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WIN SEMI. REPORTS 4Q18 CONSOLIDATED RESULTS (UNAUDITED)

Taiwan, February 14, 2019: WIN Semiconductors Corp. (WIN Semi., TPEX: 3105), the global leader in GaAs foundry services, today reported its fiscal year 2018, fourth quarter (4Q18) consolidated financial results.

4Q18 Results Highlights

- ◆ Net revenue for the quarter finished at NT\$4,214 million, up 4% quarter on quarter, and down 24% year on year.
- ◆ Gross margin increased sequentially by 7 percentage points to 32.6%, and operating margin increased 8.1 percentage points to 18.7%.
- ◆ Operating profit came in at NT\$789 million, up 84% quarter on quarter, and down 51% year on year.
- ◆ Net profit reached NT\$733 million, up 5% quarter on quarter, and down 45% year on year. EPS was NT\$1.8, compared to NT\$1.7 for the third quarter of 2018.

1Q19 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.

- ◆ We expect 1Q19 revenue to decline by high-teens QoQ.
- ◆ Due to lower capacity utilization, we expect 1Q19 gross margin to be around the same level as 3Q18.

Management Comments

“In the second half of 2018, we experienced that several major customers entered the stage of inventory adjustments. However, our revenue for the fourth quarter was slightly better than the third quarter given the support of non-handset related applications. Fourth quarter revenue increased by 4% quarter-on-quarter, and driven by better product mix, gross margin recovered to 32.6% level. Revenue for the full year of 2018 reached a record high of NT\$17.3 billion, increasing by 1.4% year-on-year. Of which, 3D sensing-related revenue delivered the highest growth with 40% annual growth rate. Full-year gross margin was 31.3% due to higher fixed costs, including depreciation expenses. EPS for the fourth quarter and the full year of 2018 were NT\$1.8 and NT\$7.39, respectively.

Entering 2019, it is both a year of anticipation and challenge for us. We anticipate the arrival of the 5G generation. The world has the opportunity to witness the launch of 5G mobile phones in 2019, and some countries will start to experience the 5G network in certain areas. We have many 5G handheld devices and infrastructure-related R&D projects and customer certifications that are ongoing, preparing for many years forward from 2019. Meanwhile, for handset-related 3D sensing and optical devices, we also have more technology developments and customers that are in progress. The challenge is that, due to different 5G timetables in different countries, the infrastructure will not be in place in the near term. It is generally believed that the development of 5G in 2019 will be at a very early stage, and the penetration rate should be very low. During the transition to 5G communications, 4G smartphone demand will slow down in the near term. This combined with the impact on the global economy from a great power rivalry have all contributed to the uncertainties for overall demand in 2019. Favorably, as we relentlessly keep well-informed of latest technology trends, continue to invest in R&D, and actively participate in the development plans of our customers, we can capture many future developments of the supply chain. This further reinforces our belief that we are on the right path in gaining strength for future growth.

Looking ahead to the first quarter of 2019, given it is a traditionally slower season and end demand is soft, we expect revenue to decline by high-teens quarter-on-quarter. Meanwhile, due to lower capacity utilization, we expect gross margin to be around the same level as the third quarter of 2018.”

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.