

**ALPHA NETWORKS INC. AND SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Three Months Ended March 31, 2026 and 2025**

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The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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安侯建業聯合會計師事務所

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## Independent Auditors' Review Report

To the Board of Directors  
Alpha Networks Inc.:

### Introduction

We have reviewed the accompanying consolidated balance sheets of Alpha Networks Inc. and its subsidiaries as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2026 and 2025, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Alpha Networks Inc. and its subsidiaries as of March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.



The engagement partners on the reviews resulting in this independent auditors' review report are Chun-Yuan Wu and An-Chih Cheng.

KPMG

Taipei, Taiwan (Republic of China)  
April 30, 2026

#### **Notes to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
ALPHA NETWORKS INC. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2026, December 31, 2025, and March 31, 2025

(Expressed in Thousands of New Taiwan Dollars)

Assets		March 31, 2026		December 31, 2025		March 31, 2025		Liabilities and Equity		March 31, 2026		December 31, 2025		March 31, 2025	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (note 6(1))	\$ 5,129,585	21	4,917,583	20	5,253,899	22	2100	Short-term borrowings (note 6(13))	\$ 3,678,904	15	2,546,960	10	2,261,890	10
1110	Current financial assets at fair value through profit or loss (note 6(2))	6,883	-	13,055	-	5,523	-	2120	Current financial liabilities at fair value through profit or loss (note 6(2))	12,138	-	998	-	17,975	-
1120	Current financial assets at fair value through other comprehensive income (note 6(6))	170,235	1	-	-	-	-	2130	Current contract liabilities (note 6(23))	589,140	2	690,523	3	1,136,814	5
1136	Current financial assets at amortized cost (notes 6(1) and (5))	9,604	-	3,362	-	12,982	-	2170	Accounts payable (including related parties) (note 7)	4,734,002	19	4,919,034	20	3,632,756	15
1170	Notes and accounts receivable, net (notes 6(3) and (23))	4,013,080	16	4,542,091	19	2,916,117	13	2209	Accrued expenses	378,334	1	499,449	2	406,901	2
1180	Accounts receivable due from related parties, net (notes 6(3) and 7)	24,555	-	26,201	-	-	-	2216	Dividends payable	460,553	2	-	-	727,302	3
130x	Inventories (note 6(4))	7,561,235	30	6,758,228	28	7,077,930	30	2230	Current tax liabilities	183,167	1	122,279	1	153,828	1
1470	Other current assets (notes 6(12) and 7)	941,982	4	853,846	4	647,798	3	2250	Current provisions (note 6(15))	215,816	1	225,449	1	220,720	1
		<u>17,857,159</u>	<u>72</u>	<u>17,114,366</u>	<u>71</u>	<u>15,914,249</u>	<u>68</u>	2322	Long-term borrowings, current portion (note 6(14))	380,000	2	380,000	2	80,000	-
	<b>Non-current assets:</b>							2399	Other current liabilities (notes 6(16), (17) and 7)	<u>615,987</u>	<u>2</u>	<u>992,735</u>	<u>4</u>	<u>596,750</u>	<u>2</u>
1510	Non-current financial assets at fair value through profit or loss (note 6(2))	144,491	1	134,985	1	86,231	-			<u>11,248,041</u>	<u>45</u>	<u>10,377,427</u>	<u>43</u>	<u>9,234,936</u>	<u>39</u>
1517	Non-current financial assets at fair value through other comprehensive income (note 6(6))	-	-	90,897	-	114,138	1		<b>Non-Current liabilities:</b>						
1535	Non-current financial assets at amortized cost (notes 6(5) and 8)	214,042	1	187,093	1	188,264	1	2540	Long-term borrowings (note 6(14))	240,000	1	240,000	1	369,184	2
1600	Property, plant and equipment (notes 6(8) and 7)	3,675,246	15	3,732,440	16	4,503,672	19	2580	Non-current lease liabilities (note 6(17))	266,803	1	273,641	1	300,808	1
1755	Right-of use asset (note 6(9))	506,827	2	512,342	2	672,054	3	2640	Net defined benefit liability	48,055	-	56,505	-	53,414	-
1760	Investment property, net (notes 6(10) and (18))	555,838	2	559,955	2	-	-	2670	Other non-current liabilities	158,970	1	172,998	1	166,856	1
1780	Intangible assets (notes 6(11) and 7)	1,475,338	6	1,510,398	6	1,624,097	7			<u>713,828</u>	<u>3</u>	<u>743,144</u>	<u>3</u>	<u>890,262</u>	<u>4</u>
1840	Deferred tax assets	316,150	1	295,565	1	228,604	1		<b>Total liabilities</b>	<u>11,961,869</u>	<u>48</u>	<u>11,120,571</u>	<u>46</u>	<u>10,125,198</u>	<u>43</u>
1990	Other non-current assets (note 6(12))	19,493	-	21,904	-	46,604	-		<b>Equity (note 6(21)):</b>						
		<u>6,907,425</u>	<u>28</u>	<u>7,045,579</u>	<u>29</u>	<u>7,463,664</u>	<u>32</u>		Equity attributable to owners of parent:						
	<b>Total assets</b>	<u>\$ 24,764,584</u>	<u>100</u>	<u>24,159,945</u>	<u>100</u>	<u>23,377,913</u>	<u>100</u>	3110	Ordinary share capital	5,417,185	22	5,417,185	23	5,417,185	23
								3200	Capital surplus	2,084,519	8	2,354,126	10	2,346,582	10
									Retained earnings:						
								3310	Legal reserve	1,346,461	6	1,346,461	6	1,321,375	6
								3320	Special reserve	87,993	-	87,993	-	267,982	1
								3350	Unappropriated retained earnings	129,685	1	76,395	-	5,390	-
										<u>1,564,139</u>	<u>7</u>	<u>1,510,849</u>	<u>6</u>	<u>1,594,747</u>	<u>7</u>
								3400	Other equity interest	21,851	-	(158,330)	(1)	(7,714)	-
									Total equity attributable to owners of parent	<u>9,087,694</u>	<u>37</u>	<u>9,123,830</u>	<u>38</u>	<u>9,350,800</u>	<u>40</u>
								36XX	Non-controlling interests (notes 6(7) and (21))	3,715,021	15	3,915,544	16	3,901,915	17
									<b>Total equity</b>	<u>12,802,715</u>	<u>52</u>	<u>13,039,374</u>	<u>54</u>	<u>13,252,715</u>	<u>57</u>
									<b>Total liabilities and equity</b>	<u>\$ 24,764,584</u>	<u>100</u>	<u>24,159,945</u>	<u>100</u>	<u>23,377,913</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**ALPHA NETWORKS INC. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the three months ended March 31, 2026 and 2025**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

		For the three months ended March 31,			
		2026		2025	
		Amount	%	Amount	%
4000	<b>Operating revenue</b> (notes 6(23) and 7)	\$ 5,314,548	100	4,524,158	100
5000	<b>Operating costs</b> (notes 6(4),(17),(19),(24), 7 and 12)	<u>4,338,806</u>	<u>82</u>	<u>3,693,754</u>	<u>82</u>
	<b>Gross profit</b>	<u>975,742</u>	<u>18</u>	<u>830,404</u>	<u>18</u>
	<b>Operating expenses</b> (notes 6(3),(17),(19),(24), 7 and 12):				
6100	Selling expenses	296,684	6	267,479	6
6200	Administrative expenses	223,507	4	233,481	5
6300	Research and development expenses	451,880	8	438,217	10
6450	Gain on reversal of impairment loss	(743)	-	(56)	-
	<b>Total operating expenses</b>	<u>971,328</u>	<u>18</u>	<u>939,121</u>	<u>21</u>
	<b>Net operating income (loss)</b>	<u>4,414</u>	<u>-</u>	<u>(108,717)</u>	<u>(3)</u>
	<b>Non-operating income and expenses:</b>				
7010	Other income (notes 6(26) and 7)	47,595	1	24,948	1
7020	Other gains and losses, net (notes 6(10),(18), and (27))	5,643	-	(40,286)	(1)
7050	Finance costs (notes 6(17) and (28))	(30,764)	(1)	(28,640)	-
7100	Interest income (note 6(25))	24,208	-	21,186	-
	<b>Total non-operating income and expenses</b>	<u>46,682</u>	<u>-</u>	<u>(22,792)</u>	<u>-</u>
	<b>Profit (loss) before tax</b>	51,096	-	(131,509)	(3)
7950	<b>Less: Income tax expense (benefit) (note 6(20))</b>	23,834	-	(23,716)	(1)
	<b>Profit (loss)</b>	<u>27,262</u>	<u>-</u>	<u>(107,793)</u>	<u>(2)</u>
8300	<b>Other comprehensive income:</b>				
8310	<b>Components of other comprehensive income that may not be reclassified subsequently to profit or loss</b>				
8311	Gains on remeasurements of defined benefit plans (note 6(21))	230	-	413	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income (notes 6(21) and (29))	79,338	2	3,427	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(46)	-	(83)	-
	<b>Components of other comprehensive income that may not be reclassified subsequently to profit or loss</b>	<u>79,522</u>	<u>2</u>	<u>3,757</u>	<u>-</u>
8360	<b>Components of other comprehensive income that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements (note 6(21))	113,205	2	91,669	2
	<b>Components of other comprehensive income that may be reclassified subsequently to profit or loss</b>	<u>113,205</u>	<u>2</u>	<u>91,669</u>	<u>2</u>
8300	<b>Other comprehensive income, net of income tax</b>	<u>192,727</u>	<u>4</u>	<u>95,426</u>	<u>2</u>
8500	<b>Total comprehensive income (loss)</b>	<u>\$ 219,989</u>	<u>4</u>	<u>(12,367)</u>	<u>-</u>
	<b>Profit (loss) attributable to:</b>				
8610	Owners of parent	\$ 53,175	-	(106,038)	(2)
8620	Non-controlling interests	(25,913)	-	(1,755)	-
		<u>\$ 27,262</u>	<u>-</u>	<u>(107,793)</u>	<u>(2)</u>
8700	<b>Total comprehensive income (loss) attributable to:</b>				
8710	Owners of parent	\$ 233,471	4	(25,554)	-
8720	Non-controlling interests	(13,482)	-	13,187	-
		<u>\$ 219,989</u>	<u>4</u>	<u>(12,367)</u>	<u>-</u>
	<b>Earnings (loss) per share</b> (New Taiwan dollars) (note 6(22))				
	Basic earnings (loss) per share	<u>\$ 0.10</u>		<u>(0.20)</u>	
	Diluted earnings (loss) per share	<u>\$ 0.10</u>		<u>(0.20)</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

ALPHA NETWORKS INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Total other equity interest			Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest			
<b>Balance at January 1, 2025</b>	\$ 5,417,185	2,614,277	1,321,375	267,982	382,082	1,971,439	(63,838)	(24,155)	(87,993)	9,914,908	4,067,793	13,982,701
Loss	-	-	-	-	(106,038)	(106,038)	-	-	-	(106,038)	(1,755)	(107,793)
Other comprehensive income	-	-	-	-	205	205	76,503	3,776	80,279	80,484	14,942	95,426
Total comprehensive income (loss)	-	-	-	-	(105,833)	(105,833)	76,503	3,776	80,279	(25,554)	13,187	(12,367)
Appropriation and distribution of retained earnings:												
Cash dividends on ordinary share	-	-	-	-	(270,859)	(270,859)	-	-	-	(270,859)	-	(270,859)
Donation from shareholders	-	11	-	-	-	-	-	-	-	11	-	11
Cash dividends from capital surplus	-	(270,859)	-	-	-	-	-	-	-	(270,859)	-	(270,859)
Changes in ownership interests in subsidiaries	-	3,153	-	-	-	-	-	-	-	3,153	5,775	8,928
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(185,584)	(185,584)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	744	744
<b>Balance at March 31, 2025</b>	\$ 5,417,185	2,346,582	1,321,375	267,982	5,390	1,594,747	12,665	(20,379)	(7,714)	9,350,800	3,901,915	13,252,715
<b>Balance at January 1, 2026</b>	\$ 5,417,185	2,354,126	1,346,461	87,993	76,395	1,510,849	(137,117)	(21,213)	(158,330)	9,123,830	3,915,544	13,039,374
Profit (loss)	-	-	-	-	53,175	53,175	-	-	-	53,175	(25,913)	27,262
Other comprehensive income	-	-	-	-	115	115	100,843	79,338	180,181	180,296	12,431	192,727
Total comprehensive income (loss)	-	-	-	-	53,290	53,290	100,843	79,338	180,181	233,471	(13,482)	219,989
Donation from shareholders	-	12	-	-	-	-	-	-	-	12	-	12
Cash dividends from capital surplus	-	(270,859)	-	-	-	-	-	-	-	(270,859)	-	(270,859)
Changes in ownership interests in subsidiaries	-	1,240	-	-	-	-	-	-	-	1,240	(1,240)	-
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(189,694)	(189,694)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	3,893	3,893
<b>Balance at March 31, 2026</b>	\$ 5,417,185	2,084,519	1,346,461	87,993	129,685	1,564,139	(36,274)	58,125	21,851	9,087,694	3,715,021	12,802,715

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**ALPHA NETWORKS INC. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the three months ended March 31, 2026 and 2025**

**(Expressed in Thousands of New Taiwan Dollars)**

	For the three months ended March 31,	
	2026	2025
<b>Cash flows from operating activities:</b>		
<b>Profit (loss) before tax</b>	\$ 51,096	(131,509)
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit or loss:</b>		
Depreciation expense	122,956	136,748
Amortization expense	61,838	61,688
Gain on reversal of impairment loss	(743)	(56)
Net loss on financial assets or liabilities at fair value through profit or loss	149	32,875
Interest expense	30,764	28,640
Interest income	(24,208)	(21,186)
Dividend income	(22,040)	-
Gain on disposal of property, plant and equipment	(877)	(3,792)
Provisions for inventory obsolescence and devaluation loss (gain)	32,207	(241)
Adjustment for other non-cash-related losses, net	16,663	-
<b>Total adjustments to reconcile profit or loss</b>	<b>216,709</b>	<b>234,676</b>
<b>Changes in operating assets and liabilities:</b>		
Notes and accounts receivable (including related parties)	608,946	1,064,709
Financial assets mandatorily at fair value through profit or loss	8,655	290
Inventories	(771,106)	(98,861)
Other current assets	(60,705)	119,687
Financial liabilities at fair value through profit or loss	(998)	(23,758)
Notes and accounts payable (including related parties)	(256,371)	127,617
Other payables to related parties	(433)	2,615
Other current liabilities	(618,717)	(639,418)
Net defined benefit liability	(8,266)	(1,654)
Other non-current liabilities	(849)	(15,241)
<b>Total changes in operating assets and liabilities</b>	<b>(1,099,844)</b>	<b>535,986</b>
<b>Total adjustments</b>	<b>(883,135)</b>	<b>770,662</b>

(Continued)

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**ALPHA NETWORKS INC. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows (Continued)**  
**For the three months ended March 31, 2026 and 2025**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Cash flows generated (used in) from operations	\$ (832,039)	639,153
Interest received	21,355	21,366
Interest paid	(27,814)	(28,255)
Income taxes paid	(2,810)	(17,171)
<b>Net cash flows (used in) from operating activities</b>	<b>(841,308)</b>	<b>615,093</b>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at amortized cost	(9,604)	-
Proceeds from repayments of financial assets at amortized cost	3,362	60,373
Acquisition of financial assets at fair value through profit or loss	-	(49,131)
Acquisition of property, plant and equipment	(14,063)	(34,313)
Proceeds from disposal of property, plant and equipment	926	8,787
(Increase) decrease in refundable deposits	(18,268)	20,058
Acquisition of intangible assets	(22,840)	(12,870)
(Increase) decrease in other non-current assets	(11,535)	6,101
<b>Net cash flows used in investing activities</b>	<b>(72,022)</b>	<b>(995)</b>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	2,283,713	2,205,223
Repayments of short-term borrowings	(1,180,325)	(1,581,596)
Repayments of long-term borrowings	-	(5,816)
Increase (decrease) in guarantee deposits received	3,760	(95)
Payment of lease liabilities	(10,136)	(15,546)
Donation from shareholders	12	11
<b>Net cash flows from financing activities</b>	<b>1,097,024</b>	<b>602,181</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>28,308</b>	<b>80,341</b>
<b>Net increase in cash and cash equivalents</b>	<b>212,002</b>	<b>1,296,620</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>4,917,583</b>	<b>3,957,279</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 5,129,585</b>	<b>5,253,899</b>

See accompanying notes to consolidated financial statements.

**(English Translation of Consolidated Financial Statements Originally Issued in Chinese)**  
**ALPHA NETWORKS INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2026 and 2025**  
**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

**1. Company history**

ALPHA NETWORKS INC. (“Alpha”) was incorporated on September 4, 2003, and obtained the registration approval from the Hsinchu Science Park Bureau (“HSPB”). The registered address of Alpha is No. 8, Li-shing 7th Road, Science-based Industrial Park, Hsinchu, Taiwan (R.O.C.). The consolidated financial statements comprise Alpha and its subsidiaries (together referred to as the “Group”).

The Group’s main activities include the research, development, design, production and sale of broadband products, computer network systems, wireless local area networks (“LANs”), and related accessories.

On July 23, 2020, Qisda Corporation (“Qisda”) acquired 19.02% of Alpha’s ordinary shares, before the acquisition, Qisda and its subsidiaries held 23.84%, totaling 42.86% of the ordinary shares, Qisda became the parent company after the acquisition.

**2. Approval date and procedures of the consolidated financial statements:**

These consolidated financial statements were authorized for issuance by the Board of Directors on April 30, 2026.

**3. New standards, amendments and interpretations adopted:**

- (1) The impact of the International Financial Reporting Standards (“IFRS Accounting Standards”) endorsed by the Financial Supervisory Commission, R.O.C. (FSC) which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2026:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

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- (2) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> <li>● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.</li> <li>● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	<p>January 1, 2027            Note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.</p>

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The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

**4. Summary of material accounting policies:**

The material accounting policies presented in the consolidated financial statements are summarized as follows. Except for those specifically indicated, the following accounting policies were applied consistently to all periods presented in the consolidated financial statements.

(1) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by the FSC, and do not include all of the information required by the IFRSs, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRSs endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except as described in the following paragraph, the Group’s significant accounting policies are applied consistently with the consolidated financial statements for the year ended December 31, 2025. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2025.

(2) Basis of consolidation

A. List of subsidiaries in the consolidated financial statements

Name of Investor	Name of Investee	Main Business Activities	Shareholding		
			March 31, 2026	December 31, 2025	March 31, 2025
Alpha	Alpha Solutions Co., Ltd. (Alpha Solutions)	Sale of network equipment, components and technical services	100.00%	100.00%	100.00%
Alpha	Alpha Networks, Inc. (Alpha USA)	Sale, marketing and procurement services in USA	100.00%	100.00%	100.00%

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<u>Name of Investor</u>	<u>Name of Investee</u>	<u>Main Business Activities</u>	<u>Shareholding</u>		
			<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Alpha	Alpha Networks (Hong Kong) Limited (Alpha HK)	Investment holding	100.00%	100.00%	100.00%
Alpha	Alpha Technical Services Inc. (ATS)	Post-sale service	100.00%	100.00%	100.00%
Alpha	Enrich Investment Corporation (Enrich Investment)	Investment holding	100.00%	100.00%	100.00%
Alpha	Hitron Technologies Inc. (Hitron Technologies)	Marketing on system integration of communication product and telecommunication products	62.24%	62.24%	62.24%
Alpha	Alpha Networks Vietnam Company Limited (Alpha VN)	Production and sale of network products	100.00%	100.00%	100.00%
Alpha	Alpha Networks (Chengdu) Co., Ltd. (Alpha Chengdu)	Research and development of network products	100.00%	100.00%	100.00%
Alpha	INDIALPHA TECHNET PRIVATE LIMITED (INDIALPHA)	Sale of network products	99.99%	99.99%	99.99%
Alpha	Fiber Logic Communication, Inc. (Fiber Logic) (note 5)	Broadband communication products and service	30.39%	30.39%	31.66%
Alpha HK	Alpha Networks (Changshu) Ltd. (Alpha Changshu)	Production and sale of network products	100.00%	100.00%	100.00%
Alpha Changshu	Mirac Networks (Dongguan) Co., Ltd. (Mirac) (note 4)	Production and sale of network products	-	100.00%	100.00%
Alpha Changshu	Alpha Electronics Trading (Changshu), Ltd. (Alpha Changshu Trading)	Production and sale of network products	100.00%	100.00%	100.00%

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<u>Name of Investor</u>	<u>Name of Investee</u>	<u>Main Business Activities</u>	<u>Shareholding</u>		
			<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Enrich Investment	Interactive Digital Technologies Inc. (Interactive Digital) (note 1)	Telecommunication and broadband network system services	5.06%	5.06%	5.06%
Enrich Investment	Aespula Technology INC. (Aespula) (note 2)	Sale of network equipment, components and technical services	98.92%	98.92%	98.92%
Enrich Investment	INDIALPHA	Sale of network products	0.01%	0.01%	0.01%
Hitron Technologies	Hitron Technologies (Samoa) Inc (Hitron Samoa)	International trade	100.00%	100.00%	100.00%
Hitron Technologies	Interactive Digital (note 1)	Telecommunication and broadband network system services	32.82%	32.82%	32.82%
Hitron Technologies	Hitron Technologies Europe Holding B.V. (Hitron Europe)	International trade	100.00%	100.00%	100.00%
Hitron Technologies	Hitron Technologies (Americas) Inc. (Hitron Americas)	International trade	100.00%	100.00%	100.00%
Hitron Technologies	Innoauto Technologies Inc. (Innoauto Technologies) (note 3)	Investment and automotive electronics products	-	-	100.00%
Hitron Technologies	Hitron Technologies (Vietnam) Inc. (Hitron Vietnam)	Factory, warehouse and office leases	100.00%	100.00%	100.00%
Hitron Samoa	Hitron Technologies (SIP) Inc (Hitron Suzhou)	Broadband Telecommunications products, research and development	100.00%	100.00%	100.00%
Hitron Samoa	Jietech Trading (Suzhou) Inc. (Jietech Suzhou)	Sale of broadband network products and related services	100.00%	100.00%	100.00%

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<u>Name of Investor</u>	<u>Name of Investee</u>	<u>Main Business Activities</u>	<u>Shareholding</u>		
			<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Interactive Digital	Hwa Chi Technologies (Shanghai) Inc. (Hwa Chi Technologies)	Technical consultation on electronic communication, technology research and development, maintenance and after-sale service	100.00%	100.00%	100.00%
Interactive Digital	Transnet Corporation (Transnet)	Operating in network communication products, provide system support services, integrated supply and import and export of network equipment	80.00%	80.00%	80.00%
Interactive Digital	Fiber Logic (note 5)	Broadband communication products and service	5.76%	5.76%	6.00%

Note 1: The Group did not own more than half of the ownership of Interactive Digital. As the Group has the power to control the management and operating policies of the entities, the entities have been included in the Group's consolidated entities.

Note 2: On November 20, 2025, Aespula's Board of Directors approved the dissolution. The liquidation process is currently in progress.

Note 3: Innoauto Technologies has completed the liquidation process as of the reporting date.

Note 4: On October 31, 2025, Mirac's Board of Directors approved the dissolution. The liquidation process was completed, and the deregistration procedures were finalized on February 4, 2026.

Note 5: The Group did not own more than half of the ownership of Fiber Logic. As the Group has the power to control the management and operating policies of the entities, the entities have been included in the Group's consolidated entities.

B. Subsidiaries excluded from the consolidated financial statements: None.

(3) Employee benefits

The defined benefit pension cost for an interim period is calculated on a year to date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time, as well as significant curtailments settlement, or other significant one-time events.

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(4) Income tax

Income tax expense in the financial statements is measured and disclosed in according to paragraph B12 of IAS 34 endorsed by the FSC.

Income tax expense for the period is best estimated by multiplying pretax income for the reporting period by the effective annual tax rate as forecasted by the management. This is recognized fully as income tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as income tax expense.

**5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

The preparation of the consolidated financial statements in conformity with the Regulations and the IFRS Accounting Standards (in accordance with IAS 34 endorsed by the FSC) requires management to make judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimations.

The preparation of the consolidated financial statements, the major sources of accounting judgments, estimations and assumptions of uncertainty are applied consistently with note 5 of the consolidated financial statements for the year ended December 31, 2025.

**6. Explanation of significant accounts:**

Except as described below, there were no significant changes in the description of significant accounts mentioned in the consolidated financial statements for the year ended December 31, 2025. For other information about the description of significant accounts, please refer to note 6 of the consolidated financial statements for the year ended December 31, 2025.

(1) Cash and cash equivalents

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Petty cash and cash on hand	\$ 1,292	1,325	1,376
Checking and savings accounts	3,775,736	3,442,184	3,098,332
Time deposits	952,557	1,094,074	2,154,191
Cash equivalents— repurchase agreements	<u>400,000</u>	<u>380,000</u>	<u>-</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 5,129,585</u>	<u>4,917,583</u>	<u>5,253,899</u>

Please refer to note 6(29) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

As of March 31, 2026, December 31 and March 31, 2025, deposits with original maturities for more than three months were \$3,452 thousand, \$3,362 thousand and \$12,982 thousand respectively, and were included in financial assets measured at amortized cost. Please refer to note 6(5).

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(2) Financial assets and liabilities at fair value through profit or loss

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Financial assets mandatorily measured at fair value through profit or loss – current:			
Derivative instruments not used for hedging			
Forward exchange contracts	\$ 82	6,247	205
Foreign exchange swaps	2,385	2,408	218
Financial assets measured at fair value through profit or loss – current:			
Non-derivative financial assets			
Stocks listed on domestic markets	4,416	4,400	5,100
Total	<u>\$ 6,883</u>	<u>13,055</u>	<u>5,523</u>
Financial assets measured at fair value through profit or loss – non current:			
Non-derivative financial assets			
Unlisted stocks	\$ 48,728	47,868	49,131
Funds	95,763	87,117	37,100
Total	<u>\$ 144,491</u>	<u>134,985</u>	<u>86,231</u>
Financial liabilities held for trading – current:			
Forward exchange contracts	\$ 4,119	68	1,888
Foreign exchange swaps	8,019	930	16,087
Total	<u>\$ 12,138</u>	<u>998</u>	<u>17,975</u>

The Group uses derivative financial instruments to hedge the certain currency risk arising from its operating activities. The following derivative instruments, which were not qualified for hedge accounting, held by the Group, were recognized as mandatorily measured financial assets at fair value through profit or loss and held-for-trading financial liabilities:

	<u>March 31, 2026</u>		
	<u>Nominal principal (in thousands)</u>	<u>Currency</u>	<u>Maturity date</u>
Forward exchange contracts	USD 28,000	USD to CNY	April 2026
Forward exchange contracts	USD 3,000	NTD to USD	April 2026
Foreign exchange swaps	CNY 10,000	NTD to CNY	April 2026
Foreign exchange swaps	USD 39,000	USD to NTD	April 2026

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<b>December 31, 2025</b>				
	<b>Nominal principal (in thousands)</b>		<b>Currency</b>	<b>Maturity date</b>
Forward exchange contracts	USD 26,500		USD to CNY	January 2026
Forward exchange contracts	USD 1,400		USD to VND	January 2026
Foreign exchange swaps	CNY 10,000		NTD to CNY	January 2026
Foreign exchange swaps	USD 35,000		USD to NTD	January 2026 ~ February 2026

<b>March 31, 2025</b>				
	<b>Nominal principal (in thousands)</b>		<b>Currency</b>	<b>Maturity date</b>
Forward exchange contracts	USD 20,750		USD to CNY	April 2025~May 2025
Forward exchange contracts	USD 3,000		NTD to USD	April 2025
Forward exchange contracts	USD 2,000		USD to VND	April 2025
Foreign exchange swaps	CNY 10,000		NTD to CNY	April 2025
Foreign exchange swaps	USD 54,000		USD to NTD	April 2025

(3) Notes and accounts receivable, net (including related parties)

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Notes and accounts receivable	\$ 4,108,772	4,639,815	2,928,113
Less: loss allowances	(71,137)	(71,523)	(11,996)
	<b>\$ 4,037,635</b>	<b>4,568,292</b>	<b>2,916,117</b>

The overdue accounts receivable was reclassified to overdue receivables under financial assets measured at amortized cost— non-current and loss allowances were fully provided, please refer to note 6(5).

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information, including macroeconomic and relevant industry information.

The analysis of expected credit losses on notes and accounts receivable (including overdue receivables and accounts receivable from related parties) was as follows:

<b>March 31, 2026</b>			
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 3,645,528	0.00%	-
Less than 90 days past due	160,279	0.09%	141
91 to 180 days past due	399	100.00%	399
More than 181 days past due	369,097	37.15%	137,128
	<b>\$ 4,175,303</b>		<b>137,668</b>

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	<b>December 31, 2025</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 3,808,952	0.00%	-
Less than 90 days past due	236,605	0.22%	511
91 to 180 days past due	361,109	5.95%	21,493
More than 181 days past due	300,037	38.80%	116,407
	<b>\$ 4,706,703</b>		<b>138,411</b>
	<b>March 31, 2025</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 2,828,293	0.00%	-
Less than 90 days past due	67,304	2.02%	1,357
91 to 180 days past due	458	0.00%	-
More than 181 days past due	101,015	77.81%	78,596
	<b>\$ 2,997,070</b>		<b>79,953</b>

The movements in the allowance for notes and accounts receivables (including the overdue receivables) were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Balance at January 1	\$ 138,411	79,994
Gain on reversal of impairment loss	(743)	(56)
Effect of changes in exchange rates	-	15
Balance at March 31	<b>\$ 137,668</b>	<b>79,953</b>

The Group's notes and accounts receivable and accounts receivable from related parties were not discounted and pledged as collateral.

(4) Inventories

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Raw materials	\$ 4,437,360	3,719,396	4,144,013
Work in progress and semi-finished products	608,153	526,602	664,777
Finished goods and merchandises	1,752,434	1,987,605	1,623,419
Consignment and project inventory	763,288	524,625	645,721
	<b>\$ 7,561,235</b>	<b>6,758,228</b>	<b>7,077,930</b>

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Consignment and project inventory refers to the labor cost and related inventory that have been invested in projects by the subsidiary of the Group, namely Interactive Digital, but have not yet been recognized as revenue.

The components of operating cost were as below:

	<b>For the three months ended</b>	
	<b>March 31,</b>	
	<u><b>2026</b></u>	<u><b>2025</b></u>
Cost of goods sold	\$ 4,306,599	3,693,995
Provision (reversal) for inventory obsolescence and devaluation loss	<u>32,207</u>	<u>(241)</u>
	<u><b>\$ 4,338,806</b></u>	<u><b>3,693,754</b></u>

As of March 31, 2026, December 31 and March 31, 2025, the Group's inventories were not pledged.

(5) Financial assets measured at amortized cost – current and non-current

	<u><b>March 31,</b></u>	<u><b>December 31,</b></u>	<u><b>March 31,</b></u>
	<u><b>2026</b></u>	<u><b>2025</b></u>	<u><b>2025</b></u>
<b>Current:</b>			
Time deposits	\$ 3,452	3,362	12,982
Restricted deposits	<u>6,152</u>	<u>-</u>	<u>-</u>
	<u><b>\$ 9,604</b></u>	<u><b>3,362</b></u>	<u><b>12,982</b></u>
<b>Non-current:</b>			
Restricted deposits	\$ 34,298	25,645	22,323
Refundable deposits	179,744	161,448	165,941
Overdue receivables	66,531	66,888	67,957
Less: loss allowances	<u>(66,531)</u>	<u>(66,888)</u>	<u>(67,957)</u>
	<u><b>\$ 214,042</b></u>	<u><b>187,093</b></u>	<u><b>188,264</b></u>

The Group had assessed that these financial assets were held-to-maturity to collect contractual cash flows, which consisted solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

As of March 31, 2026, December 31 and March 31, 2025, the Group held bank time deposits with variable interest rates, and the average interest rates ranged were between 0.2%~4.10%, 0.2%~4.33% and 0.1%~4.35%, respectively.

For the pledged asset of restricted deposits and refundable deposits, please refer to note 8.

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(6) Financial assets at fair value through other comprehensive income – current and non-current

	<u>March 31,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>	<u>March 31,</u> <u>2025</u>
Current :			
Domestic unlisted stocks	\$ <u>170,235</u>	<u>-</u>	<u>-</u>
Non-current :			
Domestic unlisted stocks	\$ <u>-</u>	<u>90,897</u>	<u>114,138</u>

The Group has held these equity instruments as long-term strategic investments rather than for trading purposes and, therefore, has designated them as measured at fair value through other comprehensive income.

A resolution was approved during Alpha's board meeting held on February 25, 2026 for the Company to dispose of the entire shareholding in Rapidtek on the Emerging Stock Market within ten months from that date, and accordingly the investment has been reclassified as a current asset.

As of March 31, 2026, December 31 and March 31, 2025, the Group's financial assets above were not pledged.

(7) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

<u>Subsidiaries</u>	<u>Main operation</u> <u>place</u>	<u>Percentage of non-controlling interests</u>		
		<u>March 31,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>	<u>March 31,</u> <u>2025</u>
Hitron Technologies	Taiwan	37.76%	37.76%	37.76%

The following information of the aforementioned subsidiaries have been prepared in accordance with the IFRSs endorsed by the FSC. The fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date are included in these information. Intragroup transactions were not eliminated in this information.

Hitron Technologies and its subsidiaries' collective financial information:

	<u>March 31,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>	<u>March 31,</u> <u>2025</u>
Current assets	\$ 8,947,701	8,866,618	7,684,040
Non-current assets	3,249,664	3,260,000	3,478,173
Current liabilities	(4,737,499)	(4,492,153)	(3,257,369)
Non-current liabilities	(382,404)	(398,941)	(513,138)
Net assets	\$ <u>7,077,462</u>	<u>7,235,524</u>	<u>7,391,706</u>
Net assets of non-controlling interests	\$ <u>1,343,187</u>	<u>1,535,160</u>	<u>1,388,588</u>
Net assets of investees	\$ <u>5,734,275</u>	<u>5,700,364</u>	<u>6,003,118</u>
Book value of non-controlling interests	\$ <u>3,239,604</u>	<u>3,404,370</u>	<u>3,382,601</u>

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	For the three months ended March 31,	
	2026	2025
Operating revenue	\$ 2,075,187	1,895,778
Profit (loss)	\$ 14,213	(8,484)
Other comprehensive income	32,645	39,347
Total comprehensive income	\$ 46,858	30,863
Profit (loss) attributable to non-controlling interests	\$ 12,384	(30,382)
Total comprehensive income, attributable to non-controlling interests	\$ 24,815	6,134
Net cash flows from operating activities	\$ 140,139	386,056
Net cash flows (used in) from investing activities	(39,123)	14,662
Net cash flows (used in) from financing activities	(17,489)	610,596
Effect of exchange rate changes on cash and cash equivalents	(29,786)	(26,796)
Net increase in cash and cash equivalents	\$ 53,741	984,518
Dividends paid to non-controlling interests	\$ 189,694	185,584

(8) Property, plant and equipment

The carrying amounts of property, plant and equipment of the Group were as follows:

	Land	Buildings	Machinery and equipment	Office, transportation and other facilities	Total
Carrying amounts:					
Balance at January 1, 2026	\$ 880,689	2,017,059	657,797	176,895	3,732,440
Balance at March 31, 2026	\$ 890,854	1,995,027	620,530	168,835	3,675,246
Balance at January 1, 2025	\$ 883,522	2,694,031	821,443	166,195	4,565,191
Balance at March 31, 2025	\$ 884,400	2,672,255	780,137	166,880	4,503,672

There were no significant additions, disposal or recognition and reversal of impairment losses of property, plant and equipment for the three months ended March 31, 2026 and 2025. Please refer to note 12 of the depreciation. Please refer to note 6(10) of the consolidated financial statements for the year ended December 31, 2025 for other related information.

As of March 31, 2026, December 31 and March 31, 2025, the Group's property, plant and equipment were not pledged.

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(9) Right-of-use assets

The carrying amount of right-of-use assets of the Group were as follow:

	<u>Land</u>	<u>Buildings</u>	<u>Transportation and other equipment</u>	<u>Total</u>
Carrying amount:				
Balance at January 1, 2026	\$ <u>393,368</u>	<u>111,590</u>	<u>7,384</u>	<u>512,342</u>
Balance at March 31, 2026	\$ <u>394,962</u>	<u>103,543</u>	<u>8,322</u>	<u>506,827</u>
Balance at January 1, 2025	\$ <u>529,206</u>	<u>113,564</u>	<u>7,344</u>	<u>650,114</u>
Balance at March 31, 2025	\$ <u>529,981</u>	<u>133,979</u>	<u>8,094</u>	<u>672,054</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of the right-of-use assets for the three months ended March 31, 2026 and 2025. Please refer to note 12 of the depreciation. Please refer to note 6(11) of the consolidated financial statements for the year ended December 31, 2025 for other related information.

As of March 31, 2026, December 31 and March 31, 2025, the Group's right-of-use assets were not pledged.

(10) Investment Property

Investment properties include owned assets held by the Group, as well as right-of-use assets representing leased rights, which are leased to third parties under operating leases. These assets are reclassified as investment properties at their carrying amounts when there is a change in use. The lease agreements stipulate that the lessee has the option to extend the lease upon expiration. For related information, please refer to Note 6(18).

The fair value of investment properties is based on valuations conducted by independent appraisers who possess recognized professional qualifications and have recent experience in the location and type of the investment properties being valued. The valuations is conducted based on market value.

The carrying amount of investment property of the Group was as follow:

	<u>Owned property</u>	<u>Right-of-use assets</u>	
	<u>Building</u>	<u>Land</u>	<u>Total</u>
Carrying amount:			
Balance at January 1, 2026	\$ <u>452,122</u>	<u>107,833</u>	<u>559,955</u>
Balance at March 31, 2026	\$ <u>447,146</u>	<u>108,692</u>	<u>555,838</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the three months ended March 31, 2026. Please refer to note 6(12) of the consolidated financial statements for the year ended December 31, 2025 for other related information.

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The fair value of investment property was not significantly different from those disclosed in note 6(12) to the annual consolidated financial statements for the year ended December 31, 2025.

As of March 31, 2026, the Group's investment properties were not pledged.

(11) Intangible assets

The carrying amount of intangible asset of the Group were as follow:

	<u>Core Technology</u>	<u>Brand Name</u>	<u>Customer relationship</u>	<u>Goodwill</u>	<u>Software application and others</u>	<u>Total</u>
Carrying amount						
Balance at January 1, 2026	\$ <u>209,827</u>	<u>231,762</u>	<u>132,317</u>	<u>863,419</u>	<u>73,073</u>	<u>1,510,398</u>
Balance at March 31, 2026	\$ <u>205,564</u>	<u>222,085</u>	<u>121,291</u>	<u>863,419</u>	<u>62,979</u>	<u>1,475,338</u>
Balance at January 1, 2025	\$ <u>226,878</u>	<u>270,487</u>	<u>176,422</u>	<u>863,419</u>	<u>135,615</u>	<u>1,672,821</u>
Balance at March 31, 2025	\$ <u>214,748</u>	<u>260,802</u>	<u>165,396</u>	<u>863,419</u>	<u>119,732</u>	<u>1,624,097</u>

There were no significant additions, disposal or recognition and reversal of impairment losses of the intangible assets for the three months ended March 31, 2026 and 2025. Please refer to note 12 of the amortization. Please refer to note 6(13) of the consolidated financial statements for the year ended December 31, 2025 for other related information.

As of March 31, 2026, December 31 and March 31, 2025, the Group's intangible assets were not pledged.

(12) Other current assets and other non-current assets

The other current assets and other non-current assets of the Group were as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Prepayments for construction and equipment	\$ 9,649	12,403	38,957
Business tax receivable	128,981	120,939	88,263
Income tax receivable	59,274	56,433	62,877
Advance payment	103,425	45,688	46,056
Other receivables (including related parties)	511,405	503,959	306,999
Prepaid expenses	122,398	114,628	132,042
Others	26,343	21,700	19,208
	<u>\$ 961,475</u>	<u>875,750</u>	<u>694,402</u>
Other current assets	\$ 941,982	853,846	647,798
Other non-current assets	19,493	21,904	46,604
	<u>\$ 961,475</u>	<u>875,750</u>	<u>694,402</u>

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(13) Short-term borrowings

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Unsecured bank loans	<b>\$ 3,678,904</b>	<b>2,546,960</b>	<b>2,261,890</b>
Unused short-term credit lines (including long-term borrowings)	<b>\$ 16,881,516</b>	<b>16,457,933</b>	<b>14,978,533</b>
Range of interest rates	<b>1.85%~7.44%</b>	<b>1.81%~7.00%</b>	<b>3.45~8.19%</b>

(14) Long-term borrowings and current portion of long-term borrowings

<b>March 31, 2026</b>				
	<b>Currency</b>	<b>Rate</b>	<b>Maturity year</b>	<b>Amount</b>
Unsecured bank loans	NTD	1.88%	2026 (note)	\$ 60,000
	NTD	2.09%	2026 (note)	320,000
	NTD	1.88%	2027 (note)	240,000
Subtotal				620,000
Less: current portion				(380,000)
Total				<b>\$ 240,000</b>
Unused long-term credit lines				<b>\$ -</b>
<b>December 31, 2025</b>				
	<b>Currency</b>	<b>Rate</b>	<b>Maturity year</b>	<b>Amount</b>
Unsecured bank loans	NTD	1.88%	2026 (note)	\$ 60,000
	NTD	2.09%	2026 (note)	320,000
	NTD	1.88%	2027 (note)	240,000
Subtotal				620,000
Less: current portion				(380,000)
Total				<b>\$ 240,000</b>
Unused long-term credit lines				<b>\$ -</b>
<b>March 31, 2025</b>				
	<b>Currency</b>	<b>Rate</b>	<b>Maturity year</b>	<b>Amount</b>
Unsecured bank loans	NTD	2.09%	2026 (note)	\$ 400,000
	NTD	1.88%	2027 (note)	30,000
	NTD	0.50%	2029 (note)	19,184
Subtotal				449,184
Less: current portion				(80,000)
Total				<b>\$ 369,184</b>
Unused long-term credit lines				<b>\$ -</b>

Note : The principal is repayable in three installments. The first installment becomes due 24 months after the date the loan is first utilized, and the subsequent 6 months is considered as the next period of repayment. The repayment of the loans for the first and second installments is each 20% of the loan amount, while the third installment requires repayment of the remaining principal balance in full. The interest expense is calculated in the monthly basis.

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A subsidiary of the Group, Hitron Technologies had signed a long-term borrowing contract with KGI Bank in 2023. The financial commitments were as follows.

- A. Current ratio (current assets/current liabilities) was no less than 100%.
- B. Debt ratio (total liabilities/net value) was no more than 150%.
- C. (Cash and cash equivalents + yearly EBITDA)/(short-term borrowings + medium or long-term borrowings within one year) was no less than one.

The benchmark used to evaluate the aforementioned ratio is based on the Hitron Technologies yearly and half-yearly consolidated financial statements that have been audited or reviewed by the auditor of the Group. When the Group breaches the above financial commitments, it is required to repay all the loans owing to the above banks immediately.

As of March 31, 2026, there have been no breaches of the aforementioned financial commitments by the Group.

(15) Provisions

The provision for warranties relates mainly to network product sold. The provision is based on estimates made from historical warranty data associated with similar products and services. The Group expects to settle the majority of the liability over the next year.

The provision for onerous contracts is recognized when the expected benefits to be derived from a non-cancellable contract entered into by Hitron Technologies, a subsidiary of the merged company, with a supplier are lower than the unavoidable costs of meeting the contract obligations.

There were no significant additions, disposal of the provisions for the three months ended March 31, 2026 and 2025. Please refer to note 6(17) of the consolidated financial statements for the year ended December 31, 2025 for other related information.

(16) Other current liabilities

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Payroll and bonus payable	\$ 441,502	706,654	499,849
Lease liabilities-current (note 6(17))	40,701	42,144	42,202
Other payables to related parties (note 7)	722	1,155	6,598
Temporary receipts	52,756	67,550	17,687
Business tax payable	27,798	50,168	3,391
Others	52,508	125,064	27,023
	<b>\$ 615,987</b>	<b>992,735</b>	<b>596,750</b>

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(17) Lease liabilities

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current (included in other current liabilities)	\$ 40,701	42,144	42,202
Non-current	<u>266,803</u>	<u>273,641</u>	<u>300,808</u>
	<u>\$ 307,504</u>	<u>315,785</u>	<u>343,010</u>

For the maturity analysis, please refer to note 6(29).

The amounts recognized in profit or loss were as follows:

	<u>For the three months ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Interest expense on lease liabilities	<u>\$ 2,411</u>	<u>2,613</u>
Expenses relating to short-term leases and leases of low-value assets	<u>\$ 7,927</u>	<u>9,020</u>

The amounts recognized in the statement of cash flows were as follows:

	<u>For the three months ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Total cash outflow for leases	<u>\$ 20,474</u>	<u>27,179</u>

A. Real estate leases

The Group leases land for factory and office buildings use. The leases of land typically run for a period of 19 and 39 years. For office building, the terms range between 1 to 5 years, some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some of the lease payment of the land contract depends on the land price announced by the Science Park, plus adjustments for public facilities construction costs, which are adjusted after amortization. These costs usually occur once a year.

B. Other leases

The Group leases office facilities, transportation equipment, and other assets, with lease terms ranging from 3 to 7 years. In some cases, the Group has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases or low-value assets of office, warehouse, parking space, staff dormitories and printers.

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(18) Operating lease

Hitron Technologies, the Group's subsidiary, leases out its investment property. Since substantially all the risks and rewards incidental to ownership of the underlying asset have not been transferred, the lease agreements are classified as operating leases. Please refer to note 6(10).

The maturity analysis of lease payments is presented in the following table based on the total undiscounted lease payments to be received after the reporting date:

	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Less than one year	\$ 88,798	87,831
One to two years	92,794	91,784
Above two years	23,451	46,902
Total undiscounted lease payments	<b>\$ 205,043</b>	<b>226,517</b>

For the three months ended March 31, 2026, the rental income generated from investment properties was amounted to \$22,521 thousand.

(19) Employee benefits

A. Defined benefit plans

Given that there was no significant market fluctuations since that time no significant curtailments, settlements, or other significant one-off event in the prior fiscal year, pension costs in the financial statements are measured and disclosed according to the actuarial results determined on December 31, 2025 and 2024.

The pension costs under benefit plans amounted \$305 thousand and \$375 thousand for the three months ended March 31, 2026 and 2025, respectively.

B. Defined contribution plans

The pension costs under defined contribution plans amounted to \$43,453 thousand and \$41,224 thousand for the three months ended March 31, 2026 and 2025, respectively.

(20) Income taxes

Income tax expenses for the period are best estimated by multiplying pre-tax income (loss) for the interim reporting period using the effective annual tax rate as forecasted by management.

The components of income tax (benefit) were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Current income tax expense (benefit)		
Current period	<b>\$ 23,834</b>	<b>(23,716)</b>

As of March 31, 2026, except for 2023, Alpha's tax returns for the years through 2024 have been assessed by the National Tax Administration.

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(21) Capital and other equity

Except as described in the following paragraph, there were no significant changes in the Group's capital and other equity interest for the three months ended March 31, 2026 and 2025. For related information about the shareholders' equity, please refer to note 6(23) of the consolidated financial statements for the year ended December 31, 2025.

A. Ordinary share capital

As of March 31, 2026, December 31 and March 31, 2025, the authorized capital of Alpha amounted to \$8,000,000 thousand of which included the amount of \$500,000 thousand reserved for employee share options; the issued capital amounted to \$5,417,185 thousand.

B. Capital surplus

The balances of capital surplus were as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Capital surplus – premium	\$ 1,949,943	2,220,802	2,220,802
Difference between consideration and carrying amount arising from acquisition or disposal of shares of subsidiaries	3,089	3,089	-
Ownership interest in subsidiaries	116,460	115,220	110,765
Others	<u>15,027</u>	<u>15,015</u>	<u>15,015</u>
	<u>\$ 2,084,519</u>	<u>2,354,126</u>	<u>2,346,582</u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding per year.

On February 27, 2025, Alpha resolved on the Board of Directors to distribute a cash dividends of \$270,859 thousand, represents \$0.5 per share, from the capital surplus for the fiscal year 2024. Related information will be available at the Market Observation Post System website.

On February 25, 2026, Alpha resolved on the Board of Directors to distribute a cash dividends of \$270,859 thousand, represents \$0.5 per share, from the capital surplus for the fiscal year 2025. Related information will be available at the Market Observation Post System website.

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C. Retained earnings

The Alpha's articles of incorporation stipulated that Alpha's earnings before tax, if any, shall be distributed in the following order:

- (a) payment of all taxes;
- (b) offset prior years' operating losses;
- (c) of the remaining balance, 10% to be appropriated as legal reserve;
- (d) set aside special reserve in accordance with the Securities and Exchange Act or reverse special reserve previously provided; and
- (e) after the above appropriations, current and prior-period earnings that remain undistributed will be proposed for distribution by the Board of Directors, and if the distribution is in form of new shares, the shareholders' meeting will be held to decide on this matter.

According to the R.O.C. Company Act, Alpha shall distribute the legal reserve and capital surplus as cash dividends fully or partially, if the resolution is passed in majority with two-thirds of attendance on the Board of Directors and is submitted to the shareholders' meeting.

According to the Alpha's dividend policy, the Alpha shall first take into consideration its investing environment, capital management and industry developments, as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the stock or cash dividends to be paid. The cash dividends shall not be less than 10% of total dividends.

D. Earnings distribution

Earnings and deficit compensation of 2025 was approved by the Board of Directors on February 25, 2026. The compensation and appropriations were as follow:

	<b>Earnings and deficit compensation</b>
Special reserve	<b>\$ <u>70,337</u></b>

The above-mentioned special reserve for 2025 are to be approved in the shareholders' meeting to be held on May 26, 2026.

Earnings distribution of 2024 was approved by the Board of Directors and shareholders meeting on February 27 and May 27, 2025, respectively. The appropriations and cash dividends per share were as follow:

	<b>Earnings Distribution</b>	<b>Dividends per Share (New Taiwan dollars)</b>
Legal reserve	\$ 25,086	
Reversal of special reserve	(179,989)	
Cash dividends	<u>270,859</u>	0.50
	<b>\$ <u>115,956</u></b>	

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The above-mentioned earnings distribution of 2024 was consistent with the resolutions approved by the Board of Directors on February 27, 2025.

Related information would be available at the Market Observation Post System website.

E. Other equity and non-controlling interest

	Differences on translation of foreign operation financial statements	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Non-controlling interests	Total
Balance at January 1, 2026	\$ (137,117)	(21,213)	3,915,544	3,757,214
Differences on translation of foreign operation financial statements	100,843	-	12,362	113,205
Remeasurements of defined benefit plans	-	-	69	69
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	79,338	-	79,338
Changes in ownership interests in subsidiaries	-	-	(1,240)	(1,240)
Distribution of cash dividend by subsidiaries	-	-	(189,694)	(189,694)
Changes in non-controlling interests	-	-	(22,020)	(22,020)
Balance at March 31, 2026	<u>\$ (36,274)</u>	<u>58,125</u>	<u>3,715,021</u>	<u>3,736,872</u>
Balance at January 1, 2025	\$ (63,838)	(24,155)	4,067,793	3,979,800
Differences on translation of foreign operation financial statements	76,503	-	15,166	91,669
Remeasurements of defined benefit plans	-	-	125	125
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	3,776	(349)	3,427
Changes in ownership interests in subsidiaries	-	-	5,775	5,775
Distribution of cash dividend by subsidiaries	-	-	(185,584)	(185,584)
Changes in non-controlling interests	-	-	(1,011)	(1,011)
Balance at March 31, 2025	<u>\$ 12,665</u>	<u>(20,379)</u>	<u>3,901,915</u>	<u>3,894,201</u>

(22) Earnings per share

A. Basic earnings per share

	For the three months ended March 31,	
	2026	2025
Profit (loss) attributable to Alpha's ordinary shareholders	\$ <u>53,175</u>	<u>(106,038)</u>
Weighted-average number of shares outstanding (in thousands of shares)	<u>541,719</u>	<u>541,719</u>
Basic earnings (loss) per share (NTD)	\$ <u>0.10</u>	<u>(0.20)</u>

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B. Diluted earnings per share

	<b>For the three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Profit (loss) attributable to Alpha's ordinary shareholders	\$ <b>53,175</b>	<b>(106,038)</b>
Weighted-average number of shares outstanding (in thousands of shares) (basic)	541,719	541,719
Effect of employee remuneration in shares	202	-
Weighted-average number of shares outstanding (in thousands of shares) (diluted)	<b>541,921</b>	<b>541,719</b>
Diluted earnings (loss) per share (NTD)	\$ <b>0.10</b>	<b>(0.20)</b>

(23) Revenues

A. The details of revenues were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Primary geographical markets:		
United States	\$ 2,583,293	2,851,897
Taiwan	850,350	748,624
Netherlands	692,134	28,820
Others	1,188,771	894,817
	\$ <b>5,314,548</b>	<b>4,524,158</b>
Major products/services lines:		
LAN/MAN	\$ 2,054,186	1,661,220
Wireless Broadband	2,434,322	2,103,424
Digital Multimedia	357,957	319,800
Others	468,083	439,714
	\$ <b>5,314,548</b>	<b>4,524,158</b>

B. Contract balances

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Notes and Accounts receivable (including related parties)	\$ <b>4,037,635</b>	<b>4,568,292</b>	<b>2,916,117</b>
Contract liabilities	\$ <b>589,140</b>	<b>690,523</b>	<b>1,136,814</b>

For details on notes and accounts receivable and loss allowances, please refer to note 6(3).

The amounts of revenue recognized for the three months ended March 31, 2026 and 2025 that were included in the contract liabilities balance at the beginning of the period were \$166,475 thousand and \$285,702 thousand, respectively.

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The contract liabilities primarily relate to the advance receipts from the Group's product sales contracts, and the Group will recognize the revenue when the product is transferred to the customer.

Contract liabilities related to services primarily arise from advance payments received for product development service contracts of the Group. The Group recognizes these amounts as revenue based on the proportion of the actual services provided to the total services.

(24) Remuneration to employees and directors

On May 27, 2025, Alpha resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if Alpha has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 10%~22% shall be allocated as employee remuneration (including a minimum of 10% to those base-level employees) and a maximum of 1% as remuneration for directors. However, if the Company still has accumulated losses, an amount sufficient to offset such losses shall be retained in advance. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, may include employees of the Alpha's affiliated companies who meet certain specific requirements, with the conditions and allocation methods are authorized to be determined by the Board of Directors. Prior to the amendment, the Articles of Incorporation stipulated that, if Alpha has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 10%~22.5% should be allocated as employee remuneration and no more than 1% as remuneration for directors. However, if the Company still had accumulated losses, an amount sufficient to offset such losses should have been retained in advance. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, could include employees of the Alpha's affiliated companies who met certain specific requirements.

For the three months ended March 31, 2026 and 2025, Alpha accrued and recognized its remuneration to employees amounting to \$7,093 thousand and \$0 thousand, respectively, and the remuneration to directors' amounting to \$532 thousand and \$0 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of the period, multiplied by the percentage of remuneration to employees and directors as specified in the Alpha's articles. These remuneration are recognized under operating costs or operating expenses. If there is any change on the actual amount incurred and estimated amount, this shall be accounted for change in accounting estimates and recognize as profit or loss in the following year. However, if the Board of Directors resolved that the employee remuneration to be distributed through stock dividends, the closing price of the ordinary share on the day before the Board of Directors' meeting is used in the calculation for stock remuneration. Related information would be available at the Market Observation Post System website.

For the year ended 2025 and 2024, Alpha accrued and recognized its remuneration to employees amounting to \$0 thousand and \$30,968 thousand respectively; remuneration to directors amounting to \$0 thousand and \$2,323 thousand respectively. The above-mentioned remuneration was distributed in cash and was consisted to the resolution from the board of directors, and the related information would be available at the Market Observation Post System website.

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(25) Interest income

The details of the Group's interest income of the periods from January 1 to March 31, 2026 and 2025 were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Interest income from bank deposits and others	<b>\$ 24,208</b>	<b>21,186</b>

(26) Other income

The details of the Group's other income of the periods from January 1 to March 31, 2026 and 2025 were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Dividend income	\$ 22,040	-
Government grants income	24	6,045
Rental income	22,989	453
Others	2,542	18,450
	<b>\$ 47,595</b>	<b>24,948</b>

(27) Other gains and losses

The details of the Group's other gains and losses of the periods from January 1 to March 31, 2026 and 2025 were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Losses on financial assets at fair value through profit or loss, net	\$ (3,297)	(52,900)
Foreign exchange gains, net	25,122	11,292
Other gains (losses), net	(16,182)	1,322
	<b>\$ 5,643</b>	<b>(40,286)</b>

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(28) Finance costs

The details of the Group's finance costs of the periods from January 1 to March 31, 2026 and 2025 were as follows:

	<b>For the three months ended</b>	
	<b>March 31,</b>	
	<b>2026</b>	<b>2025</b>
Interest expense of borrowings, etc.	\$ 28,353	26,027
Interest expense of lease liabilities	2,411	2,613
	<b>\$ 30,764</b>	<b>28,640</b>

(29) Financial instruments

Except as described in the following paragraph, there were no significant changes in the Group's fair value of financial instruments exposed to credit risk, and market risk. For related information about the fair value on financial instruments, please refer to note 6(31) of the consolidated financial statements for the year ended December 31, 2025.

A. Credit risk

(a) Credit risk exposure

The carrying amounts of financial assets represents the maximum amount exposed to credit risk.

(b) Concentration of credit risk

The major customers of the Group are centralized in the networking related industries. The Group generally sets credit limits to its customers according to their credit evaluations. Therefore, the credit risk of the Group is mainly influenced by the networking industry. As of March 31, 2026, December 31 and March 31, 2025, 52%, 55% and 55%, respectively, of the Group's accounts receivable (including related parties) were from the top 7 customers. Although there is a potential in concentration of credit risk, the Group routinely assesses the collectability of its accounts receivable and makes a corresponding allowance for doubtful accounts.

(c) Credit risk of receivable

Risk exposure information for notes receivable and accounts receivable, please refer to note 6(3).

Other financial assets measured at amortized cost include time deposits with maturities for more than three months and restricted deposits, please refer to note 6(5) for details of relevant investments.

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**B. Liquidity risk**

The following are the contractual maturities of financial liabilities, including the estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>
<b>March 31, 2026</b>					
Non-derivative financial liabilities					
Short-term borrowings	\$ 3,678,904	(3,717,975)	(3,717,975)	-	-
Accounts payable (including related parties)	4,734,002	(4,734,002)	(4,734,002)	-	-
Other payables to related parties (included in other current liabilities)	722	(722)	(722)	-	-
Accrued expenses	378,334	(378,334)	(378,334)	-	-
Dividends payable	460,553	(460,553)	(460,553)	-	-
Lease liabilities	307,504	(325,147)	(48,299)	(127,605)	(149,243)
Long-term borrowings (including maturity within 1 year)	620,000	(631,187)	(388,930)	(242,257)	-
Derivative financial liabilities					
Forward exchange contracts:					
Outflows	4,119	(991,400)	(991,400)	-	-
Inflows	(82)	987,363	987,363	-	-
Foreign exchange swaps:					
Outflows	8,019	(1,292,335)	(1,292,335)	-	-
Inflows	(2,385)	1,286,701	1,286,701	-	-
	<u>\$ 10,189,690</u>	<u>(10,257,591)</u>	<u>(9,738,486)</u>	<u>(369,862)</u>	<u>(149,243)</u>
<b>December 31, 2025</b>					
Non-derivative financial liabilities					
Short-term borrowings	\$ 2,546,960	(2,583,896)	(2,583,896)	-	-
Accounts payable (including related-parties)	4,919,034	(4,919,034)	(4,919,034)	-	-
Other payables to related parties (included in other current liabilities)	1,155	(1,155)	(1,155)	-	-
Accrued expenses	499,449	(499,449)	(499,449)	-	-
Lease liabilities	315,785	(362,675)	(46,980)	(146,630)	(169,065)
Long-term borrowings (including maturity within 1 year)	620,000	(634,221)	(390,862)	(243,359)	-
Derivative financial liabilities					
Forward exchange contracts:					
Outflows	68	(875,849)	(875,849)	-	-
Inflows	(6,247)	882,028	882,028	-	-
Foreign exchanges swaps:					
Outflows	930	(1,141,179)	(1,141,179)	-	-
Inflows	(2,408)	1,142,657	1,142,657	-	-
	<u>\$ 8,894,726</u>	<u>(8,992,773)</u>	<u>(8,433,719)</u>	<u>(389,989)</u>	<u>(169,065)</u>

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	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>
<b>March 31, 2025</b>					
Non-derivative financial liabilities					
Short-term borrowings	\$ 2,261,890	(2,300,928)	(2,300,928)	-	-
Accounts payable (including related parties)	3,632,756	(3,632,756)	(3,632,756)	-	-
Other payables to related parties (included in other current liabilities)	6,598	(6,598)	(6,598)	-	-
Accrued expenses	406,901	(406,901)	(406,901)	-	-
Dividends payable	727,302	(727,302)	(727,302)	-	-
Lease liabilities	343,010	(397,828)	(52,642)	(168,826)	(176,360)
Long-term borrowings (including maturity within 1 year)	449,184	(463,406)	(88,485)	(374,921)	-
Derivative financial liabilities					
Forward exchange contracts:					
Outflows	1,888	(854,968)	(854,968)	-	-
Inflows	(205)	853,285	853,285	-	-
Foreign exchange swaps:					
Outflows	16,087	(1,838,639)	(1,838,639)	-	-
Inflows	(218)	1,822,770	1,822,770	-	-
	<u>\$ 7,845,193</u>	<u>(7,953,271)</u>	<u>(7,233,164)</u>	<u>(543,747)</u>	<u>(176,360)</u>

C. Currency risk

(a) Exposure to currency risk

The Group's significant exposure to foreign currency risk was as follows:

	<u>March 31, 2026</u>			<u>December 31, 2025</u>			<u>March 31, 2025</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 380,512	31.995	12,174,472	339,050	31.43	10,656,334	274,179	33.205	9,104,115
CNY	4,545	4.6324	21,052	7,524	4.4952	33,820	7,532	4.5787	34,489
<u>Non-Monetary items</u>									
USD	1,523	31.995	48,728	1,523	31.43	47,868	1,500	33.205	49,131
USD	28,000	31.995	Note	57,000	31.43	Note	6,000	33.205	Note
CNY	10,000	4.6324	Note	10,000	4.4952	Note	10,000	4.5787	Note
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	311,672	31.995	9,971,944	335,609	31.43	10,548,180	213,590	33.205	7,092,269
CNY	12,425	4.6324	57,556	17,580	4.4952	79,026	15,938	4.5787	72,975
<u>Non-Monetary items</u>									
USD	42,000	31.995	Note	5,900	31.43	Note	73,750	33.205	Note

Note: Please refer to note 6(2) for the information on forward exchange contracts and foreign exchange swaps measured at fair value.

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(b) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the foreign currency exchange gains and losses resulting from the translation of cash and cash equivalents, accounts receivable, other receivables, short-term borrowings, accounts payable and other payables which are denominated in foreign currencies. A strengthening (weakening) of 1% of the NTD against the USD and the CNY as of March 31, 2026 and 2025, would have decreased or increased the profit (loss) before income tax by \$21,660 thousand and \$19,734 thousand, respectively. The analysis assumed that all other variables remain constant, and was performed on the same basis for both periods.

(c) Foreign exchange gains and losses on monetary items

Since the Group has different functional currencies, the information on foreign exchange gains (losses) on monetary items is disclosed in aggregate amount. For the three months ended March 31, 2026 and 2025, foreign exchange gains (losses) (including realized and unrealized portions) amounted to \$25,122 thousand and \$11,292 thousand, respectively.

D. Interest rate analysis

Please refer to the notes on liquidity risk management for interest rate exposure of the Group's financial assets and liabilities. The following sensitivity analysis is based on the exposure to the interest rate risk. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year.

If the interest rate had increased or decreased by 0.25%, the Group's profit (loss) before tax would have increased or decreased by \$10,747 thousand and \$6,778 thousand, respectively for the three months ended March 31, 2026 and 2025 with all other variable factors remaining constant. The change is mainly due to the Group's short-term borrowings and long-term borrowings with variable rates.

E. Other market price risk

For the three months ended March 31, 2026 and 2025, the sensitivity analyses for the changes in securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

<b>Prices of securities at the reporting date</b>	<b>For the three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Financial assets at fair value through profit or loss		
Increasing 5%	\$ <u>7,445</u>	<u>4,567</u>
Decreasing 5%	\$ <u>(7,445)</u>	<u>(4,567)</u>
Financial assets at fair value through other comprehensive income		
Increasing 5%	\$ <u>8,512</u>	<u>5,707</u>
Decreasing 5%	\$ <u>(8,512)</u>	<u>(5,707)</u>



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		<b>December 31, 2025</b>				
		<b>Fair Value</b>				
		<b>Carrying amount</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial liabilities measured at fair value under repetitive basis</b>						
Financial liabilities at fair value through profit or loss – derivative						
	\$	<u>998</u>	-	<u>998</u>	-	<u>998</u>
		<b>March 31, 2025</b>				
		<b>Fair Value</b>				
		<b>Carrying amount</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets measured at fair value under repetitive basis</b>						
Financial assets at fair value through profit or loss – current and non-current						
	\$	<u>91,331</u>	<u>5,100</u>	-	<u>86,231</u>	<u>91,331</u>
Financial assets mandatorily at fair value through profit or loss – derivative						
	\$	<u>423</u>	-	<u>423</u>	-	<u>423</u>
Non-current financial assets at fair value through other comprehensive income						
	\$	<u>114,138</u>	-	-	<u>114,138</u>	<u>114,138</u>
<b>Financial liabilities measured at fair value under repetitive basis</b>						
Financial liabilities at fair value through profit or loss – derivative						
	\$	<u>17,975</u>	-	<u>17,975</u>	-	<u>17,975</u>

(b) Valuation techniques for financial instruments measured at fair value

i. Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

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Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

The categories and nature of the fair value for the Group's financial instruments which have active market are as below:

For publicly traded stock, bank draft and bond with standard terms, conditions that traded in active market, the fair value of these financial assets and liabilities is based on quoted market prices.

Except for the above-mentioned financial instruments traded in active markets, the fair value of other financial instruments is based on the valuation techniques or refer to quoted price from counterparties. The fair value using valuation techniques refers to the current fair value of other financial instruments with similar conditions and characteristics, or using a discounted cash flow method, or other valuation techniques which include model calculating with observable market data at the reporting date (such as yield curve from Taipei Exchange, average interest rate from Reuters' commercial paper).

The categories and nature of the fair value for the Group's financial instruments which without an active market are as below:

The fair value for equity instruments which do not have public quoted price is measured based on net asset value of comparable companies. The main assumption is based on the market multiples derived from the net value per share of investees and quoted price of EV/EBIT's comparable listed companies. The estimated amount has adjusted the discounted effect due to the lack of liquidity in market for equity security.

ii. Derivative financial instruments

Measurement on fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Foreign currency forward contract is measured based on the current forward exchange rate. Structured interest rate derivative products are measured based on appropriate option pricing model.

- (c) There was no transfer between the different levels of fair value hierarchy for the three months ended March 31, 2026 and 2025.

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(d) Reconciliation of Level 3 fair values

	<b>Fair value through profit or loss</b>	<b>Fair value through other comprehensive income</b>	<b>Total</b>
Opening Balance, January 1, 2026	\$ 134,985	90,897	225,882
Recognized in profit or loss	9,506	-	9,506
Unrealized gain on financial assets measured at fair value through other comprehensive income	-	79,338	79,338
Ending balance, March 31, 2026	<u>\$ 144,491</u>	<u>170,235</u>	<u>314,726</u>
Opening Balance, January 1, 2025	\$ 52,620	110,711	163,331
Additions	49,131	-	49,131
Recognized in profit or loss	(15,520)	-	(15,520)
Unrealized gain on financial assets measured at fair value through other comprehensive income	-	3,427	3,427
Ending balance, March 31, 2025	<u>\$ 86,231</u>	<u>114,138</u>	<u>200,369</u>

(e) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "financial assets measured at fair value through profit or loss—investments" and "financial assets measured at fair value through other comprehensive income—investments". Quantified information of significant unobservable inputs was as follows:

<b>Item</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between significant unobservable inputs and fair value measurement</b>
Financial assets at fair value through profit or loss—equity investments	Market approach (Total enterprise value to EBITDA of comparable companies)	As of March 31, 2026 and December 31, 2025, value multiples were in the same range of 15.85 to 22.13.  As of March 31, 2026 and December 31, 2025, the discount for lack of marketability was the same at 28.10%.	The higher the value multiples, the higher the fair value.  The fair value would decrease if lack of marketability and higher discount rate.
Financial assets at fair value through profit or loss—fund	Asset method	Lack of market liquidity	The greater the degree of illiquidity, the lower the estimated fair value.

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<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income—equity investments without an active market	Price-equity ratios/Price-to-earnings ratios method	As of March 31, 2025, the price-to-equity ratios of comparable companies were 0.90 times	The higher the price-equity ratios, the higher the fair value.
		As of March 31, 2025, the price-to-earnings ratios of comparable companies were 19.84 times.	The higher the price-to-earning ratios, the higher the fair value.
		As of March 31, 2026, December 31 and March 31, 2025, the discounts for lack of marketability were 30.00%, 30.00% and 17.41%~30.00%, respectively.	The fair value would decrease if lack of marketability and higher discount rate.

(30) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(32) to the consolidated financial statements for the year ended December 31, 2025.

(31) Capital management

The Group's objectives, policies and processes for capital management were consistent with the consolidated financial statements for the year ended December 31, 2025. There were no significant changes in quantified factors of capital management from those in the consolidated financial statement for the year ended December 31, 2025. For related information about the capital management, please refer to note 6(33) of the consolidated financial statements for the year ended December 31, 2025.

(32) Non-cash investing and financing activities

The Group's investing and financing activities which did not affect the current cash flow were as follows:

A. For right-of-use assets obtained from leases, please refer to note 6(9).

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B. Reconciliations of liabilities arising from financing activities were as follows:

	<b>January 1, 2026</b>	<b>Cash flows</b>	<b>Foreign exchange movement and other</b>	<b>March 31, 2026</b>
Short-term borrowings	\$ 2,546,960	1,103,388	28,556	3,678,904
Long-term borrowings (including maturity within 1 year)	620,000	-	-	620,000
Lease liabilities	315,785	(10,136)	1,855	307,504
Total liabilities from financing activities	<u>\$ 3,482,745</u>	<u>1,093,252</u>	<u>30,411</u>	<u>4,606,408</u>

  

	<b>January 1, 2025</b>	<b>Cash flows</b>	<b>Foreign exchange movement and other</b>	<b>March 31, 2025</b>
Short-term borrowings	\$ 1,615,357	623,627	22,906	2,261,890
Long-term borrowings (including maturity within 1 year)	455,000	(5,816)	-	449,184
Lease liabilities	322,552	(15,546)	36,004	343,010
Total liabilities from financing activities	<u>\$ 2,392,909</u>	<u>602,265</u>	<u>58,910</u>	<u>3,054,084</u>

**7. Related-party transactions:**

- (1) Parent company and ultimate controlling company

Qisda, who is both the parent company and the ultimate controlling party of the Group, holds 54.60% of the Group's outstanding shares and has issued the consolidated financial statements available for public use.

- (2) Names and relationship with related parties.

The following are entities that have had transactions with related party during the periods covered in the consolidated financial statement:

<u>Name of related party</u>	<u>Relationship with the Group</u>
Qisda	Parent company
AEWIN Technologies Co., Ltd. (AEWIN)	Qisda's subsidiary
BenQ Asia Pacific Corp (BQP)	Qisda's subsidiary
BenQ Healthcare Corporation (BHC)	Qisda's subsidiary
Qisda (Suzhou) Co., Ltd. (QCSZ)	Qisda's subsidiary
Global Intelligence Network Co., Ltd. (Ginnet)	Qisda's subsidiary
Simula Technologies Inc. (Simula)	Qisda's subsidiary
BenQ Material Corp. (BMC)	Qisda's subsidiary
Qisda Optronics (Suzhou) Co., Ltd. (QCOS)	Qisda's subsidiary
Qisda Vietnam Co., Ltd. (QVN)	Qisda's subsidiary

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<u>Name of related party</u>	<u>Relationship with the Group</u>
Concord Medical Co., Ltd. (Concord)	Qisda's subsidiary
Golden Spirit Co., Ltd. (GSC)	Qisda's subsidiary
Metaage Corporation (Metaage)	Qisda's subsidiary
Yun yun AI Baby camera Co., Ltd. (Yun yun)	Qisda's subsidiary
Nobel Baby Co., Ltd. (Nobel)	Qisda's subsidiary
BenQ Medical Technology Corp. (BMTC)	Qisda's subsidiary
Darfon Electronics Corp. (DFN)	Qisda's associate
Rapidtek Technologies Inc. (Rapidtek)	Qisda's associate
Unictron Technologies Corporation (Unictron)	Qisda's associate
Darwin Precisions Corp. (DARWIN)	Qisda's associate

(3) Significant related-party transactions

A. Sales

The amounts of sales to related parties were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Other related parties	\$ <u>44,022</u>	<u>65</u>

The prices for sales to the above related parties were determined by general market conditions and adjusted by considering the geographic sales area and sales volumes.

The collection terms for third parties and related parties were 30 to 90 days.

B. Purchases

The amounts of purchases from related parties were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Parent company	\$ 201	-
Other related parties	<u>222,690</u>	<u>39,696</u>
	\$ <u>222,891</u>	<u>39,696</u>

The prices for purchase from related parties were not materially different from those from third parties. The payment terms for purchase from related parties were 30 to 90 days after purchase.

C. Receivables from related parties

The receivables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Accounts receivable from related parties	Other related parties	\$ <u>24,555</u>	<u>26,201</u>	<u>-</u>

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D. Payables to related parties

The payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Accounts payable to related parties	Parent company	\$ 210	6	-
Accounts payable to related parties	Other related parties	<u>221,725</u>	<u>34,249</u>	<u>44,721</u>
		<u>\$ 221,935</u>	<u>34,255</u>	<u>44,721</u>

E. Rendering of services and other expenses

The amounts of product warranty and maintenance services, research, remuneration of directors and other expenses paid by the Group were as follows:

	<b>For the three months ended March 31,</b>	
	<u>2026</u>	<u>2025</u>
Parent company	\$ 1,753	1,481
Other related parties	<u>680</u>	<u>1,054</u>
	<u>\$ 2,433</u>	<u>2,535</u>

The payables to related parties were as follows:

<u>Account</u>	<u>Related Party Category</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Other payables	Parent company	\$ 3	287	1,480
Other payables	Other related parties	<u>719</u>	<u>500</u>	<u>625</u>
		<u>\$ 722</u>	<u>787</u>	<u>2,105</u>

F. Property transactions

(a) Acquisition of property, plant and equipment and intangible assets were as follows:

	<b>Proceeds received For the three months ended March 31,</b>	
	<u>2026</u>	<u>2025</u>
Other related parties	\$ <u>385</u>	<u>5,558</u>

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(b) The amounts of payable to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Other payables	Other related parties	\$ -	110	4,493

G. Prepayments

<u>Account</u>	<u>Relationship</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Prepayments (included in other current assets)	Other related parties	\$ 225	168	444

H. Other

<u>Account</u>	<u>Relationship</u>	<u>For the three months ended March 31,</u>	
		<u>2026</u>	<u>2025</u>
Other income	Parent company	\$ 183	-

The other receivables and other payables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Other receivables (included in other current assets)	Parent company	\$ 193	-	-
Other receivables (included in other current assets)	Other related parties	-	410	3,561
		<u>\$ 193</u>	<u>410</u>	<u>3,561</u>
Other payables (included in other current liabilities)	Parent company	\$ -	187	-
Other payables (included in other current liabilities)	Other related parties	-	71	-
		<u>\$ -</u>	<u>258</u>	<u>-</u>

(4) Key management personnel compensation

	<u>For the three months ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Short-term employee benefits	\$ 30,020	26,098
Post-employment benefits	308	308
Share-based payments	654	822
	<u>\$ 30,982</u>	<u>27,228</u>

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**8. Pledged assets:**

<u>Pledged assets</u>	<u>Object</u>	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Time deposit (included in financial assets measured at amortized cost–non-current)	Import guarantee for Customs	\$ 7,550	7,550	7,550
Time deposit (included in financial assets measured at amortized cost–non-current)	Guarantee for land lease	9,382	9,382	9,382
Time deposit (included in financial assets measured at amortized cost–non-current)	Customs duty deferment deposit	1,000	1,000	1,000
Time deposit (included in financial assets measured at amortized cost–non-current)	Guarantee to local authority for sales to overseas customers	11,424	11,409	11,520
Time deposit (included in financial assets measured at amortized cost–non-current)	Contract guarantee	2,115	2,070	2,195
Demand deposits (included in financial assets measured at amortized cost–non-current)	Contract guarantee	147	152	153
Demand deposits (included in financial assets measured at amortized cost–non-current)	Guarantee to local authority for sales to overseas customers	2,680	2,139	2,043
Demand deposits (included in financial assets measured at amortized cost–current and non-current)	Short-term borrowings	5,402	2,602	-
Demand deposits (included in financial assets measured at amortized cost–current and non-current)	Guarantee for contract performance	750	750	-
Refundable deposit (included in financial assets measured at amortized cost–non-current)	Customer contracts and lease deposits	<u>157,152</u>	<u>132,012</u>	<u>112,373</u>
		<u>\$ 197,602</u>	<u>169,066</u>	<u>146,216</u>

**ALPHA NETWORKS INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**9. Significant commitments and contingencies:**

- (1) As of March 31, 2026, December 31 and March 31, 2025, the Group's deposited notes and guarantees in the bank amounted to \$18,523,210 thousand, \$18,333,076 thousand and \$15,741,843 thousand, respectively in order to obtain the credits limit of bank financing, foreign exchange facilities and contracts of government grants.
- (2) The Group had entered into a technology license agreement with suppliers. According to the agreement, the Group is obligated to make payments for technology license fee and royalty based on the total sales of products by using such technology.
- (3) Others

	<b>March 31, 2026</b>	<b>December 31, 2025</b>	<b>March 31, 2025</b>
Guaranteed notes payable for tender contract	\$ <b>20,065</b>	<b>10,168</b>	<b>9,412</b>
Guarantee for construction projects	\$ <b>570,718</b>	<b>230,941</b>	<b>111,151</b>

**10. Losses due to major disasters: None**

**11. Subsequent events:**

With the approval of its board on April 2, 2026, Hitron Technologies entered into a Share Purchase Agreement with ELEKTROPHOENIX GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG on the same date to acquire the entire shares of Perle Systems Limited, at a total maximum amount of US\$45 million, with the Chairman being authorized to fully handle all matters related to this investment.

**12. Other:**

A summary of employee benefits, depreciation, and amortization, by function, was as follows:

<b>By item</b>	<b>By function</b>		<b>For the three months ended March 31,</b>			
	<b>2026</b>			<b>2025</b>		
	<b>Cost of Sales</b>	<b>Operating expenses</b>	<b>Total</b>	<b>Cost of Sales</b>	<b>Operating expenses</b>	<b>Total</b>
Employee benefits						
Salary	181,081	525,085	706,166	162,089	521,466	683,555
Labor and health insurance	14,691	39,849	54,540	12,784	40,767	53,551
Pension	14,143	29,615	43,758	11,290	30,309	41,599
Remuneration of directors	-	8,470	8,470	-	3,756	3,756
Others	12,854	24,367	37,221	10,826	19,999	30,825
Depreciation	56,037	66,919	122,956	67,680	69,068	136,748
Amortization	385	61,453	61,838	691	60,997	61,688

**ALPHA NETWORKS INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**13. Other disclosures:**

(1) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

- A. Financing provided to other parties: Please refer to Table 1.
- B. Guarantees and endorsements provided to other parties: Please refer to Table 2.
- C. Material securities held as of March 31, 2026 (excluding investment in subsidiaries, associates and joint ventures): None.
- D. Related-party transactions for purchases and sales with amounts exceeding \$100 million or 20% of the capital stock: Please refer to Table 3.
- E. Receivables from related parties with amounts exceeding \$100 million or 20% of the capital stock: Please refer to Table 4.
- F. Business relationships and significant intercompany transactions: Please refer to Table 5.

(2) Information on investees : Please refer to Table 6.

(3) Information on investment in Mainland China:

- A. The names of investees in Mainland China, the main businesses and products, and other information: Please refer to Table 7.
- B. Limitation on investment in Mainland China: Please refer to Table 7.
- C. Significant transactions:

The significant inter-company transactions with the subsidiaries in Mainland China, which were eliminated in the preparation of consolidated financial statements for the three months ended March 31, 2026, are disclosed in “Information on significant transactions”.

**14. Segment information:**

The Group’s operating segment information and reconciliation were as follows:

	<b>For the three months ended March 31, 2026</b>			<b>Total</b>
	<b>Network related products</b>	<b>Other</b>	<b>Reconciliation and elimination</b>	
Revenue:				
Revenue from external customers	\$ 4,855,022	459,526	-	5,314,548
Intersegment revenue	-	5,028	(5,028)	-
Total revenue	<u>\$ 4,855,022</u>	<u>464,554</u>	<u>(5,028)</u>	<u>5,314,548</u>
Interest expenses	<u>\$ 30,698</u>	<u>68</u>	<u>(2)</u>	<u>30,764</u>
Depreciation and amortization	<u>\$ 166,922</u>	<u>17,986</u>	<u>(114)</u>	<u>184,794</u>
Reportable segment profit or loss	<u>\$ 20,543</u>	<u>17,749</u>	<u>(11,030)</u>	<u>27,262</u>

**ALPHA NETWORKS INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>March 31, 2026</b>			
	<b>Network related products</b>	<b>Other</b>	<b>Reconciliation and elimination</b>	<b>Total</b>
Reportable segment assets	\$ 21,326,348	4,116,574	(678,338)	24,764,584
Reportable segment liabilities	\$ 10,404,950	1,711,572	(154,653)	11,961,869
	<b>For the three months ended March 31, 2025</b>			
	<b>Network related products</b>	<b>Other</b>	<b>Reconciliation and elimination</b>	<b>Total</b>
Revenue:				
Revenue from external customers	\$ 4,125,438	398,720	-	4,524,158
Intersegment revenue	-	15,227	(15,227)	-
Total revenue	\$ 4,125,438	413,947	(15,227)	4,524,158
Interest expenses	\$ 28,589	53	(2)	28,640
Depreciation and amortization	\$ 180,924	17,665	(153)	198,436
Reportable segment profit or loss	\$ (126,477)	42,183	(23,499)	(107,793)
	<b>March 31, 2025</b>			
	<b>Network related products</b>	<b>Other</b>	<b>Reconciliation and elimination</b>	<b>Total</b>
Reportable segment assets	\$ 20,238,311	3,855,012	(715,410)	23,377,913
Reportable segment liabilities	\$ 8,871,879	1,373,585	(120,266)	10,125,198

**Alpha Networks Inc. and Subsidiaries**  
**Financing provided to other parties**  
**For the three months ended March 31, 2026**

Table 1

(In Thousands of New Taiwan Dollars)

No.	Name of lender	Name of borrower	Account	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	Alpha	Alpha VN	Other receivable from related parties	Yes	319,950 (USD10,000 thousand)	319,950 (USD10,000 thousand)	319,950 (USD10,000 thousand)	4.70%	2	-	Operating capital	-		-	1,817,538 (note 2)	3,635,077 (note 3)
1	Alpha Chengdu	Alpha Changshu	Same as above	Yes	277,944 (CNY60,000 thousand)	277,944 (CNY60,000 thousand)	277,944 (CNY60,000 thousand)	0.65%	2	-	Operating capital	-		-	532,129 (note 4)	532,129 (note 4)

Note 1: The method of filling out the capital loan and nature is as follows:

- (1) relate business relationship, please fill in 1.
- (2) relate short-term financing, please fill in 2.

Note 2: The individual financing amounts for a short term period shall not exceed 20% of the net worth of Alpha.

Note 3: The aggregate financing amount for a short term period shall not exceed 40% of the net worth of Alpha.

Note 4: Alpha Chengdu, the subsidiaries whose voting shares are 100% owned, directly or indirectly, by Alpha, which are not located in Taiwan, for the purpose of lending operating capital, both the total amount of financing and the amount of financing offered to a single company owned by Alpha shall not exceed 100% of the lender's net worth.

**Alpha Networks Inc. and Subsidiaries**  
**Guarantees and endorsements provided to other parties**  
**For the three months ended March 31, 2026**

Table 2

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (note 1)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (note 2)	Parent company endorsements/guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/guarantees to third parties on behalf of parent company	Endorsements/guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	Alpha	Alpha Changshu	note 3	1,817,538	223,965	223,965	10,272	-	4.93 %	4,543,847	Y	N	Y

Note 1: The total amount of guarantee provided by Alpha to any individual entity shall not exceed 20% of Alpha's equity.

Note 2: The total amount of guarantee provided by Alpha shall not exceed 50% of Alpha's equity.

Note 3: The company directly and indirectly holds more than 50% of the shares with voting rights.

**Alpha Networks Inc. and Subsidiaries**

**Related-party transactions for purchases and sales with amounts exceeding \$100 million or 20% of the capital stock**

**For the three months ended March 31, 2026**

Table 3

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/(Sale)	Amount	Percentage of total purchases/(sales)	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Alpha	Alpha USA	Subsidiary of Alpha	(Sales)	(717,073)	(18)%	90 days	-		878,991	28%	note
Alpha	Alpha Changshu	Subsidiary of Alpha	Purchase	466,813	12%	90 days	-		(1,420,079)	(49)%	note
Alpha	Hitron Technologies	Subsidiary of Alpha	(Sales)	(1,305,142)	(33)%	60 days	-		1,066,932	34%	note
Alpha	Alpha HK	Subsidiary of Alpha	Purchase	2,619,537	65%	90 days	-		(609,498)	(21)%	note
Alpha HK	Alpha Changshu	Subsidiary to subsidiary	(Sales)	(394,116)	(7)%	90 days	-		323,840	11%	note
Alpha HK	Alpha VN	Subsidiary to subsidiary	(Sales)	(2,433,958)	(45)%	90 days	-		1,948,803	68%	note
Alpha VN	Alpha HK	Subsidiary to subsidiary	(Sales)	(2,619,537)	(100)%	90 days	-		786,638	100%	note
Hitron Technologies	Hitron America	Subsidiary to subsidiary	(Sales)	(1,228,003)	(93)%	120 days	-		1,595,190	82%	note
Interactive Digital	Metaage	Subsidiary to other related parties	Purchase	112,885	16%	60 days	-		(102,494)	11%	

Note: The relevant transactions and ending balance have been eliminated in the consolidated financial statements.

**Alpha Networks Inc. and Subsidiaries**  
**Receivables from related parties with amounts exceeding \$100 million or 20% of the capital stock**  
**March 31, 2026**

Table 4

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period(note 1)	Loss Allowance	Note
					Amount	Action taken			
Alpha	Alpha USA	Subsidiary of Alpha	878,991	2.64	-	-	-	-	note 2
Alpha	Hitron Technologies	Subsidiary of Alpha	1,066,932	5.42	1,231	-	-	-	note 2
Alpha	Alpha VN	Subsidiary of Alpha	333,567	-	-	-	-	-	note 3
Alpha Changshu	Alpha	Subsidiary to parent	1,420,079	1.40	946,258	-	-	-	note 2
Alpha HK	Alpha Changshu	Subsidiary to subsidiary	323,840	5.02	2,550	-	7,190	-	note 2
Alpha HK	Alpha VN	Subsidiary to subsidiary	1,948,803	4.40	51,708	-	94,383	-	note 2
Alpha HK	Alpha	Subsidiary to parent	609,498	11.12	7,301	-	89,595	-	note 2
Alpha VN	Alpha HK	Subsidiary to subsidiary	786,638	9.17	-	-	89,595	-	note 2
Hitron Technologies	Hitron America	Subsidiary to subsidiary	1,595,190	3.32	-	-	276,409	-	note 2
Alpha Chengdu	Alpha Changshu	Subsidiary to subsidiary	279,043	-	-	-	-	-	note 3

Note 1: The collection situation as of April 23, 2026.

Note 2: The relevant transactions and ending balance have been eliminated in the consolidated financial statements.

Note 3: It is not applicable for the calculation of turnover days for other receivables not generated from sales.

**Alpha Networks Inc. and Subsidiaries**  
**Business relationships and significant intercompany transactions**  
**For the three months ended March 31, 2026**

Table 5

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account	Amount	Payment terms	Percentage of the consolidated operating revenue or total assets
0	Alpha	Alpha USA	Parent to Subsidiary	Sales	717,073	-	13.49%
0	Alpha	Alpha USA	Parent to Subsidiary	Accounts receivable from related parties	878,991	90 days	3.55%
0	Alpha	Alpha Changshu	Parent to Subsidiary	Purchase	466,813	-	8.78%
0	Alpha	Alpha Changshu	Parent to Subsidiary	Accounts payable to related parties	1,420,079	90 days	5.73%
0	Alpha	Alpha Chengdu	Parent to Subsidiary	Research expense	54,240	-	1.02%
0	Alpha	Hitron Technologies	Parent to Subsidiary	Sales	1,305,142	-	24.56%
0	Alpha	Hitron Technologies	Parent to Subsidiary	Accounts receivable from related parties	1,066,932	60 days	4.31%
0	Alpha	Alpha HK	Parent to Subsidiary	Purchase	2,619,537	-	49.29%
0	Alpha	Alpha HK	Parent to Subsidiary	Accounts payable to related parties	609,498	90 days	2.46%
0	Alpha	Alpha VN	Parent to Subsidiary	Other receivables from related parties	333,567	-	1.35%
1	Alpha HK	Alpha Changshu	Subsidiary to Subsidiary	Sales	394,116	-	7.42%
1	Alpha HK	Alpha Changshu	Subsidiary to Subsidiary	Accounts receivable from related parties	323,840	90 days	1.31%
1	Alpha HK	Alpha VN	Subsidiary to Subsidiary	Sales	2,433,958	-	45.80%
1	Alpha HK	Alpha VN	Subsidiary to Subsidiary	Accounts receivable from related parties	1,948,803	90 days	7.87%
2	Alpha VN	Alpha HK	Subsidiary to Subsidiary	Sales	2,619,537	-	49.29%
2	Alpha VN	Alpha HK	Subsidiary to Subsidiary	Accounts receivable from related parties	786,638	90 days	3.18%
3	Alpha Chengdu	Alpha Changshu	Subsidiary to Subsidiary	Other receivables from related parties	279,043	-	1.13%
4	Hitron Technologies	Hitron America	Subsidiary to Subsidiary	Sales	1,228,003	-	23.11%
4	Hitron Technologies	Hitron America	Subsidiary to Subsidiary	Accounts receivable from related parties	1,595,190	120 days	6.44%

Note: The significant intercompany transactions in this table reach 1% of consolidated operating revenue or total assets.

**Alpha Networks Inc. and Subsidiaries**  
**Information on investees**  
**For the three months ended March 31, 2026**

Table 6

(In Thousands of Shares/In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2026			Net income (losses) of investee	Share of profits/ losses of investee	Note
				March 31, 2026	December 31, 2025	Shares	Percentage of ownership	Carrying value			
Alpha	Alpha Solutions	Japan	Sale of network equipment, components and technical services	5,543	5,543	1	100.00 %	16,359	90	90	
Alpha	Alpha USA	USA	Sale, marketing and procurement service in USA	51,092	51,092	1,500	100.00 %	211,377	8,622	8,622	
Alpha	Alpha HK	Hong Kong	Investment holding	2,033,915	2,033,915	485,791	100.00 %	1,245,576	(29,363)	(18,908)	
Alpha	ATS	USA	Post-sale service	260,497 (USD8,100 thousand)	260,497 (USD8,100 thousand)	8,100	100.00 %	210,568	835	835	
Alpha	Enrich Investment	Taiwan	Investment holding	400,000	400,000	40,000	100.00 %	422,319	31,641	31,641	
Alpha	Hitron Technologies	Taiwan	Marketing on system integration of communication product and telecommunication products	4,811,000	4,811,000	200,000	62.24 %	3,734,749	22,312	861	
Alpha	Alpha VN	Vietnam	Production and sale of network products	1,490,323	1,490,323	note 3	100.00 %	1,196,383	5,840	5,840	
Alpha	INDIALPHA	India	Sale of network products	39,214	39,214	10,500	99.99 %	15,847	(7,117)	(7,117)	
Alpha	Fiber Logic	Taiwan	Broadband communication products and service	491,153	491,153	6,841	30.39 %	450,529	(51,806)	(18,224)	
Enrich Investment	Interactive Digital	Taiwan	Telecommunication and broadband network system services	189,523	189,523	2,575	5.06 %	103,110	30,132	note 1	
Enrich Investment	Aespula	Taiwan	Sale of network equipment components and technical services	80,000	80,000	8,000	98.92 %	-	-	notes 2, 4	
Enrich Investment	INDIALPHA	India	Sale of network products	1	1	-	0.01 %	1	-	note 1	
Hitron Technologies	Hitron Samoa	Samoa	International trade	172,179	172,179	5,850	100.00 %	251,586	905	note 1	

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2026			Net income (losses) of investee	Share of profits/ losses of investee	Note
				March 31, 2026	December 31, 2025	Shares	Percentage of ownership	Carrying value			
Hitron Technologies	Interactive Digital	Taiwan	Telecommunication and broadband network system services	126,091	126,091	16,703	32.82 %	577,872	30,132	note 1	
Hitron Technologies	Hitron Vietnam	Vietnam	Factory, warehouse and office leases	492,373	492,373	note 3	100.00 %	981,594	8,680	note 1	
Hitron Technologies	Hitron America	USA	International trade	90,082	90,082	300	100.00 %	479,936	113,106	note 1	
Hitron Technologies	Hitron Europe	Netherlands	International trade	59,604	59,604	15	100.00 %	47,423	(13,170)	note 1	
Interactive Digital	Transnet	Taiwan	Operating integrated supply of network communication products, system services, and import and export of network equipment	36,236	36,236	4,000	80.00 %	49,784	(6,946)	note 1	
Interactive Digital	Fiber Logic	Taiwan	Broadband communication products and service	93,053	93,053	1,296	5.76 %	85,410	(51,806)	note 1	

Note 1: Recognized by subsidiary.

Note 2: The percentage of ownership had included 87 thousand shares of preferred stock held by the original shareholders.

Note 3: Limited company.

Note 4: On November 20, 2025, Aespula's Board of Directors had approved the dissolution. The liquidation process is currently in progress.

**Alpha Networks Inc. and Subsidiaries**

**The names of investees in Mainland China, the main businesses and products, and other information**

**For the three months ended March 31, 2026**

Table 7

(In Thousands of New Taiwan Dollars)

(1) The names of investees in Mainland China, the main businesses and products, and other information

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2026	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2026	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (note 3)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Alpha Chengdu	Research and development of network products	420,426	note 2(b)	420,426	-	-	420,426	2,444	100.00%	2,444	532,129	147,231
Mirac (note 9)	Production and sale of network products	17,795	note 1(a)	307,326	-	-	307,326	(1,114)	-	(1,114)	-	-
Alpha Changshu	Production and sale of network products	1,925,920	note 1(a)	1,925,920	-	-	1,925,920	(29,795)	100.00%	(29,795)	1,211,660	-
Alpha Changshu Trading	Production and sale of network products	17,378 (CNY4,000 thousand)	note 1(a)	-	-	-	-	(3,113)	100.00%	(3,113)	11,813	-
Hitron Suzhou	Broadband telecommunications products, research and development	171,245 (CNY34,800 thousand)	note 1(b)	171,245	-	-	171,245	909	100.00% (note 8)	909	247,599	-
Jietech Suzhou	Sale of broadband network products and related services	31,139 (CNY5,425 thousand)	note 1(b)	31,139	-	-	31,139	(4)	100.00% (note 8)	(4)	3,899	-
Hwa Chi Technologies	Technical consultation on electronic communication, technology research and development, maintenance and after-sale service	2,907 (USD100 thousand)	note 2(a)	8,854	-	-	8,854	655	32.82% (note 8)	215	3,205	31,155

(2) Limitation on investment in Mainland China

<b>Name of Company</b>	<b>Accumulated Investment in Mainland China as of March 31, 2026</b>	<b>Investment Amounts Authorized by Investment Commission, MOEA</b>	<b>Upper Limit on Investment</b>
Alpha	2,634,897 notes 4, 5, 7 and 10	3,496,798	note 6
Hitron Technologies	211,238	214,528	2,877,972

Note 1: Investments in companies in Mainland China through the existing companies in the third regions are as follows:

- (a) Alpha HK
- (b) Hitron Samoa

Note 2: Other methods:

- (a) Hwa Chi is a Chinese based investment company, which was originally invested by Hitron Samoa, a subsidiary of Alpha. However, due to the Group's restructuring, the investor was changed to Interactive Digital instead, based on the resolution approved during the board meeting in 2012.
- (b) Direct investment in Mainland China.

Note 3: The amount was recognized based on the reviewed financial statements.

Note 4: The accumulated investments in Alpha Dongguan did not include the previously investment of HKD69,387 thousand (equivalent to approximately NTD\$303,055 thousand) by D-Link Corporation.

Note 5: Alpha, who indirectly invested its subsidiary, Tongying Trading (Shenzhen) Co., Ltd., has liquidated all its rights and obligations and cancelled its registration in March 2008, resulting in the amount of \$5,461 thousand (the difference between the accumulated investment in Tongying Trading (Shenzhen) Co., Ltd. amounting to \$9,828 thousand and the remittance amount of \$4,367 thousand) to be recognized. The amount recognized above still needs to be included in the accumulated investment in Mainland China according to the principle of Investment Commission, MOEA.

Note 6: According to the Operation Headquarters confirmation document, with letter No. 11451018350, issued by the Industrial Development Bureau, MOEA, obtained by Alpha, the upper limit on its investment in Mainland China, pursuant to the "Principle of Investment or Technical Cooperation in Mainland China", is not applicable for the period from May 12, 2025 to May 11, 2028.

Note 7: Maintrend, a subsidiary which Alpha's indirectly invested in, has completed its liquidation procedures on various rights and obligations; thus, cancelled its registration on July 23, 2018. However, Alpha's cumulative investment of \$164,622 thousand still needs to be included in the accumulated investment in Mainland China according to the regulations of the Investment Commission, MOEA.

Note 8: This refers to the direct or indirect shareholding of Hitron Technologies.

Note 9: On October 31, 2025, Mirac's Board of Directors approved the dissolution. The liquidation process was completed, and the deregistration procedures were finalized on February 4, 2026. As of March 31, 2026, the capital has yet to be remitted back.

Note 10: In the second quarter of 2024, Alpha disposed of D-Link Asia and its subsidiary Alpha Dongguan. This resulted in a recognized amount of NTD\$114,197 thousand, representing the difference between the accumulated investment of NTD\$714,084 thousand and the remittance amount of NTD\$626,887 thousand. The amount recognized above is still required to be included in the accumulated investment in Mainland China in accordance with the regulations of the Investment Commission, MOEA.