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WIN SEMI. REPORTS 2Q18 CONSOLIDATED RESULTS (UNAUDITED)

Taiwan, July 20, 2018: WIN Semiconductors Corp. (WIN Semi., TPEX: 3105), the global leader in GaAs foundry services, today reported its fiscal year 2018, second quarter (2Q18) consolidated financial results.

2Q18 Results Highlights

- ◆ Net revenue for the quarter finished at NT\$4,567 million, up 2% quarter on quarter, and up 20% year on year.
- ◆ Gross margin declined sequentially by 1.7 percentage points to 32.4%, and operating margin declined 2.6 percentage points to 20.7%.
- ◆ Operating profit came in at NT\$946 million, down 9% quarter on quarter, and down 5% year on year.
- ◆ Net profit reached NT\$905 million, up 24% quarter on quarter, and up 24% year on year. EPS was NT\$2.16, compared to NT\$1.74 for the first quarter of 2018.

3Q18 Outlook & Guidance

The following statements are forward-looking which are based on our current expectations of market demand and may involve risks and uncertainties, some of which are set forth under “Safe Harbor Notice” below.

- ◆ As demand not as strong as the same period before due to part of customers experiencing inventory correction, we expect 3Q18 revenue to decline around 10% QoQ.
- ◆ We expect 3Q18 gross margin to be around the level of low thirties.

Management Comments

“For the second quarter of 2018, our revenue was in line with our previous expectation, increasing by 2% quarter-on-quarter, with annual growth reaching 20%. Our revenue for the first half of 2018 increased by 27% year-on-year and, excluding 3D sensing related revenue, our first half revenue from smartphone MMIC still delivered double-digit growth. While the utilization rate was around the same level as last quarter, our second quarter gross margin was impacted by product mix, below our previous expectation and declining by 1.7 percentage point compared to last quarter. EPS for the second quarter and the first half were NT\$2.16 and NT\$3.90, respectively, exceeding NT\$1.85 and NT\$3.08 for the same periods last year.

We are in the supply chain that is highly connected with smartphones, and the smartphone industry is a fast-changing industry. Although the seasonality varies from year to year, our strategy has always been to leverage diversified technologies and customer mix to maintain stable growth for full-year financial performance, while also actively developing new market applications and next-generation technologies. This coupled with capacity advantages allow us to sustain a leading position. We have been a leader in the foundry for mobile phone power amplifiers and 3D sensing devices, and we remain very confident toward the long-term development of 3D sensing optical devices and future 5G mobile communications.

Looking ahead to the 3rd quarter of 2018, as demand not as strong as the same period before due to part of customers experiencing inventory correction, we expect revenue to decline around 10% quarter-on-quarter. We also expect gross margin to be around the level of low thirties.”

About WIN Semi.

WIN Semiconductors Corp. was founded in October of 1999, and has become the first pure-play 6-inch GaAs foundry in the world. In recognition of the growing demand, three advanced GaAs wafer fabs were established to manufacture cost-effective, high speed, and high quality GaAs MMIC's (monolithic microwave ICs) and RFIC's (radio frequency ICs).

WIN provides dedicated foundry services to design houses and integrated device manufacturers. Using state of the art GaAs technology, WIN supplies HBT and pHEMT MMIC fabrication services to worldwide IC corporations. With MMIC technique as basis, WIN also provides optoelectronic device fabrication services for optical communication and 3D sensing applications.

Safe Harbor Notice

This presentation contains certain forward-looking statements that are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Except as required by law, we undertake no obligation to update any forward – looking statements, whether as a result of new information, future events or otherwise.