

## Alpha Networks Inc. Reports First Quarter 2020 Results

Hsinchu, Taiwan, April 30, 2020 -- Alpha Networks Inc. (TWSE: 3380) today announced its consolidated financial results for the first quarter of 2020.

The consolidated revenue for 1Q20 was NT\$4,984 million, up 55.0% year-over-year. The rise was mainly from the increase of LAN/MAN and Digital Multimedia products, and also consolidating revenue of Hitron in Wireless Broadband products. Gross profit increased 60.0% to NT\$845 million from last year, and gross margin improved to 17.0%; the increase of 0.6 points was benefit from consolidating financial statement of Hitron. Operating expenses were NT\$930 million. Operating loss was NT\$ 85 million, or -1.7% of net sales. Net Loss was NT\$138 million, or -NT\$0.24 per share.

1Q20's revenue by product categories: LAN/MAN accounted for 43% of 1Q20 consolidated revenue, followed by Wireless Broadband at 37%, Digital Multimedia at 13%, and Others 7%.

Although the overall revenue and financial performance in the first quarter were under COVID-19 influence, it is expected that the steady improvements of order fulfillment will bring revenue growth in the second quarter.

Alpha Networks Inc. 1Q20 Results and YoY comparison: (Unit: NT\$ million)

	1Q20	%	1Q19	%	YoY Change %
Net Sales	<b>4,984</b>	<b>100.0</b>	3,216	100.0	55.0%
Gross Profit	<b>845</b>	<b>17.0</b>	528	16.4	60.0%
Operating Expenses	<b>930</b>	<b>18.7</b>	542	16.9	71.6%
Operating Income (Loss)	<b>(85)</b>	<b>(1.7)</b>	(14)	(0.4)	-507.1%
Income before Tax (Loss)	<b>(105)</b>	<b>(2.1)</b>	9	0.3	-1266.7%
Net Income (Loss)	<b>(138)</b>	<b>(2.8)</b>	1	0.0	-13900.0%
Earnings Per Share (NT\$)	<b>(0.24)</b>		0.00		

Alpha Networks Inc. Sales Breakdown for 1Q20 and YoY comparison: (Unit: NT\$ million)

Product Categories	1Q20 Net Sales	%	1Q19 Net Sales	%
LAN/MAN	<b>2,125</b>	<b>43%</b>	2,062	64%
Wireless Broadband	<b>1,834</b>	<b>37%</b>	747	23%
Digital Multimedia	<b>661</b>	<b>13%</b>	381	12%
Others	<b>364</b>	<b>7%</b>	26	1%
Total	<b>4,984</b>	<b>100%</b>	3,216	100%

### IR Contact Information:

#### Spokesperson

Kathy Chen, Senior Manager

Tel: 03-5636666

E-mail: [IR@alphanetworks.com](mailto:IR@alphanetworks.com)

#### Deputy Spokesperson

Claire Yu, Manager

Tel: 03-5636666 ext. 5096

#### Investor Relations

Vanessa Lan, Associate Project Manager

Tel: 03-5636666 ext. 7627