



## **ChipMOS SPECIAL COMMITTEE CONCLUDES ITS INTERNAL INVESTIGATION; MR. SHIH-JYE CHENG TO REMAIN AS CHAIRMAN AND CEO OF ChipMOS**

HSINCHU, Taiwan, June 30, 2006 - ChipMOS TECHNOLOGIES (Bermuda) LTD. (Nasdaq: IMOS) ("ChipMOS" or the "Company") announced that the special committee (the "Special Committee") formed by its board of directors in January 2006 to evaluate the circumstances surrounding the indictment (the "Indictment") by the Taipei District Prosecutors' Office (the "Prosecutor") of Mr. Shih-Jye Cheng, chairman and chief executive officer of ChipMOS, alleging misuse of corporate funds in 2004 of ChipMOS TECHNOLOGIES INC. ("ChipMOS Taiwan"), a 69.8% owned subsidiary of ChipMOS, and ThaiLin Semiconductor Corp. ("ThaiLin"), a 34.1% owned subsidiary of ChipMOS Taiwan, in the form of investments in repurchase notes in violation of the laws of the Republic of China (the "ROC"), concluded its investigation and made its recommendations to the board of directors of ChipMOS on June 29, 2006.

The Special Committee, comprised of three of the Company's independent directors, engaged Preston Gates & Ellis LLP as its independent international legal counsel, Baker & McKenzie as its independent ROC legal counsel and Diwan, Ernst & Young as its financial advisor to assist in its investigation. The Special Committee's investigation focused on (1) the probability of conviction of Mr. Cheng for charges described in the Indictment, (2) whether the Indictment resulted in any pecuniary or other damage to the Company, (3) whether there were any internal control weaknesses related to the investments in repurchase notes within the Company and (4) whether the Company is required by applicable laws or Nasdaq Stock Market listing requirements to take any action in connection with the Indictment. The Special Committee did not attempt to independently determine whether Mr. Cheng had engaged in any wrongdoing in connection with the investments in repurchase notes (whether or not such wrongdoing would lead to conviction for charges under the Indictment).

Based upon the results of its investigation, in particular, that (1) Mr. Shih-Jye Cheng has declared himself not guilty of the charges described in the Indictment, (2) Baker & McKenzie, after reviewing the Indictment and the Prosecutor's exhibits have found that the evidence produced by the Prosecutor seems to be inadequate and that there is a low probability of the charges in the Indictment being founded, (3) the financial advisor to the Special Committee have found that the Company suffered no loss (not taking into account exchange rate factors) and that all monies (capital and interest) were remitted back to the Company's subsidiaries involved, (4) the Company has suffered no identifiable harm to its reputation or its business and (5) Mr. Cheng has not been impaired by the Indictment to perform as chairman and chief executive officer of ChipMOS, the Special Committee recommended that the board of the directors of ChipMOS maintains Mr. Cheng as chairman and chief executive officer of ChipMOS with full responsibilities. The Board of Directors unanimously (with Mr. Shih-Jye Cheng having recused himself) resolved to accept and adopt the Special Committee's recommendation with regard to Mr. Shih-Jye Cheng.

The Board of Directors also resolved to continue the role of the Special Committee, during the ongoing criminal investigation of Mr. Shih-Jye Cheng by the relevant authorities in the ROC, to actively monitor any continued developments of the criminal investigation and take or recommend any appropriate action in light of such developments.

During its engagement by the Special Committee, Diwan, Ernst & Young identified certain internal control weaknesses that existed during the relevant period of the Special Committee's investigation within ChipMOS Taiwan, ThaiLin and ChipMOS Logic TECHNOLOGIES INC. (which was merged into ThaiLin on December 1, 2005). These weaknesses were in areas related to segregation of duties and of corporate governance on investment authorizations, insufficiency of training for financial personnel in respect of derivative transactions, and non-compliance with the applicable ROC regulations. These identified internal control weakness, which could be material, have either been addressed previously or are the process of being remedied by the Company and its subsidiaries.

In light of the identification of these internal control weaknesses, the Special Committee recommended that the audit committee of the board of directors leads a special task force and reports to the board of the directors as to the effectiveness of the implementation of internal control over financial reporting, with an aim to enhance the Company's financial personnel's knowledge of derivative transactions. The Board of Directors unanimously resolved to accept and adopt the Special Committee's recommendation in this regard.

About ChipMOS TECHNOLOGIES (Bermuda) LTD.:

ChipMOS ( <http://www.chipmos.com.tw> ) is a leading independent provider of semiconductor testing and assembly services to customers in Taiwan, Japan, and the U.S. With advanced facilities in Hsinchu and Southern Taiwan Science Parks in Taiwan and Shanghai, ChipMOS and its subsidiaries provide testing and assembly services to a broad range of customers, including leading fabless semiconductor companies, integrated device manufacturers and independent semiconductor foundries.

## Forward-Looking Statements

Certain statements contained in this announcement may be viewed as "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of the Company to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. Further information regarding these risks, uncertainties and other factors is 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.

SOURCE: ChipMOS TECHNOLOGIES (Bermuda) LTD.