

Alpha Networks Inc.

2024 ANNUAL REPORT

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Alpha annual report is available at <http://www.alphanetworks.com>

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5. Overseas Trade Places for Listed Securities: N.A.**6. Company Website: <https://www.alphanetworks.com/>**

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Letter to Shareholders

Dear Shareholders,

I. Operating Results for 2024

(I) Implementation of the Annual Business Plan

Over the past year, the global economic environment was impacted by war, inflation, and the unexpected inventory adjustment rate by customers, leading to a decline in overall operational performance compared to 2023. Internally, The Company proactively optimized factory capacity and production efficiency, successfully consolidating manufacturing operations in China while enhancing productivity. Externally, the Company continued to develop new clients and successfully expanded into emerging markets such as India. At the same time, Alpha Network Inc. strengthened its services for existing customers, maintaining a stable gross profit margin. Furthermore, through long-term equity investments, the Company expanded its telecommunications business by developing digital microwave communication technologies and products.

Looking ahead to this year, the inventory reduction of customers is nearing its end, and the shipment momentum of major products is gradually increasing. Coupled with the Company's entry into emerging national telecommunications markets and the accelerated development of high-end products, the Company anticipate a return to a growth trajectory in this year's operational development.

(II) Budget Execution

The Company did not disclose its financial forecast for 2024.

(III) Analysis of Financial Results and Profitability

In 2024, the consolidated revenue was NT\$ 21,444 million, which was 24.2% lower compared with the number recorded in the last year; the consolidated gross margin was 18.3%, which was about 0.1% lower than the previous year's 18.4%; the consolidated net operating profit was NT\$108 million; the net profit attributable to the owners of the parent company was NT\$219 million, equivalent to NT\$0.4 per share.

(IV) Research and Development Status

The Company has complete network communication software/hardware technologies, and its research and development focuses in 2024 were as follows:

1. LAN/MAN Business Unit

The company continues to focus on technological innovation and market positioning for switch products, targeting three major markets: Telecom-Grade Switches, Data Center Switches, and Enterprise-Grade Switches. The key research and development focuses include:

(1) Telecom-Grade Switches:

- (a) Continuous research and development of communication protocols for core switches in the telecom market.
- (b) Ongoing research on Sync-E and IEEE 1588v2 switch technology to ensure high-precision time synchronization.
- (c) Strengthening Secure Boot technology and hardware root of trust (HWRoT) applications to enhance product security and support multi-platform deployment.

- (2) Data center switches and AI data center switches.
 - (a) Enhancing the technical application and integration of the SONiC network operating system to achieve more efficient network operation and management, providing customers with flexible software and hardware solutions.
 - (b) Deepening the application of SONiC in AI data center switches, integrating intelligent computing and network operations to meet the needs of future smart data centers.
 - (c) Developing high-bandwidth, high-density products, researching high-speed switch technologies such as 1.6T and 800G to support AI computing and large-scale data center applications.
 - (d) Strengthening high-speed signal development integration and thermal design to further optimize performance while reducing power consumption.
 - (e) Enhancing the customization and intelligence of baseboard management controllers (BMC) to improve product management efficiency.
 - (f) Focusing on technology development to support AI applications, advancing intelligent and high-performance switch solutions.
- (3) Enterprise switches.
 - (a) Developing full 10G-port PoE switches supporting Copper and Fiber ports to meet diverse application scenarios.
 - (b) Continuously customizing functions and communication protocols according to customer needs to meet the demands of different markets and fields.

2. Wireless Broadband Business Unit

To respond to the trends in wireless broadband, the Company focuses on developing xPON optical communication and WiFi6/WiFi7 wireless network technologies, targeting enterprises and households. The Company is also committed to innovating new antenna designs and applying for patents to optimize the performance of WiFi routers, WiFi optical gateways, and WiFi AP products.

Additionally, the Company is actively developing the 5G FWA (including mmWave) platform and the XGSPON platform, further improving the wireless broadband product line.

The Mobile product line is divided into three main areas: CPE, 5G O-RU, and 5G small Cells:

- (1) CPE: Since Alpha Network Inc.'s CPE utilizes modules from module manufacturers for the modem component, the primary R&D focus for CPE is on the rapid integration of software and hardware. Additionally, in 2023, the key development priorities include the design of outdoor and mmWave products, as well as the accumulation of production technology expertise.
- (2) 5G O-RU: It is expected that low-wattage (1W) RUs will become increasingly competitive in price as SoC technology matures. Therefore, the development focus is on relatively high-wattage ($\geq 5W$) RUs, using an O-RAN architecture interface.
- (3) 5G Small Cells: The development focus is on fulfilling private network customer requirements and customization. The evolution of DOCSIS (Data Over Cable Service Interface Specification) technology has progressed alongside the rapid development of the internet, experiencing several generational innovations from initially supporting simple broadband access to now enabling multi-gigabit symmetrical broadband services. DOCSIS 4.0, the latest generation of cable broadband technology specifications, was first released

by Cable Labs in 2019. It is primarily optimized for high-speed broadband needs and future network performance. To address this new technology and meet market demands, the focus in fiscal year 2024 is on developing Docsis 4.0 modems and Routers that incorporate the latest wireless technology (WiFi).

3. Digital Multimedia and Automotive Business Unit

- (1) Development of dedicated baby home network cameras.
- (2) Integration of radar detection to enhance or expand network camera applications.
- (3) Improving the yield rate of optical stations in production lines.
- (4) Enhancing the uniformity control of projection light sources.
- (5) Standardizing optical testing processes.
- (6) Developing 24GHz Radar 1T1R/1T2R solutions, primarily for the bicycle market, providing stable and secure rear collision warning detection (RCW) with a detection range of 150M.
- (7) Design and development of a chamber for mmWave 60GHz Radar EIRP testing research and production line verification. The main focus of development is on measuring the mmWave MIMO RF Power response through the configuration of the radar fixture turntable and corner reflector's corresponding entrance distance: this includes Power/Angle/Distance value.
- (8) Advanced Manufacturing Process Research for L.E.O (Low Earth Orbit) Satellite Production. The primary research focuses on optimizing fixture design and reflow chart parameter control to prevent board deformation after passing through the reflow oven. Additionally, it involves component positioning corrections within specific areas to minimize displacement during placement.
- (9) The 77GHz forward radar, 77GHz side radar, and domain controller system used in the E-Bus ADAS technology project provide driver assistance warnings for ACC, AEB, BSIS, and BSD. Concurrently, in collaboration with the electric bus body manufacturer - Tron Energy Technology Corporation, an application for guidance from the Industrial Development Bureau is submitted. The entire system unit and cooperating manufacturers are all domestic enterprises committed to promoting the localization and full functionality realization of the proposal.
- (10) Technical research on AI-Dashcam. Collaborative research is conducted among a Japanese automobile manufacturer's advanced technology center and a certain vendor.
- (11) Developing automated testing technology for automotive products.

II. Summary of Business Plan for this Year

(I) Business Strategy

1. Continue integrating group resources to maximize synergies.
2. Enhance service quality and strengthen core competitive advantages.
3. Deepen strategic partnerships with customers and suppliers.
4. Accelerate new product development and mass production timelines to drive profitability and competitiveness.
5. Continuously seek suitable strategic partners to expand the Company's business scope.
6. Leading corporate net zero, deepening the culture of corporate sustainability governance.

(II) Sales Volume Forecast and Basis

The sales forecast and planning of the Company's business entities this year are as follows:

1. LAN/MAN Business Unit

Alpha Network Inc. continues to focus on the development of high-speed Ethernet switches across data center, enterprise, telecom, and industrial-grade sectors. According to IDC forecasts, global spending on AI solutions is expected to exceed \$500 billion by 2027, with enterprises increasingly prioritizing AI technology investments and AI-related products and services. Dell'Oro Group data analysis predicts that global data center capital expenditures will grow by 10% by 2025, with generative AI and new AI applications driving major growth in cloud and enterprise sectors. Artificial intelligence has become a new growth engine, and Alpha Network Inc. will seek collaboration with global networking brands to provide solutions and gain industry recognition.

As networking, computing, and storage continue to integrate, and AI and machine learning workloads are expected to grow significantly in the future, this presents both an opportunity and a challenge for Alpha Network Inc. Faced with rapid advancements in technology, industry shifts, and market dynamics, the Company will allocate more resources than in the past to further enhance its competitive advantages and core capabilities, ensuring a strong position in the networking industry.

With the growing demand for generative AI, streaming platforms, and IoT applications, cloud service providers require high-bandwidth and low-latency network connections to meet data processing needs. This surge in demand will drive adoption of 400G, 800G, and future 1.6T switches. Alpha Network Inc. has developed 800G and 1.6T switch products for deployment in core network infrastructure, serving as next-generation solutions that are also well-suited for AI/ML workloads. These products offer fast, scalable architectures with optimized task completion efficiency.

In recent years, the emphasis on sustainability and energy efficiency (ESG) has increased, with carbon reduction becoming a key environmental responsibility. Alpha Network Inc. has initiated research into cooling technologies to enhance computational performance while reducing energy consumption, aiming to provide the best green energy and carbon footprint solutions in the future. Initially, the Company will incorporate water-cooling technology into 1.6T switch products, along with water-cooled racks, to enhance power usage efficiency in data centers, catering to diverse customer needs and expanding solution applications while maintaining a leading position in next-generation data center innovations.

Additionally, with the increasing bandwidth and connection speeds brought by WiFi 6E and WiFi 7, as well as faster network connections for devices such as PCs, laptops, and IP cameras, the demand for multi-gigabit switches is rising annually. This trend is driving higher bandwidth requirements for switch uplink interfaces. By collaborating with chip manufacturers to develop high-density multi-gigabit PHY chips and simplifying circuit designs, along with high-power PoE++ technology, Alpha Network Inc. is making Wi-Fi deployments more efficient, ensuring high-performance network transmission and stable, secure network services. As a result, demand for high-power PoE switches continues to grow.

Alpha Network Inc. is also dedicated to developing telecom-grade 5G xHaul transport switches, OLT optical line terminal equipment, and telecom core network switches. The Company integrates high-precision time synchronization technologies, including GPS, IEEE 1588, and Synchronous Ethernet, to meet major market specifications and fulfill current and future telecom central office demands. Furthermore, the Company complies with NEBS (Network Equipment-Building System) international safety standards for

telecommunications infrastructure, ensuring that products meet consistent safety and quality requirements.

Enterprise and SMB networking solutions remain a key focus for the Metropolitan Network Business Unit. With long-standing relationships with leading international brands, the Company closely aligns with customer needs to develop 10G/25G/100G/400G switches and OpenLAN-related technologies. Alpha Network Inc. continues to expand its existing technological base and market share, striving to become a vital partner for global customers in building network infrastructure.

2. Wireless Broadband Business Unit

In recent years, the rise of remote work due to the pandemic has led to increased demand for broadband connectivity. To improve overall fiber and broadband penetration, governments in Europe and the United States have introduced large-scale broadband infrastructure projects, encouraging global telecom operators to accelerate the upgrade of fixed fiber networks, expedite 5G network deployments, and significantly increase the number of wireless base stations. In addition, technological advancements in DOCSIS 4.0, xPON, and Wi-Fi 7 are also driving market growth.

In the 5G sector, Alpha Network Inc. continues to focus on expanding into vertical enterprise markets by developing wireless radio units (RUs) while also advancing end-to-end (E2E) solutions that offer customization and flexibility for various industry applications. The Company remains committed to developing 5G telecom applications by integrating product solutions such as 5G CPE (FWA) and 5G small cell (RU, CDU). These solutions incorporate Wi-Fi 6 and the latest Wi-Fi 7 technologies, delivering higher speeds and lower latency to enhance overall network experiences.

In the wireless broadband sector, telecom operators are responding to the surge in demand for high-bandwidth smart home and remote work solutions by significantly increasing the deployment of wireless access points (Wi-Fi APs), high-speed wireless routers, and range extenders. This trend is expected to further drive demand for Alpha Network Inc.'s enterprise-grade wireless APs and home routers.

3. Digital Multimedia and Automotive Business Unit

Driven by the growing demand for IoT and 5G technologies, smart home and home security surveillance products have become key drivers of future growth in the digital multimedia sector. Alpha Network Inc. continues to expand its presence in the cloud-based baby monitoring and smart access control markets by integrating millimeter-wave radar technology, AI deep learning, and software-related algorithms such as facial recognition, motion detection, and cloud interoperability (public and private cloud). These advancements enhance product differentiation and competitiveness. Additionally, given the increasing frequency of traffic accidents caused by blind spots in large vehicles, Alpha Network Inc. has developed side blind-spot detection radar solutions for commercial vehicles in compliance with United Nations Regulation UN/ECE R151. The Company has collaborated with clients to conduct full-vehicle road tests and has refined product iterations to reduce false positives and false negatives. Furthermore, Alpha Network Inc. is actively collaborating with electric bus manufacturers to integrate its in-house developed ADAS (Advanced Driver Assistance System) domain controller with AEB (Automatic Emergency Braking) and LKA (Lane Keeping Assist) subsystems. The Company aims to align Taiwan's electric bus ADAS solutions with international standards.

(III) Key Production and Sales Policies for This Year

1. Optimize in-house production capacity allocation in coordination with the mass production operations of the Vietnam subsidiary.
2. Establish strategic manufacturing partnerships and expand global production capacity to meet customer demands.
3. Continuously optimize supply chain management to ensure stable material sourcing and enhance competitive advantages.
4. Actively expand core business sectors and integrate group resources to provide comprehensive solutions for customers.

III. Future Development Strategies of the Company

To enhance profitability and ensure sustainable operations, Alpha Network Inc. has established the following long-term development strategies:

- (I) Growth: Increase the proportion of high-end models in switches, broadband, and other product lines. Expand market applications for cloud surveillance, radar detection, and related products. Strengthen long-term partnerships with customers and suppliers to improve market penetration.
- (II) Efficiency: Continuously improve product manufacturing efficiency, quality, and customer satisfaction while reinforcing core competitive advantages.
- (III) Transformation: In addition to continuously exploring new markets and sales channels, expand the breadth and depth of the networking industry through mergers and acquisitions (M&A) to enhance the Company's overall competitiveness.
- (IV) Sustainability: Implement sustainable development practices and foster a friendly workplace, fulfilling corporate social responsibility from multiple perspectives.

IV. Impact of External Competitive, Regulatory, and Macroeconomic Environments

The global economy continues to face uncertainties due to war, inflationary pressures, and various trade protection measures. However, after more than a year of inventory adjustments, the networking and communications industry is expected to recover, driven by favorable broadband infrastructure policies in certain countries. Alpha Network Inc. will continue to strengthen its core technologies and develop high-end integrated products to enhance its competitive advantages. The Company remains committed to expanding into new markets and sales channels to capture growth opportunities. With international enterprises placing increasing emphasis on ESG and sustainable development, Alpha Network Inc. will effectively integrate group-wide resources to fulfill corporate social responsibilities and ultimately maximize shareholder value.

Alpha Network Inc. sincerely appreciate the shareholders' continued support and encouragement. Looking ahead to 2025, the Company will further enhance its core technologies, develop market-competitive product lines, and strengthen customer service quality and engagement. The Company will also expand its sales reach into emerging, high-potential markets while improving production efficiency and cost advantages. By leveraging in-house production capacity and global manufacturing partnerships,

Alpha Network Inc. aims to better meet customer demands. Additionally, the Company will actively seek suitable M&A and long-term investment opportunities to deepen and broaden its presence in the networking industry, striving to generate the highest possible returns for shareholders.

Best wishes for your health and all the best!

Sincerely!

Chairperson: Wen-Fang Huang

Corporate Governance

I. Information Regarding Directors, President, Vice Presidents, Associate Vice Presidents and Managers of Departments and Divisions

(I) Directors Information

March 29, 2025; unit: shares, %

Title	Nationality or Place of Registration	Name	Gender & Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Shareholding by Spouse & Minors		Shareholding in the Names of Other Persons		Remark
							Shares	%	Shares	%	Shares	%	Shares	%	
Chairperson	Republic of China	Qisda Corporation	-	2023.5.31	3	2018.6.15	295,797,126	54.60%	295,797,126	54.60%	0	0.00%	0	0.00%	The Company's chairperson, CEO and president are the same person, who can represent the Company externally and effectively coordinate the management team, and actively expand the 5G network communication business. At the same time, in order to strengthen the independence and supervision function of the board of directors, the board of directors of the Company has four independent directors and more than half of the directors are not an employee or a manager of the Company, so as to improve the operation of the board of directors and comply with the principles of corporate governance.
	Republic of China	Representative: Wen-Fang Huang	Female 51~60	2023.5.31	3	2019.8.28	0	0.00%	0	0.00%	0	0.00%	0	0.00%	
Vice Chairperson	Republic of China	Qisda Corporation	-	2023.5.31	3	2018.6.15	295,797,126	54.60%	295,797,126	54.60%	0	0.00%	0	0.00%	
	Republic of China	Representative: Chi-Hong Chen	Male 61~70	2023.5.31	3	2018.6.15	0	0.00%	0	0.00%	0	0.00%	0	0.00%	
Director	Republic of China	Qisda Corporation	-	2023.5.31	3	2018.6.15	295,797,126	54.60%	295,797,126	54.60%	0	0.00%	0	0.00%	
	Republic of China	Representative: Han-Chou, Huang	Male 61~70	2023.5.31	3	2022.4.29	0	0.00%	0	0.00%	0	0.00%	0	0.00%	
Director	Republic of China	Qisda Corporation	-	2023.5.31	3	2018.6.15	295,797,126	54.60%	295,797,126	54.60%	0	0.00%	0	0.00%	
	Republic of China	Representative: Chiu-Chin Hung	Female 51~60	2023.5.31	3	2021.1.28	0	0.00%	0	0.00%	0	0.00%	0	0.00%	
Independent Director	Republic of China	Shu-Hsing Li	Male 61~70	2023.5.31	3	2021.1.28	0	0.00%	0	0.00%	0	0.00%	0	0.00%	
Independent Director	Republic of China	Cheng-Jung Chiang	Male 71~80	2023.5.31	3	2021.1.28	0	0.00%	0	0.00%	0	0.00%	0	0.00%	
Independent Director	Republic of China	Ming-Der Hsieh	Male 61~70	2023.5.31	3	2020.6.12	0	0.00%	0	0.00%	0	0.00%	0	0.00%	
Independent Director	Republic of China	Zhong-Rui Chen	Male 61~70	2023.5.31	3	2023.5.31	0	0.00%	0	0.00%	0	0.00%	0	0.00%	

Title Name	Career (Academic) Backgrounds	Selected Current Positions at Alpha and Other Companies (Note 1)
Chairperson Wen-Fang Huang	<u>Academic Background:</u> EMBA, National Taiwan University Economic, National Taiwan University <u>Career Background:</u> Vice President & General Manager, Commercial & Industrial Products of Qisda Corp Director of Qisda Optronics Corp.	CEO and President, Alpha Networks, Inc. Chairperson, Hitron Technologies Inc. Chairperson, Interactive Digital Technologies Inc. Director, BenQ Foundation Chairperson, Alpha Foundation
Vice Chairperson Chi-Hong Chen	<u>Academic Background:</u> Dept. of Business Administration, National Chengchi University MBA, Thunderbird School of Global Management, ,U.S.A Electrical Engineering, National Cheng Kung University <u>Career Background:</u> President, Qisda Corporation President, Technology Product Center, BenQ Corp.	Chairperson & CEO, Qisda Corporation. Director, Darfon Electronics Corp. Chairperson, DFI Inc. Director, Hitron Technologies Inc. Chairperson, BenQ Medical Technology Corporation. Chairperson, Partner Tech Corp. Director, BenQ Materials Corp. Director, BenQ corporation. Director, Darly Venture Inc. Director, Darly2 Venture Inc. Director, Darly Consulting Corporation. Director, BenQ Healthcare Consulting Corporation. Director, BenQ Hospital Management Consulting (NanJing) Co., LTD. Director, NANJING BenQ Hospital Co., Ltd. Director, Suzhou BenQ Hospital Co., Ltd. Director, Qisda Corporation. Director, BenQ BM Holding Corp. Director, BenQ BM Holding Cayman Corp. Director, Qisda (L) Corp. Director, Darly Venture (L) Ltd. Chairperson, BenQ Foundation. Director, Phoenix Venture Capital Co., Ltd. Director, Phoenix 2 Venture Capital Co., Ltd. Director, Phoenix 3 Venture Capital Co., Ltd. Director, Phoenix 4 Venture Capital Co., Ltd. Director, Phoenix 6 Venture Capital Co., Ltd. Director, Dunpin No.1 Innovation Investment Co., Ltd. Director, Dunpin No.2 Innovation Investment Co., Ltd. Director, InnoFund V. Director, Industrial Technology Research Institute.
Director Han-Chou, Huang	<u>Academic Background:</u> EMBA, Tsing Hua University in Beijing, China MBA, Greenwich University in the UK <u>Career Background:</u> Senior Vice President, Qisda Corporation President of Global Supply Chain COO, BenQ China VP of Global Manufacturing, BenQ	Director, Qisda Corporation President, Qisda Corporation Director, AU Optronics Corporation Chairperson, Simula Technology Inc. Chairperson, Action Star Technology. Chairperson, Dataimage Corporation Chairperson, DIVA Laboratories. Ltd. Chairperson, Qisda Optronics Corp. Director, BenQ Foundation Director, BenQ Biotech (Shanghai) Co., Ltd. Director, Shanghai Filter Technology Co., Ltd. Director, MetaAge Corporation.

Title Name	Career (Academic) Backgrounds	Selected Current Positions at Alpha and Other Companies (Note 1)
Director Chiu-Chin Hung	<u>Academic Background:</u> EMBA, National Taiwan University MBA, California State University, Fullerton ,U.S.A <u>Career Background:</u> Chief Financial Officer, Daxon Technology Co., Ltd.	Chief Financial Officer, Qisda Corp. Director, Darfon Electronics Corp. Director, Dataimage Corporation Director, Data Image Corporation Director, BenQ corporation. Director, Qisda Optronics Corp. Chairperson, Darly Venture Inc. Chairperson, Darly2 Venture Inc. Chairperson, Darly Consulting Corporation. Director, BenQ Healthcare Consulting Corporation Director, BenQ Hospital Management Consulting (NanJing) Co., LTD. Director, NANJING BenQ Hospital Co., Ltd. Director, Suzhou BenQ Hospital Co., Ltd. Director, Suzhou BenQ Investment Co., Ltd. Director, BenQ Biotech (Shanghai) Co., Ltd. Director, Shanghai Filter Technology Co., Ltd. Director, Shanghai Filter Technology Co., Ltd. Director, BenQ BM Holding Corp. Director, BenQ BM Holding Cayman Corp. Director, Qisda Sdn. Bhd. Director, Qisda (L) Corp. Director, Darly Venture (L) Ltd. Director, Topview Optronics Corp. Director, BenQ Foundation.
Independent Director Shu-Hsing Li	<u>Academic Background:</u> Ph.D., Accounting, New York University, U.S.A Business Administration, National Chengchi University <u>Career Background:</u> Vice President, Office of Financial Affairs, National Taiwan University Dean, College of Management, National Taiwan University Dean, Department of Accounting, National Taiwan University Chairperson, Taiwan Accounting Association Chair Professor, Department of Accounting, Tunghai University	Professor of Department of Digital Financial Technology and Dean of College of Management, Chang Gung University Independent Director, Fubon Financial Holding Co., Ltd. Independent Director, Healthconn Corp. Independent Director, Sharehope Medicine Co., Ltd.
Independent Director Cheng-Jung Chiang	<u>Academic Background:</u> Ph.D., Business Administration, University of Maryland, U.S.A EMBA, National Chengchi University, Dept. of aerospace engineering, Tamkang University <u>Career Background:</u> Independent Director, Chen Full International Co., Ltd. Independent Director, Glory Science Co., Ltd. Independent Director, Giga Solar Materials Corp. Independent Director, SAMPO Corporation. Independent Director, Cherman Metal Industrial Corp.	Chairperson and General Manager, Taiwan-Asahi Environmental Technology Co., Ltd. Chairperson and General Manager, Diamond Technical & Trading Corp. Independent Director, FIT Holding Co., Ltd. Adjunct Professor, Dept. of Aerospace Engineering, Tamkang University Director and Strategy Consultant, Commerce Development Research Institute

Title Name	Career (Academic) Backgrounds	Selected Current Positions at Alpha and Other Companies (Note 1)
Independent Director Ming-Der Hsieh	<u>Academic Background:</u> Ph.D., Electrical Engineering, Michigan State University, U.S.A <u>Career Background:</u> Dean, Miin Wu School of Computing, National Cheng Kung University Chairperson, Taiwan IC Design Society Dean, Department of Electrical Engineering, National Cheng Kung University Deputy General Director, Information and Communications Research Laboratories, Industrial Technology Research Institute	Professor, Department of Electrical Engineering, National Cheng Kung University CTO, Institute of Electro-Optics, Industrial Technology Research Institute. Independent Director, Genesys Logic Inc. Director, Southern Taiwan Silicon Valley Program Office
Independent Director Zhong-Rui Chen	<u>Academic Background:</u> MBA, East Illinois University, U.S.A <u>Career Background:</u> Vice Chairperson, Yuanta Securities Investment Consulting Co., Ltd. Director, Forcecon Technology Co., Ltd. Independent Non-Executive Director and Audit Committee Member, VEDAN Enterprise Corporation	Chairperson, Ray Wing Research & Investment Corp. Independent Director, Pili International Multimedia Co., Ltd. Director, Forcecon Tech. Co., Ltd. Independent Director, Longwell Company. Director, Tai-Saw Technology Co., Ltd. Chairperson, Lixue Asset Management Co., Ltd. Director, Dunpin No.1 Innovation Investment Co., Ltd.

Note 1: Please refer to the section "Directors, Supervisors and Presidents of Affiliates" in the annual report.

Note 2: Any Executive, Director, or supervisor who is a spouse or relative within the second degree of kinship: None.

Substantial Shareholders of the Institutional Shareholder

Name of Institutional Shareholder (Note1)	Substantial Shareholders of the Institutional Shareholders	Shareholding Percentage (%)
Qisda Corporation (Note 2)	AUO Corporation	12.20 %
	Acer Inc.	4.21 %
	Taishin International Bank entrusted with the Qisda Corporation Employee Stock Ownership Trust Account	3.89 %
	Konly Venture Corporation.	2.60 %
	Darfon Electronics Corp.	2.07 %
	Chunghwa Post Co., Ltd.	1.39 %
	Standard Chartered Bank (Taiwan) Limited. in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	0.99 %
	Citi Bank (Taiwan) in custody for the investment account of Poluning Development National Fund Co., Ltd.	0.95 %
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds.	0.92 %
	Dongmu Association. (Note 3)	0.89 %

Note1: Directors are Institutional Shareholders.

Note2: The shareholding reference date was March 31, 2025.

Note 3: Institutional person shareholders are not company organizers. The names of shareholders and shareholding ratios that should be disclosed at the beginning are the names of capital contributors or donors and their capital contribution or donation ratios.

Note 4: Please refer to the names of major shareholders in this annual report and capital raising information.

Substantial Shareholders of Institutional Shareholders of Substantial Shareholders of the Company's Institutional Shareholders.

Name of Institutional Shareholders	Substantial Shareholders of the Institutional Shareholders	Shareholding Percentage (%)
AUO Corporation (Note1)	Qisda Corporation	6.90%
	Bank SinoPac in Custody for the Employees Stock Ownership Trust account for the Committee of Employees Stock Ownership Trust of AUO Corporation.	5.46%
	Quanta Computer Inc.	4.61%
	CTBC Bank in Custody for Yuanta Taiwan Value High Dividend ETF	4.00%
	Citibank Taiwan in Custody for AUO Corporation ADR.	2.38%
	Labor Pension Fund (The New Fund)	1.65%
	Nan Shan Life Insurance Company, Ltd.	1.56%
	JPMorgan Chase Bank N.A., Taipei Branch in Custody for Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	1.12%
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds.	0.96%
	Citibank Taiwan in custody for the government of Singapore.	0.88%
Acer Incorporated (Note2)	Yuanta/P-shares Taiwan Dividend Plus ETF	4.72%
	Hung Rouan Investment Corp.	2.42%
	Taipei Fubon Commercial Bank in Custody for Fuh Hwa Taiwan Technology Dividend Highlight ETF	2.40%
	Stan Shih	1.15%
	Labor Pension Fund (The New Fund)	1.09%
	JPMorgan Chase Bank N.A., Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.01%
	JPMorgan Chase Bank N.A., Taipei Branch in custody for the special investment accounts of J.P. Morgan Asset Management	0.96%
	Citibank Taiwan in Custody for Acer GDR	0.91%
	Citibank Taiwan in custody for the government of Singapore.	0.65%
	JPMorgan Chase Bank N.A., Taipei Branch in Custody for Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	0.63%
Konly Venture Corporation. (Note 3)	AUO Corporation	100%
Darfon Electronics Corp. (Note 4)	Qisda Corporation	20.72%
	BenQ Corporation	5.01%
	Taishin International Bank entrusted with the Darfon Electronics Corp, Employee Stock Ownership Trust Account	3.85%
	Mega International Commercial Bank Co., Ltd.	1.62%
	Labor Pension Fund (The New Fund)	1.60%
	Kai-Chien Su	1.45%
	JPMorgan Chase Bank N.A., Taipei Branch in Custody for Japan Securities Finance Co., Ltd.	1.27%
	Chang Hwa Commercial Bank Ltd.	1.21%
	Taiwan Cooperative Bank	1.16%
	HSBC Bank (Taiwan) Limited in Custody for Mitsubishi UFJ Morgan Stanley Securities Cp., Ltd. Equity Trading Division.	1.09%
Chunghwa Post Co., Ltd. (Note 5)	Ministry of Transportation And Communications	100%

Note 1: The shareholding reference date was April 01, 2024.

Note 2: The shareholding reference date was April 02, 2024.

Note 3: MOEA registration publicity materials.

Note 4: The shareholding reference date was April 15, 2024.

Note 5: MOEA registration publicity materials.

Directors' information

I. Professional Qualifications and Independence Analysis of Directors

Criteria Name	Professional qualifications and experience	Independence situation (Note 1)	Number of Other Public Companies Concurrently Serving as an Independent Director
Qisda Corporation Representative: Wen-Fang Huang	<ol style="list-style-type: none"> Mrs. Wen-Fang Huang has served as the director representative appointed by Alpha Networks Inc. since August 2019. Currently she is the chairperson, CEO and president of the Company and the chairperson of Hitron Technologies Inc. and Interactive Digital Technologies Inc. Mrs. Wen-Fang Huang graduated from the Department of Economics of National Taiwan University and holds an EMBA from National Taiwan University. She once served as Vice President & President at Commercial & Industrial Products of Qisda Corp. Mrs. Wen-Fang Huang is the President of Networking and Communication Business of Qisda Corp and was assigned to Alpha. She has rich business and management experiences and is fully committed to promoting the development of 5G Netcom business in line with the group's strategy. 	Not applicable	0
Qisda Corporation Representative: Chi-Hong Chen	<ol style="list-style-type: none"> Mr. Chi-Hong Chen has served as the director representative appointed by Qisda Corp. since June 2018. Currently, he is a director and vice chairperson, of the Company and the chairperson & CEO of Qisda Corp and the director of Hitron Technologies Inc. Mr. Chi-Hong Chen graduated from the Department of Electrical Engineering of National Cheng Kung University and holds a master's degree in international business management from Thunderbird in the United States. He served as the president of the product technology center of BenQ Corp. and the president of Qisda Corp. Mr. Chi-Hong Chen has been responsible for different product R&D and business departments, and has also held management positions along the way. His comprehensive experiences in R&D and management has enabled him to accumulate profound industry experiences and innovative leadership thinking, and he is the chief helmsman of the large fleet. 	Not applicable	0
Qisda Corporation Representative: Han-Chou, Huang	<ol style="list-style-type: none"> Mr. Han-Chou, Huang has served as the director representative appointed by Qisda Corp. since April 2022. Currently he is a director of the Company and the director & president of Qisda Corp. 	Not applicable	0

	<ol style="list-style-type: none"> 2. Mr. Han-Chou, Huang also holds a MBA from University of Greenwich in the UK. He served as the president of Qisda Global Supply Chain and the vice president of Qisda Corporation. 3. Mr. Han-Chou, Huang has more than 13 years of experience in supply chain management, 10 years of experience in factory operation management, and 5 years of experience in brand operation. He has served as the head of Qisda's business unit and business group. Moreover, he has been posted overseas for more than 10 years. He has rich and diverse qualifications and business performance, and is familiar with industry-related contacts. 		
Qisda Corporation Representative: Chiu-Chin Hung	<ol style="list-style-type: none"> 1. Mrs. Chiu-Chin Hung has served as the director representative appointed by Qisda Corp. since January 2021. Currently, she is a director of the Company and the vice president & group chief financial officer and spokesperson of Qisda Corp. 2. Mrs. Chiu-Chin Hung also holds an EMBA degree from National Taiwan University and was the chief financial officer of Daxon Technology Co., Ltd. 3. With her rich experiences in financial management, mergers and acquisitions and communication skills, Mrs. Chiu-Chin Hung leads the Grand Fleet subsidiary of Qisda Group to coordinate the financial management of the Grand Fleet and effectively assists the growth of the group. 	Not applicable	0
Independent Director Shu-Hsing Li	<ol style="list-style-type: none"> 1. Mr. Shu-Hsing Li has served as the independent director of the Company since January 2021. Currently, he serves as Dean of the College of Management and Professor of Digital Financial Technology at Chang Gung University, Independent Director, Fubon Financial Holding Co., Ltd., Healthconn Corp. and Sharehope Medicine Co., Ltd. 2. Mr. Shu-Hsing Li holds Ph.D., in Department of Accounting from New York University; Vice President of Finance, National Taiwan University, Dean of School of Management, National Taiwan University, Director of the Department of Accounting and Research Institute, National Taiwan University, Chairperson of the Taiwan Accounting Association. 3. Mr. Shu-Hsing Li is professional in finance and accounting and has many years of experiences as an independent director in other industries; he can share the experience in operating multiple industries to the Company and provide 	Compliant	3

	management decision-making opinions on industry integration analysis, risk management, etc.		
Independent Director Ming-Der Hsieh	<ol style="list-style-type: none"> 1. Mr. Ming-Der Hsieh has served as the independent director of the Company since June 2020. Currently, he is a professor in the Department of Electrical Engineering at National Cheng Kung University and the technical director of the Institute of Electro-Optics of the Industrial Research Institute, Independent Director, Genesys Logic Inc. and Director, Southern Taiwan Silicon Valley Program Office. 2. Mr. Ming-Der Hsieh holds Ph.D., in Electrical Engineering from Michigan State University, U.S.A; served as Dean of Miin Wu School of Computing, National Cheng Kung University; Chairperson, Taiwan IC Design Society; Dean of Department of Electrical Engineering, National Cheng Kung University; Deputy General Director, Information and Communications Research Laboratories, Industrial Technology Research Institute. 3. Mr. Ming-Der Hsieh has been engaged in teaching and cultivating talents for 30 years. He imparts his experiences and knowledge to others, and provides opinions on company management decision-making based on his insight into the industry. 	Compliant	1
Independent Director Cheng-Jung Chiang	<ol style="list-style-type: none"> 1. Mr. Cheng-Jung Chiang has served as the independent director of the Company since January 2021. Currently, he is a Chairperson and General Manager of Taiwan-Asahi Environmental Technology Co., Ltd, Chairperson and General Manager, Diamond Technical & Trading Corp. Independent Director, Sampo Corporation, Chernan Metal Industrial Corp., FIT Holding Co., Ltd. and Adjunct Professor, Dept. of Aerospace Engineering, Tamkang University. and Director, Strategy Consultant, Commerce Development Research Institute. 2. Mr. Cheng-Jung Chiang holds Ph.D. in Business Administration, from University of Maryland, U.S.A ; Independent Director, Chen Full International Co., Ltd., Glory Science Co., Ltd. and Giga Solar Materials Corp, Independent Director, Sampo Corporation, Independent Director, Chernan Metal Industrial Corp. 3. Mr. Cheng-Jung Chiang has thirty years of experiences in environmental engineering. With his insight into environmental issues, he provides management decision-making advice on promoting sustainable 	Compliant	1

	development for the Company.		
Independent Director Zhong-Rui Chen	<p>1. Mr. Zhong-Rui Chen has served as the independent director of the Company since May 2023. Currently, he serves as Chairperson of Ray Wing Research & Investment Corp., Independent Director, Pili International Multimedia Co., Ltd., Director, Forcecon Tech. Co., Ltd, Independent Director, Longwell Company and Director, Tai-Saw Technology Co., Ltd., Chairperson, Lixue Asset Management Co., Ltd. and Director, Dunpin No.1 Innovation Investment Co., Ltd.</p> <p>2. Mr. Zhong-Rui Chen holds a master's degree in business administration from East Illinois University in the United States. He served as the senior deputy general manager of Concord Securities Group, the chairperson of Concord Securities Investment Consulting Co., Ltd., the president of Yuanta Securities Investment Consulting Co., Ltd. vice Chairperson, Independent Non-Executive Director and Audit Committee Member of VEDAN Enterprise Corporation.</p> <p>3. Mr. Zhong-Rui Chen has experienced many booms and busts during his securities service and has rich practical experience in securities. He provides opinions on company management decision-making with his insight into the financial industry.</p>	Compliant	2

Note 1: Independence situation:

- (1) All comply with the provisions of Article 3, Paragraph 1 of the "Regulations on the Establishment of Independent Directors of Publicly Offered Companies and Matters to be Observed"
- (2) Article 27 of the Company Law does not stipulate that the government, legal persons or their representatives are elected
- (3) In the past two years, the company has not provided business, legal, financial, accounting and other services to the company or its affiliated companies
- (4) None of the independent directors, their spouses, or relatives within the second degree (or using the names of others) hold shares in the company. Please provide details of directors, general managers, deputy general managers, associates, and heads of departments and branches. (1) Director information.

Note 2: All the independent directors' professional qualifications and experience meet the provisions of Article 2(1) of "Regulations Governing Appointment of Independent Directors and Compliance.

Note 3: All the directors don't have any circumstances specified in Article 30 of the Company Act.

II. Diversification and Independence of Board

(I) Diversification of Board

Policy

1. The Company's board of directors has formulated the "Corporate Governance Code of Practice", and in Chapter 3 "Strengthening the Functions of the Board of Directors", there is a policy of diversification. The nomination and selection of Board Members comply with articles of incorporation that the Company adopts the candidate nomination system. Aside from evaluating each candidate's qualifications including education and experience, the Company also refers to stakeholders' opinions as well as comply with "Rules for Director and Supervisor Elections" and "Corporate Governance Principles" in order to ensure the diversity and independency of Board Members. The composition of the board shall have the necessary knowledge, skill, and experience to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

- (1) Making operational judgment skills.
- (2) Perform accounting and financial analysis skills.
- (3) Conduct management administration skills. (Including operation and management of subsidiaries)
- (4) Conduct crisis management skills.
- (5) Industrial knowledge.
- (6) International market perspective.
- (7) Leadership.
- (8) Executive skills.
- (9) Risk management knowledge and ability.

The composition of Board members shall be determined by taking diversity into consideration and formulating an appropriate approach on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

- Basic requirements and values: age, gender, identity, and more. The Company pays attention to gender equality in the composition of board members, and aims to increase at least one female director in the future.
- Professional knowledge and skills: Professional background, professional skills, industry experience, and more.

Goal

The Company to enhance the overall knowledge of the highest governance body on economic, environmental and social issues and continuously improve the management capabilities faced by the board of directors, the Group organizes two director training courses each year, invites lecturers to give lectures, and actively cooperates with the Financial Supervisory Commission to promote the "Corporate Governance 3.0-Sustainable Development Blueprint" and "Listed Company Sustainable Development Action Plan".

Achievement

The Company currently has a total of 8 directors, one director who concurrently as employee of the Company accounts for 12.5% and four independent directors account for 50%. Two directors are aged between 51-60, five directors between 61-70 and one director is between 71-80.

Over 50% of board members has experience in business management, multi-industry knowledge, and venture capital investment, and is committed to environmentally sustainable development and public welfare contributions; besides that, the Independent Director Shu-Hsing Li have possess financial accounting expertise, the Independent Director Zhong-Rui Chen is professional in financial investment, industrial research, company management and risk management, the Independent Director Ming-Der Hsieh and Cheng-Jung Chiang have a background in information technology industry and academia, respectively. The diverse experience and capabilities of the members of the Board of Directors of the Company have greatly contributed to the overall business operation of the Company.

The implementation of diversification of the board of directors of the Company in 2024 was as follows

Title	Name	Gender	Diverse Industry and Professional Skills								Term of office of independent director
			Business Management	Industry information	Venture capital investment	ESG	Finance and Accounting	Risk Management	Information Technology	Academic Research	
Chairperson	Wen-Fang Huang	Female	V	V		V					
Vice Chairperson	Chi-Hong Chen	Male	V	V	V	V		V			
Director	Han-Chou Huang	Male	V	V		V					
Director	Chiu-Chin Hung	Female	V		V		V	V			
Independent Director	Shu-Hsing Li	Male	V	V			V			V	Three terms or less
Independent Director	Ming-Der Hsieh	Male		V					V	V	Three terms or less
Independent Director	Cheng-Jung Chiang	Male	V	V		V				V	Three terms or less
Independent Director	Zhong-Rui Chen	Male	V		V		V				Three terms or less

The specific management objectives and achievement of the Company's diversification policy are as follows

The specific management objectives	Achievement
Directors who concurrently serve as company managers should not exceed one-third of the directors' seats	Achieved
More than one-third of independent directors	Achieved
Term of office of independent director less three terms	Achieved
Two seats for Female Directors	Achieved

We have two female members in our board meeting. Achieving One third female members is our goal.

(II) The Board of Director Independence

Policy

The Company has approved the "Director Election Rules" through a resolution of the shareholders' meeting. The rules are in accordance with the candidate nomination system procedures formulated in Article 192-1 of the Company Act. Shareholders elect directors from a list of candidate directors, and there is no spouse or second-degree relative relationship among the directors. In addition, the Company has approved a resolution to establish the "Board of Directors Meeting Rules". When a director has a conflict of interest with himself or the legal person he represents in the meeting, he shall explain the important details of his conflict of interest at the board meeting. If there is a risk of harming the interests of the company, he shall not participate in the discussion and voting, and shall recuse himself from the discussion and voting, and shall not exercise the voting rights on behalf of other directors.

Goal

The Company reinforce the effectiveness of the board of directors and implement a good board governance system, the Company has established the audit committee and a remuneration committee under the board of directors, which are composed of all independent directors. Through professional division of labor and independent and detached positions, they assist the board of directors in making decisions, aiming to improve the supervisory function and strengthen the management function, and actively implement corporate governance.

Achievement

As of the date publication, the Company's Board of Directors consists of 8 directors, of which 7 are non-employees, accounting for 87.5%, and 4 are independent directors, accounting for 50%. There are no spouses or relatives within the second degree of kinship between independent directors or between independent directors and directors, which complies with the provisions of Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act. All directors do not have any of the circumstances listed in Article 30 of the Company Act, and all independent directors comply with the relevant regulations on independent directors set by the Financial Supervisory Commission. For the implementation of the directors' conflict of interest resolution in 2024, please refer to Section 3 "Corporate Governance Operations" of Chapter 2 "Corporate Governance Report" of this annual report.

(II) Information of President, Vice President, Associate Vice President and Managers of Each Department and Division

March 29, 2025; Unit: share

Title	Nationality	Gender	Name	On-board Date	Current Shareholding		Shareholding by Spouse & Minors		Career (Academic) Backgrounds	Selected Current Positions at and Other Companies (Note 1)	Remark (Note 2)
					Shares	%	Shares	%			
CEO & President	Republic of China	Female	Wen-Fang Huang	03/19/2021	0	0.00%	0	0.00%	<u>Academic Background:</u> EMBA, National Taiwan University Economic, National Taiwan University <u>Career Background:</u> Vice President & General Manager, Commercial & Industrial Products of Qisda Corp Director of Qisda Optronics Corp.	Chairperson, Hitron Technologies Inc. Chairperson, Interactive Digital Technologies Inc. Director, BenQ Foundation Chairperson, Alpha Foundation (Note 1)	The Company's chairperson, CEO and president are the same person, who can represent the Company externally and effectively coordinate the management team, and actively expand the 5G network communication business. At the same time, in order to strengthen the independence and supervisory functions of the board of directors, the board of directors of the company has four independent directors, and two-thirds of the directors are not employees or managers, so as to improve the operation of the
Vice President (Note 3)	Republic of China	Male	Pei-Shun, Chiu	03/01/2024	0	0.00%	0	0.00%	<u>Academic Background:</u> Master of Electrical Engineering, University of Nebraska, Lincoln <u>Career Background:</u> President of Hitron Technologies Inc.	Director, Hitron Technologies Inc. (Note 1)	
Associate Vice President (Note 4)	Republic of China	Male	Yang-Zhi, Chou	05/03/2016	—	—	—	—	—	—	
Associate Vice President (Note 5)	Republic of China	Male	Yi-Jin, Chiu	09/01/2020	—	—	—	—	—	—	
Associate Vice President	Republic of China	Female	Cai-Fen, Chen	07/28/2023	0	0.00%	0	0.00%	<u>Academic Background:</u> Department of English, Tamkang University <u>Career Background:</u> Director of Qisda Corp	(Note 1)	
Associate Vice President	Republic of China	Male	Zheng-He, Huang	07/28/2023	0	0.00%	0	0.00%	<u>Academic Background:</u> Master of Marketing Administration, The City University of New York <u>Career Background:</u> Vice President, D Business Group of Hon Hai Technology Group COO, Baotek Inc.	(Note 1)	
Associate Vice President (Note 6)	Republic of China	Male	Ming-Lin, Chien	03/01/2024	0	0.00%	0	0.00%	<u>Academic Background:</u> Master of Electrical Engineering, Syracuse University <u>Career Background:</u> Vice President, Product Center of D-Link Corporation Director, Product Marketing of Accton Technology Corporation	(Note 1)	

Title	Nationality	Gender	Name	On-board Date	Current Shareholding		Shareholding by Spouse & Minors		Career (Academic) Backgrounds	Selected Current Positions at and Other Companies (Note 1)	Remark (Note 2)
					Shares	%	Shares	%			
Associate Vice President (Note 7)	Republic of China	Male	Wen-Jiunn Tsai	09/01/2020	20,000	0.00%	0	0.00%	<u>Academic Background:</u> Ph.D., University of Massachusetts Master, Arizona State University Bachelor of Electronic Engineering, NCTU <u>Career Background:</u> Associate Vice President, Arcadyan Technology Corporation Chairperson and CEO, Airdio Wireless Inc. CTO, AboCom Corporation Vice President, Giga Solution	(Note 1)	board of directors and comply with the principles of corporate governance
Associate Vice President (Note 8)	Republic of China	Male	Zhi-Jian, Huang	01/16/2025	0	0.00%	0	0.00%	<u>Academic Background:</u> Electronic Engineering, Tunghnan University <u>Career Background:</u> Vice President, Hitron Technologies Inc. manufacturing department	—	
Associate Vice President (Note 9)	Republic of China	Male	Sheng-Tien, Hsu	03/01/2025	0	0.00%	0	0.00%	<u>Academic Background:</u> Mechanical Engineering, National Yang Ming Chiao Tung University <u>Career Background:</u> Associate Vice President, Hitron Technologies Inc. supply-chain management Associate Vice President, FuSheng Precision Co., Ltd. SCM	—	
Senior Director	Republic of China	Female	Shao-Ling Chen	03/17/2020	50,000	0.01%	0	0.00%	<u>Academic Background:</u> Master of Commerce, Department of International Business, National Taiwan University Financial Management Section, Department of Business Management, Taichung Institute of Technology <u>Career Background:</u> Senior Finance Manager, Parexel International Co., Ltd. Finance Manager, UTStarcom Inc., Asia Pacific. Finance Manager, WorldCom Inc.	(Note 1)	
The Company's shares held by managers in the name of other persons: None.											
Any spouse or relative within the second degree of kinship of any manager who serves as the Company's executive: None											

Note 1: Please refer to the section "Directors, supervisors and presidents of affiliates" in annual report.

Note 2: Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto must be disclosed.

Note 3: Mr. Patrick Chiu formerly served as the president of Hitron Technologies Inc. The Company borrowed his rich experiences to integrate the R&D and product blueprints among Alpha's Group companies to enhance technology and product development. He now serves as vice president of the company starting March 1, 2024.

Note 4: Mr. Yang-Zhi, Chou was transferred to Hitron Technologies Inc. as the president and resigned from the associate vice president of the Company on March 1, 2024.

Note 5: Mr. Yi-Jin, Chiu resigned from the associate vice president of the Company on September 30, 2024.

Note 6: Mr. Ming-Lin, Chien was promoted to the position of associate vice president of the Company on March 1, 2024.

Note 7: Mr. Wen-Jiunn Tsai was promoted to the position of associate vice president of the Company on May 3, 2024.

Note 8: Mr. Zhi-Jian, Huang was promoted to the position of associate vice president of the Company on January 16, 2025.

Note 9: Mr. Sheng-Tien, Hsu was promoted to the position of associate vice president of the Company on March 1, 2025.

II. Compensation of Directors, Supervisors, President and Vice President

(I) Compensation Paid to Directors

Unit: NTD thousand; thousand shares

Title	Name	Director's Compensation								(A+B+C+D) as a % of Profit (Note 5)		Remuneration Earned by a Director Who is an Employee of the Company or of All Consolidated Entities								(A+B+C+D+E+F+G) as a % of Profit (Note 5)		Compensation Paid to Directors from Non-consolidated Affiliates (Note 8)
		Base Compensation (A) (Note 1)		Pension (B) (Note 2)		Remuneration to Directors (C) (Note 3)		Allowances (D) (Note 4)				Base Compensation, Bounces and Allowances (E) (Note 6)		Pension (F) (Note 2)		Employee's Remuneration (G) (Note 7)						
		The Company	From All Consolidated Entities (Note 9)	The Company	From All Consolidated Entities (Note 9)	The Company	From All Consolidated Entities (Note 9)	The Company	From All Consolidated Entities (Note 9)	The Company	From All Consolidated Entities (Note 9)	The Company	From All Consolidated Entities (Note 9)	The Company	From All Consolidated Entities (Note 9)	The Company		From All Consolidated Entities (Note 9)		The Company	From All Consolidated Entities (Note 9)	
																Cash	Stock	Cash	Stock			
Director	Qisda Corporation	7,000	11,000	0	0	1,478	1,478	200	330	3.97%	5.86%	5,716	5,716	0	0	4,300	0	4,300	0	8.55%	10.44%	94,818
Chairperson	Qisda Corporation Representative Wen-Fang Huang																					
Vice Chairperson	Qisda Corporation Representative Chi-Hong Chen																					
Directors	Qisda Corporation Representative Han-Chou, Huang																					
Director	Qisda Corporation Representative Chiu-Chin Hung																					
Independent Director	Shu-Hsing Li	5,500	5,500	0	0	845	845	200	200	2.99%	2.99%	0	0	0	0	0	0	0	0	2.99%	2.99%	0
Independent Director	Ming-Der Hsieh																					
Independent Director	Cheng-Jung Chiang																					
Independent Director	Zhong-Rui Chen																					
1.Please describe the independent directors' compensation policies, procedures, standards and structure, as well as the linkage to duties, risk and time spent: The board of directors is authorized to determine and distribute the compensation paid to directors pursuant to the Company's articles of incorporation, based on individual director's participation and contributions to the Company's operations and pursuant to the "Compensation Policy to the Directors and Functional Committee Members" in reference to domestic and overseas industry standards. When distributing earnings, the Board of Directors will resolve on the amount of directors' remunerations based on the Company's articles of incorporation. Independent directors are ex officio members of the audit committee. In addition to the base remuneration paid to directors, the Company takes into account of each director's individual responsibilities, risks and time spent to determine reasonable remunerations. The remuneration of directors is paid in accordance with the "Remuneration Regulations for Directors and Functional Committee Members". Directors who also serve as managers do not participate in the distribution of remuneration. It is also stipulated in the Company's articles of association that if the Company makes profits, it should allocate no more than 1% as directors' remuneration. 2.In addition to the information disclosed in the table above, any director of the Company provided services to any of all consolidated entities included in the financial statements and received compensation for such services (e.g. provided consultation services in a non-employee capacity): None.																						

Table of Compensation Range

Compensation Range for Directors	Names of Directors			
	Sum of the First Four Items (A+B+C+D)		Sum of the First Seven Items (A+B+C+D+E+F+G)	
	The Company	From All Consolidated Entities (Note 9)	The Company	From parent Company and all subsidiaries and investees (Note 9)
Less than NT\$ 1,000,000	Wen-Fang Huang, Chi-Hong Chen, Chiu-Chin Hung, Han-Chou, Huang	Chiu-Chin Hung, Han-Chou, Huang	Chi-Hong Chen, Chiu-Chin Hung, Han-Chou, Huang	Chiu-Chin Hung, Han-Chou, Huang
NT\$ 1,000,000 (included) ~ 2,000,000 (excluded)	Ming-Der Hsieh, Shu-Hsing Li, Cheng-Jung Chiang, Zhong-Rui Chen	Chi-Hong Chen, Ming-Der Hsieh, Shu-Hsing Li, Cheng-Jung Chiang, Zhong-Rui Chen	Ming-Der Hsieh, Shu-Hsing Li, Cheng-Jung Chiang, Zhong-Rui Chen	Chi-Hong Chen, Ming-Der Hsieh, Shu-Hsing Li, Cheng-Jung Chiang, Zhong-Rui Chen
NT\$ 2,000,000 (included) ~ 3,500,000 (excluded)	—	Wen-Fang Huang	—	—
NT\$ 3,500,000 (included) ~ 5,000,000 (excluded)	—	—	—	—
NT\$ 5,000,000 (included) ~ 10,000,000 (excluded)	Qisda Corporation	Qisda Corporation	Qisda Corporation	Qisda Corporation
NT\$ 10,000,000 (included) ~ 15,000,000 (excluded)	—	—	Wen-Fang Huang	Wen-Fang Huang
NT\$ 15,000,000 (included) ~ 30,000,000 (excluded)	—	—	—	—
NT\$ 30,000,000 (included) ~ 50,000,000 (excluded)	—	—	—	—
NT\$50,000,000 (included) ~ 100,000,000 (excluded)	—	—	—	—
NT\$100,000,000 and above	—	—	—	—
Total	9 (Include 1 corporation)	9 (Include 1 corporation)	9 (Include 1 corporation)	9 (Include 1 corporation)

Note 1: Refer to compensation paid to directors in 2024, including base compensations, allowances, severance pays, bonuses and incentives.

Note 2: The amount of provisions and payments comply with regulations in 2024.

Note 3: Directors' Remuneration in 2024.

Note 4: Refer to directors' allowances in 2024 (including provisions of base compensation, travel fees, special allowances, various allowances, accommodations, or company cars and other physical items for serving as representatives of institutional directors or supervisors designated by the Company on behalf of its subsidiaries).

Note 5: Profit refers to the profit for the year in the 2024 parent company only financial statements of Alpha Networks Inc.

Note 6: Refers to compensation paid to directors who also served as president, vice president, other managers or employees in 2024 including base compensation, job allowance, severance pay, bonuses, incentives, travel fees, special allowances, various allowances, accommodation, company cars and other physical items, etc. Any salary expenses recognized under IFRS 2 Share-Based Payment, including employee stock option plan, employee restricted stock and cash capital increase by stock subscription shall also be included in compensation.

Note 7: Refers to compensation paid to directors who also served as president, vice president, other managers or employees in 2024 those who obtain employee compensation (including stock and cash), the amount of employee compensation shall be distributed according to the proposal approved by the board of directors on February 27, 2025.

Note 8: Remuneration (including remuneration of employees, directors and supervisors) and business execution fees and other related remunerations received by directors as directors, supervisors or managers of the subsidiary's foreign investment business in 2024.

Note 9: All companies included in the consolidated statements include the Company.

(II) Compensation Paid to Supervisors: Not applicable; Since June 15, 2012, the audit committee has been responsible for the implementation of the authority of supervisors as required by the relevant laws and regulations

(III) Compensation Paid to the President and Vice Presidents

Unit: NTD thousand

Unit: NT thousand

Title	Name	Salary (A) (Note 1)		Pension (B) (Note 2)		Bonus and Special Allowances (C) (Note 3)		Employee Remuneration (D) (Note 4)				(A+B+C+D) as a % of Profit (Note 5)		Compensation from Non- consolidated Affiliates (Note 6)
		The Company	From All Consolidat ed Entities (Note 7)	The Company	From All Consolidate d Entities (Note 7)	The Company	From All Consolida ted Entities (Note 7)	The Company		From All Consolidated Entities (Note 6)		The Company	From All Consolidat ed Entities (Note 7)	
								Cash	Stock	Cash	Stock			
CEO & President	Wen-Fang Huang	7,530	8,234	90	108	2,872	3,962	4,930	0	4,930	0	7.05%	7.88%	3,600
Vice President (Note 8)	Pei-Shun, Chiu													

Table of Compensation Range

Compensation Range for Each President and Vice President	Names of the President and Vice Presidents	
	The Company	All Consolidated Entities (Note 7)
Less than NT\$ 1,000,000	—	—
NT\$ 1,000,000 (included) ~ 2,000,000 (excluded)	—	—
NT\$ 2,000,000 (included) ~ 3,500,000 (excluded)	—	—
NT\$ 3,500,000 (included) ~ 5,000,000 (excluded)	—	—
NT\$ 5,000,000 (included) ~ 10,000,000 (excluded)	Pei-Shun, Chiu	Pei-Shun, Chiu
NT\$ 10,000,000 (included) ~ 15,000,000 (excluded)	Wen-Fang Huang	Wen-Fang Huang
NT\$ 15,000,000 (included) ~ 30,000,000 (excluded)	—	—
NT\$ 30,000,000 (included) ~ 50,000,000 (excluded)	—	—
NT\$50,000,000 (included) ~ 100,000,000 (excluded)	—	—
NT\$100,000,000 and above	—	—
Total	2	2

Note 1: Refer to compensation paid to President and Vice Presidents in 2024, including base compensations, allowances and severance pays.

Note 2: The amount of provisions and payments comply with regulations in 2024.

Note 3: Refer to President and Vice Presidents' allowances in 2024 (including provisions of base compensation, travel fees, special allowances, various allowances, accommodations, or company cars and other physical items for serving as representatives of institutional directors or supervisors designated by the Company on behalf of its subsidiaries).

Note 4: Employee remuneration in 2024, according to the Company's board of directors approved the proposed distribution of employee remuneration amount on February 27, 2025.

Note 5: Profit refers to the profit for the year in the 2024 parent company only financial statements of Alpha Networks Inc.

Note 6: Refers to the remuneration, remuneration (including the remuneration of employees, directors and supervisors) and business execution expenses received by the general manager and deputy general managers as directors, supervisors or managers of the subsidiary's foreign investment business or the parent company in 2024 and other related remuneration.

Note 7: All companies included in the consolidated statements include the Company.

(IV) Employees' Profit Sharing Paid to Managers:

Unit: NTD thousand

Title	Name (Note1)	Stock (Note 2)	Cash (Note 2)	Total	Total as a % of Profits (Note 3)
CEO and President	Wen-Fang Huang	—	8,860	8,860	4.05%
Vice President (Note 4)	Pei-Shun, Chiu				
Associate Vice President	Cai-Fen, Chen				
Associate Vice President	Zheng-He, Huang				
Associate Vice President (Note 5)	Ming-Lin, Chien				
Associate Vice President (Note 6)	Wen-Jiunn Tsai				
Associate Vice President (Note 7)	Sheng-Tien, Hsu				
Senior Director Head of Finance & Accounting Center	Shao-Ling Chen				

Note 1: Current Company managers as of the end of 2024.

Note 2: It is employee compensation in 2024.

Note 3: Refers to the net profit after tax in the 2024 standalone financial report.

Note 4: Mr. Pei-Shun, Chiu was promoted to the position of vice president of the Company on March 1, 2024.

Note 5: Mr. Ming-Lin, Chien was promoted to the position of associate vice president of the Company on March 1, 2024.

Note 6: Mr. Wen-Jiunn Tsai was promoted to the position of associate vice president of the Company on May 3, 2024.

Note 7: Mr. Sheng-Tien, Hsu was promoted to the position of associate vice president of the Company on March 1, 2025.

- (V) Compare and Analyze the Total Compensation Paid to Directors, Supervisors, President and Vice Presidents of the Company as a Percentage of Profits Stated in the Parent Company Only Financial Statements or Individual Financial Statements in the Most Recent Two Years. Describe the Compensation Policies, Standards, Packages of Compensation, the Procedures for Determining Compensation and the Linkage to Business Performance and Future Risk Exposure:

1. The Total compensation Paid to Directors, Supervisors, President and Vice Presidents of the Company as a Percentage of Profits Stated in the Parent Company Only Financial Statements or Individual Financial Statements Analysis

Unit: NTD thousand

	2024	2023
Net income after taxes on the Company's Parent Company Only Financial Statements	218,627	547,920
Ratio of compensation for Directors paid by the Company	6.96%	3.28%
Ratio of compensation for Directors paid by all companies listed in the Consolidated Financial Statements	8.85%	3.90%
Ratio of compensation for Managers such as Vice President or above paid by the Company	7.05%	2.53%
Ratio of compensation for Managers such as Vice President or above paid by all companies listed in the Consolidated Financial Statements	7.38%	2.53%

2. Compensation policies, standards and combinations, procedures for determining compensation, and their relevance to business performance and future risks. In order to regularly evaluate the remuneration of directors and managers, the evaluation results of the Company's "Measures for Performance Evaluation of the Board of Directors" and the "Measures for Performance Management" applicable to managers and employees are used as the basis respectively.

- (1) The remuneration of the directors of the Company is paid by the board of directors in accordance with the authorization of the Company's articles of incorporation, according to the director's participation in the Company's operation and contribution and with reference to the "remuneration rules for directors and functional committee members" stipulated by domestic and foreign industry standards. The procedures for determining compensation are handled in accordance with article 30 of the Company's articles of incorporation. If there is a profit in the year, no more than 1% of the profit shall be appropriated as directors' compensation. The Company regularly evaluates the remuneration of directors in accordance with the "Measures for the Performance Evaluation of the Board of Directors" and the relevant performance evaluation and the reasonableness of the remuneration are reviewed by the Remuneration Committee and the Board of Directors.
- (2) The Company's manager's remuneration, according to the relevant regulations on remuneration (salary) management, handles various work allowances and bonuses to sympathize with and reward employees for their hard work. Relevant bonuses also depend on the Company's annual operating performance, financial status, operating status and personal work performance appraisal. According to Article 30 of the Articles of Incorporation of the Company, more than 10% to 22.5% shall be allocated as employee compensation (including managers) if the Company makes a profit in the current year. The results of the performance appraisal carried out by the Company in accordance with the "Performance Management Measures" are used as the reference basis for issuing managers' bonuses. Managers' performance appraisal items are divided into 1. Financial indicators: According to the Company's management profit and loss statement, the contribution of each business group to the Company's profit is allocated and the target achievement rate of the manager is considered. 2. Non-Financial indicators: The practice of the Company's core values, the ability of operation and management and the participation in sustainable operations, etc., calculate the remuneration for its business performance and review the remuneration system at any time according to the actual operating conditions and relevant laws and regulations.

III. Implementation of Corporate Governance

Being committed to creating profits for our Shareholders and contributing to the society has always been the basic belief of Qisda. The Company supports and promotes the transparency of operation and the fairness of information transmission, which would allow the Shareholders, customers and stakeholders of the Company may have a unified channel to immediately obtain the business and financial related information of the Company.

The Board of Directors of the Company takes the interests of the Company and its all Shareholders as the top priority when conducting business assessment and major resolutions. The CPAs and Independent Directors also act as roles of supervision and take a cautious attitude to examine the business implementation by the Company and the Board.

Based on relevant regulations, the Company has set up positions of Independent Directors, the Audit Committee and Remuneration Committee to maintain a more robust decision-making and execution organization to continuously improve the Company's operational efficiency and implement corporate governance with practical actions.

(I) Operations of the Board of Directors:

The board of directors convened 5 (A) regular meetings in 2024 with the following attendance status:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) (B/A) (Note 1&2)	Remarks
Chairperson	Qisda Corporation Representative: Wen-Fang, Huang	5	0	100%	—
Vice Chairperson	Qisda Corporation Representative: Chi-Hong, Chen	5	0	100%	—
Director	Qisda Corporation Representative: Han-Zhou Huang	5	0	100%	—
Director	Qisda Corporation Representative: Chiu-Chin Hung	5	0	100%	—
Independent Director	Shu-Hsing Li	5	0	100%	—
Independent Director	Ming-Der, Hsieh	5	0	100%	—
Independent Director	Cheng-Jung Chiang	5	0	100%	—
Independent Director	Zhong-Rui Chen	5	0	100%	—

Note1: If a director resigns before the end of the year, the date of resignation should be indicated in the remarks column. The actual attendance (%) rate shall be calculated based on the number of board meetings and the actual number of attendances (%) during his tenure.

Note2: If there is a re-election of directors before the end of the year, both new and old directors should be filled in, and the remark should indicate whether the director is old, new or re-elected and the date of re-election. The actual attendance (%) rate (%) is calculated based on the number of board meetings and the actual number of meetings attended (in attendance) during the company's tenure.

Other items shall be recorded:

- When one of the following matters occurs during the operation of the board of directors, the dates, terms, contents of proposals of the meetings, the opinions of all independent directors and the responses of the Company shall be clearly described:
 - Items listed in Article 14-3 of the Securities and Exchange Act: The Company has established an audit committee and the provisions of Article 14-3 of the Securities and Exchange Act are not applicable. For relevant information, please refer to the "Operation of the Audit Committee" in this annual report.
 - In addition to the aforementioned matters, any other resolutions made by the board of directors where an independent director expressed a dissenting or qualified with records stated in writing: None.
- When directors abstain themselves from being a stakeholder in certain proposals, the name of the directors, the contents of the proposal, reasons for abstentions and the results of voting counts shall be stated:

Date	Name	Proposals	Reasons for Avoid Conflicts of Interest	Participation in Voting
February 27, 2024	Representative of Qisda Corporation: Chi-Hong Chen, and Chiu-Chin Hung Independent Director: Cheng-Jung Chiang and Ming-Der, Hsieh	The BOD approved to Release the Newly Elected Directors and Their Representatives from Non-competition Restrictions	For a director who has been released from non-competition restrictions, he/she shall recuse himself/herself from the meeting in accordance with Article 15 of the Rules of Procedure of the Board of Directors of the Company.	Do not participate in discussion and voting
	Representative of Qisda Corporation: Wen-Fang Huang	The BOD approved employee remuneration distribution of senior managers in 2023	Serve as manager of the Company	Do not participate in discussion and voting
	Representative of Qisda Corporation: Wen-Fang Huang	The BOD approved to salary index of senior managers in 2024	Serve as manager of the Company	Do not participate in discussion and voting
	Representative of Qisda Corporation: Wen-Fang Huang	The BOD approved bonus and adjustment salary policy of senior managers in 2024	Serve as manager of the Company	Do not participate in discussion and voting

Date	Name	Proposals	Reasons for Avoid Conflicts of Interest	Participation in Voting
May 03, 2024	Representative of Qisda Corporation: Wen-Fang Huang	The BOD approved to abolition of the "Severance Payment Regulations" for the appointment of Managers	Serve as manager of the Company	Do not participate in discussion and voting
November 01, 2024	Representative of Qisda Corporation: Wen-Fang Huang	The BOD approved to appointment of manager retirement planning	Serve as manager of the Company	Do not participate in discussion and voting
November 14, 2024	Representative of Qisda Corporation: Wen-Fang Huang	The BOD approved to invest in Fiber Logic Communications, Inc.	Chairperson Wen-Fang Huang also served as chairperson in subsidiary" Interactive Digital Technologies Inc." that participate in this investment project. She shall recuse herself from the meeting.	Do not participate in discussion and voting

3. Implementation Status of Board Evaluation

The board of directors approved the "The Rules for Performance Evaluation of the Board of Directors" on November 9, 2020, which stipulated the requirements of commencing performance appraisal of the Board at least once per year. The Company completed the evaluation of the board of directors at least once per year and an external professional independent agency or a team of external experts and scholars conducts a performance evaluation of the board of directors at least once every three years.

- (1) The Company completed the performance evaluation of the board of directors at the end of 2024, and reported the evaluation results of the board of directors held on February 27, 2025. The evaluation results of the board of directors, director members and two functional committees were all "excellent", which sufficiently indicates that the functions and operational efficiency of the Company's board of directors and functional committees are good.
- (2) The Company has entrusted an independent evaluation institution, Taiwan Corporate Governance Association in 2021, to evaluate the performance of the board of directors of the Company. The evaluation was conducted with respect to eight main aspects: the composition, guidance, authorization, supervision, communication, self-discipline, internal control, and risk management of the board of directors. The evaluation method includes online self-evaluation, written review of relevant documents, and a field survey that was conducted in July, 2023. The subjects of the evaluation included the chairperson, two independent directors, the corporate governance officer and the Internal auditing officer. And Board meeting to report the evaluation results in October, 2023.

(3) Implementation status:

Board of Directors evaluation implementation status	
Evaluation Cycles	The Company completed the evaluation of the board of directors at least once per year and an external professional independent agency or a team of external experts and scholars conducts a performance evaluation of the board of directors at least once every three years.
Evaluation Period	Internal performance evaluation of the board of directors: From January 1, 2024 to December 31, 2024. External performance evaluation of the board of directors: From June 1, 2022 to May 31, 2023.
Evaluation Scope	Internal performance evaluation includes performance evaluation of the board of directors, individual board members, audit committee and salary and remuneration committee The scope of evaluation by external professional independent institutions is the effectiveness evaluation of the operation of the board of directors (excluding its audit committee and remuneration committee)
Evaluation Method	Internal self-evaluation by the board of directors, self-evaluation by board members, peer evaluation, appointment of external professional organizations, experts or other appropriate methods
Evaluation Items	I. Internal Self-Evaluation made by the Board and Board members <ol style="list-style-type: none"> 1. Alignment of the goals and missions of the Company 2. Participation in the operation of the Company 3. Management of internal relationship and communication 4. Improvement of the quality of the board of directors' decision making 5. Composition and structure of the board of directors 6. Awareness of the duties of a director 7. Election, professionalism and continuing education 8. Internal control II. Internal Self-Evaluation made by the Audit Committee

Board of Directors evaluation implementation status	
	<ol style="list-style-type: none"> 1. Participation in the operation of the Company 2. Awareness of the duties of Audit Committee 3. Improvement of quality of decisions made by Audit Committee 4. Makeup of Audit Committee and election of its members 5. Internal control <p>III. Internal Self-Evaluation made by the Remuneration Committee</p> <ol style="list-style-type: none"> 1. Participation in the operation of the Company 2. Awareness of the duties of Remuneration Committee 3. Improvement of quality of decisions made by Remuneration Committee 4. Makeup of Remuneration Committee and election of its members
Evaluation result (internal)	<p>2024 performance evaluation of directors (including functional committees) was conducted using an internal questionnaire. The evaluation period was from January 1, 2024 to December 31, 2024, and the report was submitted to the board of directors on February 27, 2025.</p> <p>Evaluation result:</p> <p>The evaluation results of the board of directors, director members and two functional committees are all "excellent", demonstrating the full functions and operation efficiency of the board of directors and functional committees.</p>
Evaluation result (external)	<p><u>Conclusion of checking:</u></p> <ol style="list-style-type: none"> 1. The chairperson of the Company focuses on participatory leadership, widely accepts suggestions and opinions from directors, and fully communicates in advance on major issues, so that board members and independent directors can fully express their opinions and effectively perform their leadership and role functions. 2. The directors of the Company are all people with professional experience and rich management experience. In addition, there are two female members. Therefore, the composition of the board of directors has the spirit of professionalism, diversification and effective division of functions, and it also meets the needs of the company's development. 3. After the new director of your company takes office, the corporate governance manager will arrange for communication and briefings with relevant company executives so that the new director can fully understand the company's situation. Provide complete information required for board meetings to facilitate directors' performance of their functions. 4. The company's audit committee has smooth communication channels and complete information with the internal audit director and certified accountants, and the audit committee can fully exert its guidance and supervision functions. <p><u>Optimization suggestions:</u></p> <ol style="list-style-type: none"> 1. The Company has established a "CSR Committee" in 2018, and changed its name to the "Sustainable Development Committee (ESG Committee)" in 2021 (affiliated with the Chairman's Office). In order to deepen and systematically implement the corporate sustainable development vision, it is recommended that your company consider elevating the "Sustainability Committee" to a functional committee under the board of directors. The board of directors is responsible for the direction of sustainable development and the supervision of specific promotion plans, so as to maintain the capacity of the execution unit and strengthen the discussion of important issues of sustainable development through the participation of professional independent directors. 2. The Company strengthens the communication channel between stakeholders and independent directors (audit committee), it is recommended that the Company disclose the independent director's mailbox on the company's official website so that employees, suppliers, and other stakeholders can communicate directly or simultaneously through this channel contact and communicate with independent directors. 3. In order to ensure that directors can fulfill their supervisory duties, it is recommended that the Company establish a reporting mechanism and procedures for occasional major information, and standardize the major events that should be reported immediately, the reporting procedures, and the reporting period. Among them, the reporting process should cover all board members to ensure that outside directors can fully grasp the company's important information during non-meeting periods. 4. The Company has a "Board of Directors Performance Evaluation Method" and conducts self-evaluations of the Board of Directors, individual directors, and various functional committees every year. It is recommended that your company regularly review the design of the performance evaluation questionnaire and add forward-looking and strategic qualitative indicators regarding the company's future development so that it can more effectively reflect the guidance and supervision effectiveness of the board of directors, functional committees, and individual directors. To implement self-disciplinary

Board of Directors evaluation implementation status	
	<p>review of the functions of the board of directors and functional committees, and to improve the effectiveness of the overall board of directors.</p> <p><u>The Company's implementation status and future improvement directions:</u></p> <ol style="list-style-type: none"> 1. Since the Company's sustainable development committee (ESG committee) regularly reports the work execution status to the board of directors and listens to the board's recommendations, it can currently meet the company's sustainable development tasks; and whether it has been promoted to a functional committee under the board of directors. Included in internal homework discussions. 2. The whistle blowing mailbox of independent directors (audit committee members) has been added and disclosed as recommended as a communication channel with stakeholders. 3. After reviewing the Company's "incident classification notification standards and procedures", it has covered and standardized the handling mechanism for occasional major information notifications, and the company has a LINE group for directors to ensure that outside directors can fully communicate during non-meeting periods. Master the company's important information and achieve risk control goals. 4. After reviewing the company's existing self-assessment performance questionnaire of the board of directors, individual directors and various functional committees, it has covered the key quantitative indicators of the company's future development. The questionnaire will be refined in the future based on the opinions of the directors, legal requirements and corporate governance development trends' survey design.

4. Targets for strengthening the functions of the board of directors in the current and the most recent year (e.g., setting up an audit committee and enhancing information transparency) and evaluation of target implementation:

Please refer to (2) Operation of Audit Committee, (3) Operation of Corporate Governance and Governance Practices of Listed and OTC Companies in "Corporate Governance Operation" of this annual report for the Company's current and most recent years to strengthen the objectives and implementation of the functions of the Board of Directors Circumstances and reasons for discrepancies in the codes and (4) If the Company has set up a remuneration committee, it shall disclose its composition, responsibilities and operation.

The Company adheres to the consistent attitude of information transparency and immediately publishes important resolutions on the public information observatory after the meeting of the board of directors to maintain shareholders' rights and interests and regularly holds legal person briefings to enhance investors' recognition of the Company.

(II) Status of the Audit Committee:

The Company has established an Audit Committee, which is composed of all independent directors in accordance with legal provisions. It meets at least once every quarter and can be convened at any time as necessary. The annual work focus of the Audit Committee includes supervising the proper presentation of the company's financial statements, the selection (removal), independence and performance of certified accountants, the effective implementation of the company's internal controls, the Company's compliance with relevant laws and rules, and the management and control of the company's existing or potential risks. In addition to the internal audit report being sent to each independent director for review every month, the internal audit department also reports on major findings of the company's internal control management to the members and directors at the audit committee and board of directors meetings, and the independent directors meet with them at least once a quarter. The internal audit supervisor's communication on important findings of the company's internal control management is disclosed on the company's website "Communications between Independent Directors and Internal Audit Supervisors and Accountants". The audit committee convened 5 (A) regular meetings in 2024 with the following attendance status:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) (B/A) (Note 1 & 2)	Remarks
Independent Director	Shu-Hsing Li	5	0	100%	Served for no more than three consecutive terms
Independent Director	Ming-Der Hsieh	5	0	100%	Served for no more than three consecutive terms
Independent Director	Cheng-Jung Chiang	5	0	100%	Served for no more than three consecutive terms
Independent Director	Zhong-Rui Chen	5	0	100%	Served for no more than three consecutive terms

Note 1: If an independent director resigns before the end of the year, the date of resignation should be noted in the remarks column, and the actual attendance rate (%) will be calculated based on the number of audit committee meetings held during his tenure and the number of actual attendances.

Note 2: At the end of the year, if an independent director is re-elected, both new and old independent directors should be filled in, and the date of the old, new, re-election and re-election of the independent director should be noted in the remarks column. The actual attendance rate (%) is

calculated based on the number of audit committee meetings and the number of actual attendances during the period of service.

Other items that shall be recorded:

1. If any of the following matters occurs during the operation of the Audit Committee, the dates, terms, contents of the proposal of the Board meetings, the opinions of all Independent Directors and the responses by the Company shall be cleanly described:

(1) Matters included in Article 14-5 of the Securities and Exchange Act.

Contents of Proposals	Objections/Reservations/Major Suggestions	Results	The Company's handling of the Audit Committee's opinions
The first Audit Committee in 2024 (2024.2.27)			
• Proposal of the 2023 “Internal Control System Effectiveness Assessment”.	None	After the chairperson consulted the opinions of all members present, the resolution was adopted without objection by all members after discussion and sent to the board of directors for resolution.	After consultation with the chairperson of the board of directors, all directors present unanimously approved.
• Proposal of 2023 consolidated financial statements and 2024 business plans.	None	After the chairperson consulted the opinions of all members present, the resolution was adopted without objection by all members after discussion and sent to the board of directors for resolution.	After consultation with the chairperson of the board of directors, all directors present unanimously approved.
• Proposal of The Company's 2023 Earnings Distribution	None	After the chairperson consulted the opinions of all members present, the resolution was adopted without objection by all members after discussion and sent to the board of directors for resolution.	After consultation with the chairperson of the board of directors, all directors present unanimously approved.
• Proposal of the service fees of CPAs in 2024	None	After the chairperson consulted the opinions of all members present, the resolution was adopted without objection by all members after discussion and sent to the board of directors for resolution.	After consultation with the chairperson of the board of directors, all directors present unanimously approved.
The second Audit Committee in 2024 (2024.5.3)			
• Proposal of 2024Q1 consolidated financial statements	None	After the chairperson consulted the opinions of all members present, the resolution was adopted without objection by all members after discussion and sent to the board of directors for resolution.	After consultation with the chairperson of the board of directors, all directors present unanimously approved.

Contents of Proposals	Objections/Reservations/Major Suggestions	Results	The Company's handling of the Audit Committee's opinions
• Proposal of cancel the endorsement and guarantee to the subsidiary Alpha Networks (Dongguan) Co., Ltd.	None	After the chairperson consulted the opinions of all members present, the resolution was adopted without objection by all members after discussion and sent to the board of directors for resolution.	After consultation with the chairperson of the board of directors, all directors present unanimously approved.
The third Audit Committee in 2024 (2024.7.26)			
• Proposal of 2024Q2 consolidated financial statements	None	After the chairperson consulted the opinions of all members present, the resolution was adopted without objection by all members after discussion and sent to the board of directors for resolution.	After consultation with the chairperson of the board of directors, all directors present unanimously approved.
The fourth Audit Committee in 2024 (2024.11.01)			
• To amend the "Internal Audit System and Implementation Rules"	None	After the chairperson consulted the opinions of all members present, the resolution was adopted without objection by all members after discussion and sent to the board of directors for resolution.	After consultation with the chairperson of the board of directors, all directors present unanimously approved.
• Proposal of the 2025 internal audit plan.	None	After the chairperson consulted the opinions of all members present, the resolution was adopted without objection by all members after discussion and sent to the board of directors for resolution.	After consultation with the chairperson of the board of directors, all directors present unanimously approved.
• Proposal of 2024Q3 consolidated financial statements.	None	After the chairperson consulted the opinions of all members present, the resolution was adopted without objection by all members after discussion and sent to the board of directors for resolution.	After consultation with the chairperson of the board of directors, all directors present unanimously approved.
• Proposal of the appointment of CPAs for the audit of 2025 financial statements.	None	After the chairperson consulted the opinions of all members present, the resolution was adopted without objection by all	After consultation with the chairperson of the board of directors, all directors present unanimously approved.

Contents of Proposals	Objections/Reservations/Major Suggestions	Results	The Company's handling of the Audit Committee's opinions
		members after discussion and sent to the board of directors for resolution.	
• Proposal of formulate the Company's pre-approved non-certified service policy	None	After the chairperson consulted the opinions of all members present, the resolution was adopted without objection by all members after discussion and sent to the board of directors for resolution.	After consultation with the chairperson of the board of directors, all directors present unanimously approved.
• Proposal of increasing capital of subsidiary Alpha Networks Vietnam Company Limited	None	After the chairperson consulted the opinions of all members present, the resolution was adopted without objection by all members after discussion and sent to the board of directors for resolution.	After consultation with the chairperson of the board of directors, all directors present unanimously approved.
The fifth Audit Committee in 2024 (2024.11.14)			
• Approved to invest in ordinary shares of Fiber Logic Communications, Inc.	None	After the chairperson consulted the opinions of all members present, the resolution was adopted without objection by all members after discussion and sent to the board of directors for resolution.	After consultation with the chairperson of the board of directors, all directors present unanimously approved.

(2) Except the preceding ones, other resolutions which were not approved by the audit committee but were approved by two thirds or more of all directors.

- For the implementation of Directors' avoidance due to conflicts of interest of Directors, please clearly specify the names of Directors, the content of the proposals, the reasons of avoidance due to conflicts of interest and the participation in the voting and resolution: None.
- Communication between independent directors, the internal audit officer and CPAs (which should include the major issues, channels and results of the audits on the corporate finance and/or operations, etc.):

The Company's independent directors invite accountants, internal audit, legal affairs, and financial accounting departments to independently report or discuss the latest financial statement audit findings, internal audit results, major litigation cases, financial and business overviews, and other information hold regular meetings at least once quarterly. All independent directors had good communication with the internal audit director and accountants.

Summary of Communication Status of Independent Directors with CPAs in 2024

Date	Title	The major matters that communicate with audit officer	The major matters that communicate with CPAs	Result
2024.02.27	Audit Committee	<ul style="list-style-type: none"> Audit key report from October to December 2023 and follow-up situation explanation Internal Control System Statement and Self-Assessment Implementation Results Report for 2023 	<ul style="list-style-type: none"> Audit Report of the 2023 Financial Report Important regulations update 	After review or approval by the Audit Committee, the independent directors have no objection
2024.05.03	Audit Committee	<ul style="list-style-type: none"> Audit key report from January to March 2024 and follow-up situation explanation 		After review or approval by the Audit Committee, the independent directors have no objection
2024.07.26	Audit Committee	<ul style="list-style-type: none"> Audit key report from April to June 2024 and follow-up situation explanation 	<ul style="list-style-type: none"> Report on the review of the second quarter Financial Report of 2024 Important regulations update 	After review or approval by the Audit Committee, the independent directors have no objection
2024.11.01	Audit Committee	<ul style="list-style-type: none"> 2025 Internal Audit Plan Audit key report from July to September 2024 and follow-up situation explanation 	<ul style="list-style-type: none"> 2023 Audit Quality Indicators (AQI) Important regulations update 	After review or approval by the Audit Committee, the independent directors have no objection

4. Annual key functions and operations:

(1) Annual key functions

1. Regularly communicate the audit report results with the internal audit officer according to the annual audit.
2. Regularly communicate with the Company's certified accountants on financial statement review or audit results.
3. Review financial reports.
4. Assess the effectiveness of the internal control system.
5. Pre-review of the appointment, dismissal, remuneration and service matters of the certified public accountant.
6. Review the cases of "Procedures for Acquiring or Disposing of Assets", "Procedures for Lending Funds to others" and "Procedures for Endorsement Guarantees".
7. Review of asset, derivative products, fund lending and endorsement guarantee procedures and major asset, fund lending and endorsement guarantee transactions.
8. Legal compliance.
9. Control of existing or potential risks of the Company. (According to the Company's risk management policies and procedures)

- (2) 2024 operations: Proposals of the Audit Committee meetings have all been reviewed or approved by members of the Audit Committee with no dissent from any of the Independent Directors.

(III) Implementation of corporate governance, differences between the implementation results and the contents of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons of the differences:

Evaluation Item	Implementation Status			Differences between Implementation and the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Causes of the Differences
	Yes	No	Explanation	
I. Does the Company follow the “Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies” to establish and disclose its corporate governance practices?	✓		The Company approved the resolution of the board of directors to formulate the "Corporate Governance Code of Practice" and published it on the Company's official website. The Company updated subsequent amendments in time in response to relevant laws and regulations. The Company have been disclosed on the Public Information Observatory and the Company's website after the latest amendment.	Comply with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”
II. The Shareholding Structure & Shareholders' Rights (I) Does the Company establish the internal operating procedures to handle the shareholders' proposals, inquiries, disputes and litigations issues? If yes, have these procedures been implemented accordingly?	✓		(I) The Company approved the resolution of the board of directors to formulate the "Code of Corporate Governance Practice" and set a spokesperson, proxy spokesperson and investor relations unit and fully discloses the contact information on the Company's website. Shareholders can share their opinions by telephone or email. The Company will respond accordingly re: relevant operating procedures.	Comply with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”
(II) Does the Company possess a list major shareholders and beneficial owners of these shareholders?	✓		(II) The Company obtains shareholder information through the shareholder registry on the book closing date and shareholder who holds more than 10% of the company's total shares is regularly reported to the company every month the changes in the number of shares held from the previous month. The list of the Company's top ten shareholders is disclosed in the annual report and the Company's website. (https://www.alphanetworks.com/stock)	
(III) Has the Company built and executed a risk management system and firewall mechanism between the Company and its affiliates?	✓		(III) The company has passed the resolution of the shareholders' meeting to formulate "Procedures for Acquisition or Disposal of Assets ", " Procedures for Lending Funds to Other Parties ", " Procedures for Endorsements and Guarantees ", and has established internal control procedures such as "related party transaction management operations" in accordance with the law. Relevant risk management and firewall mechanisms have been established.	
(IV) Has the Company established the internal guidelines prohibiting insider trading on the undisclosed information?	✓		(IV) The Company approved the resolution of the board of directors to formulate the " Ethical Corporate Management Best Practice Principles " and "Major Information Handling and Prevention of Insider Trading Operational Procedures" to regulate members to avoid conflict of interest related to other positions, and are not allowed to use undisclosed information and leak it to others. , to prevent insider trading. The Company also stipulates in the "Corporate Governance Best Practice Principles " that insiders shall not disclose the relevant financial status and performance in the company's financial report during the closed period of 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report. Relevant regulations for trading its stocks and education and publicity for colleagues regarding the provisions of Article 157-1 of the Securities and Exchange Act, including reminders during the silence period, the applicable scope and objects of the prohibition on insider trading, the scope and disclosure of information that significantly affects stock prices Methods, penalties and legal provisions, etc., to specifically implement the prevention of insider trading. The relevant education and promotion for current directors, managers and employees has been completed. The online education and promotion for company colleagues has been completed, with a total number of class attendance of 936/total hours of 128 hours in 2024.	
III. Composition and Responsibilities of the Board of Directors (I) Has the board of directors established a diversification policy of the composition of the board of directors and has it been implemented accordingly?	✓		(I) The Board of Directors of the Company has approved a resolution to establish the "Corporate Governance Code of Practice". Article 20 provides that the members of Board of Directors should be diverse, such as having different professional backgrounds, work fields or genders, and possessing the necessary knowledge, skills and qualities to perform their duties in order to play a strategic guidance role. For the formulation and implementation of the Company's policy on diversity of board members, please refer to the chapter on diversity and independence of the board of directors.	Comply with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”

Evaluation Item	Implementation Status			Differences between Implementation and the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Causes of the Differences																							
	Yes	No	Explanation																								
(II) Other than the remuneration committee and the audit committee which are required by law, does the Company plan to set up other functional committees voluntarily?	✓		(II) The Company has established the Risk Management Committee. For more details on the operations, please see the chapter regarding risk management of the annual report. On the other hand, although the Company does not establish the Nomination Committee, it adopts the candidate nomination system for the election of the directors (including independent directors) in terms of practical operations. The candidate list of the existing directors (including independent directors) shall be submitted by the shareholders holding more than 1% of the total number of outstanding Shares or by the Board of Directors. Meanwhile, the Board of Directors shall review and approve in advance the candidate list in accordance with the laws, and shall report to the regular shareholders' meeting for election.																								
(III) Has the Company established the methodology for evaluating the performance of the board of directors and use results as reference for directors’ remuneration and renewal?	✓		(III) The Board of Directors of the Company has approved the “Rules for Board Performance Evaluation” on November 9, 2020. The board of directors shall conduct an internal performance evaluation at least once a year and an evaluation at least once every three years by an external independent agency or a team of external experts and scholars. The Company sets scoring criteria for performance evaluation indicators, records evaluation results and submits them to the Board of Directors; and uses them as a reference for individual director remuneration and nomination for reappointment. For the most recent period (from January 1 to December 31, 2024) of board of directors’ performance evaluation results, please refer to the "Board of Directors Operation Status" of this annual report.																								
(IV) Does the Company regularly evaluate the independence of CPAs?	✓		(IV) The Company's "Corporate Governance Code of Practice" stipulates that the Audit Quality Indicators (AQIs) should be referenced regularly (at least once a year) to assess the suitability and independence of the CPAs, and the results should be submitted to the Audit Committee and the Board of Directors for review and approval. The Audit Committee and the Board of Directors evaluate the independence and suitability of their certified public accountants every year, and all of them meet the Company's suitability and independence evaluation standards and are qualified to serve as the Company's certified public accountants. They also obtain a statement of independence issued by the certified public accountants. Results of the Accountant Independence Assessment: <table><tr><th>Evaluation Items</th><th>Results</th><th>Independency</th></tr><tr><td>1. Whether the CPAs have a direct or significant indirect financial interests relationship with the Company</td><td>No</td><td>Yes</td></tr><tr><td>2. Whether the CPAs have any financing or guarantee arrangements with the Company or the directors of the Company</td><td>No</td><td>Yes</td></tr><tr><td>3. Whether the CPAs have a close business relationship and potential employment relationship with the Company?</td><td>No</td><td>Yes</td></tr><tr><td>4. Whether the CPAs and their audit team members currently or in the past two years have served as directors, managers or positions that have a significant impact on the audit assignment in the Company</td><td>No</td><td>Yes</td></tr><tr><td>5. Whether the CPAs provide the Company with non-audit services that may directly affect the audit assignment?</td><td>No</td><td>Yes</td></tr><tr><td>6. Whether the CPAs have the stocks or other marketable securities issued by the Company?</td><td>No</td><td>Yes</td></tr><tr><td>7. Whether the CPAs act as the defenders of the Company or coordinate conflicts with other third parties on behalf of the Company?</td><td>No</td><td>Yes</td></tr></table>		Evaluation Items	Results	Independency	1. Whether the CPAs have a direct or significant indirect financial interests relationship with the Company	No	Yes	2. Whether the CPAs have any financing or guarantee arrangements with the Company or the directors of the Company	No	Yes	3. Whether the CPAs have a close business relationship and potential employment relationship with the Company?	No	Yes	4. Whether the CPAs and their audit team members currently or in the past two years have served as directors, managers or positions that have a significant impact on the audit assignment in the Company	No	Yes	5. Whether the CPAs provide the Company with non-audit services that may directly affect the audit assignment?	No	Yes	6. Whether the CPAs have the stocks or other marketable securities issued by the Company?	No	Yes	7. Whether the CPAs act as the defenders of the Company or coordinate conflicts with other third parties on behalf of the Company?	No
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7. Whether the CPAs act as the defenders of the Company or coordinate conflicts with other third parties on behalf of the Company?	No	Yes																									

Evaluation Item	Implementation Status			Differences between Implementation and the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Causes of the Differences
	Yes	No	Explanation	
			<div>8. Whether the CPAs are related to the Company’s directors, managers, or persons with positions that have a significant influence on the audit case</div> <div>No Yes</div> <p>It has been confirmed that there is no other financial interest or business relationship between the CPAs and the Company except for the fees for financial report certification and tax cases, and the accounting firm (certifying accountant and its audit team members) does not violate the independence requirement.</p> <p>We also refer to AQI index information to confirm that the audit experience of accountants and firms is comparable to peers, that the number of training hours they have received is better than the industry average, and that they use innovative audit tools and digitize processes to improve audit quality. The results of the most recent annual assessment were discussed and approved by the Audit Committee on November 1, 2024, and submitted to the Board of Directors on November 1, 2024 to approve the independence assessment of the accountants.</p>	
IV. Does the Company appoint the competent and appropriate corporate governance personnel and the corporate governance officer to be responsible for corporate governance matters (including but not limited to furnishing required information for business execution by directors and supervisors, assisting compliance of laws, handling matters related to the meetings of the board of directors and shareholders' meetings in accordance with the laws and recording meeting minutes of the board of directors and shareholders' meeting)?	✓		<p>On March 17, 2020, the Company, after a resolution adopted by the board of directors, hired Kathy Chen to take part as a role of financial division and corporate governance officer responsible for supervision and planning of corporate governance. Chen’s qualifications meet the requirements of the position in the provisions regarding the corporate governance officer set out in Paragraph One of Article 3-1 of the “Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies”. The major responsibilities of the corporate governance officer include providing the information required by the directors and audit committee and the latest regulations regarding corporate operation, providing assistance in legal compliance of the directors and audit committee, handling matters related to the meetings of the board of directors and shareholders' meetings in accordance with the laws, preparing the meeting minutes of the board of directors and shareholders' meetings and providing assistance in assuming office to directors and the audit committee members and continuous education.</p> <p>The execution in 2024 is updated as follows:</p> <ol style="list-style-type: none"> 1. Assist all directors to perform their duties, provide the required information and arrange the continuous education for directors. 2. Regularly inform the board members dedicated to the revised regulations regarding corporate business operation and corporate governance. 3. Inspect the confidential levels of relevant information and provide the corporate information required by the directors to maintain the communication and smooth interaction between directors and managers. 4. Review the release of announcement of material information upon the adoption of important resolutions after the meetings to ensure the compliance and correctness of the material information and the information transparency to investors. 5. The all board members have completed continuous education at least 6 courses. 6. There were five meetings of the board of directors and five meetings of the audit committee convened in 2024. 7. There was one general shareholders' meeting convened in 2024. 8. The Company purchases liability insurance for directors and reports to the board of directors regarding insurance renewal matters in July 2024. 9. The internal performance evaluation of the board of directors and functional committees in 2024 has been carried out, and the evaluation results are excellent, and the report has been reported to the board of directors in February 2025. 10. External agency evaluation of board performance (at least once every three years) in 2023. 11. The board of directors’ performance evaluation has been conducted, and the evaluation result was ranked as excellent. Regarding the 10th term of Corporate Governance Evaluation of the Company, the result was 6- 	Comply with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”

Evaluation Item	Implementation Status			Differences between Implementation and the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Causes of the Differences																				
	Yes	No	Explanation																					
			<p>20%.</p> <p>12.The continuing education status of the corporate governance officer is as follows:</p> <table><tr><th>Host by</th><th>Courses</th><th>Date</th><th>Hours</th></tr><tr><td>TWSE</td><td>CDP Taiwan Forum - “Empowering the Carbon Era with Sustainable Knowledge.”</td><td>2024/03/22</td><td>3</td></tr><tr><td>Taiwan Institute of Directors</td><td>Steering the Navigation of Enterprise Intelligence and Corporate Governance Leading the Way.</td><td>2024/04/10</td><td>3</td></tr><tr><td>TIDA Taiwan</td><td>Introduction to IFRS sustainable disclosure standards and sharing of carbon emission net zero trends both domestically and internationally.</td><td>2024/06/13</td><td>3</td></tr><tr><td>Taiwan Institute of Directors</td><td>The short and long-term economic trends that business managers need to know.</td><td>2024/11/13</td><td>3</td></tr></table> <p>Note: As of 2024.</p>	Host by	Courses	Date	Hours	TWSE	CDP Taiwan Forum - “Empowering the Carbon Era with Sustainable Knowledge.”	2024/03/22	3	Taiwan Institute of Directors	Steering the Navigation of Enterprise Intelligence and Corporate Governance Leading the Way.	2024/04/10	3	TIDA Taiwan	Introduction to IFRS sustainable disclosure standards and sharing of carbon emission net zero trends both domestically and internationally.	2024/06/13	3	Taiwan Institute of Directors	The short and long-term economic trends that business managers need to know.	2024/11/13	3	
Host by	Courses	Date	Hours																					
TWSE	CDP Taiwan Forum - “Empowering the Carbon Era with Sustainable Knowledge.”	2024/03/22	3																					
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Taiwan Institute of Directors	The short and long-term economic trends that business managers need to know.	2024/11/13	3																					
V. Has the Company established a means of communicating with stakeholders (including but not limited to shareholders, employees, customers, suppliers and so on.) or created a stakeholder section on the Company’s website in response to stakeholders’ questions on corporate responsibilities?	✓		<p>The Company provides stakeholders communication channels and contact windows on the Company’s website and sustainability report, and sets up a public corporate social responsibility communication mailbox (Public@alphanetworks.com) to enable stakeholders to provide opinions on important corporate social responsibility issues of concern to them, and the Company will make appropriate responses.</p> <p>In addition, the Company set up an ESG section on the website to disclose various information about the Company's corporate sustainable development in an open and transparent manner. The Company's financial and business information is also regularly announced on the public information observation station and our website. We also release important information in a timely manner for events that may affect stakeholders.</p> <p>The Company communicated with various stakeholders and reported to the board of directors regularly (at least once a year), The communication situation of various stakeholders in 2024 was reported to the board of directors on February 27, 2025.</p>	Comply with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”																				
VI. Has the Company appointed a registrar for the matters of the shareholders’ meeting?	✓		<p>The Company has appointed CTBC Bank Co., Ltd. Stock Affairs Department as the registrar for the shareholders’ meeting.</p>	Comply with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”																				
VII. Information Disclosure (I) Has the Company set up a website containing the information regarding the financial, business operations and corporate governance status?	✓		<p>(I) The Company has established the Investor Relations section in its website in Chinese and English and Simplified Chinese (www.alphanetworks.com) that discloses the information regarding financial, business operations and corporate governance and the Company also discloses the information in Market Observation Post System in accordance with related regulations.</p>	Comply with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”																				
(II) Does the Company use other information disclosure channels (such as setting up the English website, appointing personnel responsible for gathering and disclosing the information, establishing a spokesperson system and webcasting the investor conference etc.)?	✓		<p>(II) The Company has set up a Chinese and English corporate website to provide relevant information for shareholders and interested parties (www.alphanetworks.com, Chinese and English version) and appointed Shao-ling, Chen as the spokesperson. Dedicated personnel are responsible for company information collection and disclosure and provide the replays of investor conferences on the corporate website. The company regularly (twice a year) or irregularly holds legal person briefings, and puts presentation materials and audio-visual files of the process on the investor relations section of the Company's website to facilitate inquiries from all walks of life, and uploads public information observation stations in accordance with regulations</p>																					
(III) Does the Company publicly announce the annual financial reports within two months after the end of each fiscal year and announce the first, second and third quarter financial reports as well as the operating prior to the designated deadlines?	✓		<p>(III) The Company publicly announced the 2024 consolidated financial statements and parent company only financial statement on February 27, 2025. The 2024 first quarter, second quarter and third quarter financial statements, plus the monthly operating status, were publicly announced on the Market Observation Post System prior to the designated deadlines and then showed on the Company’s website.</p>																					

Evaluation Item	Implementation Status			Differences between Implementation and the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Causes of the Differences
	Yes	No	Explanation	
VIII. Has the Company disclosed other important information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholders' rights, continuing education records of directors and supervisors, risk management policy and execution of risk measurement standards, execution of customer policy and purchasing liability insurance directors and supervisors.)?				Comply with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"
(I)Employee Rights and Employee Care	✓		(I) The Company has always placed great emphasis on talent development; we encourage employees to participate in training courses, arrange a multitude of welfare measures and have an Employee Safety and Health Department in place to prevent and share information on hazard prevention. Furthermore, health seminars and checkups are organized from time to time to provide assurance over employees' safety and health. During the COVID-19, provide colleagues with necessary information and resources for epidemic prevention publicity and health management. Please refer to this Annual Report Overview of Operation of Labor-Management Relations.	
(II)Investor Relations	✓		(II) The finance division has designated personnel to handle shareholder-related matters. In accordance with relevant regulations, the designated personnel will immediately announce information about financial, business and insider shareholding changes in the Market Observation Post System in accordance with relevant regulations to achieve the publicity and transparency of information. Moreover, there is the investor contact information in the corporate website.	
(III)Supplier relationship	✓		(III) The Company has established a supplier evaluation mechanism. The relevant internal departments will review and evaluate suppliers based on their "product quality", "price", "delivery time", "level of service" and "technology". Only those who meet certain standards can become qualified manufacturers. In addition, the Company promotes the sustainable development of the supply chain and expect suppliers to fulfill their corporate social responsibilities together, the company has also formulated the "Supplier Corporate Social Responsibility Management Operating Standards" in accordance with the Code of Conduct - Responsible Business Alliance (RBA), and conducts supplier social responsibility audits every year to understand the implementation status and results of suppliers in various aspects such as labor, health and safety, environmental protection, management systems, and business ethics.	
(IV)Rights of interested parties	✓		(IV) The Company's website has an ESG section, which actively discloses the relevant measures and results of Alpha's sustainable development and provides communication and interaction channels for various interested parties on the ESG section [Interested parties] webpage. People interaction and communication. The identification of issues concerned by interested parties and the implementation effectiveness of various corporate sustainable development are also disclosed in the corporate sustainable development report every year and are reported to the board of directors on a regular basis (at least once a year). The results of the communication with stakeholders in 2024 (a total of 10 major issues) were reported to the Board of Directors on February 27, 2025.	
(V)Situation of training for directors and supervisors	✓		(V) The 2024 training for directors has been handled in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies " issued by the Taiwan Stock Exchange Corporation. For the training of directors of the Company in 2024, please refer to the latest annual director's training.	
(VI)Implement risk management policies	✓		(VI) The Company's risk management operations are based on	

Evaluation Item	Implementation Status			Differences between Implementation and the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Causes of the Differences
	Yes	No	Explanation	
and risk measures			the "Risk Management Policies and Procedures" approved by the Board of Directors. For the explanation of the risk management policies, principles, and procedures, please refer to V. Review and Analysis of Financial Status and Financial Performance and Risk Issues (VI. Risk Management, P.100~102). The Company has established a "Risk Management Committee" (hereinafter referred to as RMC) to identify and control corporate risks. RMC meetings are held regularly (quarterly) and in case of emergency (irregularly) to identify risks and produce risk radar charts. The identified risks are summarized into major risks at the company level, and each authority unit proposes response measures. RMC collects, identifies and summarizes corporate risks based on four major dimensions (strategic risk, operational risk, financial risk and hazard risk), and controls risks through risk identification, risk prevention and risk transfer procedures. The operation status of RMC and the results of risk management are reported to the Board of Directors regularly (at least once a year) (this report was made on February 27, 2025). The operation status of RMC is also disclosed on the company website (> Corporate Governance - Corporate Governance Implementation - Risk Management Operation Status Report) and the Sustainability Report.	
(VII)Implementation of Customer Policy	✓		(VII) The "C" in the Company's corporate values "E-CAN" stands for Customer Value. As a network equipment OEM, customer satisfaction is a top priority for Alpha. We evaluate customer satisfaction through customer satisfaction surveys or customer QBR feedback scores every year based on "quality", "delivery time", "technical support", "product development", and "green product introduction". We also actively improve each aspect one by one to ensure that customer needs are met. Our business units maintain close contact with customers, fully understand customer needs and various issues, assist customers in solving problems, provide product solutions that meet their needs, and ensure that the products meet the expected reliability and quality.	
(VIII)Purchase of Liability Insurance for Directors	✓		(VIII)The Company has purchased liability insurance for directors and managers, regularly assesses the insurance amount every year and reports the renewal of directors' liability insurance to the board of directors. Report the director and supervisor liability insurance coverage to the board of directors at least once a year, and the report was completed in July 2024.	
IX. The improvement status for the results of Corporate Governance Evaluation announced by Governance Center of Taiwan Stock Exchange Corporate (TWSE) in recent years. In addition, the Company shall propose the first priority matters and measures. The results of the 11 th (Year 2024) Corporate Governance Evaluation of our company have not been announced before the annual report is published. The 10 th (Year 2023) "Corporate Governance Evaluation" ranked in the 6% to 20%. Only the improvement and priority items and measures are explained as follows: 1. 2023 Sustainability Report will be discussed and approved by the Board of Directors and announced before the end of August 2024. 2. Rules Governing Financial and Business Matters between the Company and its Related Parties was amended in 2024. The major transactions between related parties to the shareholders' meeting for approval or reporting. 3. After the evaluation results are announced each year, the Company will review the projects that have not yet met the standards and continue to improve them to implement information disclosure transparency, reduce information asymmetry and enhance shareholder rights.				

Note: For the corporate governance operation of the Company's subsidiary Hitron Technologies Inc., please refer to its 2024 annual report.

(IV) Composition, Duties and Operations of the Company's Remuneration Committee:

1. Information regarding the members of the remuneration committee

Position	Criteria Name	Professional Qualifications and Experience	Independence Situation (Note)	Number of Other Public Companies Concurrently Serving as a Remuneration Committee Member
Independent Director (convener)	Ming-Der Hsieh	Please refer to professional qualifications and independence analysis of directors	Compliant	1
Independent Director	Shu-Hsing Li		Compliant	3

Independent Director	Cheng-Jung Chiang		Compliant	1
Independent Director	Zhong-Rui Chen		Compliant	2

Note: Independence; including but not limited to whether the person, spouse, or relatives within the second degree act as directors, supervisors or employees of the Company or its related enterprises;) The number and proportion of shares held in the Company; whether he is a director, supervisor or subject of a Company that has a specific relationship with the Company (refer to the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Complied with). Employed persons; the amount of remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years.

2. Responsibilities of the Remuneration Committee:

The Remuneration Committee shall faithfully perform the following functions and powers with the attention of a good manager, and submit the recommendations to the Board of Directors for discussion:

- (1) Formulate and regularly review the policies, systems, standards and structures for performance evaluation and salary of directors and managers.
- (2) Regularly evaluate and determine the remuneration of directors and managers.

3. Information of Operations of the Remuneration Committee

- (1) There are four members in the remuneration committee.
- (2) Term of the current Committee: From May 31, 2023 to May 30, 2026. Four meetings (A) of the remuneration committee are convened in 2024 and up to the publication date of this annual report. The attendance information is as follows.

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) (B/A) (Note 1 & 2)	Remarks
The convener	Ming-Der Hsieh	4	0	100%	None
Member	Shu-Hsing Li	4	0	100%	None
Member	Cheng-Jung Chiang	4	0	100%	None
Member	Zhong-Rui Chen	4	0	100%	None

Note1: If a member of the Salary and Remuneration Committee resigns before the end of the year, the date of resignation should be noted in the remarks column, and the actual attendance rate (%) will be calculated based on the number of meetings of the Salary and Remuneration Committee during their tenure and the number of actual attendances.

Note2: At the end of the year, if there is re-election by the Salary and Remuneration Committee, both new and old independent directors should be filled in, and the date of the old, new or re-election of the member should be noted in the remarks column. The actual attendance rate (%) is calculated based on the number of meetings of the Salary and Remuneration Committee during the period of employment and the number of actual attendances.

4. Discussion from the Remuneration Committee in 2024 and up to the publication date of this annual report, resolutions, and ways the Company handled opinions from committee members:

Date	Meeting session	Contents of Resolutions	Results of Resolutions	Company's Response to the Opinions from the Remuneration Committee
2024.2.27	The first	1.2023 annual salary report for senior managers 2.Proportion of employee and director compensation allocation since 2023 3.Remuneration distribution for senior managers in 2023 4.2024 annual salary index plan for senior managers 5.The implementation of bonuses and salary adjustments for senior managers in 2024 6.Appointment of new assistant vice president salary and compensation 7.Appointment of new vice president salary and compensation	All attending members of the remuneration committee agreed.	The resolution of the board of directors was approved by all the attending directors.
2024.5.3	The second	1. Report on change of a senior manager 2. Appointment of new assistant vice president salary and compensation 3. Abolition of the severance payment procedures for appointed managers	All attending members of the remuneration committee agreed.	The resolution of the board of directors was approved by all the attending directors.
2024.11.1	The third	1.Report on change of a senior manager 2.Appointment of manager retirement planning 3.Appointment of new assistant vice president salary and compensation	All attending members of the remuneration committee agreed.	The resolution of the board of directors was approved by all the attending directors.

2025.2.27	The first	1.2024 annual salary report for senior managers. 2.2024 Employee and director remuneration distribution 3.2024 compensation distribution for senior managers. 4.2025 annual salary index plan for senior managers 5.The implementation of bonuses and salary adjustments for senior managers in 2025. 6.Appointment of new assistant vice president salary and compensation.	All attending members of the remuneration committee agreed.	The resolution of the board of directors was approved by all the attending directors.
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Other items that shall be recorded:

- I. If the board of directors chooses not to adopt or revise recommendations proposed by the remuneration committee, the date of the meeting of the board of directors, session, contents of proposals, results of resolutions and the Company's actions toward opinions provided by the remuneration committee shall be described in detail (also, where the salary and compensation approved by the meeting of the board of directors is better than the one recommended by the remuneration committee, the differences and the reason for the approval shall be described in detail): None.
- II. For the resolutions made by the remuneration committee, if there are members who hold objection or reservation to a resolution and such objection or reservation is on record or raised through a written statement, the date, session, contents of proposals, all members' opinions and ways in handling these opinions should be elaborated: None.

(V) Status on Execution of Social Responsibility, the Differences between the Execution and the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies” and the Reasons of the Difference:

Promotion Items	The Executions			Differences between the Execution and the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies” and the Reasons of the Differences
	Yes	No	Summary	
I. Whether the Company has established a governance structure to promote sustainable development and set up a (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle senior management and the supervision of the board of directors?	✓		<p>1. The sustainable development governance structure of the Company includes the board of directors, the "Sustainable Development Committee" and the "Sustainability Report Compilation Group", as described below:</p> <p>a. The Company has set up "CSR Committee" since 2018 and changed its name to "Sustainable Development Committee" (hereinafter referred to as ESG Committee) in 2021. The ESG Committee is chaired by the Chairperson of the Company, and the Director of the Administrative Center (also Chief Sustainability Officer) serves as the Chief Executive Officer. The committee members include senior executives from various departments to integrate and implement cross-departmental corporate sustainable development-related businesses, including environmental protection (such as energy conservation and carbon reduction, waste reduction, green products, etc.), social responsibility (such as human rights policies, employee benefits, labor health and safety, etc.) and corporate governance. The ESG Committee is responsible for condensing the Company's strategies for sustainable development and integrating internal Various organizations, including the Accounting Center, Business Units, Manufacturing Center, Quality Center, Labor Safety Department, Human Resources Department and Alpha Foundation, have invested in various tasks for the sustainable development of the enterprise and have provided information on the Company. The progress of the sustainable development of enterprise and the communication with interested parties shall be reported to the board of directors regularly (at least once a year) and the board will review the relevant strategies and request the ESG committee to make adjustments if necessary (and reported to the board on 2025.2.27).</p> <p>b. The Company has set up a "Sustainability Development Center" as a staff unit of the Chief Sustainability Officer to assist the ESG Committee in integrating sustainability trends and formulating strategies, integrating all company units to jointly promote the implementation of various sustainability tasks.</p> <p>c. The Company has complied with and implement the principle of "strengthening information disclosure for sustainable development", the ESG Committee has established a "Sustainability Report Compilation Team" to strengthen both "Promotion of Work Items (ESG Committee)" and "Transparent Disclosure (Compilation Team)")" and divide the work. The report compilation team compiles and publishes the Company's Sustainability Report every year according to the operating method, which fully discloses the relevant information of the sustainable development of the Company. In addition, before the issuance of the sustainability report, the content is verified by an external third-party impartial unit and checked by the ESG committee before it is released to the public.</p> <p>2. For the governance structure and operation structure of the Company in the sustainable development of the enterprise, please refer to the ESG section of the Company website. (https://www.alphanetworks.com/csr)</p>	Comply with “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”

Promotion Items	The Executions			Differences between the Execution and the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies” and the Reasons of the Differences												
	Yes	No	Summary													
II. Does the Company follow materiality principle to conduct the risk assessment for environmental, social and corporate governance topics related to corporate operation and establish risk management related policy or strategy?	✓		<div>1. According to the five principles of interest parties (dependency, responsibility, tension, influence and multiple viewpoints), the Company’s ESG Committee identifies important interest parties including: employees, customers, suppliers, investors, media, etc. In addition, with reference to international trends, research reports and documents related to sustainable development, third-party evaluation agencies and issues that internal units attach importance to, extensive internal and external investigations and collection of information on various important stakeholders (environmental, social) and corporate governance, etc.) issues, through stakeholder surveys and statistics, to effectively identify, measure and evaluate issues that may have a significant impact on the Company, investors and other stakeholders, and comprehensive assessment as a corporate sustainability An important development direction basis for development, and a concrete action plan for ESG strategy and planning.</div> <div>2. The Company (environment, society and corporate governance) listed 33 issues of concern to stakeholders and conducted a stakeholder* questionnaire survey. a total of 335 questionnaires were collected and 10 major issues were identified in 2024, which are explained as follows:</div> <table><tr><td>composition</td><td>Rick Projects</td><td><div>• The significance or importance</div><div>• Management policy</div></td></tr><tr><td rowspan="4">Corporate governance</td><td>Operational performance</td><td><div>•The Company responds to the expectations of all stakeholders actively. Operational performance is related to the economic value that employees and investors can obtain from Alphabet. Only when the company continues to make profits can it continue to operate and develop sustainably.</div><div>• The relevant disclosure information data from audited financial reports or internally audited management reports.</div></td></tr><tr><td>Operating management continuously</td><td><div>•It is ensure that continuous operations and avoid downtime that could impact revenue for various events (such as power outages, natural disasters, infectious diseases, IT failures, supply chain disruptions, etc.)</div><div>• The Company follows business continuity management (BCM), perform business impact analysis and risk assessment, formulate a business continuity plan (BCP), develop a business continuity strategy, and resume operations in the shortest possible time.</div></td></tr><tr><td>Supply-chain management</td><td><div>•As a provider of professional networking equipment R&D, manufacturing and services, supplier management is related to operational performance. The Company selects raw materials with the best quality and cost, suppliers with the best delivery time and technology for customers. In addition, the Company plays the role of the locomotive of the industrial chain and guides suppliers to respond to relevant issues of sustainable development.</div><div>• The Company has established supplier standards based on the "RBA Responsible Business Alliance Code of Conduct", requiring suppliers to comply with relevant social responsibilities and integrity commitments, and continuously conduct annual supplier audits, requiring each supplier to comply with labor rights, health and safety, environmental standards, ethics, management systems, and social impact standards.</div></td></tr><tr><td>Innovation R&D</td><td><div>•The Company adheres to forward-looking and advanced technology to design and develop high-performance, high-value-added network communication products for customers. The core competitiveness of the Company are innovation and research and</div></td></tr></table>	composition	Rick Projects	<div>• The significance or importance</div> <div>• Management policy</div>	Corporate governance	Operational performance	<div>•The Company responds to the expectations of all stakeholders actively. Operational performance is related to the economic value that employees and investors can obtain from Alphabet. 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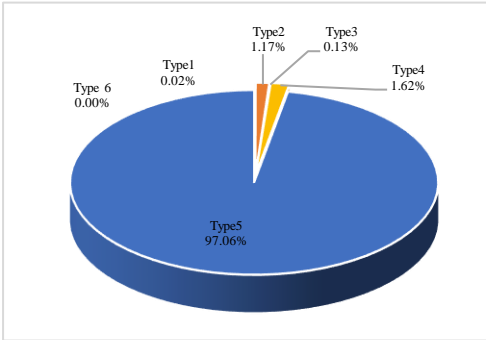
Promotion Items	The Executions			Differences between the Execution and the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies” and the Reasons of the Differences
	Yes	No	Summary	
			<div>development.</div> <div> <ul style="list-style-type: none"> • The Company plans to develop new products and technologies in response to industry trends, and uses the number of patent applications and acquisitions as KPIs to deploy network-related patents to strengthen its competitiveness. </div> <div>Technology and quality</div> <div> <ul style="list-style-type: none"> • As a networking OEM, the Company's manufacturing technology and product quality affect customer satisfaction and order willingness, which in turn affects revenues. • The Company complies with ISO9001, TL9000 and other international quality management system certifications, and follow the Company's quality policy: Get the quality right the first time, continuously review and improve, and strive for excellence. </div> <div>Rick management</div> <div> <ul style="list-style-type: none"> • It ensures that the Company's sustainable operation, the Company regularly identifies, evaluates, handles, reports and monitors risks that may have a negative impact on the company's achievement of its operating goals. • "Risk Management Policy and Procedure" clearly defines the risk management policy/principles/procedures/responsibilities of each unit to effectively manage risks and use management tools to optimize the total cost of risk management. </div> <div>Carbon emissions management</div> <div> <ul style="list-style-type: none"> • Climate change, carbon reduction and net zero are important issues in the vision of a sustainable environment. The Company deal with key stakeholders (such as customers in QBR, investors in investor conferences or interviews) in recent period. They have actively asked about the Company's investment in carbon reduction and its effectiveness. In addition, the effectiveness of carbon reduction has gradually affected customers' orders and investors' willingness to invest. • The Company has committed to a 30% supply chain carbon reduction target in 2030, and has joined SBTi in committing to setting reduction targets using scientific methods and achieving net zero in 2050. In accordance with the FSC's sustainable development path requirements, listed companies must complete carbon emissions inventory and verification of each subsidiary within a certain period of time. </div> <div>Waste management</div> <div> <ul style="list-style-type: none"> • Waste has been an environmental issue of public concern for many years, and the circular economy has become a global trend. As a "responsible producer", the Company strives to reduce environmental burden and waste generation in its operations, fully responding to SDG12 - ensuring sustainable consumption and production patterns. • The Company has formulated a "waste management procedure" and established an effective internal waste management system to avoid environmental pollution due to improper waste management. Waste is divided into general waste, general and hazardous industrial waste, and waste classification and labeling are strengthened to achieve the goal of waste reduction. </div> <div>Compliance with environmental regulations</div> <div> <ul style="list-style-type: none"> • The environmental regulations on waste gas, waste water and other factory affairs affect fines and factory operations. In addition, electronic and information and communication products may be banned from import if they do not comply with relevant regulations on banned substances • The Company complies with the relevant regulations of the Waste Electrical and Electronic Equipment Directive (WEEE) and the Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS). </div>	

Promotion Items	The Executions			Differences between the Execution and the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies” and the Reasons of the Differences
	Yes	No	Summary	
			<p>Occupational safety and health</p> <p>Social Responsibility</p> <p>Healthy and safe working conditions are considered a human right. This has been mentioned in important documents of the International Labor Organization (ILO), the Organization for Economic Cooperation and Development (OECD) and the World Health Organization (WHO). Healthy and safe working conditions are also a detailed target of the Sustainable Development Goals in the United Nations 2030 Agenda for Sustainable Development.</p> <p>Employees are important stakeholders and key assets of the Company for grow continuously. Not only must relevant occupational safety regulations be complied with, but promoting employee health is also an important task in ensuring the Company's growth momentum.</p> <p>• The Company has established five major safety and health policies that to provide employees with a healthy, safe and hygienic working environment. The Hsinchu headquarters established a safety and health committee in accordance with the "Occupational Safety and Health Management Regulations" to implement the above policies and held regular safety and health committee meetings. The Changshu plant has a safety production committee and holds regular safety production management meetings. The Vietnam plant maintain and improve safety and health management in accordance with the Vietnamese government's "Environmental Protection Law" and "Labor Safety and Health Law" to continuously.</p> <p>* The Company identifies important stakeholders based on the five principles of stakeholders (dependence, responsibility, tension, influence and multiple perspectives), including employees, customers, suppliers, investors, government agencies and the media.</p>	
<p>III. Environmental Issues</p> <p>(I) Does the Company establish an environmental management system according to industry characteristics?</p>	✓		<p>(I) The Company carried out environmental energy management and respond to comprehensive environmental issues effectively. The Company has formulated policies and set activity plans and goals to environmental management every year.</p> <p>Environmental policy and HSF policy:</p> <ul style="list-style-type: none"> • The Company complied with environmental laws and the Restriction of Hazardous Substances Directive • The Company kept research and develop green products to pursue the realm of complete HSF products • Promote resource recycling and reduce waste • The Company improved the process to reduce the impact on the environment continuously • The Company enhanced employees' awareness of environmental protection and implement their participation in environmental protection work • Energy-saving and improve energy efficiency. <p>(II) All manufacturing plants of the Company have established an environmental management system to promote environmental management activities and have passed ISO14001:2015 certification by a third-party certification organization. At the same time, in order to effectively implement the management of hazardous substances and reduce the greenhouse gas emissions of the organization, establish a relevant management system and obtain IECQ QC080000:2017 and ISO 14064-1 certification and the relevant environmental management system can effectively reduce the impact and impact on the environment.</p> <p>Environmental management system total achieved 5 Target Projects in 2024:</p>	Comply with “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”

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			<table><tr><th>Environmental Policy</th><th>Environmental Target</th><th>Achieve Rate</th></tr><tr><td rowspan="3">1.Improve employees' awareness of environmental protection and implement participation in environmental protection work</td><td>Green website updated</td><td rowspan="3">100%</td></tr><tr><td>Green News updated</td></tr><tr><td>Biodiversity practical activities (such as beach cleaning, mountain cleaning, tree planting, environmentally friendly farmland maintenance)</td></tr><tr><td rowspan="2">2.Energy-saving and improve energy efficiency</td><td>Collection of related green regulations</td><td rowspan="2"></td></tr><tr><td>CDP carbon disclosure score was better than B-</td></tr></table>	Environmental Policy	Environmental Target	Achieve Rate	1.Improve employees' awareness of environmental protection and implement participation in environmental protection work	Green website updated	100%	Green News updated	Biodiversity practical activities (such as beach cleaning, mountain cleaning, tree planting, environmentally friendly farmland maintenance)	2.Energy-saving and improve energy efficiency	Collection of related green regulations		CDP carbon disclosure score was better than B-								
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			<p>The hazardous substance management system total achieved 8 target items in 2024:</p> <table><tr><th>Environment al Policy</th><th>Environmental Target</th><th>Achieve Rate</th></tr><tr><td rowspan="4">1. Comply with an environmental laws and regulations on the restriction of hazardous substances</td><td>RoHS 2011/65 EU, EU2015/863, Packaging 94/62/EC, Battery 2013/56/EU are fully implemented, GPM system card control and maintenance management must be accurate.</td><td rowspan="4">100%</td></tr><tr><td>Date of expiry to exclusion clauses made preparations 1 year beforehand.</td></tr><tr><td>The accuracy review of MCD data in GPM system.</td></tr><tr><td>Collection of regulations</td></tr><tr><td rowspan="3">2. Research and develop green products to pursue the realm of complete HSF products</td><td>The number of items controlled by the GPM system that do not in consonance with green materials is 0.</td><td rowspan="3"></td></tr><tr><td>Regulatory requirements are communicated to colleagues through the platform</td></tr><tr><td>Hazardous substance risk assessment</td></tr><tr><td></td><td>Integrated report production</td><td></td></tr></table> <p>Relevant management systems and implementation results are published on the company's official website and corporate sustainability report. The Company's Official Website: Environmental Sustainability - Alpha Networks Inc. The Sustainability Report of the Company can be downloaded from the ESG section【Sustainability Report Download】 Website)</p>			Environment al Policy	Environmental Target	Achieve Rate	1. Comply with an environmental laws and regulations on the restriction of hazardous substances	RoHS 2011/65 EU, EU2015/863, Packaging 94/62/EC, Battery 2013/56/EU are fully implemented, GPM system card control and maintenance management must be accurate.	100%	Date of expiry to exclusion clauses made preparations 1 year beforehand.	The accuracy review of MCD data in GPM system.	Collection of regulations	2. Research and develop green products to pursue the realm of complete HSF products	The number of items controlled by the GPM system that do not in consonance with green materials is 0.		Regulatory requirements are communicated to colleagues through the platform	Hazardous substance risk assessment		Integrated report production		
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(II) Is the Company committed to enhancing resource efficiency and to the use of recycled materials with low environmental impact?	✓		(II) All products of the Company are complied with EU RoHS, WEEE and other instructions in 2024 and the Company continues to execute product performance improvement to meet the requirements of the EU ErP directive under strict control. In the product development stage, Life Cycle Thinking (LCT) is introduced and green design concepts are successively added and adjustments are made in accordance with the updates of international environmental regulations. 1. The Company takes product disassembly and recycling into consideration during the product design phase. The product's assembly design does not require the use of complex tools and connection processes for			Comply with “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”																	

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			<p>production. Plastic components weighing 25g or more are marked with the material. Plastic parts used do not mix two or more materials. Disassembly and recycling (Recycle, Reuse, Reduce, 3R) and the EU Waste Electrical and Electronic Equipment Directive (WEEE) are both important bases for green product design. The Company selects recyclable materials complies with EU environmental protection requirements.</p> <p>2. The concept of life cycle is introduced in the product development stage. It is expected that at all stages of the product life cycle, including the acquisition of raw materials, manufacturing, distribution and sales, use and waste recycling, etc., the major environmental considerations can be identified and the goal is to minimize the environment impact.</p> <p>3. The energy efficiency of the product is based on the EU's ErP and the consideration of the relevant implementation method (EC) No.1275/2008 Energy consumption in standby and shutdown modes of household or office equipment and (EU) 2019/1782 external power supply.</p> <p>4. With the green material management platform and under strict internal control of the Company, except for the introduction of lead-free manufacturing processes, all manufacturing parts are complied with EU RoHS and REACH regulations.</p> <ul style="list-style-type: none">Statistics on the number of products complying with environmental regulations in 2024 <table><tr><th>Pieces\Month</th><th>Total</th></tr><tr><td>Number of pieces to be completed</td><td>2,301</td></tr><tr><td>Actual number of pieces</td><td>2,301</td></tr><tr><td>Achieved rate %</td><td>100%</td></tr></table> <ul style="list-style-type: none">Products compliance declaration in 2024 <table><tr><th>Type</th><th>Pieces</th></tr><tr><td>China RoHS</td><td>42</td></tr><tr><td>REACH</td><td>490</td></tr><tr><td>RoHS</td><td>227</td></tr><tr><td>EU Sanction on Restricted Iron</td><td>3</td></tr><tr><td>Other(Ex: CP65、French EDC etc.)</td><td>14</td></tr><tr><td>Substances List</td><td>22</td></tr><tr><td>BSMI</td><td>24</td></tr><tr><td>PFAS</td><td>28</td></tr><tr><td>POPs</td><td>44</td></tr><tr><td>TSCA</td><td>87</td></tr></table>	Pieces\Month	Total	Number of pieces to be completed	2,301	Actual number of pieces	2,301	Achieved rate %	100%	Type	Pieces	China RoHS	42	REACH	490	RoHS	227	EU Sanction on Restricted Iron	3	Other(Ex: CP65、French EDC etc.)	14	Substances List	22	BSMI	24	PFAS	28	POPs	44	TSCA	87	
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(III) Does the Company evaluate the current and future climate change potential risks and opportunities and take response measures to climate related issues?	✓		<p>(III) The Company is well aware of the impact caused by the earth's climate, ecology and environment. As a member of the global citizen, the Company shall fulfill the corporate responsibilities in order to respond to the global green new deal and green economy. It has participated in the "Carbon Disclosure Project (CDP)" and registered the greenhouse gas inventory records on the project website. After the disclosure, CDP will announce the annual disclosure and performance results for customers and relevant interested parties for reference. The project includes the disclosure of projects such as climate change, water and supplier participation in 2024. The Company will continue to pay attention to global climate change and other related issues and work together to improve it.</p> <p>The CDP results from 2022 to 2024</p> <table><tr><th>Result \ Year</th><th>2022</th><th>2023</th><th>2024</th></tr><tr><td>Climate change</td><td>B-</td><td>C</td><td>C</td></tr><tr><td>Saving water</td><td>B-</td><td>C</td><td>C</td></tr><tr><td>Supplier engagement assessment</td><td>A-</td><td>-</td><td>-</td></tr></table> <p>The Company was held "Supplier Energy Conservation and Carbon Reduction Conference" at the Hsinchu headquarters on November 17, 2023. The Company committed to sustainable initiatives together with suppliers. At the conference, carbon reduction strategies such as "green energy", "supply chain carbon reduction", and "international carbon reduction initiatives" were shared. Experts from the Industrial Development Bureau and the Institute for Information Industry were also invited to share practical experiences and global trends in carbon reduction. We work with suppliers together that we can contribute to environmental sustainability and create a sustainable and low-carbon supply chain towards carbon reduction goals. We continue to share carbon reduction practices with suppliers, provide guidance and organize carbon reduction courses. The Company invited about 30 suppliers to the Hsinchu headquarters to conduct a supplier carbon inventory seed personnel training course and establish a supplier sustainable information platform (cloud version) on April 8 2024. There were 16 suppliers have uploaded carbon emission information in 2024. In the future, we will continue to encourage suppliers to complete carbon inventory, log on to the platform and submit carbon emission data, so as to encourage and help suppliers to participate in carbon reduction actions, and formulate future carbon reduction paths and actions together.</p>	Result \ Year	2022	2023	2024	Climate change	B-	C	C	Saving water	B-	C	C	Supplier engagement assessment	A-	-	-	Comply with “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”
Result \ Year	2022	2023	2024																	
Climate change	B-	C	C																	
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Supplier engagement assessment	A-	-	-																	
(IV) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity over the past two years and formulate policies regarding carbon reduction, greenhouse gas emission reduction, water consumption reduction or other waste management?	✓		<p>(IV)The Company collects data about greenhouse gas emissions, water consumption and total waste weight every year and formulates energy saving and carbon reduction, greenhouse gas reduction, water consumption reduction and waste management, which are disclosed in the annual corporate social responsibility report. Relevant statistics in 2024 are as follows:</p> <p>(1) The Company (Hsinchu Factory) is in response to the requirements of the new version of ISO14064-1:2018 to identify greenhouse gases, including: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorinated Carbides (PFCs), sulfur hexafluoride (SF6), nitrogen trifluoride (NF3) and other seven greenhouse gases. The operating boundaries of the Company (Hsinchu Plant) include direct greenhouse gas emission sources (type 1), indirect greenhouse gas emission sources (type 2, type 3, type 4, type 5, type 6). The total amount of greenhouse gas emission sources of the Company (Hsinchu Plant) in 2024 was 350,182.695 ton CO2e, and the emissions of each category are shown below.</p>	Comply with “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”																

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			<div>• The statistics of the Company in 2024 as follows:</div> <table><tr><th>Type</th><th>Type 1</th><th>Type 2</th><th>Type 3</th><th>Type 4</th><th>Type 5</th><th>Type 6</th><th>Total</th></tr><tr><td>(ton CO2e)</td><td>71.3032</td><td>4,095.5292</td><td>448.2720</td><td>5,686.1309</td><td>339,881.4595</td><td>0.0000</td><td>350,182.695</td></tr><tr><td>(%)</td><td>0.02%</td><td>1.17%</td><td>0.13%</td><td>1.62%</td><td>97.06%</td><td>0.00%</td><td>100.00%</td></tr></table> <div></div> <div>(2)The sewage of the Company produced is sewage and kitchen sewage. It is not the waste water generated by the process, it is only self-disclosed sewage, including discharge water. Effluent Testing: the Company entrusts an environmental inspection and measurement agency approved by the Environmental Protection Administration of the Executive Yuan every year and test and save test report. Flowmeter calibration: Use a calibration ruler to measure and record the head overflow height actually in the triangular weir water tank pipeline on site.</div> <div>• The statistics of the Company in the past three years (2022 ~2024) are as follows:</div> <table><tr><th>Year</th><th>Hsinchu Emissions (tons)</th><th>Changshu Emissions (tons)</th><th>Vietnam Emissions (tons)</th></tr><tr><td>2022</td><td>29,110</td><td>73,014</td><td>5,339</td></tr><tr><td>2023</td><td>28,445</td><td>56,649</td><td>20,310</td></tr><tr><td>2024</td><td>25,325</td><td>55,264</td><td>34,147</td></tr></table> <div>(3)The Company formulates waste management procedures and establishes an internal effective waste management system to avoid environmental pollution due to improper waste management. Waste is divided into general waste, hazardous industrial waste and business waste. The Hsinchu Plant has set up a waste storage area that meets the regulations and entrusts the waste disposal company that has been approved by the government and has not been penalized in the past year to deal with it. To achieve waste reduction targets.</div> <div>• The statistics of the Company's Hsinchu, Dongguan, Changshu and Vietnam factories in the past three years from (2022~2024) are as follows</div> <table><tr><th>Year</th><th>General Waste (Kilogram)</th><th>Hazardous waste (Kilogram)</th><th>Total Waste (Kilogram)</th></tr><tr><td>2022</td><td>652,495.4</td><td>60,766.66</td><td>713,262.06</td></tr><tr><td>2023</td><td>729,514.3</td><td>77,960.22</td><td>807,474.52</td></tr><tr><td>2024</td><td>1,018,346.3</td><td>13,253.55</td><td>1,085,354.9</td></tr></table> <div>The Sustainability Report of the Company can be downloaded from the ESG section 【Sustainability Report Download】 Website)</div>	Type	Type 1	Type 2	Type 3	Type 4	Type 5	Type 6	Total	(ton CO2e)	71.3032	4,095.5292	448.2720	5,686.1309	339,881.4595	0.0000	350,182.695	(%)	0.02%	1.17%	0.13%	1.62%	97.06%	0.00%	100.00%	Year	Hsinchu Emissions (tons)	Changshu Emissions (tons)	Vietnam Emissions (tons)	2022	29,110	73,014	5,339	2023	28,445	56,649	20,310	2024	25,325	55,264	34,147	Year	General Waste (Kilogram)	Hazardous waste (Kilogram)	Total Waste (Kilogram)	2022	652,495.4	60,766.66	713,262.06	2023	729,514.3	77,960.22	807,474.52	2024	1,018,346.3	13,253.55	1,085,354.9	
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IV. Social Issues (I) Does the Company set up policies and procedures in compliance with laws and regulations as well as the international recognized human rights principles?	✓		(I) The Company supports and abides by the "United Nations Universal Declaration of Human Rights", "United Nations Global Covenant", "United Nations Guiding Principles on Business and Human Rights" and the "Declaration on Fundamental Principles and	Comply with “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”																																																								

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	Yes	No	Summary									
			<p>Rights at Work” of the international labor convention, and adopts a partnership with the Responsible Business Alliance (RBA)) standards consistent with the code of conduct, complying with local laws and regulations in each operating base around the world, and protecting the human rights of employees. In terms of policies, the Company has also formulated relevant policies and other internal management measures to clearly declare the protection of employees' rights and to properly take care of colleagues.</p> <p>In view of the principle of human rights protection that the Company attaches great importance to, the company follows the Labor Standards Act, formulates employee work rules in accordance with the law, and submits them to the park administration for approval before implementation to protect the legitimate rights and interests of employees. An employee welfare committee is also set up, which is run by labor representatives through internal elections among employees. This committee can plan and handle various employee welfare matters. We also adopt standards that are consistent with the Responsible Business Alliance (RBA) Code of Conduct, comply with local laws and regulations in all operating locations around the world, and protect the human rights of employees. In line with the principle of human rights protection that Alpha attaches great importance to, and in accordance with the Company's appointment methods for new employees, the company provides equal job opportunities to job seekers and every employee regardless of race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, belief, political affiliation, community membership or marital status, etc., and child labor and forced labor are not allowed.</p> <p>The Company has always attached great importance to human rights and labor issues, and implemented them in the workplace through ESG, RBA and other policy derivation.</p> <p>A total of 111 people participated in internal related theme courses, with a total training time of 87.66 hours in 2024.</p> <p>In order to fulfill its corporate social responsibilities and implement human rights policies, the Company develops management measures and risk mitigation measures through human rights issue assessment and risk identification, and conducts improvement and follow-up tracking to effectively reduce the impact and impact of human rights risks. We referred to the RBA Responsible Business Alliance Code of Conduct and various international human rights policies to select 10 important issues of concern as human rights risk assessment projects.</p> <p>For human rights risk assessment projects, a matrix risk assessment is conducted using two vectors: "probability of occurrence" and "degree of impact." After the comprehensive score is calculated to form a risk coefficient, it is used to determine the severity of potential risks. Take corresponding mitigation or remedial measures for potential risks.</p> <table><tr><th>No.</th><th>Human right risks</th><th>Risk assessment</th><th>Mitigation and remedial measures</th></tr><tr><td>1</td><td>Free choice of employment</td><td>Low probability, high impact</td><td>1. The Company established a human rights policy to ensure that all work is voluntary and that employees have the right to resign or terminate their employment at any time. 2. All employees sign employment contracts</td></tr></table>	No.	Human right risks	Risk assessment	Mitigation and remedial measures	1	Free choice of employment	Low probability, high impact	1. The Company established a human rights policy to ensure that all work is voluntary and that employees have the right to resign or terminate their employment at any time. 2. All employees sign employment contracts	
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							upon joining the Company to confirm their willingness to work and eliminate the source of forced labor. 3. The Hsinchu plant certified by a third-party notary office by the end of 2024 and will begin implementing the foreign migrant worker repayment plan in 2025. Implementing zero-payment policy for foreign workers in the future.	
				2	Working hour management	Low probability, medium impact	1. Monitor attendance through human resources and attendance system. 2. Regularly issue abnormal reminders and early warnings to colleagues and their supervisors. 3. Send reminders to those who have reached the working hour standard on the day to avoid overtime situations. 4. Strengthen communication on the factory management system and plan appropriate manpower reserves	
				3	Salary and benefits	Low probability, medium impact	1. The payment of employees of the Company must comply with all local laws. Including basic salary, overtime pay, etc. 2. Review changes in the internal and external environment and participate in salary surveys to adjust salary policies and salary planning plans to optimize the Company's overall salary competitiveness	
				4	Fair chance	Low probability, low impact	1. Formulate and implement performance appraisal and promotion systems 2. Colleagues' work performance is combined with bonus and salary adjustment systems	
				5	Child labor	Low probability, low impact	1. Strictly review personal information during recruitment 2. Third-party security consulting for personnel appointment implementation	
				6	Sexual harassment	Low probability,	1. Set up the Company's human right policy	

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					medium impact	2. Strengthen internal training on relevant issues		
				7	workplace bullying	Medium probability, medium impact		3. Formulate and implement "Complaint and Punishment Measures for Preventing and Controlling Sexual Harassment in the Workplace" 4. Establish internal multiple communication channels and grievance mechanisms 5. Optimize employee psychological consultation and counseling measures
				8	Personal privacy Protect	Low probability, medium impact		1. Formulate information security management policies to protect the security of employees, customers, suppliers and other employees, business contacts and operation-related information assets. 2. Formulate the "Code of Integrity Business", "Operation Methods for Ethical Conduct" and other measures to clearly declare the protection of the privacy of relevant information of stakeholders.
				9	Health & Safety	Low probability, medium impact		1. Establish a clear reporting process for industrial safety accidents and occupational disasters 2. Conduct regular safety escape drills 3. Provide colleagues in special working environments with protective equipment that is suitable and meets regulatory requirements 4. Implement various safety promotions and protective equipment inspections 5. Provide regular occupational safety and health examinations to employees working with occupational hazards 6. Specify the investigation and handling methods for various safety and health incidents. Record and review each incident in detail.
				10	Freedom of association and group consultation	Low probability, low impact		1. Set up the Company's human right policy 2. Strengthen internal training on relevant issues

Promotion Items	The Executions						Differences between the Execution and the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies” and the Reasons of the Differences
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						5. Implement the function of labor-management meetings and provide effective communication channels	
(II) Does the Company establish and implement the rational employee benefit measures (including remuneration, leave and other benefits...etc.), link operational performance or achievements with employee remuneration?	✓		(II) 1. Employee compensation: The Company regularly measures the market salary level to formulate a reasonable salary and remuneration policy to ensure the overall salary competitiveness. It is stipulated in the Company's articles of incorporation that if the Company has a profit in the year, 10%~22.5% should be allocated as employee compensation and the Company's operation Linking performance and employee rewards. The Company’s Remuneration Committee convenes at least twice a year and will be convened at any time as needed. The committee faithfully performs its relevant duties and powers with the care of a good steward in accordance with the law and submits its recommendations to the board of directors for discussion. The distribution of remuneration to employees and directors of the company is reported to the shareholders' meeting after approval by the salary and remuneration committee and the board of directors. This is used as a way to measure the management performance of the Company's top management unit. Remuneration information related to senior management such as the board of directors and managers is also appropriately disclosed in the company's annual report, so that all stakeholders can fully understand the correlation between senior executive compensation and the Company's operating performance. 2. Employee welfare: The Company provides employees with considerate and high-quality welfare measures every year, including: overseas travel insurance, free annual health examinations, weddings and funerals, hospitalization subsidies for injuries and illness, employee three-day gift subsidies and other fixed welfare projects; in order to let employees have a work and life. balance, there are annual travel subsidies, community activity subsidies and Chinese language test study subsidies every year; free indoor parking spaces for automobiles and motorcycles, so colleagues don’t have to worry about their cars being exposed to wind and sun; the staff restaurant provides diverse and nutritious meals; There are also chain convenience stores stationed in the factory, irregular group company product sales, employee purchase discounts, etc., and various welfare measures, hoping to provide colleagues with convenient life functions after work. The birthday afternoon tea, a total of 1,240 handmade cakes/biscuits made by charity groups were distributed in 2024. To reduce negative energy and increase positive energy, our company has planned stress relief methods for colleagues from the inside out. The Company cooperates with professional psychological counseling units to provide multi-channel psychological counseling services in both Chinese and English. Colleagues can talk to psychological counselors through letters, phone calls, videos, etc. Through psychological counseling, they can find an outlet for their emotions and turn negative energy into positive thinking. A total of 70 people have used it in 2024, and the average user satisfaction score reached 4.99 points (out of 5 points).				Comply with “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”

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			<p>In addition, the Company cooperates with the local visually impaired massage association, and the association dispatches masters to be stationed in the factory. This service effectively relieves the fatigue feelings and body soreness of colleagues, and colleagues’ comments are full of praises. The end of 2024, approximately 1,700 people used it, with an average of more than 150 people per month.</p> <p>3. Workplace diversity and equality The Company focuses on gender equality, equal remuneration and promotion opportunities. 47% of employees were women. Men and women were paid equally for equal work in 2024.</p> <p>The Company’s new recruits starting salary ratio</p> <table><tr><th>Area</th><th>Type</th><th>Female</th><th>Male</th></tr><tr><td rowspan="2">Taiwan</td><td>direct personnel</td><td>1</td><td>1</td></tr><tr><td>indirect personnel</td><td>1</td><td>1</td></tr></table> <p>Note: Ratio of starting salary of new recruits = starting salary of female new recruits / starting salary of male new recruits</p> <p>The average salary ratio of Alpha’s new recruits</p> <table><tr><th>Area</th><th>Type</th><th>Female</th><th>Male</th></tr><tr><td rowspan="2">Taiwan</td><td>direct personnel</td><td>1.07</td><td>1.07</td></tr><tr><td>indirect personnel</td><td>1.85</td><td>1.85</td></tr></table> <p>Note: Starting salary standard for new recruits/local legal basic salary</p> <p>4. Retirement systems The Company has established employee retirement methods and retirement systems, please refer to the "Labor-Management Relations" section of this annual report.</p>	Area	Type	Female	Male	Taiwan	direct personnel	1	1	indirect personnel	1	1	Area	Type	Female	Male	Taiwan	direct personnel	1.07	1.07	indirect personnel	1.85	1.85	
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(III) Does the Company provide a safe and healthy working environment to employees, with regular safety and health education?	✓		<p>(III) The Company strives to create a healthy and safe working environment, formulates occupational safety related regulations, conducts workplace hazard identification and risk assessment and change management, regularly implements occupational safety and health audits and implements the Taiwan Occupational Safety and Health Management System (ISO45001).</p> <p><u>Safety and Health Policy</u> The Company is committed to improving a healthy and safe working environment, formulating safety and health policies, management manuals and work rules while respecting the safety and health requirements of relevant stakeholder groups to build a healthy and happy workplace.</p> <p>The Company takes occupational accident prevention and disaster prevention as its core concepts, implements workplace hazard identification, risk assessment and change management through appropriate management tools, technologies and resources, and conducts regular safety and health audits, implementing the Taiwan Occupational Safety and Health Management System (ISO45001)</p> <p>Through integration, each factory area formulates countermeasures to continue to promote safety and health goals, and also strengthens the protection management of workers to create a zero-disaster environment. In addition, quantitative safety and health indicator tracking management is established to improve safety and health performance and reduce risks.</p> <p><u>Accident investigation and improvement</u> There was no occupational accident in 2024, there were no occupational accidents at work. The company continues to strengthen work safety promotion, conducts regular automatic inspections, cares for the physical and mental condition of colleagues, and ensures the safety of colleagues.</p>	Comply with “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”																						

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			<p><u>Labor working environment monitoring</u> In order to ensure that workers are not exposed to harmful substances in the workplace and provide a healthy and safe working environment for workers, the company performs secondary operating environment monitoring every year, regularly monitoring organic solvents, noise, carbon dioxide and lighting in the workplace, and gradually understands exposed status of staff.</p> <p><u>Work safety inspection</u> The Company has an annual safety and health management plan and implements industrial safety audits according to the following categories and cycles:</p> <table><tr><td>Work safety audit</td><td>Twice per week</td></tr><tr><td>Employee safety observation</td><td>Three times per month</td></tr><tr><td>Environment safety audit</td><td>Once per week</td></tr><tr><td>Contractors construction inspections</td><td>Irregularly</td></tr></table> <p><u>Equipment security management</u> Our company classifies hazardous machinery and equipment in accordance with the law and conducts detailed inspections to ensure that the equipment can be operated safely. Relevant inspection categories and cycles are as follows to ensure the safety of the equipment.</p> <table><tr><td>Checking type</td><td>Checking cycle</td></tr><tr><td colspan="2">General machinery</td></tr><tr><td>Automatic storage equipment</td><td>Per day/ month</td></tr><tr><td>Vehicles</td><td>Per month/per year</td></tr><tr><td>Forklift</td><td>Per month/year/before operating</td></tr><tr><td colspan="2">Hazardous machinery and equipment</td></tr><tr><td>Lift</td><td>Per week/month/year</td></tr><tr><td>High pressure gas specific equipment</td><td>Per month/ year/before operating</td></tr></table> <p>In addition, the following measures and activities are also implemented to enhance the concept of labor safety and provide a healthy working environment for employees:</p> <ol style="list-style-type: none">1. The training organization arranges for each new employee to conduct general education training on safety, hygiene and hazards.2. General safety and health on-the-job education and training of employees.3. Training of employees for special operations, such as first aid personnel, ionizing radiation operators, organic solvent operations supervisors, stacker operators, etc.4. The Company has set up sports venues and equipment in the factory for employees to exercise, and conducts regular employee health examinations every year to maintain the physical and mental health of employees. <p>The Company uses the Framingham Cardiac Risk Score assessment tool to assess employees every year for employees’ health risks. Based on six indicators, including age, cholesterol, high-density cholesterol, blood pressure, diabetes, and smoking, we assess the risk groups that may suffer from ischemic heart disease in the next ten years and send email reminders.</p> <p>The Company's industrial safety education training and promotion in the past three years</p> <table><tr><td>Year</td><td>education training amount</td><td>education training hours</td></tr><tr><td>2022</td><td>1,657</td><td>4,962</td></tr><tr><td>2023</td><td>858</td><td>2,876</td></tr><tr><td>2024</td><td>731</td><td>2,193</td></tr></table>	Work safety audit	Twice per week	Employee safety observation	Three times per month	Environment safety audit	Once per week	Contractors construction inspections	Irregularly	Checking type	Checking cycle	General machinery		Automatic storage equipment	Per day/ month	Vehicles	Per month/per year	Forklift	Per month/year/before operating	Hazardous machinery and equipment		Lift	Per week/month/year	High pressure gas specific equipment	Per month/ year/before operating	Year	education training amount	education training hours	2022	1,657	4,962	2023	858	2,876	2024	731	2,193	
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			5. There has been no fire incident in the Company since 2024. To prevent fires, in addition to fire safety promotions, the company holds employee fire training every 6 months and conducts regular fire safety inspections.	
(IV) Does the Company establish the effective career development training?	✓		<p>(IV)The company is well aware that training development is a long-term plan for the company, and talents are the most valuable assets of the company. Therefore, it spares no effort in employee training and career planning, and invests a huge training budget and resources year by year to expand multiple learning channels. As the COVID-19 epidemic eases, some courses have gradually returned to physical courses. The Company plans to have a complete training system (newcomer training/management functions/core functions/professional training). At the same time, in line with company policies and business promotion, it has added courses with diverse contents such as sustainable development and technical courses to assist the development of employees' career capabilities.</p> <p>According to the development of the organization's business strategy and the implementation of management objectives, courses required for management functions are organized for managers at all levels to strengthen the concepts and abilities of managers at all levels. A total of 262 people attended management function course, and the total training hours were 1,801 hours in 2024.</p> <p>The Company cultivate R&D talents that specializing in 5G, 6G and other technologies, and in line with the company's technological development trend, experts and scholars are invited to serve as lecturers. The total training hours have reached 967 hours in 2024; on average, each trainee has received 3.47 hours of training. The average user satisfaction score reached 4.5 points (out of 5 points).</p> <p>The Company to deepen ESG knowledge and make sustainable development a consensus among all employees, the Company has incorporated the "ESG Sustainable Development" and "Integrity Governance" units into the fixed training courses for new employees starting from 2022. In addition, external lecturers are invited to the factory to give lectures on important topics including "green supply chain", "packaging material reduction", "process reduction" and other important topics. The annual ESG course has a total training hour of 1,556 hours and 3,480 participants in 2024.</p> <p>The Company-wide annual training results include the above-mentioned management & professional training as well as the company's internal manufacturing, quality, safety and health training. The total training hours of the company reached 48,851 hours, and the total number of trainees was 21,792 in 2024.</p>	Comply with “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”
(V) Does the Company’s products and services comply with relevant laws, regulations and international guidelines for customers’ health and safety, privacy, sales, labeling and set policies to protect customers’ rights and consumer apple procedures?	✓		<p>(V) Based on the E-CAN values, the Company puts the customer's value and needs in the first place and must achieve 【customer value】 with its mission and it is not false marketing to customers.</p> <p>Besides, the Company is the foundry of Netcom products and the sales activities of products to end consumers are the affairs of the OEM customers. The Company does not directly face end consumers. The content of product labels is produced and posted according to customer needs. In line with the relevant laws and regulations of various places, The Company has not violated the information and labeling regulations of products and services in 2024, nor has it violated relevant marketing communication (including advertising, promotion) regulations.</p> <p>Moreover, the Company uses an objective method through the questionnaire survey of customer satisfaction, hoping to understand from different</p>	Comply with “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”

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			customer groups whether the products and services provided can meet the needs of customers, as a basis for continuous improvement. The 【interest parties】 of the ESG section of the Company's website provides communication and interaction channels for various interest parties. For the issues raised by each interest parties, a special person is responsible for handling related matters.	
(VI) Does the Company establish the supplier management policy and ask the suppliers to follow the related rules for the issues of environmental protection, occupational safety and health or labor rights and the implementation status?	✓		<p>(1) According to the RBA Responsible Business Alliance Code of Conduct, the Company sets the basic guidelines for suppliers and asks suppliers to comply with relevant social responsibility and integrity commitments. The Company continues to implement supplier annual audits and new supplier introduction and requires all suppliers to comply with the standard for labor rights, health and safety, environmental protection, ethics, management systems and social impact. Suppliers are required to implement procurement management based on the green supply chain in addition to the evaluation of Quality, Cost, Delivery, Service and Technical capabilities. The control of hazardous substances is also included in the incoming material inspection procedures. Suppliers are required to immediately propose corrective and prevent recurrence measures for the raw materials of the anti-controlled substance regulations. The average ratio of excellent (A) and good (B) suppliers was 98.42% and the ratio of poor (E) suppliers was 0.35% in 2024. The Company asks the inferior (E)-level suppliers to improve on a project basis and continuously asks the normal (C) and poor (D)-level suppliers to improve through counsel in order to enhance the overall delivery quality of suppliers. The supplier management policy in 2024. The Company creates a green supply chain and the Company strictly requires suppliers to follow the "Alpha Environmental Management Substance Management Measures", and when necessary, submit a test report from a third impartial unit, and incorporate green management principles into the supplier management mechanism.</p> <p>(2) Suppliers are expected to fulfill their corporate social responsibilities, and do a good job in risk management and business continuity planning. Before cooperating with new suppliers, they must sign a manufacturer commitment letter to ensure that they commit to comply with RBA requirements and must fill out the "Supplier RBA Self-Assessment Questionnaire" to understand the supplier's implementation results in various aspects such as labor, health and safety, environmental protection, management systems, and business ethics. Then, on-site audits will be initiated based on the supplier category and continued tracking and supervision will be carried out to ensure that deficiencies are properly improved. The Company performed supplier audits on 68 suppliers, including annual audits of 45 suppliers and audits of 23 new suppliers in 2024.</p> <p>(3) According to the supplier status evaluation operation method, the statistical interval is quarterly, and the evaluation results are submitted in the second month of each quarter. All major trading partners of the Company (those with large volumes and high transaction amounts) are evaluated by the purchasing, engineering and quality assurance departments based on quality, cost, delivery time, service and technical capabilities. If the score is less than 70 points, it will be listed as an unqualified supplier. A total of 204 suppliers were evaluated and 0 were listed as non-recommended suppliers in 2024. No supplier was stopped from trading new materials in 2024.</p>	Comply with “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”

Promotion Items	The Executions			Differences between the Execution and the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies” and the Reasons of the Differences
	Yes	No	Summary	
V. Does the Company refer to international reporting rules or guidelines to publish the CSR report to disclose non-financial information of the Company? Has the Company obtained a 3 rd certification party verification or statement of assurance?	✓		<p>The Company's sustainability report is compiled in accordance with the GRI International General Reporting Standard (GRI Standard), and has been verified by the third-party certification unit Taiwan Rheinland Technology Guardian Co., Ltd. AA1000Type I moderate assurance level, and is included in the report. The appendix provides an external verification statement.</p> <p>The relevant information of TCFD and SASB is also disclosed in the relevant chapters of the report, and a comparison table of TCFD and SASB (in the appendix) is compiled for indexing.</p> <p>The Sustainability Report of the Company can be downloaded from the ESG section【Sustainability Report Download】Website)</p>	Comply with “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”
<p>VI. If the Company has established its own corporate social responsibility code of practices according to the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies”, please describe the operational status and differences.</p> <p>The Company has established its own code of practices for corporate social responsibility and its related operations are implemented in accordance with the content of the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies" and there are no major differences.</p>				
<p>VII. Other important information to facilitate better understanding of the Company's implementation of corporate social responsibility:</p> <ol style="list-style-type: none"> 1. The implementation plan and results of sustainable development are reported to the board of directors regularly every year (the situation in 2024 was reported to the board of directors on February 27, 2025). 2. The Company has set up an ESG area (https://www.alphanetworks.com/csr) on the Company's website, and all sustainable development information is transparently disclosed on the website. The company regularly issues sustainability reports (formerly known as corporate social responsibility reports) every year to report to all stakeholders the company's investments and results in corporate governance, environmental protection, employee rights and interests, and social participation. This report is available in Chinese and English. The content is published in the ESG area of the company's website (https://www.alphanetworks.com/csr) and is available for stakeholders to download and browse. 3. The Company participated in the TCSA Taiwan Corporate Sustainability Award and won the "Sustainability Comprehensive Performance - Excellent Award" and the "Sustainability Report Award - Electronic Information Manufacturing (Category 1) Gold Award" in 2024. It also participated in the "Talent Sustainability Award" organized by CommonWealth Magazine and was selected as one of the top 100 talents. It participated in the "CHR Healthy Corporate Citizen Award" by Health Magazine and was got into a healthy 99 enterprise. <p>Various outstanding achievements sufficiently prove that the Company's efforts and achievements in sustainable development. For relevant award information, please refer to our Company's website > Latest News.</p>				

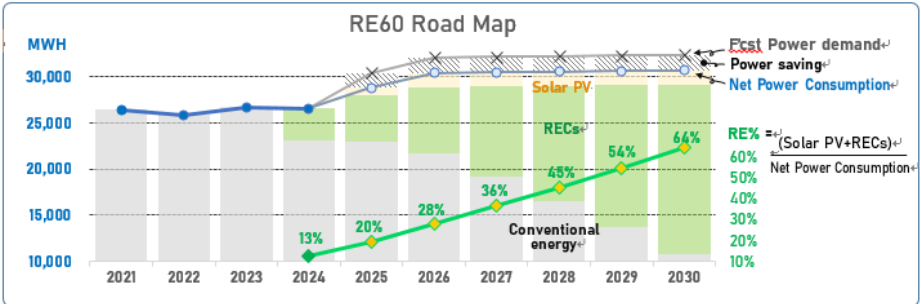
(VI-I) Climate related Information for Listed Companies

1. Execution Status of Climate related Information

Items	Execution Status
<p>1. Description the supervision and governance of climate related risks and opportunities by the board of directors and management.</p>	<ul style="list-style-type: none"> - Board of Directors and Functional Committees: The Company's Board of Directors is responsible for reviewing and guiding climate change strategies, action plans and annual goals. The Sustainability Development Committee is responsible for formulating, planning and promoting them, and is implemented every quarter by the Risk Management and Corporate Sustainability Management Committee. Detect and respond to climate change risks, report the implementation status to the board of directors regularly every year, and review greenhouse gas reduction targets and achievement levels - Risk Management Committee: Coordinates relevant departments within the company to jointly review the internal and external risks faced by the company (including climate change risks), formulates risk response strategies for company-wide major risk issues, and reports to the board of directors every year. - Sustainability Committee: Responsible for the proposal and implementation of corporate social responsibility vision and tasks, systems or related management policies and specific promotion plans (including climate change), and reporting climate change-related promotion plans and operational results to the board of directors every year.
<p>2. Explain how identified climate risks and opportunities affect the business, strategy, and finances of the enterprise (short term, medium term, long term).</p>	<p>The Company identifies the climate risks and opportunities that the company may face based on the TCFD structure (transformation risks: policy/regulation, technology, market, goodwill and physical risks). The possible impacts are analyzed as follows.</p> <p>Transition risks:</p> <ul style="list-style-type: none"> • Policy - If the government collect carbon fees/taxes or needs to purchase carbon rights (neutralization), operating expenses may increase. • Technology - The Company is developing low-carbon products to increase in R&D expenses in response to carbon emission. The equipment of the Company needs to be updated and old equipment needs to be phased out (energy-saving projects), resulting in an increase in capital expenditures in response to carbon emission issues, energy efficiency needs to be improved. • Market - Because product energy-saving or carbon-reduction technologies lag behind competitors, customers' willingness to cooperate may decrease, which in turn may impact orders and revenue; or product trends may change, affecting product demand. <ul style="list-style-type: none"> - The Company reduced carbon emissions in the supply chain or reduced the carbon footprint of products, you may be forced to choose raw materials with better carbon emissions but higher costs, resulting in increased costs. - In response to the national carbon reduction goals, the conversion of power generation methods in power plants may lead to an increase in electricity charges (rates) and cost. - In response to carbon reduction issues and customer requirements to switch to green electricity and achieve the RE 100 target, it is necessary to purchase green energy certificates (increased fees) and build solar power generation devices (capital expenditure). • Reputation - Poor carbon reduction efficiency affects the company's reputation, which in turn affects financial ratings, resulting in increased financing or financing costs; The Company's reputation affects the public image, resulting in increased recruitment costs, and may even require an increase in salary to increase employees' willingness to work.; Or in order to maintain the company's reputation, public relations expenses will increase. <p>Physical risks:</p> <ul style="list-style-type: none"> • Factory shutdown - Due to heavy rainfall, typhoons and other factors, the factory area was flooded or had a power outage, resulting in the production line being shut down. • Final damage and personal damage - due to heavy rainfall, typhoons, earthquakes and other factors, factory equipment is damaged or personnel are injured. • Recovery costs - recovery costs for equipment damaged or personnel injured as mentioned above. <p>Chance:</p> <ul style="list-style-type: none"> • Technical and Specialist Subsidy - In response to government policy direction, we received a project subsidy from the Industrial Development Administration of the Ministry of

Items	Execution Status
	<p>Economic Affairs to promote low-carbon and smart upgrading and transformation of small manufacturing industries.</p> <ul style="list-style-type: none"> • Energy-saving products - develop energy-saving products or launch new products that meet energy-saving issues to increase customers' willingness to cooperate.
<p>3. Describe the impact of extreme weather events and transition actions on finances.</p>	<p>Transition risks:</p> <ul style="list-style-type: none"> • Policy - Introduction of carbon fees/taxes, resulting in an increase in operating expenses. • Technology - The Company is developing low-carbon products to increase in R&D expenses in response to carbon emission. <ul style="list-style-type: none"> - In order to improve energy efficiency, invest in energy-saving equipment and increase capital expenditures. • Market <ul style="list-style-type: none"> - Outdated product technology or changes in customer demand will impact orders and revenue. - Electricity bills (rates) are rising and costs are increasing. - Purchasing green energy certificates (increased costs) and building solar power installations (capital expenditure). • Reputation - Increase in raising and financing costs; increase in salary expenses; increase in public relations expenses <p>Physical risks:</p> <ul style="list-style-type: none"> • Flood flooding or power outage in the factory area will prevent production lines from starting, which may affect output and revenue. • Loss caused by damage to property or persons. • Recovery costs for equipment damaged or personnel injured as mentioned above. <p>There are various transition risks for ESG strategies, developing energy conservation and carbon reduction plans and continuously implementing them; linking physical risks to business continuity plans (BCP) to reduce related risks and thus reduce possible financial impacts.</p>
<p>4. Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.</p>	<p>The Company's risk management is carried out in accordance with the "Risk Management Policy and Procedures" approved by the Board of Directors, and a "Risk Management Committee" (hereinafter referred to as RMC) has been established to identify company risks and control enterprise risks. The chairman of the company is the chairman of the RMC, and the first-level managers of each unit are all RMC members. The RMC meets regularly (quarterly) to identify company risks and produce risk radar charts. The identified risks are summarized into major risks at the company level, and each authority unit proposes response measures, including the Business Continuity Plan (BCP). Establish a notification mechanism to deal with emergencies faced by the company, and quickly direct and coordinate relevant units to respond to various emergencies. The RMC meeting also follow the TCFD structure. Each committee member/unit identifies and evaluates the physical risks and transition risks brought about by climate change based on its business-related aspects. Each physical risk is linked to the BCP plan to establish contingency measures.; Transformation risks are linked to ESG strategies, and the ESG committee develops promotion policies and implements relevant action plans. Regular (at least once a year) reports from the RMC and ESG Committee to the Board of Directors include climate risks, related issues and plans.</p>
<p>5. If scenario analysis is used to assess resilience to climate change risks, details should be provided on the scenarios, parameters, assumptions, analysis factors, and key financial impacts.</p>	<p>The Company's TCFD assessment is mainly based on the RCP4.5 scenario (the medium emission scenario, by 2080, emissions will be reduced to half of today's levels, and the temperature increase will likely not exceed 2°C by 2100). Each risk will be reviewed one by one based on the risk description. Hypotheses, setting parameters, evaluating variables.</p> <p>(Policy) Carbon fee/tax \Rightarrow Carbon emissions (tons) \times Carbon fee/tax per ton</p> <p>(Technical) Revenue Impact \Rightarrow Expected Revenue \times Order Impact %</p> <p>(Market) Raw material cost \Rightarrow Expected revenue \times Raw materials account for % of revenue \times Cost increase %;</p> <p>Electricity bill (rate) increase \Rightarrow Electricity consumption (kWh) \times amount of increase per kWh;</p> <p>See item 8 for green energy certificates (RECs) fees and solar power generation capital expenditures.</p> <p>(Reputation) Increase in financing costs \Rightarrow Loan amount \times interest rate increase %;</p> <p>Increase in salary expenses \Rightarrow Salary expenses \times salary increase %.</p> <p>Please refer to the Sustainability Report (Risk Management) for the monetization of various climate risks.</p>

Items	Execution Status
<p>6.If there is a transformation plan to address and manage climate-related risks, describe the content of the plan, as well as the indicators and objectives used to identify and manage physical risks and transition risks.</p>	<p>In response to climate-related risks, the Company has declared its 2030/40/50 sustainable environmental vision, with the goal of reaching RE 60 by 2030, i.e. 60% of electricity consumption will be renewable energy, which can reduce carbon emissions (category 2) by 60%, and suppliers will reduce carbon emissions by 30% (category 4 carbon emissions); reaching 100% renewable energy by 2040; and finally achieving net zero emissions (Net Zero) by 2050. In order to achieve the 2030/40/50 vision and goals, we plan carbon reduction strategies and actions such as "renewable energy", "green supply chain", "green initiatives" and "organizational carbon inventory "and" product carbon footprint".</p> <ul style="list-style-type: none"> • Renewable energy - The Company achieves the goals of RE 60 in 2030 and RE 100 in 2040. At first, the Company will invest in power-saving measures (Reduce) and reduce electricity consumption, and then gradually replace traditional electricity with renewable energy (Replace). The planning directions include: self-generation and purchase of green energy certificates (Renewable Energy Certificates, RECs). The Company has planned a path for the 2030 RE60 goal, estimated the operating conditions and electricity demand before 2030, set power-saving targets, and planned power-saving plans, self-generation and construction of solar power generation systems, and estimated the number of green energy certificates to be purchased (please refer to item 8). • Green supply chain - The Company achieve the goal of 30% carbon reduction in the supply chain in 2030, the Company held the "Supplier Energy Saving and Carbon Reduction Conference" at its Hsinchu headquarters on November 17, 2023, announcing its commitment to sustainability initiatives with suppliers. Experts from the Industrial Bureau and the Information Policy Council were also invited to share practical experience in carbon reduction and global trends, and work with suppliers to create a sustainable low-carbon supply chain. The Company will continue to share suppliers' carbon reduction practices, provide guidance and organize carbon reduction courses, and build a supplier sustainable information platform (cloud version) to encourage suppliers to upload carbon emission information. In the future, we will continue to encourage suppliers to complete carbon inventory, log in to the platform and submit carbon emission information, so as to encourage and help suppliers to participate in carbon reduction actions, and jointly formulate future carbon reduction paths and actions. • Green Initiative - The plan will join the SBTi international initiative and commit to reaching the Net Zero goal by 2050. According to the SBTi standard guidelines, it will formulate specific scientifically based carbon reduction targets and carbon reduction pathways, and launch relevant carbon reduction actions. • Carbon Footprint Verification - According to the requirements of the Financial Supervisory Commission to advance the path of sustainable development, the Company have gradually launched carbon inventory and third-party verification for all subsidiaries and domestic and international locations (including production locations, business locations, RMA and R&D centers, etc.), effectively and completely grasping the sources and hotspots of carbon emissions, so as to facilitate the planning and implement carbon reduction plan, which is an important foundation for achieving the net zero emission target before 2050. • Carbon Footprint - The Company is planning to import products carbon footprint calculation to facilitate the development of low-carbon products in the future and reduce product carbon footprint. Subsequently, the Company will plan to import a carbon footprint management platform to facilitate the rapid calculation of carbon footprints for different products in the future and improve customer satisfaction, and facilitate the development of low-carbon products and increase product competitiveness.
<p>7.If using internal carbon pricing as a planning tool, details should be provided on the pricing basis.</p>	<p>No internal carbon pricing mechanism yet.</p>
<p>8.If climate-related goals are set, details should be provided on the activities covered, greenhouse gas emission scopes, planning timeframe, progress achieved annually, etc. If carbon offsets or Renewable Energy</p>	<ul style="list-style-type: none"> • Renewable Energy The goals of RE 60 in 2030 and RE 100 in 2040 include several activities such as electricity saving measures, self-generation (installation of solar power generation equipment) and purchase of green energy certificates (RECs). Estimate the future power consumption situation based on the operational outlook, plan power saving measures (Reduce), convert (Replace) the net power consumption to solar power

Items	Execution Status
Certificates (RECs) are used to achieve these goals, details should be provided on the source and quantity of carbon offsets or the quantity of RECs.	<p>generation, and purchase a certain proportion of green energy certificates for the insufficient self-generated power.</p> <p>A. Energy-saving project - equipment is updated year by year and old equipment is eliminated. It is estimated that by 2030, about 5% of the estimated electricity consumption will be reduced through energy-saving measures.</p> <p>B. Based on the conditions of each plant, Alpha plans to install solar panel power generation equipment in Hsinchu and Vietnam respectively. The estimated power generation of the two plants is 800 kilowatt-hours (MWH) per year, and the construction will be completed in 2025.</p> <p>C. Green Certificates - In order to achieve RE 60 in 2030, the required renewable energy units will be calculated based on the RE% target for each year. The shortfall in self-generated electricity will be supplemented by purchasing Green Certificates (RECs). In 2024, the Company power's electricity consumption decreased by 0.7% compared to 2023, and it purchased 3,400 MWH of green certificates, achieving the annual target of RE 13 (13% of renewable energy). It will continue to implement the target of RE60 in 2030.</p> <div><p>RE60 Road Map</p><p>*Note: RE%=(self-generated electricity + green energy certificate) ÷ net electricity consumption</p></div> <ul style="list-style-type: none">Green supply chain<p>The Company invited about 30 suppliers to the Hsinchu headquarters to conduct a supplier carbon inventory seed personnel training course and established a supplier sustainable information platform (cloud version) on April 8, 2024. There were 16 suppliers have logged on to the platform and uploaded carbon emission information in 2024. In the future, the promotion will continue, and the number of suppliers logged on to the platform will increase year by year until 80% of them log on to the platform in 2030.</p>Green Initiative<p>The Company submitted a letter of commitment to SBTi, promising to set 2050 Net Zero as its goal, set annual carbon reduction targets based on science, and implement carbon reduction actions in August 2024. We will also carry out follow-up work (Develop) in accordance with SBTi's relevant procedures, including (GHG protocol) carbon inventory and preparation of carbon reduction plans. We expect to complete the relevant work before the first half of 2025 and submit the carbon reduction plan to SBTi. We expect to pass SBTi's review before the end of 2025.</p>Carbon Footprint Label<p>The Company has completed the calculation of carbon footprints for two products in 2024. One of the products underwent third-party verification at the request of a customer. At the same time, the company trained its internal personnel on carbon footprint-related practical concepts and operational capabilities. Subsequently, Alpha has begun planning to introduce a carbon footprint management platform so that it can quickly calculate the carbon footprint of different products in the future, improve customer satisfaction, and facilitate the development of low-carbon products and increase product competitiveness.</p><p>Starting from 2025, the Company will calculate the carbon footprint of all products with a mass production period of more than 3 months.</p>Carbon Footprint Verification<p>According to the requirements of the Financial Supervisory Commission on the path to sustainable development, the Company has planned the organization of carbon inventory and third-party verification for all subsidiaries and locations domestically and internationally (please refer to our company's sustainability report), and will gradually carry out inventory and third-party verification.</p>

Items	Execution Status
9.Greenhouse gas inventory and confirmation status with reduction targets, strategies, and specific action plans (also filled in 1-1 and 1-2)	Details of the greenhouse gas inventory and confirmation status are provided in 1-1 and 1-2.

1-1 Recent two year company greenhouse gas inventory and verification status

1-1-1 Greenhouse Gas Inventory Information

Describe the emissions (in metric tons CO2e), intensity (in metric tons CO2e per million dollars), and coverage scope of greenhouse gases for the most recent two years.

In response to the requirements of the new version of ISO14064-1:2018, Alpha Hsinchu completed the ISO14064-1:2018 new version inventory and calculation method training on December 8, 2021, and updated the base year to 2021; the Company (Hsinchu Factory) Follow the inventory statistics guidelines of the United Nations Intergovernmental Panel on Climate Change (IPCC) and the Environmental Protection Agency's Greenhouse Gas Reduction and Management Act, and conduct greenhouse gas identification in accordance with the Kyoto Protocol controls, including: carbon dioxide (CO2) , methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6), nitrogen trifluoride (NF3) and other 7 greenhouse gases. The operational boundaries of the Company (Hsinchu Factory) include direct greenhouse gas emission sources (Category 1) and indirect greenhouse gas emission sources (Category 2, Category 3, Category 4, Category 5, Category 6). The types of greenhouse gases identified by our company: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), among which the greenhouse gases PFCs, SF6, NF3 and biomass controlled by the Kyoto Protocol Carbon and other projects have not identified emission sources. The Company's greenhouse gas inventory information in the past two years is compiled as follows:

Greenhouse Gas Category Emissions and Intensity in 2023

Category	Category 1	Category 2	Category 3	Category 4	Category 5	Category 6	Total
The emissions (in metric tons CO2e)	85.5502	4,791.7539	549.1743	16,242.8997	645,804.4458	0	667,473.824
Intensity (in metric tons CO2e per million dollars)	0.0000855502	0.0047917539	0.0005491743	0.0162428997	0.645804458	0	0.667473824

Greenhouse Gas Category Emissions and Intensity in 2024

Category	Category 1	Category 2	Category 3	Category 4	Category 5	Category 6	Total
The emissions (in metric tons CO2e)	71.3032	4,095.5292	448.2720	5,686.1309	339,881.4595	0	350,182.695
Intensity (in metric tons CO2e per million dollars)	0.0000713032	0.004055292	0.0004482720	0.0056861309	0.3398814595	0	0.350182695

1-1-2 Greenhouse Gas Assurance Information

Describe the assurance status for the most recent two years as of the printing date of the annual report, including the scope of assurance, assurance organization, assurance criteria, and assurance opinion

The greenhouse gas emission information of Alpha's Hsinchu plant has been verified by a qualified third-party organization (TÜV Rheinland Taiwan Ltd.) and is in a spirit of confidence. The relevant verification scope, verification institutions, and verification criteria are as shown in the table below:

Year	Checking standard	Verification scope	Verification standard	Verification unit	Certificate No
2023	ISO 14064-1:2018	Hsinchu plant	ISO 14064-3:2006	TÜV Rheinland Taiwan Ltd.	CF50584002 0001
2024	ISO 14064-1:2018	Hsinchu plant	ISO 14064-3:2006	TÜV Rheinland Taiwan Ltd.	CF50584002 2501

Greenhouse gas inventory results are externally verified in March every year, and deficiencies are corrected after verification by TÜV Rheinland Taiwan Ltd.

-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Describe the baseline year and its data, reduction targets, strategies, and specific action plans, as well as the achievement of reduction targets.

The Company announced the 2030 RE60 / 2040 RE100 / 2050 Net Zero initiative, launching green energy, green supply chain, joining world initiative organizations and organizing carbon inventory and product carbon footprint actions. First, using 2021 as the base year, we set the goal of reducing electricity consumption by 60% (category 2) and suppliers by 2030 to reduce carbon emissions by 30% (category 3). It is estimated that electricity consumption can be reduced by 2024 and Reduce carbon emissions by 10% and gradually move towards the RE60 goal in 2030.

In 2023, the Company received a project subsidy from the Industrial Development Administration of the Ministry of Economic Affairs to "bring large-scale and small manufacturing industries to low-carbon and smart upgrading and transformation", and held a "Supplier Energy Saving and Carbon Reduction Conference" at the Hsinchu headquarters on November 17, 2023. Announced a commitment to sustainability initiatives with suppliers, and shared at the meeting the five major carbon reduction steps of "green energy", "supply chain carbon reduction", "green operational carbon footprint", "green transformation platform" and "international carbon reduction initiative", also invited experts from the Industrial Bureau and the Information Policy Council to share practical experience in carbon reduction and global trends. We hope to contribute to environmental sustainability through joint efforts with suppliers, and work together to create a sustainable low-carbon supply chain, and jointly Towards carbon reduction goals. Specific actions include that suppliers need to cooperate in completing a carbon inventory in Q3 2024 and jointly formulate future carbon reduction paths and actions. The company also plans internally to carry out the SBTi initiative in the third quarter of 2024, and launch related planning actions with the goal of 2050 Net Zero.

In terms of carbon footprint and carbon inventory actions, we plan to complete organizational carbon inventory and third-party verification of production sites in 2024, as well as carbon footprint inventory and third-party verification of 2 products, and at the same time train internal company personnel to be able to conduct carbon footprint inspections ability. Follow-up plans are to introduce a carbon footprint management platform to facilitate the rapid carbon footprint inventory of different products in the future to meet customer needs and improve customer satisfaction.

(VI)Implementation of Integrity, Deviations and Causes of Deviations between Implementation and the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies”:

Assessment Items	Implementation Status			Differences between Implementation and the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Causes of the Differences
	Yes	No	Summary	
<p>I. Establishment of the Corporate Ethics Policy and Implementation Measures</p> <p>(I) Does the Company establish the clear ethical management policies approved by the board of directors and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures and commitment regarding implementation of such policies from the board of directors and senior management?</p> <p>(II)Whether the Company has established the assessment mechanism for the risk of unethical behavior; regularly analyzes and evaluates within a business context, the business activities with higher risk of unethical behavior; has formulated a program to prevent unethical conduct with a scope on less than the activities prescribed in paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies”?</p> <p>(III)Whether the Company has established relevant polices that are duly enforced to prevent unethical behavior, provided implementation procedures, guidelines, consequences of violation and complaint procedures and periodically reviews and revises such policies?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company is willing to take social and environmental responsibilities and abide by corporate ethics practices, enhance the Company’s social image and comply with international standards for labor, health and safety, environmental protection and ethics and so on. The Company has established "Integrity Management Code" and "Ethics Code of Conduct" and "Alpha Networks Inc.’s Working Rules" which ask the board members, employees of the Company and all employees of affiliated companies to avoid conflicts of interest, follow laws and regulations, and strictly keep business secrets and to report any illegal or unethical behavior etc. It is also regulated and monitored through reliable internal control and financial statements.</p> <p>(II) The "Integrity Management Code" was approved by the board of directors on May 2, 2016 and was implemented. The Company has formulated the "Integrity Management Code" and "Ethics Code of Conduct" and introduced the importance of integrity during internal training. Moreover, it is committed to following the (RBA) Responsible Business Alliance, publicizing and practicing the Company's concept of integrity management and regularly cooperates with auditing, reviewing and revising. All employees of the Company should absolutely abide by the "Integrity Management Code", "Ethics Code of Conduct" and "Alpha Networks Inc.’s Working Rules". If a colleague is involved in corruption and fraud, he will be punished in accordance with the Company's "Disciplinary Management Rules".</p> <p>(III)The Company has formulated the "Integrity Management Code" and "Ethics Code of Conduct" and introduced the importance of integrity during internal training. Moreover, the Company is also committed to complying with the Responsible Business Alliance (RBA), to executing the integrity management and to regularly cooperating with audits and revising after reviews. The Company implements anti-fraud measures in the selection and recruitment process. All indirect newcomers are verified by authenticity before appointment. The implementation rate reached 100% in 2024.</p>	<p>Comply with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”</p>
<p>II. Implementation on ethical management</p> <p>(I) Does the Company consider the ethical practices of the transaction partner as well as the clauses regarding ethical conduct contained in the agreement with the other party?</p> <p>(II) Whether the Company has established the designated unit, set up under the board of directors, responsible for promoting the corporate ethics standards and regularly (at least once a year) reporting directly to the board for directors on its ethical management policy, prevention programs of unethical behavior and implementation status?</p> <p>(III)Whether the Company has established the policies for preventing conflicts of interests, providing the appropriate communication and complaint channels and implementing strictly?</p> <p>(IV)To implement relevant policies on ethical conducts, has the Company</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company will evaluate the integrity record for both suppliers and customers and have relevant documents signed.</p> <p>(II)The Company has established an integrity management working group, which is implemented by the assistant manager of the administrative management center as the chairperson. Members include relevant professionals from the general manager's office, audit, human resources, and accounting center. Based on the unit's work responsibilities and scope, they are responsible for the integrity culture from the formulation of rules and regulations, education and training, complaint channels and integrity risk review to ensure the integrity management code. Implement and report the implementation status to the board of directors regularly (at least once a year), with the latest report date being February 27, 2025.</p> <p>(III)The Company has established and enforced the "Integrity Management Code", "Ethics Code of Conduct" and "Employee Work Rules" to prevent conflicts of interests. Employees may report any illegal or unethical conduct using "Employee Opinion Box" or directly to the Human Resources Division.</p> <p>(IV)The Company follows the requirements of laws and regulations, continuously revises the internal control system</p>	<p>Comply with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”</p>

Assessment Items	Implementation Status			Differences between Implementation and the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Causes of the Differences
	Yes	No	Summary	
<p>established the effective accounting and internal control systems, audit plans based on assessment of unethical conducts and have its ethical conduct program audited by internal auditors or CPA periodically?</p> <p>(V) Does the Company regularly provide the internal and external ethical conduct training sessions?</p>	✓		<p>and checks and evaluates the effectiveness of the implementation of the internal control system. The internal audit office draws up relevant audit plans based on the results of the risk assessment of dishonest conduct and conducts regular inspections. The internal audit office puts all the items required by laws and regulations in its annual audit items and reports the audit results and improvements to the audit committee and the board of directors quarterly. The Company's accounting system is formulated in accordance with the requirements of laws and regulations. The CPAs also audit or review the Company's financial statements and issue audit or review reports and regularly report the results of the audit or review to the audit committee.</p> <p>(V) In order to establish a corporate culture of integrity management and to establish a good business operation structure, the Company has formulated the "Integrity Management Code", which is disclosed on the Company's website and is regularly reviewed and updated every year and colleagues can reach the code in the internal E-learning platform. Besides, the Company has formulated an "Ethics Code of Conduct" and each newcomer is required to sign a letter of integrity ensure that every colleague knows and complies with it.</p> <p>The training on integrity-related issues, has a total of 1,188 participants and a total of 224.4 hours of training in 2024.</p>	
<p>III. The operations of corporate whistleblowing system</p> <p>(I) Does the Company establish the specific complaint and reward systems, set up the conveniently accessible channels as well as assign the appropriate special personnel to handle complaints received?</p> <p>(II) Whether the Company has established the standard operating procedures for the investigating the complaints received, follow-up measures after investigation completed and ensuring such complaints are handled in a confidentiality mechanism?</p> <p>(III) Does the Company adopt the measures to prevent a complainant from retaliation for filing a complaint?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company has the "Ethics Code of Conducts", dedicated personnel and reporting channels available to reflect and disclose issues to the senior management. Employees who are proven to have violated ethical behavior standards are handled according to the "Reward and Disciplinary Policy." The whistleblowing channel information is as follows: Whistleblowing mailbox: · Stakeholder whistleblowing mailbox (improvement@alphanetworks.com) · Independent director's email address (integrity@alphanetworks.com) · Employee grievance mailbox (talk@alphanetworks.com) Units that accept whistleblowing cases: · Stakeholder whistleblowing mailbox: A dedicated person in the chairperson's office will handle complaints of various violations of business ethics. · Employee complaint mailbox: Human Resources Department.</p> <p>(II) According to the Company's "Ethical Code of Conduct Operating Procedures", the reporting information provided by the whistleblower through the employee opinion mailbox or to the human resources or auditing unit will be regarded as confidential information and will only be notified to relevant and necessary management personnel. The regulations can be found on the Company's website under the important internal regulations in the corporate governance area (https://www.alphanetworks.com/gov).</p> <p>(III) According to the Company's "Ethical Code of Conduct Operating Procedures", the company should protect the safety of whistleblowers from retaliation, and the company prohibits any supervisor or employee from retaliating against a good-faith whistleblower. There were one whistleblowing cases in 2024.</p>	Comply with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"
<p>IV. Information Disclosure</p> <p>Does the Company disclose its business ethics guidelines as well as information about implementation of such guidelines on its websites and Market Observation Post System (MOPS)?</p>	✓		<p>The "Code of Integrity Management" and "Ethical Code of Conduct" are disclosed in the corporate governance section of the Company's website. In addition, relevant and reliable information related to integrity management is also disclosed in the annual report and the Company's sustainable report.</p>	Comply with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"
<p>V. If the Companies has established corporate governance policies based on the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies", please describe any discrepancy between the principles and the implementation. The Company established "Integrity Management Code" on May 2, 2016 and revised in November 2020; there was no significant deviation in terms of overall implementation between the code and "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies."</p>				
<p>VI. Other important information to facilitate better understanding of the Company's corporate conduct and ethics compliance practices: (I) In the "Rules and Procedures of Meetings of the Board of Directors", there is a system for avoiding the interests of directors. If the proposals listed by the</p>				

Assessment Items	Implementation Status			Differences between Implementation and the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Causes of the Differences
	Yes	No	Summary	
<p>board of directors have an interest in the board of directors and the representative, which may be harmful to the Company's interests, the opinions and inquiries shall be stated. And the directors with interests shall not participate in discussion and voting, avoid during discussion and voting and shall not act for other directors to exercise the voting rights.</p> <p>(II) The Company has a "Management Regulations for Prevention of Insider Trading", which clearly stipulates that directors, managers and employees shall not disclose material internal information they know to others and must not inquire or collect information from persons who know material internal information of the Company. If the aforementioned persons know the material internal information which are not related to their personal duties, they are not allowed to disclose the material internal information that is not disclosed by the Company for reasons other than the execution of business.</p> <p>(III) The Company has established the "Integrity Management Code". In order to achieve a clean, transparent and responsible business philosophy, the Company formulates a policy based on integrity and establishes a good corporate governance and risk control mechanism to create sustainable development operating environment.</p> <p>(IV) Regarding the various operating procedures of daily operating activities, the Company has designed an appropriate internal control mechanism for operations that may have potential corruption risks to reduce the possibility of corruption and prevent problems before they occur. The internal audit office of the Company regularly evaluates the management status of the internal control mechanism and collects suggestions from the senior executives of various departments on various potential risks (including fraud and corruption), formulates appropriate audit plans and performs relevant audit based on them and regularly reports to the audit committee and the board of directors on the results of the internal audit. By doing so, the management understands the current status of corporate governance and achieves management goals.</p> <p>(V) For other information about the Company's integrity management, please refer to the Company's corporate social responsibility reports over the years, or refer to the corporate social responsibility section of the Company's ESG website. (https://www.alphanetworks.com/csr)</p>				

Note: Implementation of Integrity and measurement for the Company's subsidiary Hitron Technologies Inc., please refer to its 2024 annual report.

(VII) Other Important Information for Enhancing Understanding of the Implementation of Corporate Governance:

1. The Company's website has set up a section to explain the Company's governance situation, and attached relevant company governance regulations for people to download and reference.
2. The Company approved a resolution of the board of directors to appoint a corporate governance officer to protect the rights and interests of shareholders and strengthen the functions of the board of directors on March 17, 2020.
3. The newly-elected directors of the Company will be given the brochure published by the authority with the contents including various laws, regulations and precautions to facilitate legal compliance.
4. The Company approved the resolution of the board of directors to formulate the "major information processing and insider trading prevention operation procedures" on November 9, 2020, which will be promoted to directors and employees from time to time.
5. The Company will also disclose important information to the public immediately and hold by investor conferences regularly.

(VIII) The Company regularly arranges for directors to attend corporate governance courses. Please see the following table for corporate governance training undertaken by directors and senior executives in 2024:

Title	Name	Date	Host by	Courses	Hours
Chairperson	Wen-Fang Huang	06/13/2024	Independent Director Association Taiwan	Introduction to IFRS sustainable disclosure standards and sharing of carbon emission net zero trends domestically and internationally.	3
		11/13/2024	Taiwan Institute of Directors	Short and long-term economic trends that business managers need to know.	3
Director	Chi-Hong Chen	06/13/2024	Independent Director Association Taiwan	Introduction to IFRS sustainable disclosure standards and sharing of carbon emission net zero trends domestically and internationally.	3
		09/30/2024	TWSE	Taiwan Capital Market Summit	3
Director	Han-Zhou Huang	06/13/2024	Independent Director Association Taiwan	Introduction to IFRS sustainable disclosure standards and sharing of carbon emission net zero trends domestically and internationally.	3
		11/13/2024	Taiwan Institute of Directors	Short and long-term economic trends that business managers need to know.	3
Director	Chiu-Chin Hung	06/13/2024	Independent Director Association Taiwan	Introduction to IFRS sustainable disclosure standards and sharing of carbon emission net zero trends domestically and internationally.	3
		11/13/2024	Taiwan Institute of Directors	Short and long-term economic trends that business managers need to know.	3
Independent Director	Shu-Hsing Li	08/09/2024	Taiwan Corporate Governance Association	Innovation, digital technology and competitive advantage	3
		09/13/2024	Independent Director Association Taiwan	A new path for corporate net-zero transition. The hidden army of carbon reduction - blue carbon project	3
		11/08/2024	Taiwan Corporate Governance Association	How the board of directors supervises the post-merger integration and establishment of management mechanisms	3
		11/29/2024	Independent Director Association Taiwan	Cyber security governance under the trend of financial technology	3

Independent Director	Ming-Der, Hsieh	06/13/2024	Independent Director Association Taiwan	Introduction to IFRS sustainable disclosure standards and sharing of carbon emission net zero trends domestically and internationally.	3
		09/20/2024	Securities Futures Institute	2024 Insider Trading Prevention Announcement.	3
Independent Director	Cheng-Jung Chiang	04/26/2024	Corporate Operating and Sustainable Development Association	Challenges and business thinking of Taiwanese enterprises.	3
		04/30/2024	Independent Director Association Taiwan	Innovative thinking and transformation strategies of the boards of directors of the world's top companies.	
		05/14/2024	Taiwan Corporate Governance Association	Control the AI risk management framework and enhance in AI integrated applications.	3
		08/08/2024	Taiwan Corporate Governance Association	Business management practice: strategy and execution.	3
Independent Director	Zhong-Rui Chen	06/13/2024	Independent Director Association Taiwan	Introduction to IFRS sustainable disclosure standards and sharing of carbon emission net zero trends domestically and internationally.	3
		09/09/2024	Taiwan Insurance Institute	Corporate Governance Lecture (8 th Session in 2024) - New Trends in Green Finance - Sharing by renewable energy industry enterprises	3
Accounting Officer	Shao-Ling Chen	06/27/2024~06/28/2024	Securities and Futures Institute	Continuing training courses for accounting officers of issuers, securities firms and securities exchanges	12

(IX) Status of Implementation of Internal Control System

1. Statement of Internal Control System: Please refer to the Internal Control section of the Corporate Governance section of the Public Information Observatory (<https://mopsov.twse.com.tw/mops/web/t06sg20>)
2. Companies of Which CPAs are Retained to Review the Internal Control System Shall Disclose the Review Report Provided by the CPAs: Not applicable.

(X) Material Resolutions Approved by the Board Meeting and Shareholders' Meeting

Material Resolutions Approved by the Board Meeting		
Date	Proposals	Resolutions
2024.02.27	1. 2023 statement of internal control system and self-evaluation implementation result report	After consultation by the chairperson, all the present directors and independent directors approved.
	2. The distribution of the employees' compensation and directors' remuneration of 2023	After consultation by the chairperson, all the present directors and independent directors approved.
	3. To adopt the 2023 business report and 2024 consolidated financial statements	After consultation by the chairperson, all the present directors and independent directors approved.
	4. To adopt the 2023 earnings distribution	After consultation by the chairperson, all the present directors and independent directors approved.
	5. The distribution of cash dividends from 2023 earnings	After consultation by the chairperson, all the present directors and independent directors approved.
	6. To release the currently directors and their representatives from non-competition restrictions	In accordance with Article 206 of the Company Law, mutatis mutandis the provisions of Article 178 of the same law, all directors did not participate in discussions and votes on matters that were of interest to themselves or the corporate directors they represented. This proposal was approved by the remaining independent directors and directors who were present and did not recuse themselves.
	7. Proposed the date and agenda of the 2024 Annual General Meeting of Shareholders	After consultation by the chairperson, all the present directors and independent directors approved.
	8. New and renewed bank facilities	After consultation by the chairperson, all the present directors and independent directors approved.
	9. To examine 2024 accounting service fees	After consultation by the chairperson, all the present directors and independent directors approved.
	10. Compensation distribution for 2023 senior managers and employees	Except for Wen-Fang Huang, the chairperson of the board and serving as manager, who avoided to vote, it was approved by the remaining directors present and independent directors assent and consent.
	11. 2024 Salary Index for senior managers	Except for Wen-Fang Huang, the chairperson of the board and serving as manager, who avoided to vote, it was approved by the remaining directors present and independent directors assent and consent.
	12. To propose senior managers' bonuses and salary adjustments policy in 2024	Except for Wen-Fang Huang, the chairperson of the board and serving as manager, who avoided to vote, it was approved by the remaining directors present and independent directors' assent and consent.
	13. Appointed Mr. Ming-Lin, Chien as the Company's associate vice president	After consultation by the chairperson, all the present directors and independent directors approved.
	14. Appointed Mr. Pei-Shun, Chiu as the Company's vice president	After consultation by the chairperson, all the present directors and independent directors approved.
2024.05.03	1. The first quarter of 2024 consolidated financial report	After consultation by the chairperson, all the present directors and independent directors approved.
	2. To amend the Company's "Audit Committee Organization Procedures"	After consultation by the chairperson, all the present directors and independent directors approved.
	3. To amend the Company's "Rules of Procedure for Board Meetings"	After consultation by the chairperson, all the present directors and independent directors approved.
	4. New and renewed bank facilities	After consultation by the chairperson, all the present directors and independent directors approved.
	5. Proposed for cancel the endorsement and guarantee provided to the subsidiary Alpha Networks (Dongguan) Co., Ltd.	After consultation by the chairperson, all the present directors and independent directors approved.
	6. Appointed Mr. Wen-Jiunn Tsai as the Company's associate vice president	After consultation by the chairperson, all the present directors and independent directors approved.
	7. To propose abolition of the "Severance Payment Operating	Except for Wen-Fang Huang, the chairperson of the board

Material Resolutions Approved by the Board Meeting		
Date	Proposals	Resolutions
	Guidelines" for the appointment of managers	and serving as manager, who avoided to vote, it was approved by the remaining directors present and independent directors assent and consent.
	8. Special Motions Regarding the seventh item for discussion, the proposal to abolish the "Severance Payment Operating Guidelines" for the appointment of managers, it is suggested that a supporting method should be established and proposed to be included in the discussion of the Board of Directors.	After consultation by the chairperson, all the present directors and independent directors approved.
2024.07.26	1. The second quarter of 2024 consolidated financial report	After consultation by the chairperson, all the present directors and independent directors approved.
	2. Renewed bank facilities	After consultation by the chairperson, all the present directors and independent directors approved.
	3. To propose 2023 Sustainability Report	After consultation by the chairperson, all the present directors and independent directors approved.
	4. To amend the Company's " Rules Governing Financial and Business Matters between the Company and its Related Parties "	After consultation by the chairperson, all the present directors and independent directors approved.
2024.11.01	1. Established the Company's " Sustainable Information Management Operating Procedures "	After consultation by the chairperson, all the present directors and independent directors approved.
	2. Established the Company's " Sustainability Report Preparation and Verification Procedures "	After consultation by the chairperson, all the present directors and independent directors approved.
	3. To amend the Implementation Rules for Internal Audits	After consultation by the chairperson, all the present directors and independent directors approved.
	4. Established the 2025 internal audit plan	After consultation by the chairperson, all the present directors and independent directors approved.
	5. The third quarter of 2024 consolidated financial report	After consultation by the chairperson, all the present directors and independent directors approved.
	6. Renewed bank facilities	After consultation by the chairperson, all the present directors and independent directors approved.
	7. The proposed appointment of CPA for 2025 financial statements	After consultation by the chairperson, all the present directors and independent directors approved.
	8. To amend the Pre-approval non-confidential service policy	After consultation by the chairperson, all the present directors and independent directors approved.
	9. To propose the increased capital in subsidiary Alpha Networks Vietnam Company Limited	After consultation by the chairperson, all the present directors and independent directors approved.
	10. To propose appointment of manager retirement planning	Except for Wen-Fang Huang, the chairperson of the board and serving as manager, who avoided to vote, it was approved by the remaining directors present and independent directors assent and consent.
	11. Appointed Mr. Zhi-Jian, Huang as the Company's associate vice president	After consultation by the chairperson, all the present directors and independent directors approved.
2024.11.14	Approved to invest in common shares of Fiber Logic Communications, Inc.	Because the subsidiary Interactive Digital Technologies Inc. participated in this investment, the chairperson, Mrs. Wen-Fang Huang served as the legal representative of the company and therefore abstained from the proposal. The proposal was approved by the other directors present and the independent directors without objection.
2025.02.27	1. 2024 statement of Internal Control System and Self-evaluation Implementation Result Report	After consultation by the chairperson, all the present directors and independent directors approved.
	2. The Distribution of the Employees' Compensation and Directors' Remuneration of 2024	After consultation by the chairperson, all the present directors and independent directors approved.
	3. To adopt the 2024 business report and 2025 consolidated financial statements	After consultation by the chairperson, all the present directors and independent directors approved.
	4. 2024 Earnings Distribution	After consultation by the chairperson, all the present directors and independent directors approved.
	5. The Distribution of Cash Dividends from 2024 Earnings	After consultation by the chairperson, all the present directors and independent directors approved.

Material Resolutions Approved by the Board Meeting		
Date	Proposals	Resolutions
	6. The Cash Distribution from Capital Surplus	After consultation by the chairperson, all the present directors and independent directors approved.
	7. Definition of the Company's non-executive employees	After consultation by the chairperson, all the present directors and independent directors approved.
	8. To amend the Articles of Incorporation	After consultation by the chairperson, all the present directors and independent directors approved.
	9. To amend the Implementation Rules for Internal Audits	After consultation by the chairperson, all the present directors and independent directors approved.
	10. To Release the Currently Directors and Their Representatives from Non-competition Restrictions	In accordance with Article 206 of the Company Act, Article 178 of the same law applies mutatis mutandis, all directors did not participate in the discussion and voting on matters that have an interest in themselves or the legal person directors they represent.
	11. Set the date and meeting agenda for the 2025 Annual General Meeting of Shareholders	After consultation by the chairperson, all the present directors and independent directors approved.
	12. New and renewed bank facilities	After consultation by the chairperson, all the present directors and independent directors approved.
	13. Approved the Indian subsidiary INDIALPHA TECHNET PRIVATE LIMITED to apply and authorize its consultant to apply for membership of the Indian Telecom Trusted Portal (TTP) on behalf of the Company and its Indian subsidiary	After consultation by the chairperson, all the present directors and independent directors approved.
	14. To examine 2025 accounting service fees	After consultation by the chairperson, all the present directors and independent directors approved.
	15. Compensation distribution for 2024 senior managers and employees	Except for Wen-Fang Huang, the chairperson of the board and serving as manager, who avoided to vote, it was approved by the remaining directors present and independent directors assent and consent.
	16. 2025 Salary Index for senior managers	Except for Wen-Fang Huang, the chairperson of the board and serving as manager, who avoided to vote, it was approved by the remaining directors present and independent directors assent and consent.
	17. Propose to 2025 bonus and salary adjustment policy for senior managers.	Except for Wen-Fang Huang, the chairperson of the board and serving as manager, who avoided to vote, it was approved by the remaining directors present and independent directors assent and consent.
	18. Appointed Mr. Sheng-Tien, Hsu as the Company's assistant vice president.	After consultation by the chairperson, all the present directors and independent directors approved.
	19. Donation to BenQ Foundation	Except for chairperson: Wen-Fang Huang, vice chairperson: Chi-Hong Chen and director Han-Zhou Huang serving as directors of BenQ Foundation who all avoided to vote, it was approved by the remaining directors present and independent directors assent and consent.

Material Resolutions Approved by Shareholders' Meeting		
Date	Proposals	Resolutions
2024.05.31	1. To adopt 2023 Business Report and Consolidated Financial Statements	The voting results for this proposal are as follows: Voting rights of shareholders present at the time of voting (including electronic voting): 365,929,243 Approval votes: 358,551,829, voting right 97.98% Disapproval votes: 369,292, voting right 0.10% Invalid votes: 0, voting right 0.00% Abstention votes / no votes: 7,008,122, voting right 1.91% The proposal was approved.
	2. To adopt the Proposal of the Distribution of 2023 Earnings	The voting results for this proposal are as follows: Voting rights of shareholders present at the time of voting (including electronic voting): 365,929,243 Approval votes: 359,339,990, voting right 98.19%

Material Resolutions Approved by Shareholders' Meeting		
Date	Proposals	Resolutions
		Disapproval votes: 201,294, voting right 0.05% Invalid votes: 0, voting right 0.00% Abstention votes / no votes: 6,387,959, voting right 1.74% The proposal was approved.
	3. To release the Currently Directors and Their Representatives from Non-competition Restrictions	The voting results for this proposal are as follows: Voting rights of shareholders present at the time of voting (including electronic voting): 365,929,243 Approval votes: 358,881,499, voting right 98.07% Disapproval votes: 620,766, voting right 0.16% Invalid votes: 0, voting right 0.00% Abstention votes / no votes: 6,426,978, voting right 1.75% The proposal was approved.

Implementation of Resolutions of the 2024 Annual General Meeting of Shareholders:

- To adopt 2023 Business Report and Consolidated Financial Statements
Implementation Status: Approved.
- To adopt the Proposal of the Distribution of 2023 Earnings
Implementation Status: Approved.
2023 cash dividend, amounted to NT\$547,135,645, calculated based on 541,718,460 shares currently issued by the Company entitled to participate in the distribution, was distributed at NT\$1.01 per share.
The chairperson set July 23, 2024 as the ex-dividend date, and August 9, 2024 as the payment date.
- To release the Currently Directors and Their Representatives from Non-competition Restrictions
Implementation Status: The non-competition of the following directors holding important job positions in other companies has been released by the resolution of the shareholders' meeting.

Director	Release Non-competition restrictions Items
Representative of Qisda Corporation: Chi-Hong Chen	Director, Representative of Phoenix 4 Venture Capital Co., Ltd.
Representative of Qisda Corporation: Chiu-Chin Hung	Director, Topview Optronics Corp.
Independent Director: Cheng-Jung Chiang	Director and Strategic Advisor, Commerce Development Research Institute.
Independent Director: Ming-Der Hsieh	Chief Technology Officer, ITRI Electronic and Optoelectronic System Research Laboratories

(XI) Major Contents of Any Dissenting Opinions on Record or Stated in a Written Statement Made by Directors or Supervisors Regarding Material Resolutions Approved by the Meeting of the Board of Directors in the Most Recent Year Up to the Publication Date of this Report: None.

IV. Information on the Professional Fees of the Attesting CPAs:

(1) Non-audit fees paid to the CPA, accounting firm of CPA and its affiliates were of the audit fees:

Unit: NTD thousands

Name of Accounting Firm	Name of CPA	Period of Audit Service	Audit Fee	Non-audit Fee	Total	Remarks
KPMG	Chun-Yuan Wu	01/01/2024 ~ 12/31/2024	4,190	660	4,850	-
	Wei-Ming, Shih					

Note: Non-audit Fees mainly related to tax services etc.

- Replacement of the accounting firm and the audit fees in the replacing year is less than that in the previous year: Not applicable.
- Audit fees were reduced by over 10% compared with the previous year: None.

V. Information on Replacement of CPAs:

(I) Regarding former CPA

Replacement date	January 18, 2024		
Reason and explanation for replacement	The CPAs are changed from Hai-Ning, Huang to Chun-Yuan Wu because of the internal adjustment from the accounting firm.		
Explain why the appointer or CPA terminated or refused to accept the appointment	Parties	CPAs	Appointer
	Status		
	Appointment terminated	Not applicable	Not applicable
	Refused to accept (continue) appointment	Not applicable	Not applicable
Audit report opinions other than unqualified opinion over the last two years and reason	None		
Did issuer have a different opinion	None		
Other items requiring disclosure (disclosures for Clause 6.1.4~7, Article 10 of these guidelines)	None		

(II) Regarding former CPA

Name of CPA firm	KPMG
Name of CPAs	Chun-Yuan Wu and Wei-Ming, Shih
Date of Appointment	January 18, 2024
Inquiries regarding the accounting treatment methods of specific transactions, accounting principles or opinions provided on financial report prior to the appointment and results	No
Written opinion of successor CPA regarding discrepancies in opinion with the prior CPA	No

(III) Former CPA Letters Regarding Clause 5.1 and 5.2.3, Article 10 of these Guidelines: Not applicable.

VI. Has Any of the Company's Chairperson, President, or Managers Responsible for Finance or Accounting Duties Served in the Company's CPA Firm or Its Affiliated Company within the Most Recent Year: None.

VII. The Status of Equity Transfer or Changes to Equity Pledge of Directors, Managers or Shareholders Holding More than 10% of the Company's Shares in the Most Recent Year Up to the Publication Date of this Report:

(VI) Changes in shares held by directors, managers and shareholders holding 10% or more of shares:

Title	Name	As of March 29, 2025		2024	
		Increase (decrease) of shares held	Increase (decrease) of shares pledged	Increase (decrease) of shares held	Increase (decrease) of shares pledged
Chairperson	Qisda Corporation Representative: Wen-Fang Huang	0	0	0	0
Director	Qisda Corporation Representative: Chi-Hong Chen				
Director	Qisda Corporation Representative: Han-Chou, Huang				
Director	Qisda Corporation Representative: Chiu-Chin Hung				
Shares held more than 10%	Qisda Corporation				

Title	Name	As of March 29, 2025		2024	
		Increase (decrease) of shares held	Increase (decrease) of shares pledged	Increase (decrease) of shares held	Increase (decrease) of shares pledged
Independent director	Ming-Der Hsieh	0	0	0	0
Independent director	Shu-Hsing Li	0	0	0	0
Independent director	Cheng-Jung Chiang	0	0	0	0
Independent director	Zhong-Rui Chen	0	0	0	0
CEO & President	Wen-Fang Huang	0	0	0	0
Vice President	Pei-Shun, Chiu (As served at 3/1/2024)	0	0	0	0
Associate Vice President	Zheng-He, Huang	0	0	0	0
Associate Vice President	Cai-Fen, Chen	0	0	0	0
Associate Vice President	Ming-Lin, Chien (As served at 3/1/2024)	0	0	0	0
Associate Vice President	Zhi-Jian, Huang (As served at 1/16/2025)	0	0	0	0
Associate Vice President	Sheng-Tien, Hsu (As served at 3/1/2025)	0	0	0	0
Associate Vice President /R&D director	Wen-Jiunn Tsai (Promoted on 5/3/2024)	0	0	0	0
Head of Finance & Accounting Corporate Governance Officer Spokesperson	Shao-Ling Chen	0	0	0	0
Associate Vice President	Yang-Zhi, Chou (dismissal on 3/1/2024)	0	0	0	0
Associate Vice President	Yi-Jin, Chiu (dismissal on 9/20/2024)	0	0	0	0

Note: Those who still serve in their respective positions when the Annual Report is published.

(VII) Information of Equity Transfer: None.

(VIII) Information of Equity Pledge: None.

VIII. Information of Relationships between Top 10 Shareholders Who are Related Parties, Spouses or Relatives within the Second Degree of Kinship Relationship:

March 29, 2025

Name (Note1)	Shares Held		Shares Held by Spouse or Minors		Total Share Held in the Name of Other Persons		Name & Relationship between the Top 10 Shareholders (Note2)	
	Shares	%	Shares	%	Shares	%	Title or Name	Relationship
Qisda Corporation	295,797,126	54.60%	0	0.00%	0	0.00%	Darly Consulting Corporation	Parent and Subsidiary Company
							Darly Venture Inc.	Parent and Subsidiary Company
							Darly2 Venture, Inc.	Parent and Subsidiary Company
Qisda Corporation Representatives: Chi-Hong Chen	0	0.00%	0	0.00%	0	0.00%	None	None
Darly Consulting Corporation	12,710,000	2.35%	0	0.00%	0	0.00%	Qisda Corporation	Parent and Subsidiary Company
							Darly Venture Inc.	Parent and Subsidiary Company
							Darly2 Venture, Inc.	Parent and Subsidiary Company
Darly Consulting Corporation Representatives: Chiu-Chin Hung	0	0.00%	0	0.00%	0	0.00%	None	None
Darly Venture Inc.	12,236,000	2.26%	0	0.00%	0	0.00%	Qisda Corporation	Parent and Subsidiary Company
							Darly Consulting Corporation	Parent and Subsidiary Company
							Darly2 Venture, Inc.	Parent and Subsidiary Company
Darly Venture Inc. Representatives: Chiu-Chin Hung	0	0.00%	0	0.00%	0	0.00%	None	None
Darly2 Venture, Inc.	4,185,000	0.77%	0	0.00%	0	0.00%	Qisda Corporation	Parent and Subsidiary Company
							Darly Consulting Corporation	Parent and Subsidiary Company
							Darly Venture Inc.	Parent and Subsidiary Company
Darly2 Venture Inc. Representatives: Chiu-Chin Hung	0	0.00%	0	0.00%	0	0.00%	None	None
JPMorgan Chase Bank is entrusted with the custody of Advanced Starlight Fund Corporation's series of funds Advanced Aggregate International Stock Index	3,288,750	0.61%	0	0.00%	0	0.00%	None	None
JPMorgan Chase Bank N.A. Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	2,904,772	0.54%	0	0.00%	0	0.00%	None	None
The investment account of Arcadia Emerging Markets entrusted by HSBC (Taiwan) Commercial Bank Co., Ltd.	2,615,000	0.48%	0	0.00%	0	0.00%	None	None
Citi (Taiwan) Commercial Bank is entrusted with the custody of Berkeley Capital Securities Co., Ltd. — Berkeley Capital Securities Co., Ltd. SBL/PB Investment Account	2,558,000	0.47%	0	0.00%	0	0.00%	None	None
HSBC Bank (Taiwan) Co., Ltd. is entrusted with the custody of Goldman Sachs International Investment Account	2,303,002	0.43%	0	0.00%	0	0.00%	None	None
J.P. Morgan Securities LLC Investment Account custody of J.P. Morgan Chase Bank, Taipei Branch	2,120,164	0.39%	0	0.00%	0	0.00%	None	None

Note 1: All the top ten shareholders should be listed and if they are legal person shareholders, the name of the legal person shareholder and the name of the representative should be listed separately.

Note 2: The shareholders listed in the previous disclosure include legal persons and natural persons and the relationship between them should be disclosed in accordance with the issuer's financial reporting standards.

IX. Shareholdings and Joint Shareholdings of Businesses Invested by the Company, Directors, Supervisors, Executive Officers and Companies Directly or Indirectly Controlled by the Company: None.

Capital and Shares

I. Capital and Shares

(I) Source of Capital

March 29, 2025; Unit: thousand shares; NTD thousands

Year / Month	Price	Authorized Capital		Paid-in Capital		Remarks				
		Shares	Amount	Shares	Amount	Source of Capital (NTD Thousands)	Approval Date	Certification No.	Capital Increase by Assets other than Cash	Others
September, 2003	11.77	300,000	3,000,000	200,000	2,000,000	Incorporated with a capital of NT\$2,000,000 through spin-off	2003/9/4	2003/9/4 No. Yuan-Shang-0920023079	Non-cash net assets totaling NT\$1,533,635	-
December, 2004	18	300,000	3,000,000	250,000	2,500,000	Seasoned equity offering \$500,000	2004/2/5	2004/2/5 No. Yuan-Shang-0930002818	-	-
August, 2005	10	300,000	3,000,000	282,900	2,829,000	Capitalization of earnings \$329,000	2005/8/18	2005/8/18 No. Yuan-Shang-0940021583	-	-
May, 2006	12.4	350,000	3,500,000	290,845	2,908,450	Exercise of employee warrants \$79,450	2006/5/9	2006/5/9 No. Yuan-Shang-0950010655	-	-
August, 2006	12.4	500,000	5,000,000	292,446	2,924,460	Exercise of employee warrants \$16,010	2006/8/16	2006/8/16 No. Yuan-Shang-0950020672	-	-
August, 2006	10	500,000	5,000,000	332,962	3,329,621	Capitalization of earnings \$405,161	2006/8/16	2006/8/16 No. Yuan-Shang-0950020672	-	-
October, 2006	10	500,000	5,000,000	333,512	3,335,121	Exercise of employee warrants \$5,500	2006/10/25	2006/10/25 No. Yuan-Shang-0950028601	-	-
October, 2006	10	500,000	5,000,000	355,292	3,552,922	Raised \$217,800 of capital for the merger of Sun Asia Enterprise	2006/10/25	2006/10/25 No. Yuan-Shang-0950028601	-	-
February, 2007	10	500,000	5,000,000	355,437	3,554,372	Exercise of employee warrants \$1,450	2007/2/16	2007/2/16 No. Yuan-Shang-0960004534	-	-
April, 2007	10	500,000	5,000,000	359,254	3,592,542	Exercise of employee warrants \$38,170	2007/4/26	2007/4/26 No. Yuan-Shang-0960010850	-	-
August, 2007	10	660,000	6,600,000	360,123	3,601,232	Exercise of employee warrants \$8,690	2007/8/23	2007/8/23 No. Yuan-Shang-0960022108	-	-
August, 2007	10	660,000	6,600,000	377,623	3,776,231	Conversion of corporate bonds \$175,000	2007/8/23	2007/8/23 No. Yuan-Shang-0960022108	-	-
August, 2007	10	660,000	6,600,000	400,101	4,001,007	Capitalization of earnings \$224,776	2007/8/23	2007/8/23 No. Yuan-Shang-0960022108	-	-
November, 2007	10	660,000	6,600,000	400,682	4,006,817	Exercise of employee warrants \$5,810	2007/11/12	2007/11/12 No. Yuan-Shang-0960029618	-	-
November, 2007	10	660,000	6,600,000	406,287	4,062,872	Conversion of corporate bonds \$56,055	2007/11/12	2007/11/12 No. Yuan-Shang-0960029618	-	-
February, 2008	10	660,000	6,600,000	409,056	4,090,562	Exercise of employee warrants \$27,690	2008/2/29	2008/2/29 No. Yuan-Shang-0970005716	-	-
February, 2008	10	660,000	6,600,000	411,604	4,116,037	Conversion of corporate bonds \$25,474	2008/2/29	2008/2/29 No. Yuan-Shang-0970005716	-	-
May, 2008	10	660,000	6,600,000	416,854	4,168,537	Exercise of employee warrants \$52,500	2008/5/14	2008/5/14 No. Yuan-Shang-0970012364	-	-
August, 2008	10	660,000	6,600,000	417,212	4,172,117	Exercise of employee warrants \$3,580	2008/8/26	2008/8/26 No. Yuan-Shang-0970023433	-	-
August, 2008	10	660,000	6,600,000	448,313	4,483,127	Capitalization of earnings \$311,010	2008/8/26	2008/8/26 No. Yuan-Shang-0970023433	-	-
November, 2008	10	660,000	6,600,000	448,774	4,487,737	Exercise of employee warrants \$4,610	2008/11/13	2008/11/13 No. Yuan-Shang-0970031854	-	-
February, 2009	10	660,000	6,600,000	448,835	4,488,347	Exercise of employee warrants \$610	2009/2/25	2009/2/25 No. Yuan-Shang-0980005035	-	-
May, 2009	10	660,000	6,600,000	448,949	4,489,497	Exercise of employee warrants \$1,150	2009/5/22	2009/5/22 No. Yuan-Shang-0980013981	-	-
September, 2009	10	660,000	6,600,000	449,422	4,494,227	Exercise of employee warrants \$4,730	2009/9/3	2009/9/3 No. Yuan-Shang-0980024050	-	-
September, 2009	10	660,000	6,600,000	449,471	4,494,717	Conversion of corporate bonds \$491	2009/9/3	2009/9/3 No. Yuan-Shang-0980024050	-	-
September, 2009	10	660,000	6,600,000	464,119	4,641,195	Capitalization of earnings \$146,477	2009/9/3	2009/9/3 No. Yuan-Shang-0980024050	-	-
November, 2009	10	660,000	6,600,000	464,203	4,642,035	Exercise of employee warrants \$840	2009/11/20	2009/11/20 No. Yuan-Shang-0980032344	-	-
March, 2010	10	660,000	6,600,000	465,457	4,654,575	Exercise of employee warrants \$12,540	2010/3/25	2010/3/25 No. Yuan-Shang-0990007827	-	-
May, 2010	25	660,000	6,600,000	465,513	4,655,132	Exercise of employee warrants \$562k	2010/5/26	2010/5/26 No. Yuan-Shang-0990014571	-	-
May, 2010	10	660,000	6,600,000	468,518	4,685,183	Conversion of corporate bonds \$30,047	2010/5/26	2010/5/26 No. Yuan-Shang-0990014571	-	-
August, 2010	25	660,000	6,600,000	468,543	4,685,433	Exercise of employee warrants \$250	2010/5/26	2010/8/6 No. Yuan-Shang-0990022836	-	-

Year / Month	Price	Authorized Capital		Paid-in Capital		Remarks				
		Shares	Amount	Shares	Amount	Source of Capital (NTD Thousands)	Approval Date	Certification No.	Capital Increase by Assets other than Cash	Others
August, 2010	10	660,000	6,600,000	470,955	4,709,557	Conversion of corporate bonds \$24,123	2010/8/6	2010/8/6 No. Yuan-Shang-0990022836	-	-
December, 2010	23.7	660,000	6,600,000	470,985	4,709,857	Exercise of employee warrants \$300	2010/8/6	2010/12/1 No. Yuan-Shang-0990035467	-	-
December, 2010	10	660,000	6,600,000	471,114	4,711,143	Conversion of corporate bonds \$1,286	2010/12/1	2010/12/1 No. Yuan-Shang-0990035467	-	-
February, 2011	23.7	660,000	6,600,000	471,236	4,712,365	Exercise of employee warrants \$1,222	2010/12/1	2011/3/2 No. Yuan-Shang-1000005462	-	-
February, 2011	24.8	660,000	6,600,000	471,335	4,713,355	Exercise of employee warrants \$990	2011/3/2	2011/3/2 No. Yuan-Shang-1000005462	-	-
February, 2011	10	660,000	6,600,000	475,618	4,756,184	Conversion of corporate bonds \$42,829	2011/3/2	2011/3/2 No. Yuan-Shang-1000005462	-	-
April, 2011	23.7	660,000	6,600,000	475,678	4,756,784	Exercise of employee warrants \$600	2011/3/2	2011/5/13 No. Yuan-Shang-1000013452	-	-
March, 2012	10	660,000	6,600,000	478,566	4,785,667	Conversion of corporate bonds \$28,883	2011/5/13	2012/3/19 No. Yuan-Shang-1010008041	-	-
May, 2012	10	660,000	6,600,000	514,338	5,143,383	Conversion of corporate bonds \$357,715	2012/3/19	2012/5/30 No. Yuan-Shang-1010016250	-	-
May, 2012	23.2	660,000	6,600,000	515,156	5,151,563	Exercise of employee warrants \$8,180	2012/5/30	2012/5/30 No. Yuan-Shang-1010016250	-	-
May, 2012	22.2	660,000	6,600,000	516,235	5,162,358	Exercise of employee warrants \$10,795	2012/5/30	2012/5/30 No. Yuan-Shang-1010016250	-	-
August, 2012	10	660,000	6,600,000	516,614	5,166,144	Conversion of corporate bonds \$3,786	2012/5/30	2012/8/31 No. Yuan-Shang-1010027575	-	-
August, 2012	23.2	660,000	6,600,000	516,779	5,167,794	Exercise of employee warrants \$1,650	2012/8/31	2012/8/31 No. Yuan-Shang-1010027575	-	-
August, 2012	22.2	660,000	6,600,000	516,947	5,169,474	Exercise of employee warrants \$1,680	2012/8/31	2012/8/31 No. Yuan-Shang-1010027575	-	-
November, 2012	20.9	660,000	6,600,000	516,997	5,169,974	Exercise of employee warrants \$500	2012/8/31	2012/11/28 No. Yuan-Shang-1010036791	-	-
November, 2012	10	660,000	6,600,000	513,676	5,136,764	Retirement of treasury stock \$33,210	2012/11/28	2012/11/28 No. Yuan-Shang-1010036791	-	-
March, 2013	10	660,000	6,600,000	513,831	5,138,310	Conversion of corporate bonds \$1,546	2012/11/28	2013/3/28 No. Yuan-Shang-1020009089	-	-
March, 2013	10	660,000	6,600,000	491,752	4,917,520	Retirement of treasury stock \$220,790	2013/3/28	2013/3/28 No. Yuan-Shang-1020009089	-	-
August, 2013	10	660,000	6,600,000	491,772	4,917,726	Conversion of corporate bonds \$206	2013/3/28	2013/8/29 No. Yuan-Shang-1020025846	-	-
March, 2014	10	660,000	6,600,000	494,344	4,943,441	Conversion of corporate bonds \$25,714	2013/8/29	2014/3/26 No. Zhu-Shang-1030009036	-	-
May, 2014	10	660,000	6,600,000	489,127	4,891,271	Retirement of treasury stock \$52,170	2014/3/26	2014/5/29 No. Zhu-Shang-1030015867	-	-
May, 2014	10	660,000	6,600,000	497,127	4,971,271	Conversion of corporate bonds \$80,000	2014/5/29	2014/5/29 No. Zhu-Shang-1030015867	-	-
April, 2015	10	660,000	6,600,000	492,127	4,921,271	Retirement of treasury stock \$50,000	2014/5/29	2015/4/10 No. Zhu-Shang-1040009624	-	-
August, 2015	10	660,000	6,600,000	442,914	4,429,144	Cash capital reduction \$492,127	2015/8/27	2015/8/27 No. Zhu-Shang-1040025336	-	-
July, 2016	10	660,000	6,600,000	434,470	4,344,697	Retirement of treasury stock \$84,447	2016/7/22	2016/7/22 No. Zhu-Shang-1050019711	-	-
October, 2017	10	660,000	6,600,000	444,470	4,444,697	Issuance of restricted shares to employees \$100,000	2017/10/19	2017/10/19 No. Zhu-Shang-1060028610	-	-
March, 2018	10	660,000	6,600,000	544,470	5,444,697	Private placement of new shares \$1,000,000	2018/3/29	2018/3/29 No. Zhu-Shang-1070009589	-	-
March, 2018	10	660,000	6,600,000	543,953	5,439,527	Recall and retirement of restricted stock \$5,170	2018/3/29	2018/3/29 No. Zhu-Shang-1070009589	-	-
January, 2019	10	660,000	6,600,000	543,517	5,435,172	Recall and retirement of restricted stock \$2,255 Retirement of treasury stock \$2,100	2019/1/4	2019/1/4 No. Zhu-Shang-1080000041	-	-
April, 2019	10	660,000	6,600,000	543,262	5,432,617	Recall and retirement of restricted stock \$2,555	2019/4/2	2019/4/2 No. Zhu-Shang-1080009196	-	-
July, 2019	10	660,000	6,600,000	543,129	5,431,287	Recall and retirement of restricted stock \$1,330	2019/7/3	2019/7/3 No. Zhu-Shang-1080018595	-	-
September, 2019	10	660,000	6,600,000	542,891	5,428,907	Recall and retirement of restricted stock \$2,380	2019/9/2	2019/9/2 No. Zhu-Shang-1080025442	-	-
November, 2019	10	660,000	6,600,000	542,727	5,427,273	Recall and retirement of restricted stock \$1,634	2019/11/20	2019/11/20 No. Zhu-Shang-1080033539	-	-

Year / Month	Price	Authorized Capital		Paid-in Capital		Remarks				
		Shares	Amount	Shares	Amount	Source of Capital (NTD Thousands)	Approval Date	Certification No.	Capital Increase by Assets other than Cash	Others
March, 2020	10	660,000	6,600,000	542,482	5,424,825	Recall and retirement of restricted stock \$2,448	2020/3/24	2020/3/24 No. Zhu-Shang-1090008003	-	-
June, 2020	10	660,000	6,600,000	542,248	5,422,477	Recall and retirement of restricted stock \$2,348	2020/6/2	2020/6/2 No. Zhu-Shang-1090014954	-	-
August, 2020	10	660,000	6,600,000	541,818	5,418,177	Recall and retirement of restricted stock \$4,300	2020/8/21	2020/8/21 No. Zhu-Shang-1090023868	-	-
November, 2020	10	660,000	6,600,000	541,718	5,417,185	Recall and retirement of restricted stock \$992	2020/11/24	2020/11/24 No. Zhu-Shang-1090033301	-	-
June, 2022	10	800,000	8,000,000	541,718	5,417,185	Increase the approved share capital	2022/06/20	2022/06/20 No. Zhu-Shang-1110018909	-	-

(II) Shares Types

Book closure date: March 29, 2025

Type of Stock	Authorized Capital			Notes
	Outstanding Shares	Unissued Shares	Total	
Common shares	541,718,460	258,281,540	800,000,000	-

(III) List of Major Shareholders

Book closure date: March 29, 2025

Shareholder	Shareholding	Shareholding Percentage (%)
Qisda Corporation	295,797,126	54.60%
Darly Consulting Corporation	12,710,000	2.35%
Darly Venture Inc.	12,236,000	2.26%
Darly 2 Venture Inc.	4,185,000	0.77%
JPMorgan Chase Bank is entrusted with the custody of Advanced Starlight Fund Corporation's series of funds Advanced Aggregate International Stock Index	3,288,750	0.61%
JPMorgan Chase Bank N.A. Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	2,904,772	0.54%
The investment account of Arcadia Emerging Markets entrusted by HSBC (Taiwan) Commercial Bank Co., Ltd.	2,615,000	0.48%
Citi (Taiwan) Commercial Bank is entrusted with the custody of Berkeley Capital Securities Co., Ltd. — Berkeley Capital Securities Co., Ltd. SBL/PB Investment Account	2,558,000	0.47%
HSBC Bank (Taiwan) Co., Ltd. is entrusted with the custody of Goldman Sachs International Investment Account	2,303,002	0.43%
J.P. Morgan Securities LLC Investment Account custody of J.P. Morgan Chase Bank, Taipei Branch	2,120,164	0.39%

(IV) Dividend Policy and Execution Status:

1. Dividend policy

When the Company distributes earnings, in accordance with the provisions of the Company Act and the Company's Articles of Incorporation, if there are earnings, the Company shall pay tax at first and offset the losses of the previous years and then reserve 10% of the remains as the legal reserve. When the legal reserve is equal to or larger than the paid-in capital, no further reserves shall be made. Then, together with the accumulated undistributed surplus at the beginning of the period, the adjustment amount of the undistributed surplus of the current year and the special surplus reserve according to the law, as the surplus available for distribution, the board of directors will submit a distribution proposal.

(1) Dividend Distribution Principles

The Company follows with relevant laws and regulations and the Company's Articles of Incorporation, the board of directors initiates a proposal of the distribution of dividends based on consideration of the profitability, future operating needs, improvement of the financial structure and maintenance of a stable dividend distribution policy and the reasonable compensation of the shareholders.

(2) Dividend Distribution Procedures

The Company's dividend distribution process is based on the Company Act. When the Company issues new shares as dividends, the dividend distribution proposal shall be approved by the audit committee and the board of directors and then shall be submitted to the shareholders' meeting for resolution. When cash is distributed, the dividend distribution proposal shall be approved by the audit committee and the board of directors and then shall be reported

to the shareholders' meeting only.

(3) Dividends Distribution Method

Article 30-1 of the Company's Articles of Incorporation, the Company is in a technological and capital-intensive industry. In order to fulfill the Company's long-term capital planning and take into account of the interests of shareholders in the growth period, the Company adopts a residual dividend distribution policy to sustain the growth and operation of the Company.

When distributing dividends, the Company shall deliberate the needs for future scale of operation expansion and cash flows requirement. If the annual operating result is positive at the end of each fiscal year and the retained earnings available for distribution of the current year reaches 2% of the paid-in capital of the Company, no less than 10% of the retained earnings available for distribution of the current year shall be distributed as dividend. The proportion of cash dividends paid each year shall not be less than 10% of the total amount of the cash and stock dividends.

2. The Dividend Distribution To Be Resolved by the General Shareholders' Meeting

On February 27, 2025, the board of directors approved to distribute the cash dividends from earnings amounted to NT\$270,859,230 (NT\$ 0.5 per common share) and cash distribution from capital surplus amounted to NT\$270,859,230 (NT\$0.5 per share), total NT\$541,718,460 in cash distributed to shareholders. It will be reported at the 2025 Annual Shareholders' Meeting.

3. Whether there has been a material change in the expected dividend policy: None.

(V) The Impact of Stock Dividend Distribution Proposed by this Shareholders' Meeting on the Company's Operating Performance and Earnings per Share:

No issuance of free gratis was proposed at this annual shareholders meeting and the Company did not disclose the 2025 financial forecast information and thus does not apply.

(VI) Compensation for Employees and Directors:

1. The percentage or range of compensation for employees and director specified in the Articles of Incorporation:
If there are earnings, the Company shall set aside 10%~22.5% of earnings as compensation for employees and no higher than 1% as remuneration for the directors. However, when there are accumulated losses in the book, the Company shall reserve a portion of the earnings to offset the losses first. The Company may appropriate the employee remuneration prescribed in the preceding paragraph in the form of stock or cash to employees of affiliates when the employees meet certain conditions.
2. Estimation basis for the compensation for employees and directors and the calculation basis for the employee compensation as stock dividends and the accounting approach for handling the differences between the actual distributed amount and the estimated number of shares:
The estimated amount of this Annual Period for distribution of remuneration and compensation to employees and Directors is based on the amount (which shall also be listed as operating expenses for the annual period) obtained from the calculation of each pre-tax income (prior to being deducted by remuneration to employees and Directors) from such period multiplying the distribution percentage of remuneration to employees and Directors based on the Company's Articles of Incorporation. If there is any difference between the actual distributed amount and the estimated one, it shall be recognized as profit or loss of next annual period based on the change in accounting estimation.
3. The resolution of the distribution of compensation by the board of directors:
Approved by the Board of Directors on February 27, 2025:
 - (1) Cash or stocks as remuneration for employees and directors: The Company has approved the resolution of the board of directors to the distribution of the employees' compensation and directors' remuneration of 2024 at NT\$ 30,968,069 and NT\$ 2,322,605 respectively on February 27, 2025.
If there is a discrepancy from the estimated expenses and the recognized expenses, the amount of discrepancies, reasons and handling measures shall be disclosed: Not applicable.
 - (2) The amount of employee remuneration distributed by stocks and the percentage to the net income and total remuneration of the parent company only or individual financial statements for the period: Not applicable.

4. The actual distribution of remuneration of employees and directors for the 2024 and any if there is discrepancies between actual distribution and the figures previously recognized, explain the amount, the cause and treatment of such discrepancies:

- (1) Actual distribution of remuneration to employees and directors in the previous year: The amount distributed to employees' remuneration in cash was NT\$ 73,510,268 and NT\$ 5,513,271 for directors' remuneration.

- (2) Differences between the proposed distribution and actual amount approved by the original board of directors: the actual distributed amount was the same as the proposed distribution amount approved by the Board of Directors.

(VII) Status of the Company repurchasing its own shares:

No repurchase of the Company's shares by the Company was conducted in the most recent two years and as of the publication date of the annual report.

II. Corporate Bonds Handling Status: None.

III. Preferred Shares Handling Status: None.

IV. Global Depository Receipts Handling Status: None.

V. Employee Stock Option Handling Status:

(1) Employee stock option handling status:

1. As of the publication date of the annual report, the processing situation and impact on shareholders' right from employee stock option that have not matured yet: None.

2. Names, acquisition, and subscription of managers who have obtained employee stock option as well as employees who rank among the top 10 in terms of the number of shares obtained via employee stock option, cumulative up to the date of publication of the annual report: None.

(2) New restricted employee shares:

1. As of the date of publication of the annual report, new restricted employee shares that have not fully met the conditions and the impact on shareholders' right: None.

2. Names of managers and top ten employees holding new restricted employee shares as of the publication date of the annual report and the conditions of receiving such shares: None.

VI. Issuance of New Shares in Connection with the Merger or Acquisition of other Corporations:

- (1) In the most recent year up to the publication date of the annual report, the Company has completed merger and acquisition of other corporations to issue new shares: None.

- (2) In the most recent year up to the publication date of the annual report, the Board of Directors of the Company has approved merger and acquisition of other corporations to issue new shares: None.

VII. Implementation Status of Fund Application:

- (1) As of one quarter before the publication date of this annual report, plan for previous issuance or private placement of securities that have not been completed, or that have been completed but no benefits achieved within the past three years: None.

- (2) As of one quarter before the publication date of this annual report, processing condition for previous issuance or private placement of securities that have not been completed, or that have been completed but no benefits achieved within the past three years: None.

Overview of Operations

I. Business Activities

(I) Scope of Business:

1. Sales of Major Products (Services)

- (1) Manufacturing of telecommunication-regulated radio frequency equipment (CC01101).
- (2) Manufacturing of wireless communication machinery and equipment (CC01070).
- (3) CF01011 Manufacturing of medical devices and equipment. (CF01011)
- (4) F108031 Wholesale of medical devices (F108031).
- (5) F401010 International trade (F401010).
- (6) Research, development, design, manufacturing, and sales of the following products:
 - A. Computer networking system equipment and components.
 - B. Metropolitan and enterprise network products.
 - C. Broadband products.
 - D. Wireless network products.
 - E. Medical device equipment and components.
 - F. Import and export trade of the aforementioned products and their medical applications.
 - G. Maintenance, testing, and after-sales services for the aforementioned products.

2. Revenue Distribution

Unit: NTD thousands

Business Category	2024	
	Amount	%
LAN/MAN Products	7,995,678	37.29%
Wireless and Broadband Products	9,514,666	44.37%
Digital Multimedia Products	1,378,231	6.43%
Other Networking Products	2,555,050	11.91%
Total	21,443,625	100.00%

3. Current products (services) of the Company

- (1) LAN/MAN Products
 - A. 5G Core Network (Fronthaul/Middlehaul/Backhaul Switch)
 - B. Data Center Ethernet Switches (10G/25G/40G/50G/100G/200G/400G/1.6T)
 - C. Enterprise Ethernet Switches (Enterprise/Campus Ethernet Switch)
 - D. Small and Medium Business Ethernet Switch (SMB Ethernet Switches)
 - E. Carrier-Grade Ethernet Switches
 - F. Power over Ethernet Switches (PoE+/PoE++)
 - G. L2/3/4 High-Speed Ethernet Switches (Including Multi-Rate Gigabit 2.5G/5G/10G)
 - H. Telecom Base Station Access Equipment (Switches with Synchronous Ethernet and IEEE1588)
- (2) Wireless Broadband Products
 - A. VDSL/G.fast Routers and Integrated Access Devices (IAD)
 - B. GPON/10G-PON Optical Network Terminals (ONT/ONU)
 - C. G/LTE Routers and Integrated Access Devices (IAD)
 - D. 5G Remote Radio Heads (RRH) / LTE Small Cells
 - E. G.fast + LTE MPTCP Hybrid Integrated Access Devices (IAD)
 - F. Wi-Fi 5/Wi-Fi 6 Wireless Access Points
 - G. Wi-Fi 5/Wi-Fi 6 Wireless Routers
 - H. Wi-Fi 6 & 6E High-Speed Wireless Access Points
- (3) Digital Multimedia and Automotive Products
 - A. Video Surveillance System & IP Camera
 - B. NAS
 - C. Video Intercom Equipment
 - D. Smart Home IoT Devices

- E. 24GHz Smart Radar Sensor
 - F. 77GHz Smart Radar Sensor
 - G. 79GHz Smart Radar Sensor
4. New products and Technologies planned for Development
- (1) LAN/MAN Products
 - A. 400G/800G/1.6T Data Center Ethernet Switches
 - B. OCP-Based 400G/800G Telecom-Grade and Data Center Switches
 - C. 1.6T Data Center Ethernet Switches with Liquid Cooling Equipment and Cabinets
 - D. Multi-Giga (1G/2.5G/5G/10Gbps) High-Power PoE (802.3bt) and PoE++ Switches
 - E. 5G Fronthaul/Backhaul Ethernet Switches
 - F. Network Function Virtualization (NFV) Platform Technology
 - G. 10G Symmetric Passive Optical Network Central Office System (XGS-PON OLT)
 - H. Multi-Layer and Chassis-Based Ethernet Switches
 - I. IoT Ethernet Switches and Solutions for Industry 4.0, Smart Factories, and IoT
 - J. COM Express CPU Modules
 - K. Baseboard Management Controller (BMC) Modules
 - (2) Wireless Broadband Products
 - A. Wi-Fi 7 Mesh High-Speed Wireless Router
 - B. 25G/50G-PON Optical Network Terminals (ONT/ONU)
 - C. DOCSIS 4.0 Cable Modems (CM/EMTA)
 - D. 5G RAN End-to-End Network Solutions
 - E. 5G Fixed Wireless Access (FWA) Customer Premises Equipment (CPE)
 - F. 5G Small Cells
 - (3) Digital Multimedia and Automotive Products
 - A. Smart Video Surveillance Solution
 - B. Access Control Solution
 - C. Intrusion Alarm Solution
 - D. mmWave Radar with Image Fusion Technology
 - E. AVM & Radar Sensor System
 - F. AI-Powered Dash Cam

(II) Industry Overview:

The Company is a specialized network communication equipment manufacturer, offering a comprehensive product portfolio, including metropolitan network products, wireless broadband network products, and digital multimedia and mobile solutions. Additionally, the Company possesses strong software development capabilities, providing customized services that enhance product value. As one of the few domestic manufacturers with a complete network communication product line, Alpha Networks Inc. is uniquely positioned to deliver both hardware and software solutions.

Amid the overall industry landscape, the Company has benefited from the global demand for broadband infrastructure and high-traffic AI applications in 2024. The market demand for Wi-Fi 7 continues to rise, while the need for upgrades and replacements of high-speed, high-bandwidth enterprise Ethernet LAN switches is steadily increasing, indicating a positive industry outlook. Furthermore, as 5G products are gradually entering commercial deployment worldwide, the demand for 5G mobile broadband access solutions is also on the rise.

According to the Industrial Technology Research Institute's (ITRI) review and issue analysis of Taiwan's communications industry for the second half of 2024, Wi-Fi 6/6E continued to gain penetration in mainstream markets. Meanwhile, new Wi-Fi 7 standard products were introduced in more high-end terminal devices during the second half of the year, simultaneously accelerating upgrades in other application sectors.

In addition, international research firm Gartner predicts that Wi-Fi 7 will reach a market penetration rate of 10% in 2024, with expectations to surpass 50% and reach 54% by 2027. According to MarketDigits, the compound annual growth rate (CAGR) of Wi-Fi 7 from 2023 to 2030 is projected to exceed 50%, with the market value reaching USD 26.2 billion. Furthermore, Wi-Fi technology is expanding into commercial, industrial, and residential sectors, with the most significant growth seen in smart home and smart lighting applications. By connecting household devices

through Wi-Fi networks as the core of home connectivity, it drives applications such as AR/VR, cloud gaming, 4K video calls, and 8K streaming media.

In the development of the Ethernet Switch Industry, the increasing demand for large-scale data transmission in cloud data centers continues to drive the growth of 10Gbps and 100Gbps Ethernet switches market. With the advancement of artificial intelligence and high-speed networking, 400Gbps switches are also entering the market. As global data centers expand, artificial intelligence and cloud services require extensive computing and data processing capabilities, leading to a rising demand for 400G switches, which offer significantly higher transmission speeds. Furthermore, with the advancement of generative AI, the industry is moving toward a new networking era of 800G and 1.6T network speeds. According to Dell'Oro Group, the 800G switch market is projected to surpass the 400G switch market by 2027.

In addition, Research Nester reports that the data center switch market was valued at USD 8.46 billion in 2024, is expected to reach USD 9.32 billion in 2025, and could exceed USD 40.03 billion by 2037, with a compound annual growth rate (CAGR) of 12.7% from 2025 to 2037.

In the field of mobile communication, Ericsson's November 2024 Mobile Trends Report states that by the end of 2024, 5G networks will cover approximately 45% of the global population, and by the end of 2030, this coverage is expected to reach 85%. North America is leading the 5G market, with a penetration rate projected to reach 61% by the end of 2024, followed by Northeast Asia at 51%.

The advent of the 5G era is driving large-scale infrastructure deployments, including core networks, 5G RAN, small cells, transmission equipment, network access terminals, and dedicated enterprise networks. Future 5G applications will encompass smart cities, smart homes, Industry 4.0, the Internet of Things (IoT), and vehicle-to-everything (V2X) communication. The demand for real-time AI analytics and ultra-low latency is accelerating the adoption of edge computing, which helps alleviate congestion in mobile core networks and reduces cloud workload. Meanwhile, Software-Defined Networking (SDN) and Network Functions Virtualization (NFV) are expected to play a critical role in the software-driven evolution of mobile infrastructure.

When it comes to the development of Smart Home, the future of smart homes will focus on home security and surveillance, smart energy management, and intelligent appliances. The rapid development of artificial intelligence (AI) and deep learning is accelerating the adoption of voice control and image recognition technologies in various end-user applications. In the security and surveillance sector, the penetration of IP cameras (IP Camera) is expected to continue growing. Most smart home devices require embedded AI processors, optimized networking connectivity chips, and enhanced sensor configurations, presenting significant market opportunities in the future.

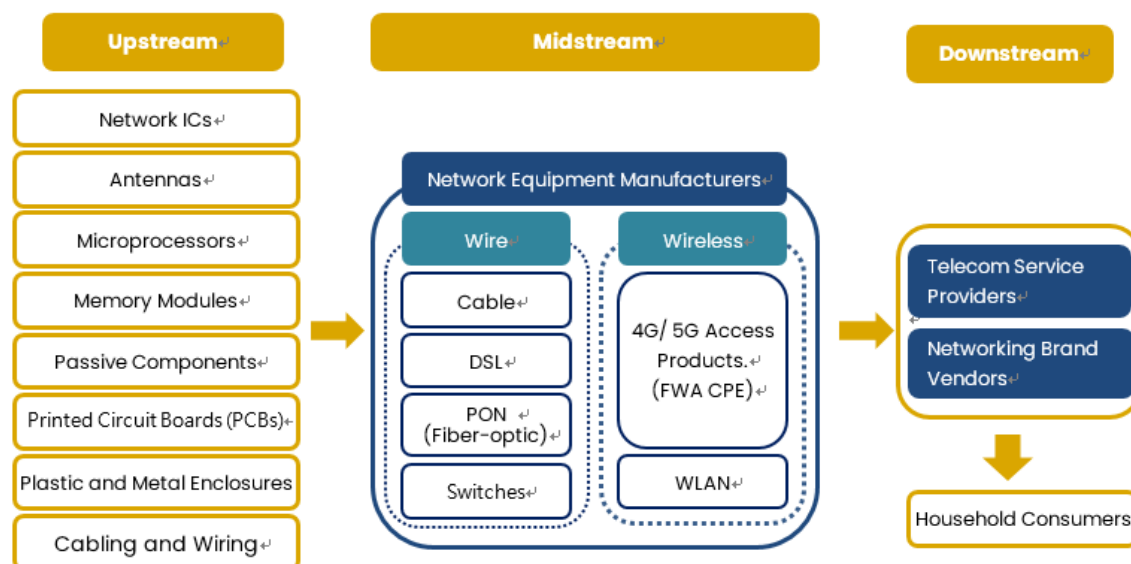
With the increasing trend of smart home adoption and the growing demand for high-definition video transmission, household network bandwidth requirements are continuously rising for higher bandwidth capabilities. In fiber broadband networks, GPON is advancing toward 10G-PON technology. In the cable network sector, DOCSIS 4.0 enables high-speed bidirectional connectivity of up to 10Gbps. Telecom operators are also utilizing Fixed Wireless Access (FWA) services to enhance last-mile deployment efficiency while providing users with higher transmission speeds. As the service offers both cost-effectiveness and the advantage of being wire-free, it is especially beneficial for remote areas with high connection costs and for countries with lower broadband penetration rates. According to TrendForce's latest report, "Breakthrough Opportunities in the 5G Era: Global Telecom FWA Deployment and Opportunities for Taiwanese Vendors", U.S. telecom operators T-Mobile and Verizon are shifting their focus toward the expansion of FWA (Fixed Wireless Access) services, which require lower deployment costs. Meanwhile, Indian operators are actively building 5G FWA base stations in rural regions. The report estimates that the global FWA market size will grow by 33% year-over-year in 2025, reaching USD 72 billion.

The increased demand for remote work due to the pandemic has prompted numerous countries in Europe and North America to launch large-scale broadband infrastructure projects. These initiatives are accelerating the upgrade of fiber-optic networks, expanding 5G network deployment, and significantly increasing the number of wireless base stations. Furthermore, advancements in DOCSIS 4.0, xPON, and Wi-Fi 7 are also driving market growth.

The growing development of autonomous vehicles has made millimeter-wave radar a critical technology for Advanced Driver Assistance Systems (ADAS). In mid-to-short range applications, millimeter-wave radar is widely used for blind spot detection (BSD), rear cross-traffic alert (RCTA), lane departure warning (LDW), and other automotive collision prevention systems. It is also utilized in smart traffic monitoring and industrial safety surveillance. For long-range applications, millimeter-wave radar plays a key role in automatic emergency braking (AEB), adaptive cruise control (ACC), and forward collision warning (FCW). According to the Market Intelligence & Consulting Institute (MIC), the millimeter-wave radar market has been rapidly expanding due to its growing

adoption in New Car Assessment Programs (NCAP) worldwide. AEB (Automatic Emergency Braking) is a crucial safety feature that automatically activates the brakes to avoid potential collisions, reducing impact speed or preventing accidents altogether. AEB has already become a mandatory feature in the U.S. and EU for new vehicle safety ratings. Japan will mandate AEB installation in all new vehicles by 2020, while the United States designated AEB as a standard feature for new cars starting in 2022. China has required AEB installation since 2019, for vehicles to achieve a 5-star safety rating in its assessment system. The mandatory implementation and active promotion of AEB systems across the three major automotive markets have been the primary drivers for the increasing demand for millimeter-wave radar technology.

1. The Relationships of Upstream, Midstream, and Downstream in the Industry



Source: Fugle research

2. Product Development Trends and Competitive Landscape

(1) Product Development Trends

A. Expansion and Upgrades of Mobile Broadband Networks

With an increasing number of users accessing mobile broadband services and streaming mobile video content, demand for high-speed mobile network access continues to rise. The 5G deployment is progressing globally. As network infrastructure and terminal devices continue to evolve, the flexibility of 5G networks will enable a wider range of emerging applications, driving high-bandwidth, low-latency, and massive connectivity solutions across consumer, telecom, enterprise, and vertical industry sectors.

B. Continuous Growth in Fixed Network Bandwidth Demand

Network usage has evolved beyond simple data transmission to include high-definition video streaming and interactive applications, leading to an ongoing increase in bandwidth demand. Telecom operators are accelerating fixed network infrastructure upgrades, with copper broadband networks transitioning from ADSL to VDSL and G.fast, while fiber broadband networks advance from GPON to 10G-PON. In the cable sector, DOCSIS 3.1 remains the mainstream technology. The emergence of the new DOCSIS 4.0 technology helps accelerate broadband network upgrades, enabling operators to offer faster and more reliable services, thereby maintaining competitiveness in a highly competitive market. In addition, operators are also accelerating the deployment of fiber-optic networks, with 10G-PON becoming the mainstream standard for infrastructure development.

C. Upgrading Ethernet Switches to Higher Transmission Speeds

The demand for high-speed switches among enterprise users continues to grow, driven by the expansion of cloud computing services and high-definition video traffic, which necessitate upgrades in data center networking infrastructure. The required switch bandwidth is shifting from 10Gbps and 40Gbps to 25Gbps and 100Gbps, while demand for next-generation 400Gbps Ethernet switches is gradually increasing.

Artificial intelligence (AI) is also driving the need for high-performance computing and high-volume data transmission. According to Dell'Oro Group, AI-related cloud and enterprise data center infrastructure spending is projected to grow at a compound annual growth rate (CAGR) of 24% through 2028. This trend is expected to further accelerate the adoption of 800G/1.6T data center switches. By 2027, over 50% of data centers are expected to deploy switches with speeds of 400G or higher, and the 800G switch market size is forecasted to surpass that of 400G switches.

D. Advancements in Wi-Fi Transmission Speeds and Expanding Applications

As fixed and mobile broadband networks transition to next-generation standards, Wi-Fi technology is also evolving to deliver faster connectivity in various environments. Wi-Fi 6/6E has surpassed Wi-Fi 5, becoming the dominant standard in the wireless networking market. The industry is now advancing toward Wi-Fi 7, which offers even higher transmission speeds. As mobile data traffic continues to rise, telecom operators are actively expanding Wi-Fi hotspot deployments to offload mobile data and maintain high-quality network services.

E. Smart Home and Automotive Sensing Development Trends

The increasing demand for home security surveillance and smart home solutions is driving AI integration into smart home product designs. Advances in voice control, image recognition, and mobile device such as the fusion of millimeter-wave radar with imaging technology are expected to unlock more intelligent applications in the smart home ecosystem.

(2) Competitive Landscape

The rapid advancements in global technology have led to breakthroughs in both wired and wireless network communication products. However, the fast-paced evolution of new technologies has also shortened product life cycles, introducing uncertainties in new product development. Many manufacturers adopt cost-cutting measures or simplified product features to compete on low pricing strategies, resulting in intense price competition.

Moving forward, the network communications industry will shift toward intelligent applications and integrated solutions. As 5G technology becomes mainstream, the industry will further integrate low-earth orbit (LEO) satellites, cloud computing, artificial intelligence (AI), and the Internet of Things (IoT), propelling the global network communications sector into a new era of rapid growth.

Only manufacturers with comprehensive expertise in both networking hardware and software development will be able to provide customers with the latest and most complete solutions. Alpha Networks Inc. is the most comprehensive professional networking equipment provider in the domestic market, leveraging its extensive experience in product development and design to meet the one-stop procurement needs of major international clients.

(III) Overview of Technology Research and Development:

1. R&D Expenses Invested in the Most Recent Fiscal Year

Unit: NTD thousands

Item \ Year	2024
R&D Expenses	1,716,699
Net Sales	21,443,625
R&D Expense as a percentage of Net Sales (%)	8.01%

2. Successfully Developed Technologies or Products

Year	R&D Outcomes
2006	◆ Compact ADSL Modem, supporting Intel ViiV Digital Media Player, and IP-STB (IP Set-Top Box) supporting H.264 codec technology.
2007	◆ Wireless Digital Media Player, HD Hybrid STB (High-Definition Hybrid Set-Top Box), WiMAX Pico Base Station, and EPON ONU.
2008	◆ Layer2 Green Switch (energy-efficient Layer 2 Ethernet switch), Triple-play Residential Gateway (highly integrated broadband network voice gateway), and Wireless VDSL IAD.
2009	◆ L3 Gigabit Switch (Layer 3 Gigabit Stacking Switch), L3 10G Chassis Switch (Layer 3 10G Chassis-Based Switch), 10G Top-of-Rack Switch, EPON/GPON MDU, GPON ONT, and NAS certified for Windows 7.

Year	R&D Outcomes
2010	<ul style="list-style-type: none"> ◆ HD Media Player certified for DLNA 1.5 Server, Player, and Renderer functions; 40GE Switch Module (for cloud data switching); 3G Femtocell (3G femtocell base station); IP Camera for LINKnLOOK cloud service. ◆ Additional products include an OTT Set-Top Box with built-in 2.5" 1TB storage, integrated Facebook, Netflix, and Blockbuster VOD services; NAS certified for DLNA 1.5 Server; 500M Powerline Adapter; Home Gateway certified for Windows 7 and IPv6; Energy Efficient Ethernet Switch; and Unified WLAN Switch.
2011	<ul style="list-style-type: none"> ◆ Launched a dual-mode HD Digital Media Player with built-in DVB-T, triple recording (time-shift plus two scheduled recordings), dual playback (picture-in-picture), and online streaming capabilities. ◆ Completed R&D testing for a rack-mounted switch designed for cloud data centers, supporting up to 192 x 40GE ports.
2012	<ul style="list-style-type: none"> ◆ Completed a multimedia player supporting multi-screen synchronized playback and remote control across PC, smartphone, tablet, and TV. ◆ Finalized development of the industry's most advanced 3G interference-resistant technology, effectively resolving base station signal interference issues in Femtocell deployments. ◆ Completed development of a flagship cloud data center switch with the fastest speed, high capacity, non-blocking architecture, and 32 x 40GE ports.
2013	<ul style="list-style-type: none"> ◆ Cloud-based Firewall Penetration Technology has been granted invention patents in Taiwan (R.O.C.), the United States, and Mainland China. It is applicable to video streaming products such as IP cameras. ◆ Completed R&D testing of 24GHz Automotive Radar Sensor for Connected Vehicle (IoV) applications.
2014	<ul style="list-style-type: none"> ◆ The High-Speed Powerline Bridge featuring a Non-Isolated DC Power Conversion Circuit Design has successfully obtained design patents in China, Japan, and Australia. ◆ Successfully developed and tested a high-end cloud data center switch with the fastest speed, high density, high throughput, and 32 x 100GE ports, supporting ONIE specifications. ◆ Completed R&D testing of 24GHz Automotive Radar Sensor for blind spot detection in large transport vehicles. ◆ The SNX-60A0-486F Cloud Data Center Switch, supporting up to 40G, has successfully passed ONIE certification. ◆ Completed R&D testing of a 4K/HEVC High-Definition Digital Set-Top Box (STB).
2015	<ul style="list-style-type: none"> ◆ Successfully developed and tested a multi-speed switch supporting 2.5G / 5G / 10G. ◆ Completed testing of a cloud data center switch with 48 x 25G fiber downlink ports and 4 x 100G uplink ports. ◆ Developed a 180-degree fisheye IP camera. ◆ Designed STB products featuring four 802.11ac 5G antennas and two BT/FR4CE 2.4G antennas onboard. ◆ Completed R&D testing of 24GHz automotive radar sensor for rear-end collision detection in standard vehicles.
2016	<ul style="list-style-type: none"> ◆ Successfully tested a high-density rackmount cloud data center switch with configurations of 128 and 512 fiber ports. ◆ Developed and tested a switch for Internet Service Providers (ISPs) with 48 x 10G fiber downlink ports and 6 x 100G uplink ports. ◆ Smart home gateway certified by Z-Wave Plus. ◆ Successfully developed and tested an enterprise-grade Access Point (AC3400) featuring dual-band Wi-Fi (5GHz) and a 2.5Gbps Ethernet uplink port.
2017	<ul style="list-style-type: none"> ◆ First-time development and design of a G.Fast Central Office Switch. ◆ Demonstrated backbone aggregation switch with IEEE1588v2 support for system architectures with RRH (Remote Radio Head) and C-RAN (Cloud Radio Access Network). ◆ Completed development of a 32-port 100G data center switch. ◆ Completed development of a ToR (Top-of-Rack) switch with 48 x 25G downlink and 8 x 100G uplink ports. ◆ Delivered an E2E smart parking solution, including NB-IoT sensors, NB-IoT small base stations, cloud-based IoT management platform, and mobile app. ◆ Completed R&D of 24 dBm Small Cell & C-RAN system platform, integrating 4G and Wi-Fi technologies to enhance terminal download speeds. ◆ Successfully tested voice-activated IP camera video streaming to Google Chromecast via Google Home. ◆ Integrated IVA (Intelligent Video Analytics) solutions with human/form detection and facial recognition into IP cameras and hub devices.

Year	R&D Outcomes
	<ul style="list-style-type: none"> ◆ Delivered a 24GHz 3-in-1 radar solution integrated with a dashcam, currently undergoing field validation with automotive customers.
2018	<ul style="list-style-type: none"> ◆ Completed development of a 32-port 400G data center switch. ◆ Developed a Multi-G (1G/2.5G/5G) high-power PoE (802.3bt) switch for access and enterprise networks. ◆ Developed a front-haul network switch with IEEE1588v2 support. ◆ 10G-PON ONU listed on ONF Lab's official vOLTHA recommended product list. ◆ Collaborated with ITRI, FarEasTone, and Accton Technology on the Self-Organizing Network (SON) technology, winning the Judges' Choice Award from the Small Cell Forum (SCF). ◆ Successfully implemented wireless beamforming technology on IP camera terminals. ◆ Successfully implemented adaptive video streaming (AVS) technology on IP camera terminals. ◆ Radar products certified for ISO 26262, the world's highest automotive electronics safety standard.
2019	<ul style="list-style-type: none"> ◆ Selected as a hardware platform provider for TIP (Telecom Infra Project) DCSG (Disaggregated Cell-Site Gateway). ◆ G.Fast central office and customer premises equipment shipped to the Japanese market. ◆ First Wi-Fi 6 (802.11ax) wireless router shipped to global brand channels. ◆ Outdoor 4G small cells shipped to international markets. ◆ First Wi-Fi 6-enabled VDSL IAD broadband gateway shipped to North American telecom operators. ◆ Indoor enterprise 5G NR radio units (RUs) sampled to Chinese customers. ◆ First Hybrid VDSL/LTE IAD with MPTCP support shipped to European telecom operators. ◆ Successfully developed autonomous dynamic video adaptation (AVS) technology integrated into IP cameras. ◆ Began global shipments of battery-powered, fully wireless outdoor IP cameras. ◆ 77/79GHz mmWave radar sensors obtained Japan MIC certification, ready for mass production.
2020	<ul style="list-style-type: none"> ◆ Developed a 64-port 400G data center switch. ◆ Developed an 8-port XGS-PON OLT central office device. ◆ Collaborated with third-party software vendors to integrate vOLT (Virtual Optical Line Terminal) technology into the 8-port XGS-PON OLT. ◆ Developed and shipped a 48-port Multi-G (1G/2.5G/5G) high-power PoE (802.3bt) switch. ◆ Developed a TIP DCSG hardware platform, integrated with third-party software, and provided for customer testing. ◆ Joined the DENT open networking platform alliance led by Amazon and the Linux Foundation. ◆ First indoor enterprise 5G NR base station solution (RU, DU, CU) supporting sub-6GHz sampled to customers in Japan and Taiwan for field trials. ◆ 5G NR CPE devices shipped to Korean and Japanese markets for carrier certification. ◆ Developed and shipped ASL-810B, an enterprise router with G.Fast 106MHz dual hybrid technology, to Japan. ◆ Developed and shipped ASL-84421L and ASL-84440L, enterprise routers with Wi-Fi 6, to North American telecom operators. ◆ Developed and shipped VLT-743810F, an enterprise router with Hybrid VDSL/LTE technology, to European telecom operators. ◆ Developed first Wi-Fi 6E Tri-band router, sampled to North American customers. ◆ Shipped Wi-Fi 6 Easy MESH-compatible routers to global brand customers. ◆ Video Doorbell mass-shipped to a Tier One U.S. customer. ◆ Developed 24GHz Smart Radar Sensor. ◆ Developed 77GHz Smart Radar Sensor. ◆ Developed 79GHz Smart Radar Sensor. ◆ Developed mmWave Radar with Image Fusion Technology. ◆ Developed Automotive AVM (Around View Monitoring) and Radar Surround Sensing System.
2021	<ul style="list-style-type: none"> ◆ Developed an 18-port 25G 5G fronthaul Ethernet switch. ◆ Developed a 20-port 100G 5G backhaul Ethernet switch. ◆ Developed and showcased the world's first 48-port 25GBase-T data center switch. ◆ Developed a 16-port Flex-PON OLT central office device. ◆ Developed a range of cost-effective SMB Ethernet switches using Marvell's latest chipsets.

Year	R&D Outcomes
	<ul style="list-style-type: none"> ◆ Collaborated with third-party software vendors to integrate advanced data center software features into a 32-port 400G data center switch. ◆ Completed development and began shipments of a 32-port 400G data center switch. ◆ Developed and shipped an 8-port XGS-PON OLT central office device. ◆ Successfully mass-produced and shipped Japan's first indoor 5G NR enterprise base station solution compliant with local 5G frequency regulations (including RU, DU, and CU). ◆ Sent samples of the first 5W outdoor radio unit (RU) supporting n78 band to Taiwanese customers for field testing. ◆ Completed ORAN interoperability testing of the first 10W outdoor radio unit (RU). ◆ Shipped the first indoor 5G CPE supporting Docker virtualization to Japanese operators for testing and validation. ◆ Completed development and mass production of the PON-23440MS home gateway with Wi-Fi 6, Bluetooth, and 2.5G PON access, and shipped to Japanese telecom customers. ◆ Completed development and mass production of the PON-34000B 10G EPON ONU device, shipped to Japanese customers. ◆ Completed development and mass production of the PON-31001BC 10GPON SFU home internet device, shipped to North American customers. ◆ Developed and shipped the PON-33002B Outdoor 10GPON ONU access device to North America. ◆ Completed development of Wi-Fi 6 Easy MESH HGW and submitted samples to European telecom operators. ◆ Completed development of Wi-Fi 6E tri-band routers, with samples sent to North American and European customers. ◆ Shipped Wi-Fi 5/Wi-Fi 6 Easy MESH-certified routers to Tier-1 customers in North America and Japan. ◆ Developed and shipped an 8MP PTZ Gigabit Ethernet PoE (802.3af) surveillance camera to a European brand customer. ◆ Developed and shipped a 12MP 360° panoramic Gigabit Ethernet PoE (802.3af) surveillance camera to a European brand customer. ◆ Developed a network surveillance camera and smart video doorbell integrated with a 24GHz smart radar sensor, with samples sent to North American customers. ◆ Developed a 24GHz traffic monitoring radar, with samples sent to a major Japanese client. ◆ Developed a 77GHz water level detection radar sensor, shipped to Japanese customers. ◆ Developed an ADAS system with a 79GHz smart radar sensor and ECU, shipped to Taiwan's commercial vehicle market. ◆ Developed an AVM and radar sensor fusion system for vehicle surroundings, and submitted samples to North American RV system integrators.
2022	<ul style="list-style-type: none"> ◆ Developed a 64-port 800G data center switch. ◆ Developed a 16-port XGS-PON OLT central office device. ◆ 48-port 1G Enterprise SONiC data center switch achieved Broadcom Enterprise SONiC certification ahead of industry peers on the TD3-X2 platform. ◆ 32-port 400G data center switch is under certification testing for Broadcom SONiC. ◆ Developed time synchronization functionality supporting Sync-E and IEEE 1588v2 to optimize network applications. ◆ Developed Intel x86 CPU platforms based on Ice Lake D and Snow Ridge. ◆ Small-scale mass production and field testing of Japan's first outdoor 5G NR all-in-one base station solution compliant with local 5G regulations. ◆ Began sample testing of indoor 5G CPE (MediaTek T-750) with European and Middle Eastern customers. ◆ Developed and shipped GPON dual-band HGU to customers in North America and Asia. ◆ XGSPON dual-band HGU completed customer testing and is scheduled for mass production in 2023. ◆ Development initiated for XGSPON tri-band HGU, showcased at BBWF Europe in October. ◆ Development initiated for Wi-Fi 7 tri-band HGW, showcased at BBWF Europe in October. ◆ Developed and shipped Wi-Fi 6E tri-band MESH routers to customers in North America and Asia. ◆ Shipped Wi-Fi 6/Wi-Fi 6E EasyMESH-certified routers to Tier-1 telecom customers in North America and Japan. ◆ Developed a 2MP wireless camera module integrated into smart garage door openers, shipped to North American brand customer.

Year	R&D Outcomes
	<ul style="list-style-type: none"> ◆ Developed and shipped a 2MP spotlight-integrated Gigabit Ethernet PoE (802.3af) surveillance camera to a European brand customer. ◆ Developed and shipped a wireless network surveillance camera with an integrated 24GHz radar sensor to a North American brand. ◆ Developed a wireless smart doorbell chime to accompany smart video doorbells, and sent samples to North American customers. ◆ Co-developed an advanced AI dashcam with global AI partners for 360° object detection, undergoing road testing with a Japanese automaker. ◆ Developed a GPS-enabled sensor hub, with initial shipments to North American RV manufacturers. ◆ Developed a BSIS (Blind Spot Information System) compliant with UN ECE R151 European automotive safety standards, jointly exhibited with camera partners. ◆ Developed a rear-facing 77GHz radar for heavy motorcycles, with samples sent to Tier-1 customers. ◆ Developed Multi-access Edge Computing (MEC) platform supporting both containers and virtual machines. ◆ MEC passed independent security and performance testing at Chunghwa Telecom's research institute. ◆ MEC integrated with 5G cores from Saviah, Druid, and AGrand. ◆ MEC also integrated with solutions from A10 Security, IronYun Surveillance, and BenQ Healthcare System.
2023	<ul style="list-style-type: none"> ◆ Developed a 64-port 800G data center switch with liquid cooling for optimized thermal management. ◆ Developed a 32-port 400G SyncE/1588 data center switch. ◆ Developed a chassis-based 400G SyncE/1588 data center switch. ◆ 32-port 400G data center switch obtained Broadcom SONiC certification. ◆ Completed development of Wi-Fi 7 tri-band home gateway, with samples sent to telecom operators. ◆ Completed development of Wi-Fi 7 XGSPON HGU, with samples sent to telecom operators. ◆ Developed a Wi-Fi 7 tri-band enterprise AP, scheduled for mass production in 2024. ◆ Initiated Wi-Fi 6 enterprise AP project with integrated LoRa low-power IoT functionality, expected to enter mass production in 2024. ◆ Developed Wi-Fi 7 MESH router/extender, with samples sent to telecom operators for testing. ◆ Developed an outdoor mmWave 5G CPE supporting FR1+FR2+Wi-Fi 6, with samples sent to Japanese customers; mass production expected in 2024. ◆ Developed a 4MP wireless surveillance camera with integrated spotlight and 24GHz radar sensor, shipped to a North American brand customer. ◆ Developed and shipped a 4MP wireless smart video doorbell to a North American brand customer. ◆ Developed and shipped a wireless smart video doorbell with integrated 24GHz radar sensor to a North American brand customer. ◆ Developed and shipped a wireless smart chime for use with smart video doorbells to a North American brand customer. ◆ Developed and delivered an E-Bike 24GHz 1T2R RCW radar to a local brand customer in small quantities. ◆ Co-developed a Ku-band user terminal with a partner, and shipped in small quantities to a European customer.
2024	<ul style="list-style-type: none"> ◆ Developed a telecom-grade switch and entered the Indian telecom market. ◆ Developed a 32-port 400G SyncE/1588 data center switch and expanded into the North American market. ◆ Developed a chassis-based 400G SyncE/1588 data center switch. ◆ Completed development of customized enterprise switch software features and communication protocols, and introduced to the Japanese market. ◆ Developed core switch communication protocols and entered the North American telecom market. ◆ Integrated a Baseboard Management Controller (BMC) into telecom-grade switches to enhance management and monitoring capabilities. ◆ Developed switch synchronization functions compliant with Sync-E and IEEE 1588v2 Class D standards to ensure high-precision synchronization performance. ◆ Completed mass production of Wi-Fi 7 tri-band home router and XGSPON HGW. ◆ Completed mass production of Wi-Fi 7 tri-band enterprise AP integrated with electronic shelf label (ESL) RF module.

Year	R&D Outcomes
	<ul style="list-style-type: none"> ◆ Developed and shipped outdoor XGSPON ONT to North American customers. ◆ Completed development of Wi-Fi 6 HGW, scheduled for mass production and shipment to Indian customers in early 2025. ◆ Completed development of 5G FWA (including mmWave), scheduled for mass production in early 2025. ◆ Developed an outdoor mmWave PoC point-to-point CPE and sent samples to Indian customers for testing. ◆ Developed a 5W RU supporting uplink 256QAM and compliant with O-RAN C/U/M/S interfaces; passed SONIC Lab IoP testing. ◆ Developed a home-use baby monitoring IP camera. ◆ Developed radar-based modules capable of detecting breathing and heartbeat, available as standalone units or integrated into IP cameras. ◆ Developed a 60GHz traffic monitoring radar. ◆ Developed products supporting FCW (Forward Collision Warning), LDW (Lane Departure Warning), and DMS (Driver Monitoring System), with samples sent to Japanese customers for testing.

(IV) Short-Term and Long-Term Business Development Plans

1. Short-term Business Development Plans

In terms of marketing, Alpha Networks Inc. will deepen collaboration with existing customers, stay attuned to market trends, and strengthen strategic partnerships with key clients to build integrated technical solutions. Leveraging its strengths in R&D and quality, the Company aims to provide customized hardware and software design services to expand into new markets.

In terms of product development, the Company will focus on increasing product value, optimizing its product portfolio, and expanding market share. It will also establish strong collaborations with key chipset suppliers to secure timely access to essential technical resources.

In terms of operations, Alpha Networks Inc. will enhance internal management, continuously improve manufacturing processes, and increase production efficiency to mitigate cost fluctuation risks.

2. Long-term Business Development Plans

In terms of marketing, the Company aims to actively pursue orders from major global clients, expand its operational scale, and establish itself as a leading international brand. It will also cultivate long-term strategic partnerships with both customers and suppliers.

In terms of product development, Alpha Networks Inc. will continue to strengthen its R&D capabilities, respond to industry trends, and integrate technologies in networking, multimedia, and smart applications to lead the development of next-generation products and enhance its core competitive advantages.

In terms of operations management, the Company will maintain a sound financial structure and continue to prioritize operational efficiency.

II. Overview on Market and Production

(I) Market Analysis:

1. Primary Regions for Product (Service) Sales and Distribution

Unit: NTD thousands

Regions	2024	
	Amount	% of Revenue
United States	12,144,663	56.64%
Taiwan	4,635,270	21.61%
Japan	1,084,775	5.06%
Other Countries	3,578,917	16.69%
Total	21,443,625	100.00%

Note: The classification of sales (service provision) regions is based on the geographic location of the customers.

2. Market Share and Outlook on Supply, Demand, and Growth Potential

(1) Market Share

The Company continues to provide comprehensive solutions covering broadband equipment, fiber-optic products, and enterprise-grade wireless connectivity solutions. The Company is committed to meeting customer needs, improving product quality, and expanding its global market share.

(2) Market Outlook: Supply, Demand, and Growth Potential

Communication technologies continue to evolve rapidly, transforming the communications ecosystem in unprecedented ways. Integrating AI into open network architectures enhances network performance and operational quality and is driving AI transformation among equipment manufacturers and telecom operators. Future applications such as 6G and satellite communication development are also drawing significant attention.

Looking ahead to 2025, the effects of inventory adjustments in the network communications equipment sector are expected to subside gradually, with shipment volumes beginning to recover. According to IEK Consulting's report from November 2024, the network communications equipment market is projected to grow by 2.9% in 2025 compared to 2024. The supply-demand outlook and growth potential for various types of communication equipment are summarized as follows:

A. Ethernet Switches

In the Ethernet switch sector, ongoing inventory adjustments by some customers in 2024 have made it difficult for manufacturers to secure new orders. However, the rise of AI applications has stimulated investment in network bandwidth upgrades, resulting in stable shipments of advanced high-speed switch products. Overall, IEK Consulting forecasts that Taiwan's Ethernet switch market output will increase by 1.7% in 2025 compared to 2024, reaching NT\$110.3 billion.

B. Wireless and Broadband Products

Looking ahead to 2025, with excess inventories from the pandemic period largely digested, inventory levels among North American telecom operators have dropped significantly. Major North American broadband chipset suppliers began seeing signs of recovery in Q4 2024. Emerging technologies such as 10G PON, DOCSIS 4.0, and Wi-Fi 7 will drive upgrades in network equipment.

According to Ericsson's November 2024 Mobile Trend Report, around 79% of telecom operators now offer Fixed Wireless Access (FWA) services. 131 operators currently offer 5G-based FWA, representing 54% of all FWA providers. FWA connections are expected to grow from 160 million in 2024 to 350 million by 2030, accounting for 19% of all fixed broadband connections. Of these, nearly 80% will be 5G FWA connections.

The number of 5G mobile subscribers continues to rise. 5G is expected to become the dominant mobile access technology by 2027, a year earlier than previously forecast, due to rapid growth in China and India. By 2030, global 5G subscriptions are projected to reach 6.3 billion. In India, 5G user penetration will double in 2024, surpassing 270 million users, or 23% of total mobile subscribers.

According to the latest 5G Small Cell market forecast by market research firm Fortune Business Insights, the 5G Small Cell market is experiencing rapid growth, the market size is expected to grow from USD 4.08 billion in 2023 to USD 52.73 billion by 2030, with a compound annual growth rate (CAGR) of 44.1%. Global Market Insights estimates that the Radio Access Network (RAN) equipment market will reach USD 15 billion in 2025, with a CAGR of 5.6% from 2020 to 2025.

C. Digital Multimedia

The IP camera (IP Cam) industry is experiencing steady growth. According to Global Market Insights, the global IP Cam market size is expected to exceed USD 35 billion by 2032, with a CAGR of over 14.7% from 2023 to 2032.

D. Millimeter Wave Radar

According to the latest forecast by Yole Development, the market for automotive and industrial LiDAR (Light Detection and Ranging) is projected to grow from USD 538 million in 2023 to USD 3.632 billion by 2029, with a compound annual growth rate (CAGR) of 38%.

3. Competitive Advantage

(1) Diversified Product Portfolio

The Company offers a comprehensive range of products, including metropolitan network products, wireless broadband equipment, digital multimedia network products, and enterprise mobile solutions. The product lines span from entry-level to high-end network communication devices, making it one of the most complete network equipment providers in the domestic market.

With expertise in both wired and wireless communication, edge computing, and AI technologies, the Company delivers solutions for smart cities, smart manufacturing, smart healthcare, and smart homes. By integrating IT, CT, and OT architectures, Alpha Networks Inc. provides cost-effective, end-to-end solutions. Through technological integration, the Company supports one-stop procurement for customers with a full suite of solutions, including telecom-grade, enterprise-grade, and consumer network products.

(2) High-quality R&D Team

The Company has a highly capable R&D team with extensive experience in network communication. From large-scale data center switches to blade-type chassis switches and small-to-medium form factor modules, the team enhances development efficiency, optimizes product cost structure, and delivers high-quality products that meet market demand.

(3) Professional Research and Development & Manufacturing Capacities

With strong R&D foundations and extensive experience in OEM/ODM manufacturing for international brands, Alpha Networks Inc. has become a leading professional ODM manufacturer in Taiwan. The Company is well-positioned to meet market demand for multifunctional and highly integrated network communication products.

Its advanced information systems and material tracking capabilities allow real-time production updates. Each product undergoes rigorous and comprehensive quality testing, and customized testing is provided to meet the specific needs of top-tier clients, ensuring world-class quality standards.

(4) Strong Procurement Bargaining Power

In addition to strong product development capabilities, the Company benefits from its complete product lines and large volume production. It practices centralized procurement across its headquarters in Hsinchu, subsidiaries in China, and now Vietnam, enabling economies of scale and reducing material costs, thereby enhancing the price competitiveness of its products.

(5) Production Cost Control

In addition to its production and sales hub in Hsinchu, the Company leverages its cost-efficient manufacturing bases in China and Vietnam. Orders are received in Taiwan and fulfilled through volume production by overseas factories.

Through comprehensive product testing and strict quality control, the Company continuously improves capacity allocation and production efficiency to strengthen its market competitiveness.

4. Favorable and Unfavorable Factors for Future Development, and Countermeasures

(1) Favorable Factors

A. Continuous Growth in Network Traffic

The evolution of network communication technologies has transformed daily life and business models. Its speed, convenience, security, and diversity have become essential. As technology advances and market expectations for product quality and transmission speed rise, the demand for upgraded communication equipment grows. Cloud computing is driving increased data center traffic, while the need for high-performance AI servers is accelerating upgrade cycles for routers and switches. The network communications market is expected to see sustained growth.

B. Growth in Intelligent Applications

Smart home trends continue to drive the integration of intelligent features into consumer products. The rise of AI technologies opens new market opportunities. Additionally, the development of smart manufacturing and smart cities is creating new vertical application markets for networking products. The company has a complete line of networking products and can provide customers with hardware and software research and development, design, manufacturing services, and solutions.

(2) Unfavorable Factors and Countermeasures

A. Intensified Industry Competition Compressed Gross Profit

The fast-paced changes in the networking equipment market, the life cycle of related products is becoming increasingly shorter, and pushing down prices, leading to compressed profit margins.

Countermeasures:

Strengthen in-house R&D to increase the proportion of ODM business and boost product to enhance the Company's added value, establishing product competitiveness. Advance toward smart and integrated product development, especially from CPE to COE products with higher profit margins to expand the complete product line. Offer customers comprehensive one-stop solutions to enhance business opportunities. Simultaneously, optimize production processes and invest in automation to improve operational efficiency and productivity.

B. Shortage of Software Talent in Network Communications

As telecommunications liberalize and internet technologies rapidly evolve, hardware has become commoditized, while software is the key to product differentiation. The resulting industry-wide demand for software talent has exposed a talent gap.

Countermeasures:

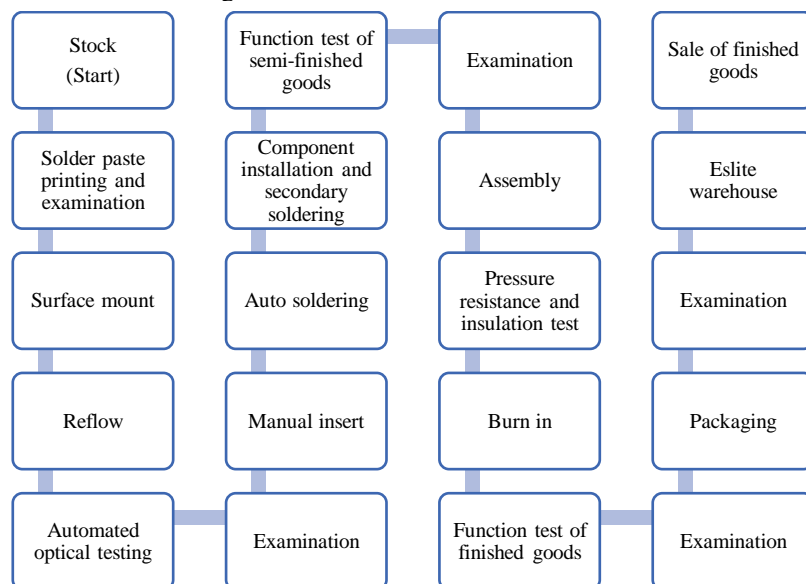
Create a positive work environment, implement training programs, and establish employee bonus systems to enhance employee loyalty to the Company. Strengthen campus recruitment to attract promising new talent. Actively recruit experienced international software engineers to alleviate talent shortages.

(II) Main Product Applications and Manufacturing Processes

I. Main Product Applications

Product Category	Applications
Ethernet Switch	The process of data transfer and exchange in IoT, IoV, 5G access network, enterprise network, telecommunication network, edge computing and data center.
Wireless Network	Provision of Wi-Fi compliance wireless network card and access bridge for internet connection or dial-up devices for internet applications.
Voice over IP (VoIP) Related Products	Provision of VoIP gateway that allowing user to make voice call over the internet by connecting to a regular phone, as well as using internet phone to connect directly to the internet to lower down the cost.
Multi-function Gateway	Integration of wireless network, broadband network and router technologies.
Digital Subscriber Line (DSL) Related Equipment	Inclusion of a series of DSL modem (xDSL modem, home gateway, etc.) allowing broadband fast internet service.
Optical Access Related Equipment	Inclusion of a series of Optical Network Unit (ONU) and Multi Dwelling Unit (MDU).
Mobile Broadband Network Related Equipment	Inclusion of a series of mobile network base station, Customer Premises Equipment (CPE) and IoT sensor device.
Smart Home Equipment	Integration of use of MPEG/H.264/H.265 compression technologies to combine various voice and video plus high definition IP camera to provide the need for smart home life, security surveillance, etc. on a multimedia image transmission device.
Radar Sensor	Detection of range, movement and speed and the applications of vehicle blind spot detection, parking assistance, collision warning, industrial sensing and monitoring assistance.

II. Manufacturing Processes



(III) The supply status of major materials

The global economy is affected by many uncertain factors such as inflation, US-China trade competition, and geopolitical tensions, which affect the supply of raw materials. As a result, the hidden danger of unstable supply of some key components may still exist. It is not only maintain the production capacity in Taiwan plant but also established a production base in Vietnam to reduce geopolitical risks. This is because that respond to the US tariff policy.

It is require suppliers in various countries to fully comply with all relevant local laws and regulations. The Company is also concerned about the supply chain's management of labor rights, environmental protection, safety and health risks. We also set basic supplier guidelines based on the RBA Code of Conduct (RBA), requiring our suppliers to comply

with relevant social responsibilities and integrity commitments.

The Company continues audit to suppliers annually and conduct new suppliers that requires each supplier to comply with labor rights, health and safety, environmental standards, ethics, management systems, and social impact standards. The Company evaluated suppliers' Quality, Cost, Delivery, Service and Technical capabilities, we also implement procurement management based on a green supply chain. We also incorporate hazardous substance control into the incoming material inspection process. For raw materials that violate the regulations on controlled substances, we require suppliers to immediately propose corrective and recurrence prevention measures.

The Company provides 6-12 month forecast demand and holds regular executive meetings with major chipmakers and components suppliers for long-term partners. It is necessary to hold corresponding strategy meetings or signs cooperation agreements. Therefore, it has the bargaining and management capabilities in component supply. In addition, we maintain the principle of having two suppliers for delivery of major components and establish a stable supply chain to ensure smooth mass production. The Company has developed its own supplier transaction platform (Supplier Portal), strictly abides by the personal information law and confidentiality agreement, continues to deepen the cooperative relationship with suppliers, and jointly creates a safe and smooth platform environment for supplier order management.

(IV) List of Any Suppliers and Clients Accounting for 10% or More of the Company's Total Procurement (Sales) Amount in either of the Two Most Recent Fiscal Years, the Amounts Bought from (Sold to) Each, the Percentage of Total Procurement (Sales) Accounted for by Each and an Explanation of the Reasons for Net Changes in the below Figures.

1. Major Suppliers Information for the Recent Two Years.

Unit: NTD thousands

Item	2024				2023			
	Name	Amount	% of Annual Net Purchases	Relationship with the Company	Name	Amount	% of Annual Net Purchases	Relationship with the Company
1	Vendor W	1,532,507	10%	-	Vendor W	3,139,430	16%	-
2	Others	13,510,009	90%	-	Others	16,847,255	84%	-
	Net Purchase	15,042,516	100%		Net Purchase	19,986,685	100%	

Reasons for net changes: There are no significant changes in the recent two years.

2. Major Clients Information for the Recent Two Years

Unit: NTD thousands

Item	2024				2023			
	Name	Amount	% of Annual Net Sales	Relationship with the Company	Name	Amount	% of Annual Net Sales	Relationship with the Company
1	Client 3	2,656,620	12%	-	Client 1	4,572,202	16%	-
2	Client 1	2,651,637	12%		Client 3	3,887,262	14%	
3	Client 7	2,377,460	11%	-	-	-	-	-
4	Others	13,757,908	64%	-	Others	19,812,727	70%	-
	Net sales	21,443,625	100%		Net sales	28,272,191	100%	

Reasons for net changes: There was no significant variation in the last two years.

III. Employee Information in the Recent Two Years up to the Publication Date of this Annual Report

Year		As of February 28, 2025	2024	2023
Total number of employees	Indirect Employees	1,481	1,483	1,340
	Direct Employees	1,477	1,495	1,433
	Total	2,958	2,978	2,773
Average Age		42.19	43.71	42.76
Average Years of Service		5.67	10.88	10.12
Distribution ratio of Education levels (%)	Ph.D.	0.24%	0.24%	0.29%
	Master's	14.67%	13.94%	14.93%
	Bachelor's	42.43%	54.84%	46.23%

Year		As of February 28, 2025	2024	2023
	High School	16.73%	20.05%	21.89%
	Below High School	25.93%	10.95%	16.66%

IV. Environmental Protection Expenditures

Losses (including indemnity) caused by environmental pollution and the total indemnity amount involved in the most recent year up to the date this report is published; accounts of future countermeasures (including improvement actions) and possible expenditures (including loss, disposition and an estimate of indemnity incurred by a failure to implement countermeasures; if a reasonable estimation cannot be made, the justification shall be provided):

1. Losses (including indemnity) caused by the environmental pollution in the most recent year up to the date this report is published:
Losses (including indemnity) caused by the environmental pollution in the most recent year up to the date this report is published, the Company is in compliance with the environmental protection acts. The Company and its subsidiaries were not fined for any other violations against the relevant regulations or requested of environmental improvement from environmental organization in the most recent year up to the publication date this report.
2. Future countermeasures thereof (including improvement actions) and possible expenditures: None.
The Company and its subsidiaries have always put emphasis on environmental protection works. Apart from internal pollution prevention and controls, the factory areas are being continuously improved according to the requirements of the environmental management system and all facilities are set up according to the relevant regulations to prevent environmental pollution losses.
3. For information on environmental protection expenditures of Hitron Technologies Inc. a subsidiary of the Company, please refer to 2024 annual report.

V. Labor Relationships

- (I) List of Employee Welfare, On-the-job Training, Internal Training, Retirement System and Implementation Status, as well as Employer-employee Agreements and Protection Measures for Employee Entitlements:

1. Employee Welfare, On-the-job Training, Internal Training

(1) Employee Welfare and Implementation

The Company takes care of the physical and mental health of employees and enables them to devote the work. Not only providing various welfare plans, but also has an employee welfare committee formed by colleagues, responsible for the planning and implementation of employee welfare services/measures. Examples are given here to illustrate as follows:

A. In the Company:

The Company, in accordance with the Labor Standards Law and related labor laws and regulations, handles labor insurance and national health insurance for employees and Labor Retirement Reserve Fund (The old and new Fund). The Company formulates employee retirement rules in accordance with the Labor Pension Act and clearly stipulates employee retirement applications requirements, pension payment standards and payment methods. In addition, in order to carry out risk planning in advance, enhance the Company's image, strengthen the normal operation of the enterprise and enhance the life security of employees and achieve labor-management harmony and create a win-win situation, the Company also provides comprehensive group insurance for colleagues. Overseas subsidiaries are in accordance with the local laws and regulations and they will take out social insurance from the first day of new employment and pay various local social security such as pension and medical care by monthly. The Company implements the leave management measures and sends notices of the remaining hours of paid leave and compensatory time for employees at the beginning of each month, reminding employees to plan their leave properly; overseas factories follow local laws and regulations to approve leave. And implement a flexible working hour system, so that all colleagues can adjust their commuting time according to their own conditions and provide employees with flexible commuting to get off work. Besides, every year, the Directorate-General of Personnel Administration of the Executive Yuan announces that the calendar needs to make up the day and the Company (Taiwan) will give it a bridge-holiday, let colleagues have a little happiness.

Hsinchu headquarter also has employee fitness and leisure centers, health care rooms, breast-collecting rooms for mothers and parking spaces for pregnant women to provide colleagues with better health and women's care.

In addition, on the last working day before long weekend, the Company (Taiwan) gives employees the definite happiness of leaving get off work two hours early, so that employees can commute home early. In response to changes in work behavior in the post-epidemic era, employees are required to apply to work from home (WFH) one day each month.

B. In the Employee Welfare Committee:

The Company has set up an employee welfare committee to coordinate various employee clubs, recreation, art and tourism and other activities. The Company also holds various lectures from time to time, covering popular topics such as health care, parent-child education and physical and mental stress relief. Provide employees with a work-life-friendly workplace environment and provide celebrations such as: annual gift, birthday gift, childbirth subsidy, wedding bonus, etc. and injuries Welfare service items such as condolences and funeral allowances.

Since 2023, we have further strengthened workplace-friendly measures, including afternoon tea for birthday colleagues, massage and free psychological consultation, etc.

(2) Employee training

The employees have always been a very important asset for the Company. Therefore, the Company spares no effort to educate employees, investing huge funds and efforts year by year and provide employees with the best learning opportunities, resources and development stages and complete planning based on the needs of employees at different stages Training system.

- New employee orientation: Provide complete induction training for each new employee. Including physical courses and online courses. The contents include common courses such as company profile, organizational status, value objectives, regulations and benefits, various internal system operations, environmental safety and health, etc.; as well as professional courses that are individually allocated according to different grades. Help employees quickly understand the company and integrate into the organizational culture.
- Management training: According to the management functions required by the managers at all levels, corresponding management courses are offered to strengthen the management capabilities of the managers at all levels.
- Core competency training: The Company believes that deeply rooting organizational beliefs and developing employees' values of integrity, positive and friendliness are the keys to driving long-term and stable development of enterprises. Therefore, the Company provides employees with energy for positive thinking and self-inspiration through various courses and lectures every year.
- Professional training: Plan and conduct various professional skills courses for personnel of different grades to promote the improvement of professional abilities of various grades and technical exchanges across units. At the same time, in conjunction with the lecturer training management system, lecturer training is launched to improve teaching quality and internal inheritance.
- General education training: The group's courses are training to bring consistent cognition and concepts to all colleagues. In order to achieve work-life balance, workplace life lectures mainly include intellectual topics such as parent-child, health, and spiritual growth.

The accumulated training hours reached 48,851 hours and the accumulated number of trainees reached 21,792 in 2024.

The Company encourages colleagues to share professional knowledge and pass on valuable experience, actively establishes and promotes the internal lecturer system.

Every year on the anniversary of Confucius's birthday in September, lecturer awards are held regularly to encourage more internal talents to carry on good inheritance.

The Company has established "Alpha's library" at headquarter. It buys new books every year and encourages employees to read and learn for self-enrichment. It also provides fixed rewards for colleagues to study foreign languages and obtain foreign language examination qualifications.

2. Retirement System

The Company follows retirement regulations and systems to protect employees' retirement rights and interests. The relevant instructions are as follows:

- (1) The Company has established employee retirement regulations.
- (2) In January 2004, the Labor Retirement Reserve Supervision Committee was established and after verification and inspection by the Science Industrial Park Administration, the pension began to be allocated in January 2004 and the monthly payment was 2% of the total monthly salary.
- (3) From July 2005, the new labor pension system was implemented according to Act.
- (4) In accordance with the provisions of the International Financial Reporting Standards (IFRS), commission an actuary to evaluate and calculate the labor retirement reserve and submit an actuarial evaluation report.
- (5) The Company's monthly retirement reserves in accordance with the Labor Standards Act are handed over to the Labor Retirement Reserve Supervision Committee for management and deposited into a special account in the Bank of Taiwan in the name of this committee. The cumulative amount of labor retirement reserves is NT\$161,279 thousand.
- (6) The pension funded in accordance with the Labor Pension Act shall be transferred to the individual account of the Bureau of Labor Insurance at the rate of 6% of the employee's monthly salary. The employees' pension fund was allocated NT\$58,865 thousand in 2024.

3. Agreements between Labor and Management and Various Employee Rights Protection Measures

The Company always pays attention to the welfare of employees and adopts communication and coordination methods between labor and management to deal with problems, so the labor-management relationship is quite harmonious. The Company has set up a Labor Safety and Health department to handle various safety and health tasks to actively prevent occupational disasters and ensure the safety and health of employees.

(II) List of due to Labor Disputes in the Most Recent Year up to the Publication Date of this Report (Including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations and the content of the dispositions) and disclose the estimated amount and countermeasures that may occur at present and in the future. If it cannot be reasonably estimated, it should explain the fact that it cannot be reasonably estimated:

- (a) The Company's losses due to labor disputes in the most recent year and up to the date of publication of the annual report: The Company had no losses due to violations of the Labor Standards Act. The Company continues to develop the corporate culture of "integrity", "unity", "excellence", and "innovation". Labor relations have always been harmonious,

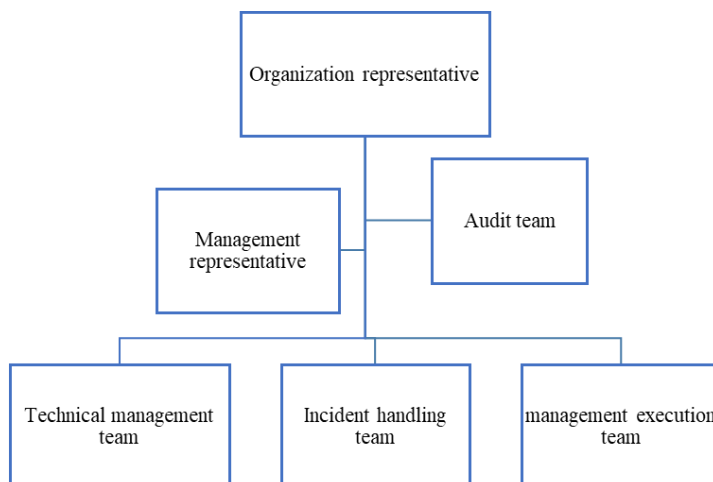
and work rules are handled in accordance with relevant laws and regulations in 2024.

- (b) Please refer to the 2024 annual report of the Company's subsidiary Hitron Technologies Inc. for the disclosure of labor disputes.

VI. Cyber Security Management

(I) Framework of cyber security risk management

The Company established a cyber-security organization in 2019, with the head of Information Technology Division as the management representative. It holds an information security management review meeting every year, which is responsible for evaluating various internal and external information security risks and promoting relevant information protection measures. Its functions are divided into cyber security management execution team, the technical management team, the incident response team and the cyber security audit team are each headed by a designated person to implement the cyber security management policy.



(II) Policies of information security risk management.

The Company protects the security of information assets of the Company, customers and partners. The Company is committed to building an information security environment. On December 14, 2019, it approved the ISO/IEC27001 information security management system and formulated relevant security policies and measures according to the management system. Ensure the implementation and improvement of information security through the internal audit mechanism to effectively maintain the confidentiality, integrity and availability of information assets.

(III) Specific management plan and resources invested in the security management

1. Information Security Control Procedures

Information security control program, external security set up firewall and other protection systems and scan the system with third-party external information security weaknesses to prevent external intrusion risks; internal control program operation, standardize information equipment use management, network communication management, account authorization management, computer equipment carry-out control procedures, physical printing control, remote connection management and other related operational processes ensure that each stage of information use can be strictly controlled and reduce various operational data leakage and information security risks.

The internal and external information systems fully use encrypted connection to ensure the security protection of information system connection and transmission and exchange. The transfer process is carried out using trajectory tracking and the use of personal data is specially audited to avoid improper use or theft of important information of the Company and customers.

Physical security through the environmental control system, real-time monitoring and warning of the environmental status of the information system, effectively maintaining the stable operation of the information room and building an enterprise cloud platform to centrally protect the information security of the Company's R&D, manufacturing and operation systems and provide a high-availability backup mechanism for the cloud system, to ensure that the relevant information systems continue to operate without interruption; in addition, for information systems and data preservation, refer to ISO22301 to establish an information system BCP (Business Continuity Planning), plan regular backup and disaster recovery drills for information systems and store backup data offsite to a third party Data Center, to ensure that the Company does not risk information damage due to man-made or force majeure natural disasters.

The Company complied with the "Intellectual Property Rights", the software asset audit system was introduced and the "software real-name system" management was carried out to cooperate with the continuous quarterly use audits to effectively implement the software authorization compliance principle; in terms of information security awareness enhancement, in addition to employee information security Study the course and promote information security and software license through internal information security bulletin, hoping to achieve the goal of enterprise information security and sustainable operation.

2. Strengthening of cyber security awareness

Continue to publicize cyber security policies and norms through the Company's internal website and convey cyber

security information and security incident reports; conduct professional education and training for cyber security organization personnel every year and organize general cyber security theme courses for colleagues and plan to implement internal employee social engineering practices to strengthen employees' awareness of daily cyber security vigilance.

3. Strengthening of cyber security execution

The Company has assessed that in recent years, the industry has suffered from external attacks and operational data encryption and other cyber security risks have increased. The Company strengthened the cyber security protection side, a budget has been prepared to increase active defense and monitoring of external attacks, and enhance the advanced protection functions of important operating systems; in addition, for the four major operations the system scans for weaknesses to improve risks. In terms of access security, it conducts an inventory of all cyber system management permissions to ensure decentralized management of access to each system, strengthens the password strength of privileged accounts, and forces remote management connections to enable multi-factor authentication to ensure Information system and operational data security protection enhancement.

- (IV) List the losses, possible impacts and countermeasures suffered due to major information security incidents in the most recent year and up to the date of publication of the annual report. If it cannot be reasonably estimated, it should explain the fact that it cannot be reasonably estimated: None.

VII. Material Contracts:

As of the date of publication of this Report, the material long-term loan agreements and technical cooperation agreements that are still ongoing or are about to expire in the most recent year, are as follows: None.

Note: Please refer to the 2024 annual report of the Company's subsidiary Hitron Technologies Inc. for the disclosure of material contracts.

Review and Analysis of Financial Position and Financial Performance and Risk Management

I. Financial Position:

Financial position analysis

Unit: NTD thousands

Item	Year	2024	2023	Difference	
				Amount	%
Current Assets		15,703,504	16,467,901	(764,397)	(4.64)
Property, Plant and Equipment		4,565,191	4,273,214	291,977	6.83
Intangible Assets		1,672,821	1,185,129	487,692	41.15
Other Assets		1,303,000	1,872,599	(569,599)	(30.42)
Total Assets		23,244,516	23,798,843	(554,327)	(2.33)
Current Liabilities		8,339,907	8,761,524	(421,617)	(4.81)
Non-current Liabilities		921,908	1,707,240	(785,332)	(46.00)
Total Liabilities		9,261,815	10,468,764	(1,206,949)	(11.53)
Paid-in Capital		5,417,185	5,417,185	0	0
Capital Surplus		2,614,277	2,595,804	18,473	0.71
Retained Earnings		1,971,439	2,267,715	(296,276)	(13.06)
Others Equity		(87,993)	(267,983)	179,990	(67.16)
Equity Attributable to Owners of the Parent Company		9,914,908	10,012,721	(97,813)	(0.98)
Non-controlling Interests		4,067,793	3,317,358	750,435	22.62
Total Equity		13,982,701	13,330,079	652,622	4.90

Explanation to net change exceeding 20%:

- (1) The increase in intangible assets: Mainly due to merger and acquisitions.
- (2) The decrease in other assets: Mainly due to decrease in deferred income tax assets and prepaid plant and equipment.
- (3) The decrease in non-current liabilities: Mainly due to decrease in bonds payable, long-term loans and deferred income tax liabilities.
- (4) The increase in others equity: Mainly due to increase in exchange rate differences in the translation of financial statements of foreign operating entities.
- (5) The increase in non-controlling interests: Mainly due to merger and acquisitions.

II. Financial Performance:

Financial performance analysis

Unit: NTD thousands

Item	Year	2024	2023	Increase (decrease) amount	Change in proportion (%)
Net Revenues		21,443,625	28,272,191	(6,828,566)	(24.15)
Cost of sales		17,514,226	23,061,018	(5,546,792)	(24.05)
Gross Profit		3,929,399	5,211,173	(1,281,774)	(24.60)
Operating Expenses		3,821,812	4,381,903	(560,091)	(12.78)
Profit (loss) from Operations		107,587	829,270	(721,683)	(87.03)
Non-operating Income and Expenses		407,369	(21,873)	429,242	(1,962.43)
Profit (loss) Income before Tax for the year		514,956	807,397	(292,441)	(36.22)
Income Tax Expense		172,957	167,530	5,427	3.24
Profit (loss) for the year		341,999	639,867	(297,868)	(46.55)
Other Comprehensive Income (After Tax)		273,987	(30,139)	304,126	(1,009.08)
Total Current Comprehensive Income (Loss)		615,986	609,728	6,258	1.03

Explanation to net change exceeding 20%:
(1) The decrease in net revenues: The clients adjusted inventory slowly to a decrease in revenue.
(2) The decrease in cost of sales and gross profit: The internal integration within the group appeared to cost-effective with production costs and expenses reduced simultaneously. Therefore, although the operating gross profit amount decreased, the gross profit margin remained the same as the previous year.
(3) The increase in non-operating income and expenses: Mainly due to gain from disposed of subsidiary and foreign currency exchange loss.
(4) The decrease in profit (loss) from operations, profit (loss) income before tax and profit (loss) for the year: Revenue has not reached economies of scale, and saving fixed cost could not get results immediately and decrease in net profit.
(5) The increase in other comprehensive income: Mainly due to increase in the exchange difference in the translation of financial statements of foreign operating institutions.

III. Cash Flow:

(I) Changes in consolidated cash flow

Unit: NTD thousands

Balance at Beginning of Period in 2024	Cash Inflows (Outflows) for the Year	Cash Ending Balance
3,200,675	756,604	3,957,279

(II) Analysis of changes in consolidated cash flow in 2024

Unit: NTD thousands

	2024	2023	Change amount	Change in %
Net cash flow from operating activities	1,287,132	2,702,352	(1,415,220)	(52.37)
Net cash flow from investing activities	(220,021)	(664,116)	444,095	(66.87)
Net cash flow from financing activities	(392,410)	(2,512,198)	2,119,788	(84.38)

Explanation:

1. Net inflow from operating activities: Mainly due to increase in operating profit.
2. Net outflow from investing activities: Mainly due to the disposal of subsidiaries and mergers and acquisitions and the acquisition of real estate, plants and equipment.
3. Net outflow from financing activities: Mainly due to the repayment of long-term loans and distribution of cash dividends.

(III) Improvement plan for insufficient liquidity: The Company showed no signs of liquidity deficit.

(IV) Liquidity analysis for the coming year: The Company, on the premise of maintaining stable cash liquidity, will carefully plan and manage cash expenditures related to investments and operations while taking, cash balances on accounts, cash flows from operating activities and investing activities and the status of financial markets into consideration.

IV. Material Expenditures in the Most Recent Year and Impact on the Company's Finances and Operations:

On the basis of the consolidated statement, the Company and its subsidiaries purchased real estate, plant and equipment of about NT\$610 million in 2024, accounting for 2.83% of the net sales, and had no significant impact on the Company's financial business.

V. Investment Policy for the Most Recent Fiscal Year, the Main Reasons for the Profits/Losses Generated thereby, the Improvement Plan and Investment Plans for the Coming Year:

(I) The Company's investment policies are abided by business development strategies and operational needs and search for an appropriate investment environment.

(II) Investment plans for the coming year: In the future, the Company will continue to meet business development and operational needs, search for investment targets to strengthen the competitiveness, keep the Company's continuous growth momentum and achieve the Company's vision.

VI. Risk Management:

The Company's risk management focuses on the risk management system of corporate governance and risk control transfer planning: strategic, financial and operational and crisis risks and apply risk management to optimize the total cost of risk.

I. Risk management vision:

1. The Company commits to provide products and services continuously to create long-term value for customers, shareholders, employees and society.
2. Risk management requires systematic organization and risk management operating procedures, timely and effective identification, assessment, processing, reporting and monitoring of major risks affecting the Company's viability and strengthening risk awareness of all employees.
3. Risk management is not the pursuit of "risk-free", but the pursuit of maximum benefit under the condition of acceptable risk to optimize the cost of risk management.

II. Risk management policy:

1. The Company ensure to the sustainable operation, the risk management committee shall identify, evaluate, process, report and monitor the risks that may negatively affect the Company's operational objectives on a regular basis every year.
2. Risks should be identified and controlled before an accident occurs, losses should be restrained when an accident occurs and the provision of products and services should be quickly recovered after an accident occurs. It also formulates business continuity plans for major risk scenarios identified by the Risk Management Committee.
3. For risk that do not exceed the risk tolerance, risk management costs shall be considered and different management tools shall be used to deal with them, except for the following situations:
 - The employees have negative impact on the life safety.
 - Violation of laws and regulations.
 - There has negative impact on the Company's reputation.

III. Risk Management Principles:

The Company's risk management principles include: integration, structure and comprehensiveness, customization, inclusiveness, dynamics, effective use of information, personnel and culture, and continuous improvement. Please refer to the Company for details on each principle. "Risk Management Policies and Procedures".

IV. Risk Management Procedures:

1. In accordance with the Company's risk management policy, a Risk Management Committee (RMC) is established. In principle, RMC meetings are held quarterly. In case of major situations, temporary meetings may be held.
2. According to the four major risk categories of strategy, finance, operation and harm, the risk radar chart is produced according to the steps of risk identification, risk analysis and risk assessment.
3. RMC committees formulate risk response strategies based on the major risks of each unit, and report and discuss at RMC meetings to monitor and review the effectiveness of risk management.
4. The risk management unit regularly collects the risk information provided by each unit, reports and provides it to the RMC committee after the compilation, so as to facilitate the dynamic response and adjustment of risk management.
5. Report the status of risk management operation and implementation to the Audit Committee and the Board of Directors every year.
6. Integrate the risk information provided by each unit, and through the dynamic management mechanism, timely predict, monitor, grasp and respond to changes in the Company's internal and external environments.

V. Operational Structure and Responsibilities of Each Unit

The Company's risk management operation includes the following units, and their responsibilities are as follows; the organization of the risk management committee includes the director and members (all the first-level unit managers of the Company are members). For its organizational structure, please refer to the Company's ESG website >Risk management.

	BOD	Audit Committee	RMC	RM Unit	Operating Unit
Authority	Approval of risk management vision, policies and procedures	Determining risk management policies and supervising implementation results	Launch the policies and resolutions of the Risk Management Committee	Planning, execution and review of risk management related affairs	-

	BOD	Audit Committee	RMC	RM Unit	Operating Unit
Responsibility	<p>a. To ensure that the operational strategy direction is consistent with the risk management policy,</p> <p>b. To ensure that an appropriate risk management mechanism and risk management culture have been established,</p> <p>c. To supervise and ensure the effective operation of the overall risk management mechanism,</p> <p>d. To allocate and assign sufficient and appropriate resources to enable risk management to operate effectively.</p>	<p>a. Review the risk management vision, policies and procedures, and regularly review their applicability and execution effectiveness,</p> <p>b. Approve risk appetite (risk tolerance) and guide resource allocation,</p> <p>c. To ensure that the risk management mechanism can adequately deal with the risks faced by the Company,</p> <p>d. Review the implementation of risk management, put forward necessary suggestions for improvement, and regularly report to the board of directors,</p> <p>e. Execute the risk management decisions of the board of directors.</p>	<p>a. Develop risk appetite (risk tolerance), and establish qualitative and quantitative measurement standards,</p> <p>b. Analyze and identify sources and categories of corporate risks, and regularly review their applicability,</p> <p>c. To ensure that the risk management mechanism can be integrated into the daily operation process.</p>	<p>a. Formulate risk appetite (risk tolerance), and establish qualitative and quantitative measurement standards,</p> <p>b. Analyze and identify sources and categories of corporate risks, and regularly review their applicability,</p> <p>c. Regularly report and submit reports on the implementation of risk management;</p> <p>d. Assist and supervise the implementation of risk management activities of various departments;</p> <p>e. Assist in cross-departmental interaction and communication in risk management operations;</p> <p>f. Execute the risk management decisions of the Risk Management Committee</p> <p>g. Plan risk management-related training to enhance the company's overall risk awareness and risk management culture.</p>	<p>a. All company executives and employees are obliged to do a good job in risk management for their respective scope of work,</p> <p>b. Responsible for the risk identification, analysis, evaluation and response of the affiliated units, and establish relevant crisis management mechanisms when necessary,</p> <p>c. Regularly submit risk management information to risk management promotion and execution units,</p> <p>d. Ensure the effective implementation of risk management and related control procedures of affiliated units to comply with risk management policies.</p>

VII. Matters for Analysis and Assessment for Risks:

(I) The impact of changes in interest rates and exchange rates and inflation on the Company's operating results and response measures to be taken in the future:

1. The bank loans of the Company and its subsidiaries are based on floating interest rates. The measures taken by the Company and its subsidiaries to respond to the risk of interest rate changes are to regularly evaluate the interest rates of banks and various currencies, and to maintain good relationships with financial institutions to obtain lower financing costs. Reduce the dependence on bank loans and disperse the risk of interest rate changes. The sensitivity analysis below is based on interest rate exposure. For floating rate liabilities, the method of analysis is to assume that the amount of liabilities outstanding at the reporting date is outstanding throughout the year.

If the interest rate increases or decreases by 0.25%, and all other variables remain unchanged, the company's pre-tax net profit (loss) in 2024 and 2023 will increase or decrease by NT\$1,234 and 1,375 in thousands respectively. The Company's cash and cash equivalents, financial assets measured at amortized cost – current and non-current, short-term and long-term borrowings variable interest rates.

2. The impact of the latest annual exchange rate changes on the Company's profit and loss and future countermeasures:
 The risk hedging strategy of the Company and its subsidiaries is to sign forward foreign exchange contracts and exchange rate exchange contracts to manage the exchange rate risk of net foreign currency positions generated by sales and purchase transactions that have occurred. The use of such derivative financial instruments can help the company and its subsidiaries reduce but still cannot completely eliminate the impact of foreign currency exchange rate changes.
 The derivative financial instruments undertaken by the Company and its subsidiaries all have a maturity date shorter than seven months and do not meet the conditions for hedging accounting.
 The exchange rate risk of the Company and its subsidiaries mainly comes from foreign currency-denominated cash and cash equivalents, accounts receivable and other receivables, short-term loans, accounts payable and other payables, etc., which generate foreign currency exchange gains and losses during translation. If the TWD depreciates or appreciates by 1% against the USD and CNY on December 31, 2024 and 2023, and all other factors remain unchanged, the pre-tax net profit for 2024 and 2023 will increase or decrease by NT\$14,509 in thousand and NT\$4,974 in thousand respectively. The analysis method was the same between 2024 and 2023.
 3. The impact of inflation on the Company's profit and loss and future response measures:
 Prices have risen steadily in recent years. The Company and its subsidiaries will continue to pay close attention to inflation, and adjust product prices and inventory levels appropriately to reduce the impact of inflation on the Company and its subsidiaries. Signed contracts with major raw material manufacturers purchase contract.
- (II) The Company's policy regarding in the high-risk, high-leveraged investments, loans to other parties, guarantee/endorsement and derivative transactions, the reasons of the profits or losses resulted from aforementioned arrangement and response measure to be taken in the future.
- The Company and its subsidiaries have always adhered to the policy of not engaging in high-risk and high-leverage investments. Derivatives trading takes risk avoidance as a strategy and does not engage in speculative trading. Under the principle of risk avoidance, the Company and its subsidiaries derivative commodity transactions have no relevant operational risks in 2024. In the future, the Company will continue to engage in derivatives transactions on the principle of avoiding risks caused by exchange rate and interest rate fluctuations, and will continue to regularly assess foreign exchange positions and risks to reduce the company's operational risks.
- The Company and its subsidiaries engage in forward exchange contracts and SWAP contract transactions, mainly to avoid the risks of foreign currency-denominated assets or liabilities due to exchange rate fluctuations, and to create derivatives that are highly negatively related to changes in the fair value of the hedged items. Financial products are used as hedging tools and are regularly evaluated. However, it does not meet the conditions for hedge accounting treatment, so it is listed as a financial asset or liability measured at fair value through profit or loss.
- When the Company and its subsidiaries engage in capital lending to others, endorsement guarantees, and derivative commodity transactions, in addition to abiding by relevant operating procedures, they also regularly handle announcements and declarations in accordance with the regulations of the competent authority. As of the publication date of the annual report, the objects of capital loans and endorsement guarantees of the Company and its subsidiaries are limited to the subsidiaries of the Company.
- (III) R&D expenses for future R&D projects and investment amount:
1. Future R&D Plans:
 - A. LAN/MAN Products
 The company continues to focus on technological innovation and market positioning for switch products, targeting three major markets: Telecom-Grade Switches, Data Center Switches, and Enterprise-Grade Switches. The key research and development focuses includes:
 Telecom-Grade Switches:
 - (a) Ongoing research on Sync-E and IEEE 1588v2 switch technology to ensure high-precision time synchronization
 - (b) Strengthening Secure Boot technology and hardware root of trust (HWRoT) applications to enhance product security and support multi-platform deployment.
 - (c) Ongoing research on the design of Open LAN switches to enhance compatibility with international cloud controllers. Through in-depth cooperation with ecosystem partners, we will build a complete open network solution to achieve stronger operability and application scalability, and expand market penetration.
 - (d) Continuous research and development of communication protocols for core switches in the telecom market.
 Data center switches and AI data center switches:
 - (a) Enhancing the technical application and integration of the SONiC network operating system to achieve more efficient network operation and management, providing customers with flexible software and hardware solutions.
 - (b) Deepening the application of SONiC in AI data center switches, integrating intelligent computing and network operations to meet the needs of future smart data centers.
 - (c) Developing high-bandwidth, high-density products, researching high-speed switch technologies such as 1.6T and 800G to support AI computing and large-scale data center applications.
 - (d) Strengthening high-speed signal development integration and thermal design to further optimize

performance while reducing power consumption.

- (e) Enhancing the customization and intelligence of baseboard management controllers (BMC) to improve product management efficiency.
- (f) Focusing on technology development to support AI applications, advancing intelligent and high-performance switch solutions.

Enterprise switches:

- (a) Developing more intelligent PoE switch technology to further expand the enterprise application market.
- (b) Continuously customizing functions and communication protocols according to customer needs to meet the demands of different markets and fields.
- (c) It is expected to launch a variety of high-performance switch products, including full 10G port PoE switches and 10G port + 40G port stackable switches supporting 90W PoE, supporting mixed application scenarios of copper ports and fiber ports, to meet the needs of modern enterprises for high-performance and multi-functional devices.

B. Wireless Broadband Products

- (a) The Company will continue to go for new projects from North American customers and expand the application of Wi-Fi 7 in the emerging market of India, including Wi-Fi 7 HGW/Wi-Fi 7 EAP/Wi-Fi7 xPON HGW.
- (b) Develop new 25G/50G xPON ONT products.
- (c) Improve the Wi-Fi 7 EAP and Wi-Fi 7 router/extender product platforms.
- (d) Develop hostless 5G FWA platforms to gain price advantages aggressively.
- (e) Invested in the development of CPE based on the Snapdragon X72 5G data chip.
- (f) Invest in the development of high-power massive MIMO RU.
- (g) Invest in the development of high-end EMTA routers supporting DOCSIS 4.0 and Wi-Fi 7.

C. Digital Multimedia and Automotive Products

- (a) Enter into the development of professional network surveillance systems for enterprises and related products such as access control and alarm systems.
- (b) Develop Wi-Fi HaLow, a wireless network technology with low power consumption and long-distance transmission advantages to expand the application scope of IoT products.
- (c) Active focusing system research: When focusing, the resolution of the image periphery of a high-pixel system is easily affected by the lens optical axis deviation, which causes the resolution to drop. An active focusing system must be used to improve this phenomenon.
- (d) Zoom system research: Develop control and autofocus algorithms for zoom lenses commonly used in professional surveillance systems; and establish an environment and capabilities to verify and test zoom lenses.
- (e) Combine with 60Gz radar module and a camera multi-detection sensor.
- (f) Invest in the development of a radar surround system.
- (g) Invest in the development of 77GHz MIMO 4D imaging radar.

2. Expected R&D expenses: R&D expenses are estimated at 5-10% of revenues in 2025.

(IV) The impact of important policies and legal regulations changes at domestic and abroad on the Company's financial status and the countermeasures:

1. Policies: The relevant units of the Company have always paid close attention to and mastered the policies and laws that may affect the Company's operations and cooperated with the adjustment of the Company's internal systems to ensure the smooth operation of the Company. The Company has not been affected by the changes of important domestic and international policies that affect the Company's finances and business in 2024.
2. Legal regulations:
 - A. The Company's business philosophy is to follow the relevant laws and regulations as the highest guiding principle; therefore, the Company's management team pays attention to the replacement of relevant laws and regulations at any time and expects to respond to various situations arising from the replacement of laws and regulations at any time.
 - B. The Company has not been affected by the changes of legal regulations that affect the Company's finances and business in 2024.

(V) The impact of technological (including cyber security risk) and industrial changes on the Company's financial business and the countermeasures:

Despite technological updates continuously, the Company adheres to the focus and enthusiasm for R&D. It places great emphasis on the quality of R&D personnel and recruits software and hardware development and design talents that master switches, wireless networks, mobile broadband, digital multimedia networks, and millimeter wave radars with different core technology development capabilities. We can design suitable and user-friendly products according to the regulations and specifications of different countries and adapt to the ever-changing market to provide the most needs.

The Company established an information security organization in 2019. The head of Information Technology Division serves as the management representative. It holds an information security management review meeting every year. It is responsible for evaluating various internal and external information security risks and promoting relevant information protection measures. Its functions are divided into information security management execution team, the technical management team, the incident response team and the information security audit team are each

headed by a designated person to implement the information security management policy.

(VI) The impact of corporate image changes on corporate crisis management and the countermeasures:

1. The Company has maintained good corporate image since it was incorporated in 2003. It remains persistent in its pursuit for technological advancement, invests pro-actively into the development of new products and technologies and continues to provide customized hardware/software solutions for renowned international business partners. Owing to its extensive efforts in managing corporate image and risks, the Company encountered no change of corporate image in recent years that presented potential crisis to business management.
2. Alpha continues to strengthen corporate governance, set up independent directors in the board of directors and set up functional committees such as the salary and remuneration committee and the audit committee to improve the Company's directors and managers and other performance goals and salary and remuneration structure and effectively implement internal control and risk control, etc. matters in response to various potential corporate crises. In addition, for the sake of transparency and symmetry of external information, Alpha discloses all material information related to laws and regulations in real time to provide stakeholders with real-time information.
3. The Company conducts a questionnaire survey on important interested parties every year to understand the interested parties' expectations and concerns, as an important reference for the Company's sustainable operation strategy. And it is included in the annual corporate social responsibility report (sustainability report) to respond and explain the current operation status, and set up an ESG area on the Company's website to actively disclose various information about the company's sustainable development of the company. There is also a special page for "Interested parties" in the ESG area. Provide external communication channels for interested parties to respond appropriately and immediately to issues of concern. Moreover, the Company set up an (online) stakeholder questionnaire. Interested parties can express their concerns online Focus on issues, the above practices are sufficient to ensure information transparency and effective communication.
4. The Company conducts regular inspections on matters such as the external environment, the Company's operation type and management system; and for any sudden accident that may affect the reputation of the Company, it will understand the situation and simulate its possible impact and propose countermeasures. The uncertainty risk of the enterprise is minimized. The Company has set up a risk management committee and a risk management unit to be responsible for operational-related risks and impact analysis, conduct regular (quarterly) and irregular risk identification, produce risk radar charts, and aggregate the identified risks into major corporate-level risks, and put forward countermeasures and related contingency plans to reduce enterprise risks.
5. Climate change, energy saving and carbon reduction are emerging issues that attract public attention. In order to avoid falling behind in this area and affecting the Company's reputation, the company is not only committed to climate change related issues, energy saving and carbon reduction measures, but also Carry out the financial impact assessment of related risks, because the backwardness will affect the reputation of the Company, and the risks of financial impact are all within the controllable range.

The Company participated in the TSAA Taiwan Sustainability Action Award with its "Modular Packaging Material Project" in March 2023. The idea that modular packaging materials can help reduce plastic materials and reduce waste won the "Enterprise Group SDG12" award. -Silver Award"; the Company participated in the TCSA Taiwan Enterprise Sustainability Award Selection in August and won the "Sustainability Comprehensive Performance-Taiwan Top 100 Model Enterprise Award" and the "Sustainability Reporting Award-Electronic Information Manufacturing (Category 1) Gold Award". It will further highlight the Company's efforts and achievements in sustainable development and maintain a good image of a sustainable enterprise. In addition, we can fully and properly respond to various issues raised by customers, suppliers and other stakeholders, so that the negative impact of relevant climate change issues on the company's reputation can be reduced to a controllable level.

Risks		Issues	Issues Description	Financial Impact	Risk Level
Transition /Physical Risks	Type				
Transition risks	Reputation	Customer request	Product energy-saving and carbon-reduction technology lags behind competitors, which affects the company's reputation and reduces customers' willingness to cooperate, which in turn impacts orders and revenue.	Reduced revenue	Medium
Transition risks	Reputation	financing cost	Due to carbon reduction efficiency underperform, financial ratings are affected and financing costs increase.	Increased expenses	Low
Transition risks	Reputation	Recruit or employ	Due to the influence of carbon reduction efficiency on the reputation, the recruitment cost will increase, or even the salary will be increased to have the willingness to join the job.	Increased expenses	Low
Transition risks	Reputation	Downtime risk	Due to carbon reduction efficiency underperform, the reputation is seriously affected, resulting in	Reduced revenue	Low

			serious loss of personnel and affecting the production line.		
Transition risks	Reputation	Public relations expenditure	Due to carbon reduction efficiency underperform, reputation is affected, resulting in increased public relations costs.	Reduced revenue	Low

(VII) Expected benefits and possible risks of M&A and the related countermeasures:

The Company currently has no ongoing merger or acquisition.

(VIII) Expected benefits and possible risks of the expansion of factory and the related countermeasures:

The capital expenditure for plant expansion will be mainly to support the plant construction and equipment procurement of the Vietnam plant. In coordinate with customer needs and changes in the international situation, the Company will join forces with strategic partners to build a production base in Vietnam.

Expansion of the plant can enable the Company to increase production capacity to undertake more customer orders, thereby increasing revenue and profit and having the opportunity to expand market share. After the production capacity reaches an economical scale, it can also significantly reduce production costs. When the economic downturn and the market demand decrease, the depreciation of plant and equipment still needs to be accrued due to idle production capacity. This kind of risk will become one of the burdens of the Company.

The expansion of the Company's production capacity shall be executed under meticulous capital expenditure planning, and strives to meet customer needs while optimizing the use of capital, and does not engage in blind capital competition for the healthy development of the industry.

Relevant plant expansion and major capital expenditures shall be evaluated under a prudent evaluation process.

After considering the investment benefits and possible risks, the Company will submit the proposals to the board of directors for resolution.

(IX) Risks of the concentration of procurement and sales and countermeasures:

The Company's domestic and foreign main raw material suppliers and customers are quite dispersed and have established long-term and stable cooperative relations, there is no problem and risk of excessive concentration of purchases and sales. The Company also evaluates the financial attributes of different customers, controls according to different transaction modes, such as through insurance companies, bank letters of credit and collateral, etc. and timely tracks the payment status of customers to safeguard the Company's interests.

(X) Risk of substantial transfer or replacement of shares by directors, supervisors, or shareholders holding more than 10% of shares of the Company and countermeasures:

The Company has no substantial transfer or replacement of shareholdings and as of the publication date of this Annual Report.

(XI) Impact and risks of changes in management on the Company and the related countermeasures:

The BOD and management team of the Company has not major changed and as of the publication date of this Annual Report. Therefore not applicable.

(XII) Litigation or non-litigation events, the Company and its directors, supervisors, general manager, actual person in charge, major shareholders with a shareholding ratio of more than 10% and affiliated companies have been judged or are still in the process of major litigation, non-litigation or administrative disputes, the results of which may have a significant impact on shareholders' rights or securities prices, the facts of the dispute, the amount of the subject matter, the date of commencement of the litigation, the main parties involved in the litigation, and the handling of the case up to the date of publication of the annual report shall be disclosed.

1. Litigation, non-litigation or administrative disputes that have been decided or are currently pending in the company in the past two years and as of the date of publication of the annual report, the results of which may have a significant impact on shareholders' equity or securities prices: None.
2. Disclosure of disputed contents, amounts of the subject matters, commencement dates of the proceedings, parties involved in the proceedings of litigation or non-litigation events, major closed or ongoing lawsuits and litigation or non-litigation events involved with the Company and its directors, supervisors, president, substantive persons-in charge, major shareholders holding more than 10% of total shares and affiliates/subsidiaries with results of which may have a material impact on the shareholders' equity or the price of the marketable securities: None.

(XIII) Other major risks and the countermeasures: None.

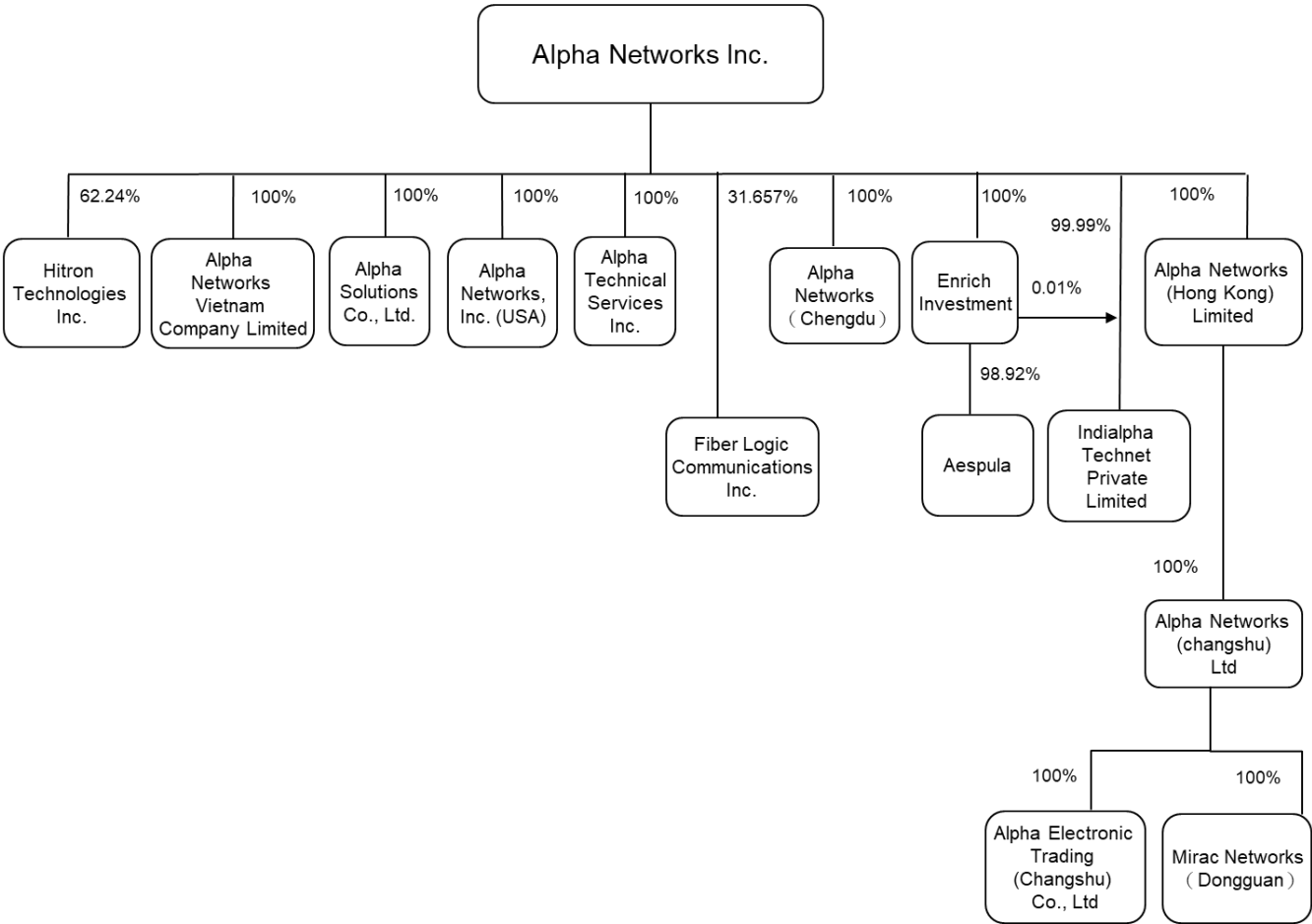
VIII. Other Material Matters: None.

Special Notes

I. Information about the Company’s Affiliates:

- (1) Consolidated Business Report
 - 1. Organization Chart of the Company’s Affiliates.

December 31, 2024



Note: Please refer to 2024 Hitron Technologies Inc. annual report for organization chart of the company’s affiliates.

2. Basic Information of the Company's Affiliates.

December 31, 2024; Unit: thousands

Company	Abbreviation	Date of Incorporation	Address	Currency	Paid-in Capital	Business Activates
D-Link Asia Investment Pte, Ltd. (Note 1)	D-Link Asia	11/15/1995	30 Cecil Street #19-08Prudential Tower Singapore 049712	SGD	0	Investment in manufacturing businesses
Alpha Solutions Co., Ltd.	Alpha Solutions	07/01/1997	10F, 8-8-15 Nishigotanda, Shinagawa-Ku, TOKYO 141-0031, Japan	JPY	40,000	Sale of network equipment, components and technical service
Alpha Networks (Dongguan) Co., Ltd. (Note 1)	Alpha Networks (Dongguan)	11/03/1997	Xingang Road, Xin'an Area, ChangAn, Dongguan City Guangdong Province, China	HKD	0	Production and sale of network products
Alpha Networks, Inc.(USA)	Alpha USA	07/12/2004	7 Cushing , Irvine , CA 92618, USA	USD	1,500	Sale, marketing and procurement service in USA
Alpha Networks (ChengDu) Co., Ltd.	Alpha Networks (ChengDu)	11/11/2004	Building D15, No.168, Guangfu Road, Industrial Centralization Development Zone, Chengfei Highway, QingYang Dist., Chengdu, China.	USD	13,000	Research and development of network products
Mirac Networks (Dongguan) Co.,Ltd.	Mirac Networks (Dongguan)	02/28/2006	R330, No. 1742 Taian Road, Chang An Township, DongGuan City Guangdong Province, China	RMB	4,000	Production and sale of network products
Alpha Networks (Hong Kong) Limited	Alpha HK	06/03/2008	23/F, Tower 2, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong.	USD	65,397	Investment holding
Alpha Technical Services Inc.	ATS	01/20/2009	7 Cushing , Irvine , CA 92618, USA	USD	8,100	Technical services
Alpha Networks (Changshu) Ltd.	Alpha Networks (Changshu)	02/19/2009	No.6, Yintong Road, National New & Hi-Tech Industrial Development Zone, Changshu, Jiangsu Province, China	USD	62,000	Research, production and sale of network products
Enrich Investment Corporation	Enrich Investment	10/11/2018	7F., No.68, Ruiguang Rd., Neihu Dist., Taipei City, Taiwan	TWD	400,000	Investment holding
Hitron Technologies Inc.	Hitron	03/24/1986	No.1-8, Li-shing RD. I, Science-based Industrial Park, Hsinchu, Taiwan	TWD	3,213,172	Communications and telecom products

Company	Abbreviation	Date of Incorporation	Address	Currency	Paid-in Capital	Business Activates
Aespula Technology Inc.	Aespula	01/26/2021	4 F.-2, No. 76, Sec. 2, Jiafeng S. Rd., Zhubei City, Hsinchu County, Taiwan	TWD	80,000	Manufacture and sale of communications and telecom products and provision of information software services
Alpha Networks Vietnam Co., Ltd.	Alpha VN	02/23/2022	Lot CN03, Dong Van IV Industrial Park, Dai Cuong Commune, Kim Bang District, Ha Nam Province, Vietnam.	USD	41,000	Production and sales of networks products
Alpha Electronic Trading (Changshu) Co., Ltd.	Changshu Trading	03/21/2023	No.6, Yintong Road, National New & Hi-Tech Industrial Development Zone, Changshu, Jiangsu Province, China	RMB	4,000	Production and sales of networks products
INDIALPHA TECHNET PRIVATE LIMITED	INDIALPHA	07/02/2024	Symphony IT Park, 5th Floor, Plot No.1, Chandivali, Mumbai-400072, Maharashtra, India	INR	26,000	Sales of networking products
Fiber Logic Communications, Inc. (Note 2)	Fiber Logic	05/14/1999	5F.-3, No. 9, Zhanye 1st Rd., East Dist., Hsinchu City, Taiwan	TWD	225,115	Broadband equipment and services

Note1: The Company has signed an equity transfer agreement on December 28, 2023, to sell 100% of the equity of its subsidiary D-Link Asia and Mirac Networks (Dongguan). The transaction was completed in the second quarter of 2024.

Note2: The Company invested in Fiber Logic on November 14, 2024, and included Fiber Logic into the consolidated financial statements in December 2024.

Note3: Please refer to 2024 Hitron Technologies Inc. annual report for basic information of the company's affiliates.

3. Presumed to be the Same Shareholder for Those with Relations of Control and Affiliation: None.

4. Overall Business covered by the Affiliates and the interaction and division of labor:

The main business items of the Company and its affiliates are R&D, development, design, manufacturing and sales of broadband products, wireless network products and computer network system equipment and components.

5. Directors, Supervisors and Presidents of the Company's Affiliates

December 31, 2024; Unit: thousand shares

Company	Title	Name	Shareholding (Note 1)	
			Shares	%
D-Link Asia Investment Ptd. Ltd. (Note: 2)	Director	—	—	—
Alpha Solutions Co., Ltd.	Director	Representative of Alpha Networks Inc.: Wen-Fang Huang	—	100%
		Representative of Alpha Networks Inc.: Ming-Lin, Chien		
		Representative of Alpha Networks Inc.: Shao-Ling, Chen		
	Supervisor	Representative of Alpha Networks Inc.: Zheng-Han, Huang		
Alpha Networks (Dongguan) Co., Ltd. (Note 2)	Director	—	—	—
Alpha Networks Inc.(USA)	Director	Representative of Alpha Networks Inc.: Wen-Fang Huang	—	100%
Alpha Networks (ChengDu) Co., Ltd.	Director	Representative of Alpha Networks Inc.: Ming-Lin, Chien	—	100%
	Supervisor	Representative of Alpha Networks Inc.: Jing-Yao Peng		
Mirac Networks (Dongguan) Co., Ltd.	Director	Representative of Alpha Networks (Dongguan) Co., Ltd.: Ying-Zhe, Huang	—	100%
		Representative of Alpha Networks (Changshu) Ltd.: Shu-Chuan, Li		
		Representative of Alpha Networks (Changshu) Ltd.:Jing-Yao Peng		
	Supervisor	Representative of Alpha Networks (Changshu) Ltd.: Shao-Ling, Chen		
Alpha Networks(Hong Kong) Limited	Director	Representative of Alpha Networks Inc.: Wen-Fang Huang	—	100%
Alpha Technical Services Inc.	Director	Representative of Alpha Networks Inc.: Wen-Fang Huang	—	100%
Alpha Networks (Changshu) Ltd.	Director	Representative of Alpha Networks(Hong Kong) Limited: Cai-Fen, Chen	—	100%
		Representative of Alpha Networks(Hong Kong) Limited: Zheng-Han, Huang		
		Representative of Alpha Networks(Hong Kong) Limited: Ming-Lin, Chien		
	Supervisor	Representative of Alpha Networks(Hong Kong) Limited: Shao-Ling, Chen		
Enrich Investment Corporation	Director	Representative of Alpha Networks Inc.: Cai-Fen, Chen	40,000	100%
		Representative of Alpha Networks Inc.: Wen-Fang Huang		
		Representative of Alpha Networks Inc.: Zheng-Han, Huang		
	Supervisor	Representative of Alpha Networks Inc.: Shao-Ling, Chen		
Aespula Technology Inc.	Director	Representative of Enrich Investment Corporation: Wen-Fang Huang	8,000	98.82%
		Representative of Enrich Investment Corporation: Zheng-Han, Huang		
		Representative of Enrich Investment Corporation: Ming-Lin, Chien		
		Representative of Enrich Investment Corporation: Wen-Rui, Tsai		
		Yuan-De, Liao		
	Supervisors	Representative of Enrich Investment Corporation: Shao-Ling, Chen		
Alpha Networks Vietnam Co., Ltd.	Director	Representative of Alpha Networks Inc.: Ming-Lin, Chien	—	100%
		Representative of Alpha Networks Inc.: Ying-Zhe, Huang		
		Representative of Alpha Networks Inc.: Shi-Xian, Chen		
		Representative of Alpha Networks Inc.: Zheng-Han, Huang		
	Supervisors	Representative of Alpha Networks Inc.: Shao-Ling, Chen		
Alpha Electronic Trading (Changshu) Co., Ltd.	Director	Representative of Alpha Networks (Changshu) Ltd.: Ming-Lin, Chien	—	100%
		Representative of Alpha Networks (Changshu) Ltd.: Zheng-Han, Huang		
		Representative of Alpha Networks (Changshu) Ltd.: Cai-Fen, Chen		

Company	Title	Name	Shareholding (Note 1)	
			Shares	%
	Supervisors	Representative of Alpha Networks (Changshu) Ltd.: Shao-Ling, Chen		
Hitron Technologies Inc.	Director	Representative of Alpha Networks Inc.: Wen-Fang, Huang	200,000	62.24%
		Representative of Alpha Networks Inc.: Chi-Hong, Chen		
		Representative of Alpha Networks Inc.: Yang-Chin, Chou		
		Representative of Alpha Networks Inc.: Pei-Shun, Chiu		
		Mei-Lan, Liu		
	Independent Director	Le-Min, Chen		
		Mao-Chao, Lin		
		Da-Wei, Li		
	President	Yang-Chin, Chou		
INDIALPHA TECHNET PRIVATE LIMITED	Director	Representative of Alpha Networks Inc.: Ming-Lin, Chien	2,600	100%
		Representative of Alpha Networks Inc.: Wen-Rui, Tsai		
		Shaik Mohideen		
Fiber Logic Communications, Inc. (Note 3)	Director	Representative of Alpha Networks Inc.: Yi-De, Li	7,127	31.66%
		Representative of Alpha Networks Inc.: Lian-Song, Weng		
		Representative of Interactive Digital Technologies Inc.: Mei-Lan, Liu		
		Representative of Li-Quan Investment Co., Ltd.: Pei-Yu, Wang		
		Kung-Chi, Hsieh		
	Supervisor	Shao-Ling, Chen		
		Wen-Qing, Wu		

Note 1: Consolidated number of shares held by the Company and shareholding ratio.

Note 2: The Company has signed an equity transfer agreement on December 28, 2023, to sell 100% of the equity of its subsidiary D-Link Asia and Mirac Networks (Dongguan). The transaction was completed in the second quarter of 2024.

Note 3: The Company invested in Fiber Logic on November 14, 2024, and included Fiber Logic into the consolidated financial statements in December 2024.

Note 4: Please refer to 2024 Hitron Technologies Inc. annual report for information about directors, supervisors and general managers of affiliated companies.

6. Overview of Affiliates' Operations

December 31, 2024; NT\$ thousands

Company	Paid-in Capital	Total Assets	Total Liabilities	Net Worth	Net Revenues	Operating Income (Loss)	Net Income (Loss)	Earnings Per Share
D-Link Asia Investment Pte, Ltd. (Note 1)	—	—	—	—	—	(5,045)	(82)	—
Alpha Solutions Co., Ltd.	11,107	20,827	4,114	16,713	13,122	683	(345)	(431.25)
Alpha Networks (Dongguan) Co., Ltd. (Note 1)	—	—	—	—	—	(10,334)	(1,071)	—
Alpha Networks, Inc.(USA)	51,609	1,109,052	914,615	194,437	4,785,928	5,422	10,513	7.01
Alpha Networks (Chengdu) Co., Ltd.	420,426	551,723	55,433	496,289	256,831	12,043	16,405	—
Mirac Networks (Dongguan) Co.,Ltd	17,795	45,331	12,606	32,725	29,609	1,760	4,138	—
Alpha Networks(Hong Kong) Limited	2,033,915	3,747,466	2,459,563	1,287,903	13,215,203	(186)	40,177	0.08
Alpha Technical Services Inc.	260,497	216,273	7,141	209,133	56,653	2,959	4,601	0.57
Alpha Networks (Changshu) Ltd.	1,925,920	2,130,418	878,610	1,251,808	4,851,702	8,817	32,493	—
Enrich Investment Corporation	400,000	284,902	6,607	278,295	—	(55)	(4,659)	(0.12)
Alpha Networks Vietnam Co., Ltd.	1,227,928	4,534,960	3,656,334	878,626	5,094,462	(85,791)	(141,277)	—
Alpha Electronic Trading (Changshu) Co., Ltd.	17,378	66,013	55,600	10,412	348,939	2,792	5,990	—
Hitron Technologies Inc.	3,213,172	8,223,034	3,263,081	4,959,953	5,942,928	(6,229)	(52,139)	(0.16)
Aespula Technology Inc.	80,000	44,213	9,467	34,746	8,118	(16,806)	(16,106)	(2.01)
INDIALPHA TECHNET PRIVATE LIMITED	10,358	4,763	569	4,194	—	(5,783)	(5,783)	—
Fiber Logic Communications, Inc.(Note 2)	225,115	664,740	137,614	527,126	469,299 (Note 3)	97,706 (Note 3)	79,846 (Note 3)	3.55

Note 1: The Company has signed an equity transfer agreement on December 28, 2023, to sell 100% of the equity of its subsidiary D-Link Asia and Mirac Networks (Dongguan). The transaction was completed in the second quarter of 2024.

Note 2: The Company invested in Fiber Logic on November 14, 2024, and included Fiber Logic into the consolidated financial statements in December 2024.

Note 3: P&L figures are for 2024 annual.

Note 4: Please refer to 2024 Hitron Technologies Inc. annual report for overview of the operations of the affiliated companies.

- (2) Consolidated Financial Statements of Affiliated Enterprises: It is could not be compiled.
- (3) The main contents of the three Affiliation Reports are available on Market Observation Post System. The website address is [<https://mops.twse.com.tw>], please enter the company stock code 3380 and year of inquiry.

II. Privately placed securities handling status in the most recent year up to the publication date of this Annual Report: None.

III. Other items that must be included: None.

IV. Any event that results in substantial impact on the shareholders' equity or prices of the Company's securities as prescribed by Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act that have occurred in the most recent year up to the publication date of this Annual Report: None.

The background of the entire page is a dynamic, abstract graphic. It features several concentric, glowing rings or light trails that curve from the bottom left towards the right side of the frame. The colors transition from a deep blue at the top to a bright orange and yellow at the bottom, creating a sense of motion and energy. The Alpha Networks logo is positioned in the bottom left corner, with the word 'ALPHA' in a large, bold, white sans-serif font, and the word 'Networks' in a smaller, white sans-serif font to its right.

ALPHA Networks

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