

Alpha Networks Inc.

Risk Management Policies and Procedures

The risk management focuses of the Company is management system and risk transfer planning of corporate governance: strategic, financial, operational and hazard risks, which are managed by the Risk Management Committee (the "RMC"). RMC clearly define the Company's risk management vision, policies, principles, procedures, and the rights and responsibilities of each unit to effectively manage risks that exceed the Company's risk tolerance, and use risk management tools to optimize the total risk management cost.

I. Risk Management Prospect :

1. Commitment to provide products and services constantly to create long-term value for customers, shareholders, employees, and society.
2. Risk management requires systematic risk management procedures and organizations to promptly and effectively identify, evaluate, handle, report and monitor major risks that affect the Company's viability, and to strengthen the risk awareness of all employees.
3. Instead of pursuing "zero" risks, risk management aims to maximize benefits to optimize the cost of risk management under the acceptable risk level.

II. Risk Management Policy :

1. To ensure sustainable development, each year the RMC shall identify, assess, handle, report, and monitor the risks that may cause negative impact on the achievement of the Company's operational goals
2. Identify and control risks before an accident, inhibit loss during accidents, and restore product and service provision quickly after accidents. Formulate business continuity plans for critical risk scenarios determined by the RMC.
3. Consider the management cost of risks within the Company's risk appetite and handle such risks with different management tools, except for the following circumstances.
 - Risks with negative impact on the life and safety of employee.
 - Risks involving violations of laws and regulations.
 - Risks with negative impact on the Company's reputation.

III. Principles of risk management

1. Integration:
To treat risk management as part of all activities.
2. Structured and Comprehensive:
To promote risk management with a structured and comprehensive manner to achieve consistent and comparable results.

3. Customization:

To develop appropriate risk management frameworks and procedures according to the Company's environment, scale, business characteristics, risk nature and operating activities.

4. Inclusivity:

Consider the needs and expectations of stakeholders to improve and meet their understanding and expectations of the Company's risk management.

5. Dynamic:

Appropriately and timely to predict, monitor, grasp and respond to changes in the Company's internal and external environment.

6. Utilization of information:

Based on historical and current information and future trends, the Company use those information as the basis for risk management, and provide information to stakeholders in a timely and clear manner.

7. Employee and Culture:

Enhance the importance of risk management in the governance and management units, and enhance the overall risk awareness and culture of the Company through comprehensive risk management training for personnel at all levels, and regard risk management as a part of corporate governance and daily operations.

8. Continuous improvement:

To improve risk management and related operational processes continuously through learning and experience.

IV. Risk Management Procedure :

1. Establish the RMC and operating procedures for the RMC according to the Company's risk management policy. RMC meetings shall be held quarterly in principle, and ad hoc meetings may be convened in case of major situations..
2. According to the four risk categories of strategy, finance, operation and hazard, the risk radar chart is generated according to the steps of risk identification, risk analysis and risk assessment.
3. Each member of the RMC formulates countermeasures for risk response based on the major risks of each unit, and reports and discusses at the RMC meeting. In addition, to supervise and review the effectiveness of risk management.
4. The risk management unit regularly compiles the risk information provided by all units of the Company, reports and provides those information to the RMC Committee, so as to facilitate the dynamic response and adjustment of risk management.
5. Report to the Audit Committee and the Board of Directors annually on the status of risk management operations and implementation.
6. Compile the risk information provided by all units of the Company. To predict, monitor, grasp and respond to changes in the Company's internal and external environment in a timely manner through a dynamic management mechanism.

V. Authorities and Responsibilities

1. Authority

Unit	Authorities
Board of Director	To approve the risk management vision, policies and procedures.
Audit Committee	To determine the risk management policies and supervise implementation results.
Risk Management Committee	To execute the policies and resolutions of the RMC.
Risk Management Unit	To plan, execute and review the risk management related matters.

2. Responsibilities

2.1 Board of Director

- a. To ensure the operational strategic direction is consistent with the risk management policy;
- b. To ensure an appropriate risk management mechanism and risk management culture have been established;
- c. To supervise and ensure the effective operation of the overall risk management mechanism;
- d. To allocate and assign sufficient and appropriate resources to enable risk management to operate effectively.

2.2 Audit Committee

- a. To review the risk management vision, policies and procedures, and review their applicability and implementation effectiveness regularly;
- b. To determine risk appetite (risk tolerance) and guide resource allocation;
- c. To ensure the risk management mechanism can handle the risks faced adequately by the Company;
- d. To review the implementation of risk management, propose necessary improvement suggestions, and report to the board of directors regularly;
- e. To execute the risk management decisions of the Board of Directors.

2.3 Risk Management Committee

- a. To formulate risk appetite (risk tolerance) and establish qualitative and quantitative measurement standards;
- b. To analyze and identify the sources and types of company risks, and review their applicability regularly;
- c. To ensure the risk management mechanisms can be integrated into daily operating procedures.

2.4 Risk Management Unit

- a. To formulate risk appetite (risk tolerance) and establish qualitative and quantitative measurement standards;
- b. To analyze and identify the sources and types of company risks, and review their applicability regularly;
- c. To ensure the risk management mechanisms can be integrated into daily operating procedures.

- d. To assist and supervise the execution of risk management activities of various departments;
- e. To assist the cross-departmental interaction and communication in risk management operations;
- f. To execute the risk management decisions of the Risk Management Committee
- g. To plan risk management-related training to enhance the Company's overall risk awareness and risk management culture.

2.5 Operation Unit

- a. All managers and employees of the Company are obliged to manage risks within their respective work scopes;
- b. Responsible for the risk identification, analysis, evaluation and response of the affiliated units, and establish relevant crisis management mechanisms when necessary;
- c. To report risk management information regularly to the risk management promotion and execution unit;
- d. To ensure the risk management and related control procedures of their own units are effectively implemented to comply with risk management policies.

VI 、 Supplementary Provisions

These Policies and Procedures shall be implemented upon the approval of the Board. The same shall apply to amendments thereto.

These Policies and Procedures were established on August 10, 2021.

Its first amendment was made on 24th February, 2023.