

## Alpha Networks Inc. Reports Second Quarter 2020 Results

Hsinchu, Taiwan, August 10, 2020 -- Alpha Networks Inc. (TWSE: 3380) today announced its consolidated financial results for the second quarter of 2020.

The consolidated revenue for 2Q20 was NT\$7,725 million, up 55.0% from last quarter. The rise was mainly from the increase of Wireless Broadband and Digital Multimedia products, and also consolidating revenue of Hitron. Gross profit increased 49.8% to NT\$1,266 million quarter-over-quarter as a result of consolidating financial statement of Hitron. Operating expenses were NT\$1,016 million or 13.2% of net sales, down 5.5 points quarter-over-quarter. Operating income was NT\$250 million, or 3.2% of net sales. Net income was NT\$277 million. Net income attributable to shareholders of the parent company was NT\$211 million, or NT\$0.39 per share. 2Q20's revenue by product categories: Wireless Broadband accounted for 47% of 2Q20 consolidated revenue, followed by LAN/MAN at 30%, Digital Multimedia at 18%, and Others 5%.

The consolidated revenue for the first half of 2020 was NT\$12,709 million, up 77.4% on a year-over-year basis. Gross profit increased 68.1% to NT\$2,111 million from the prior year as a result of consolidating financial statement of Hitron. Operating expenses were NT\$1,946 million or 15.3% of net sales, down 1.3 points from last year. Operating income was NT\$165 million, or 1.3% of net sales. Net income was NT\$139 million. Net income attributable to shareholders of the parent company was NT\$82 million, or NT\$0.15 per share. 1H20's revenue by product categories: Wireless Broadband accounted for 43% of 1H20 consolidated revenue, followed by LAN/MAN at 35%, Digital Multimedia at 16%, and Others 6%.

Alpha Networks Inc. 2Q20 Results and YoY comparison: (Unit: NT\$ million)

	2Q20	%	1Q20	%	QoQ Change %
Net Sales	7,725	100.0	4,984	100.0	55.0%
Gross Profit	1,266	16.4	845	17.0	49.8%
Operating Expenses	1,016	13.2	930	18.7	9.2%
Operating Income (Loss)	250	3.2	(85)	(1.7)	394.1%
Income (Loss) before Tax	305	3.9	(105)	(2.1)	390.5%
Net Income (Loss)	277	3.6	(138)	(2.8)	300.7%
Net Income (Loss) Attributable to Shareholders of the Parent Company	211	2.7	(129)	(2.6)	263.6%
Earnings (Loss) Per Share (NT\$)	0.39		(0.24)		

Alpha Networks Inc. 1H20 Results and YoY comparison: (Unit: NT\$ million)

	1H20	%	1H19	%	YoY Change %
Net Sales	12,709	100.0	7,165	100.0	77.4%
Gross Profit	2,111	16.6	1,256	17.5	68.1%
Operating Expenses	1,946	15.3	1,188	16.6	63.8%
Operating Income	165	1.3	68	0.9	142.6%
Income before Tax	201	1.6	137	1.9	46.7%
Net Income	139	1.1	85	1.2	63.5%
Net Income Attributable to Shareholders of the Parent Company	82	0.6	85	1.2	-3.5%
Earnings Per Share (NT\$)	0.15		0.16		

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