



Wafer/IC Lead time Notification

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According to our procurement reports in this year, especially since the Q3 2020, the global 8-inch and 12-inch wafer manufacturing capacity is tighter and tighter, there are mainly few reasons as below:

1. Wafer industry has been in short supply in the past two years.
2. Due to the pandemic impact, different brand new mobile phone models have been delayed to be promoted since July 2020. Wafer manufacturing production line is full of mass orders. In the meantime, increasing production capacity is very limited.
3. Huawei, amp, and SMIC international restricted events.
4. Due to the impact of the Covid-19, the residential economic demands increase, including PC, tablets, game consoles and other demand surge, it also affects the supply chain for electronics, semiconductor (including all the IC for TFT, OLED, LCD).

At present, the lead time for most IC is extended from the past 2 to 3 months to at least 4 months or over 4 months in worse case. The price increase for Wafer has been last for the past year, and the 8-inch wafer sub-contractor has increased the price by 20% to 30% since August, and they may raise again the price in the fourth quarter of 2020.

In this special time, Wafer plants prefer to give priority to secure the supply of high-profit products (e.g. mobile phones, PC, etc). But for small quantity demand with low profit, or for IC design factory that with non-close business relationship with the Wafer sub-contractor factory, In the face of inadequate capacity, the only way to get capacity is to increase price on such kind of customers for them.



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However, even though placing orders base on the increased price, the production output still cannot be guaranteed (PS: Most of driver ICs that LCD uses are belong to low profit products for the Wafer).

All of the IC supplier can see that due to the tight production capacity for the Wafer sub-contractor factory, most customers have already taken action to place future new demand orders in advance or search and stock as many IC as they can. It is estimated that the tight production for 8 inch Wafer production capacity will be last for June 2021 but may be last for the whole year of 2021.

Furthermore, as far as we learn from all of the TFT panel manufacturers and TFT panel supplier, so far in the domestic Chinese market i.e. in Shenzhen, except for TFT panel is lack in the market, many module factories are not able to deliver goods due to lack of IC.

Therefore, please contact your sales window to place forecast/orders in advance or place the IC material orders to prepare the IC stock for lead time sensitive projects accordingly.

Thank you.

Best regards,

A handwritten signature in black ink, appearing to be 'John Lin', with a long horizontal line extending to the right.

John Lin

Vice President of Sales Dept.

WINSTAR Display Co., Ltd.