (482.6)         | (962.5)         |
| Equity attributable to equity holders of the Company | <u>19,150.9</u> | <u>18,683.8</u> | <u>17,550.3</u> |
| Total equity   | <u>19,150.9</u> | <u>18,683.8</u> | <u>17,550.3</u> |
| Total liabilities and equity                         | <u>34,342.0</u> | <u>33,818.1</u> | <u>33,577.7</u> |

#### RECONCILIATIONS OF NON-GAAP MEASURES TO THE NEAREST COMPARABLE GAAP MEASURES (Figures in Millions of U.S. dollars (USD))

The table below sets forth a reconciliation of our operating profit to non-GAAP free cash flow for the periods indicated:


|                            | Three months ended |               |               |
|----------------------------|--------------------|---------------|---------------|
|                            | Sep. 30, 2019      | Jun. 30, 2019 | Sep. 30, 2018 |
|                            | USD                | USD           | USD           |
| Operating profit           | 25.3               | 14.6          | 20.5          |
| Add: Depreciation          | 30.7               | 29.7          | 27.7          |
| Interest income            | 0.5                | 0.6           | 0.4           |
| Less: Capital expenditures | (59.5)             | (23.1)        | (32.1)        |
| Interest expense           | (1.4)              | (1.4)         | (1.1)         |
| Income tax expense         | (4.6)              | (3.1)         | (4.0)         |
| Dividend                   | (28.1)             | -             | -             |
| Non-GAAP free cash flow    | <u>(37.1)</u>      | <u>17.3</u>   | <u>11.4</u>   |

The table below sets forth a reconciliation of our operating profit to non-GAAP EBITDA for the periods indicated:

|                   | Three months ended |               |               |
|-------------------|--------------------|---------------|---------------|
|                   | Sep. 30, 2019      | Jun. 30, 2019 | Sep. 30, 2018 |
|                   | USD                | USD           | USD           |
| Operating profit  | 25.3               | 14.6          | 20.5          |
| Add: Depreciation | 30.7               | 29.7          | 27.7          |
| Non-GAAP EBITDA   | <u>56.0</u>        | <u>44.3</u>   | <u>48.2</u>   |

The table below sets forth a calculation of our non-GAAP net debt to equity ratio for the periods indicated:

|  | <u>Sep. 30, 2019</u> | <u>Jun. 30, 2019</u> | <u>Sep. 30, 2018</u> |
|--|----------------------|----------------------|----------------------|
|  | <u>USD</u>           | <u>USD</u>           | <u>USD</u>           |
| Long-term bank loans<br>(including current portion)                | 303.3                | 303.3                | 327.4                |
| Long-term lease obligations payable<br>(including current portion) | -                    | -                    | 0.7                  |
| Lease liabilities<br>(including current portion)                   | 22.8                 | 28.2                 | -                    |
| Less: Cash and cash equivalents                                    | <u>(149.3)</u>       | <u>(171.5)</u>       | <u>(195.4)</u>       |
| Net debt   | <u>176.8</u>         | <u>160.0</u>         | <u>132.7</u>         |
| Equity attributable to equity holders of<br>the Company            | <u>616.8</u>         | <u>601.7</u>         | <u>565.2</u>         |
| Net debt to equity ratio   | <u>28.7%</u>         | <u>26.6%</u>         | <u>23.5%</u>         |

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