



January 10, 2018

SemiLEDs Reports First Quarter Fiscal Year 2018 Financial Results

HSINCHU, Taiwan, Jan. 10, 2018 (GLOBE NEWSWIRE) -- SemiLEDs Corporation (NASDAQ:LEDS), "SemiLEDs" or the "Company," a developer and manufacturer of LED chips and LED components, today announced its financial results for the first quarter of fiscal year 2018, ended November 30, 2017.

Revenue for the first quarter of fiscal 2018 was \$2.0 million, a 22% decrease compared to \$2.6 million in the fourth quarter of fiscal 2017. GAAP net loss for the first quarter of fiscal 2018 was \$0.4 million, compared to a loss of \$0.7 million in the fourth quarter of 2017, or a net loss of \$0.11 per diluted share, compared to a net loss of \$0.19 per diluted share for the fourth quarter of fiscal 2017.

GAAP gross margin for the first quarter of fiscal 2018 was 3%, compared with gross margin for the fourth quarter of fiscal 2017 of 6%. Operating margin for the first quarter of fiscal 2018 was negative 43%, compared with negative 31% in the fourth quarter of fiscal 2017. The Company's cash and cash equivalents was \$3.4 million at November 30, 2017, compared to \$3.6 million at the end of fiscal 2017.

We expect revenue for the second quarter ending February 28, 2018 to be about \$1.6 million +/- 10%.

As part of our cost reduction efforts, during the second quarter ending February 28, 2018, we intend to move and consolidate our LED packaging facility to our headquarters in Chunan, Taiwan.

The Chinese New Year (CNY) of 2018 will begin on February 15, 2018. Our office and factory in Chunan will be closed from February 10, 2018 until February 25, 2018 and will resume operations on Monday, February 26, 2018.

About SemiLEDs

SemiLEDs develops and manufactures LED chips and LED components for general lighting applications, including street lights and commercial, industrial, system and residential lighting, along with specialty industrial applications such as ultraviolet (UV) curing, medical/cosmetic, counterfeit detection, horticulture, architectural lighting and entertainment lighting. SemiLEDs sells blue, white, green and UV LED chips.

Forward Looking Statements

This press release contains statements that may constitute "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact could be deemed forward-looking, including, but not limited to, any projection of future revenues, any statements about historical results that may suggest trends for SemiLEDs' business; any statements of the plans, strategies and objectives of management for future operations; any statements of expectation or belief regarding recovery of the LED industry, market opportunities and other future events or technology developments; any statements regarding SemiLEDs' position to capitalize on any market opportunities; and any statements of assumptions underlying any of the foregoing. These forward-looking statements are based on current expectations, estimates, forecasts and projections of future SemiLEDs' or industry performance based on management's judgment, beliefs, current trends and market conditions and involve risks and uncertainties that may cause actual results to differ materially from those contained in the forward-looking statements. SemiLEDs' Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") and other SemiLEDs filings with the SEC (which you may obtain for free at the SEC's website at <http://www.sec.gov>) discuss some of the important risks and other factors that may affect SemiLEDs' business, results of operations and financial condition. SemiLEDs undertakes no intent or obligation to publicly update or revise any of these forward looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Contacts:

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SemiLEDs Corporation

SEMILEDS CORPORATION AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(In thousands of U.S. dollars)

| | November 30, 2017 (Unaudited) | August 31, 2017 (Audited) |
|--|--|--|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 3,400 | \$ 3,582 |
| Accounts receivable (including related parties), net | 1,307 | 1,111 |
| Inventories | 2,614 | 2,946 |
| Prepaid expenses and other current assets | 216 | 405 |
| Total current assets | 7,537 | 8,044 |
| Property, plant and equipment, net | 8,099 | 8,275 |
| Intangible assets, net | 109 | 104 |
| Investments in unconsolidated entities | 998 | 992 |
| Other assets | 248 | 255 |
| TOTAL ASSETS | \$ 16,991 | \$ 17,670 |
| LIABILITIES AND EQUITY | | |
| CURRENT LIABILITIES: | | |
| Current installments of long-term debt | \$ 339 | \$ 335 |
| Accounts payable | 725 | 1,145 |
| Advance receipt toward the convertible note | 500 | 500 |
| Accrued expenses and other current liabilities | 5,632 | 5,482 |
| Total current liabilities | 7,196 | 7,462 |
| Long-term debt, excluding current installments | 2,320 | 2,391 |
| Total liabilities | 9,516 | 9,853 |
| Commitments and contingencies | | |
| EQUITY: | | |
| SemiLEDs stockholders' equity | | |
| Common stock | — | — |
| Additional paid-in capital | 175,410 | 175,386 |
| Accumulated other comprehensive income | 3,727 | 3,701 |
| Accumulated deficit | (171,662) | (171,270) |
| Total equity | 7,475 | 7,817 |
| TOTAL LIABILITIES AND EQUITY | \$ 16,991 | \$ 17,670 |

SEMILEDS CORPORATION AND SUBSIDIARIES
Unaudited Condensed Consolidated Statements of Operations
(In thousands of U.S. dollars and shares, except per share data)

Three Months Ended
November 30, August 31,

| | 2017 | | 2017 |
|---|-------------|--|-------------|
| Revenues, net | \$ 2,003 | | \$ 2,571 |
| Cost of revenues | 1,951 | | 2,426 |
| Gross profit | 52 | | 145 |
| Operating expenses: | | | |
| Research and development | 184 | | 200 |
| Selling, general and administrative | 733 | | 788 |
| Gain on disposals of long-lived assets | — | | (36) |
| Total operating expenses | 917 | | 952 |
| Loss from operations | (865) | | (807) |
| Other income (expenses): | | | |
| Interest expenses, net | (8) | | (8) |
| Other income, net | 498 | | 69 |
| Foreign currency transaction gain (loss), net | (17) | | 73 |
| Total other income, net | 473 | | 134 |
| Loss before income taxes | (392) | | (673) |
| Income tax expense | — | | — |
| Net loss | \$ (392) | | \$ (673) |
| Net loss per share: | | | |
| Basic and diluted | \$ (0.11) | | \$ (0.19) |
| Shares used in computing net loss per share: | | | |
| Basic and diluted | 3,544 | | 3,544 |