

Joint Press release

AWSC Conducts Private Placement

Partner with SAS to Expedite GaN for Mutual Benefits and Win-Win Collaborations

Hsinchu, Taiwan, August 6, 2020 - Advanced Wireless Semiconductor Company ("AWSC", 8086TT) held its board on August 6th, 2020 and approved the resolution for private placement raising a total of NTD\$ 3,496.5 million through the issuance of 45,000,000 common shares at a price of NTD\$77.7 per share. On the same day, Sino-American Silicon Products Inc. ("SAS", 5483TT) passed the resolution to participate in the cash capital increase of privately placed common shares of AWSC in the board meeting. After the capital increase, SAS will beneficially own 22.53% shareholding over AWSC and will become its largest shareholder.

AWSC, a professional GaAs foundry service company, is actively engaging in manufacturing process development of GaN in recent years and considers that the quality and stable supply of the upstream compound wafers are the key factors. The company therefore conducted the private placement and introduced SAS to participate in the offering as the subscriber. GlobalWafers Co., Ltd. ("GWC", 6488TT), a semiconductor subsidiary of SAS, is an upstream wafer supplier ranked as the world's third-largest and Taiwan's largest silicon wafer manufacturer, and known for its leading R&D talents and key patents. GWC jointly established a research center of compound semiconductor with National Chiao Tung University in July, 2020 to expedite the development of the third generation compound semiconductor material through academic-industrial collaborations.

By forming a vertical strategic alliance, AWSC and SAS expect to collaborate in developing GaN products in order to quickly supply the key components of 5G, electric vehicles and other high-frequency and high-power products required for the next wave of industry and construct a competitive compound semiconductor industry chain in Taiwan as well as expand operation scale and improve operation performance.

The clientele base of AWSC is well diversified, covering the main design houses and the world's main IDM's (integrated device manufacturers) in radio frequency components



industry. To capture the tremendous business opportunities of 5G, Wifi, and 3D sensing VCSEL chips, AWSC has constructed a second plant and will successively purchase and install machinery and equipments. It is estimated that the total production capacity can reach 15,000 wafers per month by the end of this year while the new plant remains flexible with additional monthly capacity of 20,000 wafers that can be further increased with market at any time. With the introduction of strategic investor to the placement, AWSC expects to receive the proceeds of NTD\$ 3,496.5 million to fund its future capital expenditure and to establish a unique market position with its advantageous capacity.

SAS has been aggressively deploying in the semiconductor industry in recent years. Apart from GWC with great profitability, leading R&D expertise and great partnership with international semiconductor customers, SAS' reinvestments also include Taiwan Speciality Chemicals Corporation ("TSC") which SAS acquired a 30.93% shareholding in 2018. TSC has also gradually emerged as one of the future stars of SAS in its semiconductor deployment as its prominent products – disilane and trisilane, special gases for semiconductors, are well recognized by the clientele. There are two main reasons for SAS to subscribe all of the shares in AWSC's private placement with NTD\$3,496.5 million: Firstly, AWSC's own expertise in GaAs foundry field and has been devoting in new products with novel manufacturing process and successfully expanding clientele base in IC design house's recently, which translating into growing sales and profits; Secondly, AWSC also enthusiastically explores the next-generation semiconductor-GaN, while GWC also dedicates in GaN on SiC development, demonstrating synergy by complementing upstream and downstream materials. By taking an equity stake in AWSC, SAS will mark a new chapter in the semiconductor deployment, showing its determination in developing next-generation semiconductor materials.

Chairperson : Doris Hsu

Chairperson : Tom Chi

Corporate Governance Supervisor : Jason Chien

President : Eric Huang

Spokesperson : C.W. Lee Vice President

Spokesperson : Kooky Xue Marketing Manager

Tel : 03-577-2233

Tel : 06-505-0999

Website address : <http://www.saswafer.com>

Website address : <http://www.awsc.com.tw>