

Alpha Networks Inc.

Procedures for Endorsements & Guarantees

Article 1 : Purpose and basis of formulation

These procedures are promulgated pursuant to Article 36-1 of the Taiwan Securities and Exchange Act and the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”.

Article 2 : Scope of application

The term “Endorsements/Guarantees” as used in these procedures refers to the following:

1. Financing endorsements/guarantees, including:
 - (1) Bill discount financing.
 - (2) Endorsements or guarantees made to meet the financing needs of another company.
 - (3) Issuance of a separate negotiable instrument to a non-financial institution as security to meet the financing needs of the company itself.
2. Customs duty endorsements/guarantees, meaning an endorsement or guarantee for the Company itself or another company with respect to customs duty matters.
3. Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.

Any creation by the Company of a pledge or mortgage on its personal property or real property as security for the loans of another company shall also comply with these procedures.

Article 3 : Entities for which the Company may make endorsements and guarantees

The Company may make endorsements and guarantees for the following companies:

1. Companies with business dealings.
2. Companies in which the Company holds, directly or indirectly, 50% or more of the voting shares.
3. Companies directly and indirectly holds more than 50 percent of the voting shares of the Company.

Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other.

Based on the contractual obligations for undertaking a construction project, the

Company may provide mutual endorsements/guarantees for another company in the same industry or for joint builders. Or based on the joint investment relationship, all investors with capital injection shall make endorsements/guarantees by respective shareholding percentages. Or based on the regulations of the Consumer Protection Act, when the Company engages in the sales contract for pre-sale houses, the Company may make joint performance guarantees to companies in the same industry. The aforementioned endorsements/guarantees may be free of the restriction of the preceding two paragraphs.

The referred "Capital Injection" in the preceding paragraph shall mean capital contribution directly by the Company or by a company in which the Company holds 100% of the voting shares.

Article 4 : Limits of endorsements and guarantees

The total amount related to the Company's endorsements and guarantees matters are as follows:

1. The total amount of the Company's endorsements and guarantees shall be limited to 50% of the net worth of the Company.
2. The total amount of endorsements and guarantees made by the Company to a single entity shall be limited to 20% of the net worth of the Company.
3. Where an endorsement or guarantee is made due to needs arising from business dealings, it should be in accordance with the limit in first two preceding paragraphs. The amount of individual endorsement or guarantee shall not exceed the total transaction amount between the parties which occurred in the past one year or the estimate of business dealings in the next one year.

The "transaction amount" shall mean the sales or purchasing amount between the parties, whichever is higher.

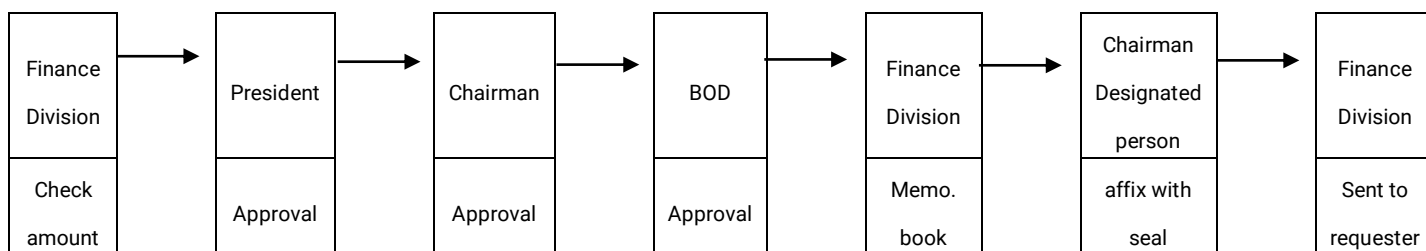
Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the Company; provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

The total amount of endorsements and guarantees by the Company and its subsidiaries shall be limited to 100% of the net worth of the Company. If the aggregate amount of endorsements and guarantees by the Company and its subsidiaries as a whole reaches 50% or more of the net worth of the Company, the management should make a report at the shareholders meeting to explain the necessity and reasonableness. The total amount of endorsements and guarantees by the Company and its subsidiaries to a single company shall be limited to 50% of the net worth of the Company.

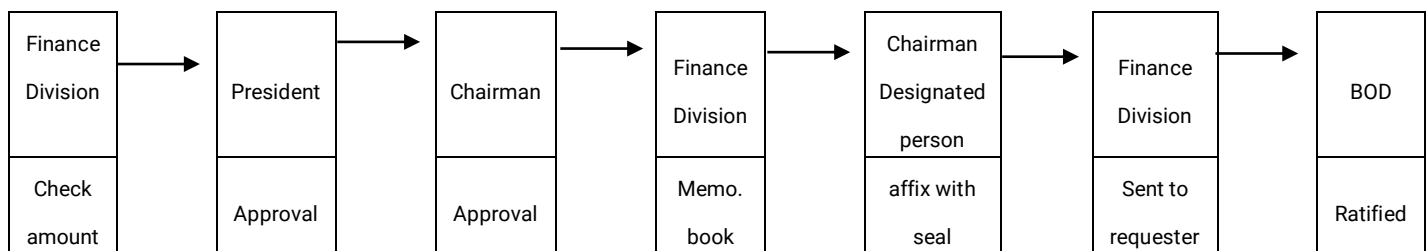
Article 5 : Procedures for making endorsements/guarantees

The Company shall prepare a memorandum book for its endorsements/guarantees activities and truthfully record the following information: the entity, the amount of endorsements/guarantees, date of approval by the board of directors or the chairman, endorsements/guarantees date, and matters to be carefully evaluated under the article 6.

1. Normal situation



2. Special situation



Article 6 : Review procedures

Before handling endorsements/guarantees matters, the Company should carefully assess whether it complies with the "Regulations Governing Loaning of Funds and Making of endorsements/guarantees by Public Companies" set by the Financial Supervisory Commission and the requirements of these procedures, and evaluate the following items:

1. The financial and operating conditions of the company being endorsed are assessed on the necessity and rationality of the endorsements and guarantees.
2. Conduct credit checks based on the information provided by the endorsed company to assess the risks of endorsements/guarantees.
3. Whether the accumulated endorsements/guarantees amount is still within the limit and the impact of the endorsements/guarantees on the Company’s operating risks, financial status and shareholders’ equity.
4. Measure the Company’s risk exposure to endorsements and guarantees, and assess whether collateral should be obtained.

Article 7 : Procedures for controlling endorsements/guarantees by subsidiaries

1. Where a subsidiary of the Company intends to make endorsements/guarantees for others, the Company shall instruct the subsidiary to formulate its own "Procedures for Endorsements & Guarantees" in compliance with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", and the subsidiary shall comply with these procedures when making endorsements/guarantees.
2. If the Company's subsidiaries propose to make endorsements/guarantees for other parties due to business needs, it shall follow the above regulations and report the ending balance of the previous month before the 7th of each month for the convenience of announcements, declarations and copies.
3. Before making any endorsements/guarantees pursuant to paragraph 2 of article 3, a subsidiary in which the Company holds, directly or indirectly, 90% or more of the voting shares shall submit the proposed endorsements/guarantees to the board of directors of the Company for a resolution; provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

Article 8 : Use of the corporate chop and the custody procedures

1. The Company shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements/guarantees. The chop shall be kept in the custody of a designated person appointed by the chairman authorized by the board of directors and may be used to seal or issue negotiable instruments only in prescribed procedures.
2. When making a guarantee for a foreign company, the Company shall have the guarantees agreement signed by a person authorized by the board of directors.

Article 9 : Decision-making and authorization

1. The endorsements and guarantees shall be approved by the board of directors in accordance with the procedures. However, due to business needs, the board of directors may authorize the chairman to make decisions within TWD 100 million of the external endorsements and guarantees under the provisions of article 4 and it follows the special operating procedures. Afterwards, it should be reported to the board of directors for ratification.
2. Where the Company needs to make endorsements/guarantees to satisfy its business needs, and where the conditions set out in the operational procedures for endorsements/guarantees are met, it shall obtain approval from the board of directors and over half of the directors shall act as joint guarantors for any loss resulted from the excess endorsements/guarantees. It shall also amend the operational procedures for endorsements/guarantees accordingly and report it at

the shareholders meeting for ratification. If the shareholders meeting does not approve it, the Company shall adopt a plan to discharge the excess amount within a given time period.

When making endorsements/guarantees to others, the Company shall take into consideration the opinions of each independent director; independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the meeting minutes of the board of directors.

Article 10 : Announcement and declaration procedures

1. The Company shall announce the last month balance of endorsements/guarantees of the Company and its subsidiaries by the 10th day of each month.
2. When the balance of endorsements/guarantees reaches one of the following standards, the Company shall announce and declare such event within two days commencing immediately from the date of occurrence:
 - (1) The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in the latest financial statements.
 - (2) The balance of endorsements/guarantees by the Company and its subsidiaries for a single entity reaches 20 percent or more of the Company's net worth as stated in the latest financial statements.
 - (3) The balance of endorsements/guarantees by the Company and its subsidiaries for a single entity reaches NT\$ 10 million or more and the aggregate amount of all endorsements/guarantees, investment amount under the equity method, and balance of fund-lending, reaches 30 percent or more of the Company's net worth as stated in the latest financial statements.
 - (4) The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$ 30 million or more, and reaches 5 percent or more of the Company's net worth as stated in the latest financial statements.

When a subsidiary of the Company is not a domestic public company, the Company shall perform the announcement and declaration tasks in accordance with the preceding paragraph on behalf of the subsidiary.

The Company shall evaluate or recognize the contingent loss for endorsements/guarantees, and shall adequately disclose information of endorsements/guarantees in the financial statements and provide CPAs with relevant information for implementation of necessary audit procedures.

Article 11 : Transition period clause

After these procedures taking effect, if the original counterparties or amount that meets the limit of endorsements/guarantees exceeds the limit due to the change in calculation, the endorsements/guarantees amount or the excess part shall be cleared after the contract expires or the prescribed plan within a certain period of time, and shall be reported to the board of directors.

Article 12 : Penalties

When the Manager and in-charge staff violate this Procedure deliberately or gross negligence, it shall be dealt with in accordance with relevant personnel and administrative rules of the Company.

Article 13 : Audit

The internal auditors of the Company shall audit the "Procedures for Endorsements & Guarantees" and the implementation status at least quarterly and prepare written records accordingly. They shall promptly notify the audit committee in writing of any material violation found.

Article 14 : Others

1. "Subsidiary" and "parent company" as referred to in these procedures shall be as determined under the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".
2. The term "announce and declare" as used in these procedures means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).
3. Should the entity for which an endorsements/guarantees is made no longer meets the requirements of these procedures, or the amount of endorsements/guarantees exceeds the limit due to unexpected changes of the Company, a corrective plan has to be provided to the audit committee and the proposed correction actions should be implemented within the period specified in such plan.
4. When the entity for which the Company makes any endorsements/guarantees is a subsidiary whose net worth is lower than half of its paid-in capital, the finance division should assess operating risks of subsidiaries and its impact on the Company, and report to the Company's board of directors quarterly.
In the case of a subsidiary with shares having no par value or a par value other than NT\$10, the sum of the share capital plus capital surplus in excess of par shall be treated as the paid-in capital. However, the restriction shall not apply to the companies in which the Company holds, directly or indirectly, 100% of the voting shares.
5. "Net worth" in these procedures means the equity attributable to the owners of the parent company in the balance sheet under the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".
6. "Date of occurrence" in these procedures means the date of contract signing, date of payment, date of the resolutions of the board of directors, or the other date that can conform the entity and the transaction amount, whichever date is earlier.

Article 15 : When the Company formulates or amends these procedures, the formulation or amendment shall be approved by a majority of all audit committee members and then be submitted to the board of directors for a resolution. If approval of majority of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the meeting minutes of the board of directors.

The total number of all audit committee members and all directors in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 16 : These procedures were formulated on 27th November, 2003.

Its first amendment was made on 19th June, 2009.

Its second amendment was made on 18th June, 2010.

Its third amendment was made on 14th June, 2013.

Its fourth amendment was made on 14th June, 2019.

Its fifth amendment was made on 28th January, 2021.

Its sixth amendment was made on 18th June, 2021.