

## Alpha Networks Inc. Reports Fourth Quarter 2018 Results

Hsinchu, Taiwan, March 20, 2019 -- Alpha Networks Inc. (TWSE: 3380) today announced its consolidated financial results for the fourth quarter of 2018.

The consolidated revenue for 4Q18 was NT\$4,086 million, up 14.0% from last quarter. Gross profit increased 27.4% to NT\$664 million from last quarter; gross margin improved to 16.3%, an increase of 1.8 points as a result of better product portfolio. Operating expenses were NT\$611 million, or 15.0% of net sales, flat quarter-over-quarter. Operating income was NT\$53 million, or 1.3% of net sales, up 1.8 points from last quarter. Net income was NT\$114 million, or NT\$0.23 per share. 4Q18's revenue by product categories: LAN/MAN accounted for 65% of 4Q18 consolidated revenue, followed by Wireless Broadband at 25%, and Digital Multimedia at 10%.

The consolidated revenue for 2018 was NT\$15,608 million, down 18.1% year-over-year. Gross profit was NT\$2,104 million, and gross margin was 13.5%. The sequential decrease was impacted by higher costs of certain components. Operating expenses were NT\$2,304 million. Operating loss was NT\$200 million, or -1.3% of net sales. Net loss was NT\$88 million, or -NT\$0.17 per share. 2018 revenue by product categories: LAN/MAN accounted for 64% of 2018 consolidated revenue, followed by Wireless Broadband at 27%, and Digital Multimedia at 9%.

Alpha Networks Inc. 4Q18 Results and QoQ comparison: (Unit: NT\$ million)

	4Q18	%	3Q18	%	QoQ Change %
Net Sales	<b>4,086</b>	<b>100.0</b>	3,584	100.0	14.0%
Gross Profit	<b>664</b>	<b>16.3</b>	521	14.5	27.4%
Operating Expenses	<b>611</b>	<b>15.0</b>	540	15.0	13.1%
Operating Income (Loss)	<b>53</b>	<b>1.3</b>	(19)	(0.5)	378.9%
Income before Tax	<b>83</b>	<b>2.0</b>	23	0.6	260.9%
Net Income	<b>114</b>	<b>2.8</b>	22	0.6	418.2%
Earnings Per Share (NT\$)	<b>0.23</b>		0.04		

Alpha Networks Inc. 2018 Results and YoY comparison: (Unit: NT\$ million)

	2018	%	2017	%	YoY Change %
Net Sales	<b>15,608</b>	<b>100.0</b>	19,057	100.0	-18.1%
Gross Profit	<b>2,104</b>	<b>13.5</b>	2,892	15.2	-27.2%
Operating Expenses	<b>2,304</b>	<b>14.8</b>	2,280	12.0	1.1%
Operating Income (Loss)	<b>(200)</b>	<b>(1.3)</b>	612	3.2	-132.7%
Income (Loss) before Tax	<b>(84)</b>	<b>(0.5)</b>	696	3.7	-112.1%
Net Income (Loss)	<b>(88)</b>	<b>(0.6)</b>	549	2.9	-116.0%
Earnings (Loss) Per Share (NT\$)	<b>(0.17)</b>		1.26		

### IR Contact Information:

#### Deputy Spokesperson

Claire Yu, Manager

Tel: 03-5636666 ext. 5096

Alpha Networks website: <http://www.alphanetworks.com/>

#### Investor Relations

Vanessa Lan, Associate Project Manager

Tel: 03-5636666 ext. 7627

Email: [IR@alphanetworks.com](mailto:IR@alphanetworks.com)