

Alpha Networks Inc.

2025

Annual General Shareholders' Meeting

Handbook

Date of Meeting: May 27, 2025

Table of Contents

I. Meeting Procedures	1
II. Meeting Agenda	2
1. Report Items	3
2. Recognition and Discussion Items	5
3. Special Motions	6
III. Attachments	7
1. 2024 Business Report	8
2. Audit Committee's Review Report	15
3. Independent Auditors' Report and 2024 Consolidated Financial Statements	16
4. Independent Auditors' Report and 2024 Parent Company Only Financial Statements	26
5. 2024 Earnings Distribution Table	37
6. Comparison table for the Articles of Incorporation before and after the amendment	38
7. List of Non-competition Restrictions Items on current Directors and their Representatives	40
IV. Appendices	41
1. Rules of Procedures for Shareholders' Meeting	42
2. Articles of Incorporation (Before the Amendments)	48
3. Shareholding of Directors	56

I. Meeting Procedures

Procedures of Alpha Networks Inc. 2025 Annual General Shareholders' Meeting are as Follows.

1. Call Meeting to Order
2. Chairperson Remarks
3. Report Items
4. Recognition and Discussion Items
5. Special Motions
6. Adjournment

II. Meeting Agenda

Date and time: May 27, 2025 starting 09:00 a.m.

Place: Darwin Hall of HSP Link.

(2F, No. 1, Industry E. Rd. II, Science-Based Industrial Park, Hsinchu, Taiwan, R.O.C.)

The agenda for the Meeting is as follows:

- I. Call Meeting to Order
- II. Chairperson Remarks
- III. Report Items
 1. To report the Business of 2024.
 2. Audit Committee's Review Report.
 3. To report the 2024 Employees' Compensation and Directors' Remuneration.
 4. To report the Distribution of Cash Dividends from 2024 Earnings.
 5. To report the Cash Distribution from Capital Surplus.
- IV. Recognition and Discussion Items
 1. To accept 2024 Business Report and Financial Statements.
 2. To accept 2024 Statement of Earnings Distribution.
 3. To amend the Articles of Incorporation.
 4. To release the current Directors and their Representatives from Non-competition Restrictions.
- V. Special Motions
- VI. Adjournment

Report Items

1. To report the Business of 2024

Explanation: Please refer to Attachment 1 (P.8 ~ P.14).

2. Audit Committee's Review Report

Explanation: Please refer to Attachment 2 (P.15).

3. To report the 2024 Employees' Compensation and Directors' Remuneration

Explanation: The board of directors has approved the distribution of the employees' compensation and directors' remuneration of 2024 as NT\$ 30,968,069 and NT\$ 2,322,605 respectively in cash, on February 27, 2025.

4. To report the Distribution of Cash Dividends from 2024 Earnings

Explanation:

- (1) In accordance with article 30-1 of the Articles of Incorporation, when the Company's dividends and bonuses are distributed in cash, the board of directors is authorized to make a resolution and report the distribution in the shareholders' meeting.
- (2) The proposed distribution is appropriated from the 2024 earnings available for distribution and approved by the board meeting on February 27, 2025. The cash dividends, amounted to NT\$270,859,230 will be distributed at NT\$0.5 per share, and the distribution of cash dividends shall be based on share ratio and rounded off (less than NT\$1) to the integer. Fractional dividend amounts that are less than NT\$1 shall be ranked from high to low in value and from a small beginning into a mighty in shareholders account number, and then they shall be adjusted in this order until the total amount of cash dividend distribution is met. The Chairperson of Board of Directors is also authorized to determine the ex-dividend date and payment date for the cash dividends and other related matters.
- (3) Shall there be any modification required for the cash dividend distribution of 2024 Earnings due to the change of total outstanding shares, the chairperson is fully authorized by the board of directors to adjust the distribution ratio.

5. To report the Cash Distribution from Capital Surplus

Explanation:

- (1) In accordance with article 30-1 of the articles of incorporation, when the Company's capital surplus is distributed in cash, the board of directors is authorized to make a resolution and report the distribution in the shareholders' meeting.
- (2) The proposed distribution is appropriated from capital surplus from the additional paid-in capital arising from ordinary share and approved by the board meeting on February 27, 2025. The cash dividends, amounted to NT\$270,859,230 will be distributed at NT\$0.5 per share, and the distribution of cash dividends shall be based on share ratio and rounded off (less than NT\$1) to the integer. Fractional dividend amounts that are less than NT\$1 shall be ranked from high to low in value and from a small beginning into a mighty in shareholders account number, and then they shall be adjusted in this order until the total amount of cash dividend distribution is met. The Chairperson of Board of Directors is also authorized to determine the ex-dividend date and payment date for the cash dividends and other related matters.
- (3) Shall there be any modification required for the cash distribution of capital surplus due to the change of total outstanding shares, the chairperson is fully authorized by the board of directors to adjust the distribution ratio.

Recognition and Discussion Items

1. To accept 2024 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanation:

- (1) 2024 financial statements were audited by independent auditors, Jun-Yuan, Wu and Wei-Ming, Shih of the CPA firm, KPMG, and the opinion of the independent auditors showed that the financial statements presented fairly for financial position of the Company as of December 31, 2024 and its financial performance and cash flows for 2024, with the attachment of 2024 Business Report.
- (2) Please refer to Attachment 1 (P.8~P.14), Attachment 3 (P.16~P.25) and Attachment 4 (P.26~P.36) for related reports and statements.
- (3) Submission for acceptance.

Resolution:

2. To accept 2024 Statement of Earnings Distribution (Proposed by the Board of Directors)

Explanation:

- (1) Please refer to Attachment 5 (P.37)
- (2) Submission for acceptance.

Resolution:

3. To amend the Articles of Incorporation (Proposed by the Board of Directors)

Explanation:

- (1) Complying the Presidential Order No. 11300069631 on August 7, 2024 to amend Article 14 of the Securities and Exchange Act, the Company should specify in Articles of Incorporation that a certain percentage of the annual earnings is allocated for salary adjustments or compensation distribution for non-executive employees.
- (2) In response to the provisions of Article 14, Paragraph 6 of the Securities and Exchange Act, it is proposed to amend Article 30 of Articles of Incorporation to specify that if the Company makes a profit in a year, it shall allocate 10% to 22% as employee compensation and no more than 1% as director remuneration, of which the compensation allocated to non-executive employees shall not be less than 10% of the total employee compensation.
- (3) Please refer to Attachment 6 (P.38~39) for the comparison table before and after the amendment.
- (4) Submission for discussion.

4. To release the current Directors and their Representatives from Non-competition Restrictions (Proposed by the Board of Directors)

Explanation:

- (1) According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) The Company's directors who invest in or operate other companies with the same or similar business scope as the company are required to submit to the shareholders' meeting for approval in accordance with the law.
- (3) Please refer to Attachment 7 (P.40) for proposal to release the current directors and their representatives from non-competition restrictions.
- (4) Submission for discussion.

Resolution:

Special Motions

Adjournment

Attachments

Alpha Networks Inc.

2024 Business Report

I. Operating Results for 2024

(I) Implementation of the Annual Business Plan

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

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

(II) Budget Execution

The Company did not disclose its financial forecast for 2024.

(III) Analysis of Financial Results and Profitability

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

(IV) Research and Development Status

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

1. LAN/MAN Business Unit

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

(1) Telecom-Grade Switches:

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

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

2. Wireless Broadband Business Unit

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

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

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

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

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

3. Digital Multimedia and Automotive Business Unit

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

II. Summary of Business Plan for this Year

(I) Business Strategy

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

(II) Sales Volume Forecast and Basis

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

1. LAN/MAN Business Unit

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

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

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

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

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

Alpha Network Inc. is also dedicated to developing telecom-grade 5G xHaul transport switches, OLT optical line terminal equipment, and telecom core network switches. The Company integrates high-precision time synchronization technologies, including GPS, IEEE 1588, and Synchronous Ethernet, to meet major market specifications and fulfill current and future telecom central office demands.

Furthermore, the Company complies with NEBS (Network Equipment-Building System) international safety standards for telecommunications infrastructure, ensuring that products meet consistent safety and quality requirements.

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

2. Wireless Broadband Business Unit

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

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

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

3. Digital Multimedia and Automotive Business Unit

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

electric bus ADAS solutions with international standards.

(III) Key Production and Sales Policies for This Year

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

III. Future Development Strategies of the Company

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

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

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

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

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

will actively seek suitable M&A and long-term investment opportunities to deepen and broaden its presence in the networking industry, striving to generate the highest possible returns for shareholders.

Best wishes for your health and all the best!

Sincerely!

Chairperson: Wen-Fang Huang

President: Wen-Fang Huang

Accounting officer: Shao-Ling Chen

Audit Committee's Review Report

To: Alpha Networks Inc. 2024 Annual General Shareholders' Meeting.

The board of directors has prepared the Company's 2024 consolidated financial statements. Jun-Yuan, Wu and Wei-Ming, Shih of the CPA firm of KPMG were retained to audit the Company's financial statements and have issued an audit report relating to the financial statements. The 2024 consolidated financial statements, business report, independent auditors' report and the distribution of 2024 earnings have been reviewed and determined to be correct and accurate by the audit committee of Alpha Networks Inc. I, as the chairperson of the audit committee, hereby submit this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely,

The Audit Committee of Alpha Networks Inc.
Chairperson of the Audit Committee: Shu-Hsing Li

Date: February 27, 2025

Independent Auditors' Report and 2024 Financial Statements

2024 Consolidated Financial Statements

Independent Auditors' Report

To the Board of Directors of Alpha Networks Inc.

Opinion

We have audited the consolidated financial statements of Alpha Networks Inc. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole,

and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition from contracts with customers

Please refer to note 4(15) and note 6(24) for accounting policy and detailed disclosure of revenue, respectively.

Description of key audit matter:

The Group's major revenue is derived from the sales of goods to its customers. Revenue is recognized when the control over a product has been transferred to the customer as specified in each individual contract with customers. The Group recognizes revenue depending on the various sales terms in each individual contract with customers to ensure its performance obligation has been satisfied by transferring its control over a product to its customer. Therefore, revenue recognition is one of our key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included understanding and testing the Group's internal controls surrounding the sales process and cash collection transaction process; analyzing the terms and types of the major sales transactions and assessing whether they were recorded in the proper period; selecting samples of sales transactions within the period before and after the balance sheet date, to recognize when the performance obligation has been satisfied by transferring control over the goods to a customer in order to determine whether they have been recorded in a proper period.

2. Valuation of inventories

Please refer to the note 4(8) for the accounting policy, note 5 for significant accounting assumptions and judgments, and major sources of estimation uncertainty, and note 6(4) for summary of inventory.

Description of key audit matter:

Inventories are measured at the lower of cost or net realizable value at the reporting date. The net realizable value of the inventory is determined by the Group based on the assumptions of the estimated selling price of the products. The rapid development of technology and introduction of new products may significantly change market demand and cause market price fluctuation, which may lead to product obsolescence and the cost of inventory to be higher than the net realizable value. Therefore, the valuation of inventory is one of our key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included reviewing the inventory aging report and analyzing the fluctuation of inventory aging; selecting samples to verify the accuracy of the net realizable value of inventories and inventory aging report prepared by the Group; evaluating whether the valuation of inventories was accounted for in accordance with the Group's accounting policies; and assessing the historical reasonableness of the management's estimates on inventory provisions.

Other Matter

Alpha Networks Inc. has prepared its parent company only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (inclusive of the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chun Yuan Wu and Wei Ming Shin.

KPMG

Taipei, Taiwan (Republic of China)

February 27, 2025

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

ALPHA NETWORKS INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (note 6(1))	\$ 3,957,279	17	3,200,675	14
1110	Current financial assets at fair value through profit or loss (note 6(2))	5,192	-	36,298	-
1136	Current financial assets at amortized cost (notes 6(1), (5) and 8)	73,355	-	20,000	-
1170	Notes and accounts receivable, net (notes 6(3) and (24))	3,969,144	17	4,898,517	21
1180	Accounts receivable due from related parties, net (notes 6(3) and 7)	1,568	-	765	-
130x	Inventories (note 6(4))	6,929,471	30	7,454,980	31
1461	Non-current assets held for sale (note 6(6))	-	-	110,769	-
1470	Other current assets (notes 6(13), 7 and 8)	767,495	4	745,897	3
		<u>15,703,504</u>	<u>68</u>	<u>16,467,901</u>	<u>69</u>
Non-current assets:					
1510	Non-current financial assets at fair value through profit or loss (note 6(2))	52,620	-	-	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6(8))	110,711	-	191,331	1
1535	Non-current financial assets at amortized cost (notes 6(1), (3), (5) and 8)	214,057	1	171,565	-
1600	Property, plant and equipment (notes 6(10) and 7)	4,565,191	20	4,273,214	18
1755	Right-of use asset (note 6(11))	650,114	3	649,134	3
1780	Intangible assets (note 6(12))	1,672,821	7	1,185,129	5
1840	Deferred tax assets (note 6(21))	234,268	1	496,387	2
1990	Other non-current assets (notes 6(13) and (20))	41,230	-	364,182	2
		<u>7,541,012</u>	<u>32</u>	<u>7,330,942</u>	<u>31</u>
Total assets		<u><u>\$ 23,244,516</u></u>	<u><u>100</u></u>	<u><u>23,798,843</u></u>	<u><u>100</u></u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Liabilities and Equity					
Current liabilities:					
2100	Short-term borrowings (note 6(14))	\$ 1,615,357	7	880,246	4
2120	Current financial liabilities at fair value through profit or loss (note 6(2))	23,758	-	778	-
2130	Current contract liabilities (note 6(17))	1,339,841	5	1,242,077	5
2170	Accounts payable (including related parties) (note 7)	3,460,727	15	4,269,356	18
2209	Accrued expenses	549,804	2	565,992	2
2230	Current tax liabilities	187,745	1	378,337	2
2250	Current provisions (note 6(16))	231,771	1	366,787	2
2322	Long-term borrowings, current portion (note 6(15))	80,000	-	-	-
2260	Liabilities related to non-current assets classified as held for sale (note 6(6))	-	-	1,137	-
2399	Other current liabilities (notes 6(19), (24) and 7)	850,904	5	1,056,814	4
		<u>8,339,907</u>	<u>36</u>	<u>8,761,524</u>	<u>37</u>
Non-Current liabilities:					
2530	Bonds payable (note 6(18))	-	-	264,612	1
2540	Long-term borrowings (note 6(15))	375,000	2	700,000	3
2580	Non-current lease liabilities (note 6(19))	287,479	1	292,911	1
2640	Net defined benefit liability (note 6(20))	55,398	-	105,243	-
2670	Other non-current liabilities (notes 6(16) and (21))	204,031	1	344,474	2
		<u>921,908</u>	<u>4</u>	<u>1,707,240</u>	<u>7</u>
	Total liabilities	<u>9,261,815</u>	<u>40</u>	<u>10,468,764</u>	<u>44</u>
Equity (notes 6(22)):					
Equity attributable to owners of parent:					
3110	Ordinary share capital	5,417,185	23	5,417,185	23
3200	Capital surplus	2,614,277	11	2,595,804	11
Retained earnings:					
3310	Legal reserve	1,321,375	6	1,266,681	5
3320	Special reserve	267,982	1	226,548	1
3350	Unappropriated retained earnings	382,082	1	774,486	3
		<u>1,971,439</u>	<u>8</u>	<u>2,267,715</u>	<u>9</u>
3400	Other equity interest	(87,993)	-	(267,983)	(1)
	Total equity attributable to owners of parent:	<u>9,914,908</u>	<u>42</u>	<u>10,012,721</u>	<u>42</u>
36XX	Non-controlling interests (notes 6(9) and (22))	4,067,793	18	3,317,358	14
	Total equity	<u>13,982,701</u>	<u>60</u>	<u>13,330,079</u>	<u>56</u>
	Total liabilities and equity	<u>\$ 23,244,516</u>	<u>100</u>	<u>23,798,843</u>	<u>100</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

		For the years ended December 31,			
		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(24) and 7)	\$ 21,443,625	100	28,272,191	100
5000	Operating costs (notes 6(4),(20),(25) and 7)	17,514,226	82	23,061,018	82
	Gross profit	3,929,399	18	5,211,173	18
	Operating expenses (notes 6(3),(20),(25) and 7):				
6100	Selling expenses	1,083,482	5	1,303,715	4
6200	Administrative expenses	1,021,350	4	1,212,678	4
6300	Research and development expenses	1,716,699	8	1,889,315	7
6450	Expected credit loss (gain)	281	-	(23,805)	-
	Total operating expenses	3,821,812	17	4,381,903	15
	Net operating income	107,587	1	829,270	3
	Non-operating income and expenses:				
7010	Other income (note 6(27))	86,963	-	104,559	-
7020	Other gains and losses, net (notes 6(6) and (28))	357,043	2	(51,523)	-
7050	Finance costs (note 6(29))	(143,824)	(1)	(156,251)	-
7100	Interest income (note 6(26))	107,187	1	81,342	-
	Total non-operating income and expenses	407,369	2	(21,873)	-
	Profit before tax	514,956	3	807,397	3
7950	Less: Income tax expense (note 6(21))	172,957	1	167,530	1
	Profit	341,999	2	639,867	2
8300	Other comprehensive income (loss):				
8310	Components of other comprehensive income (loss) that may not be reclassified subsequently to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(20))	32,094	-	(976)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (loss) (notes 6(22) and (30))	(48,647)	-	19,337	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(21))	(162)	-	-	-
	Components of other comprehensive income (loss) that may not be reclassified subsequently to profit or loss	(16,715)	-	18,361	-
8360	Components of other comprehensive income (loss) that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements (note 6(22))	346,391	2	(61,867)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (notes 6(21) and (22))	(55,689)	(1)	13,367	-
	Components of other comprehensive income (loss) that may be reclassified subsequently to profit or loss	290,702	1	(48,500)	-
8300	Other comprehensive income, net of income tax	273,987	1	(30,139)	-
8500	Total comprehensive income	<u>\$ 615,986</u>	<u>3</u>	<u>609,728</u>	<u>2</u>
	Profit attributable to:				
8610	Owners of parent	\$ 218,627	1	547,920	2
8620	Non-controlling interests	123,372	1	91,947	-
		<u>\$ 341,999</u>	<u>2</u>	<u>639,867</u>	<u>2</u>
8700	Total comprehensive income attributable to:				
8710	Owners of parent	\$ 430,850	2	505,510	2
8720	Non-controlling interests	185,136	1	104,218	-
		<u>\$ 615,986</u>	<u>3</u>	<u>609,728</u>	<u>2</u>
	Earnings per share (New Taiwan dollars) (note 6(23))				
	Basic earnings per share	<u>\$ 0.40</u>		<u>1.01</u>	
	Diluted earnings per share	<u>\$ 0.40</u>		<u>1.01</u>	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ALPHA NETWORKS INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Total other equity interest						
	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	Equity related to non-current assets held for sale	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2023	\$ 5,417,185	2,544,401	1,169,989	447,091	1,019,195	2,636,275	(233,127)	6,578	-	(226,549)	10,371,312	3,185,307	13,556,619
Profit	-	-	-	-	547,920	547,920	-	-	-	-	547,920	91,947	639,867
Other comprehensive income (loss)	-	-	-	-	(976)	(976)	(53,470)	12,036	-	(41,434)	(42,410)	12,271	(30,139)
Total comprehensive income (loss)	-	-	-	-	546,944	546,944	(53,470)	12,036	-	(41,434)	505,510	104,218	609,728
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	96,692	-	(96,692)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	(220,543)	220,543	-	-	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(915,504)	(915,504)	-	-	-	-	(915,504)	-	(915,504)
Donation from shareholders	-	16	-	-	-	-	-	-	-	-	16	-	16
Changes in ownership interests in subsidiaries	-	51,387	-	-	-	-	-	-	-	-	51,387	(51,387)	-
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(296,382)	(296,382)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	375,602	375,602
Equity related to non-current assets held for sale	-	-	-	-	-	-	43,579	-	(43,579)	-	-	-	-
Balance at December 31, 2023	5,417,185	2,595,804	1,266,681	226,548	774,486	2,267,715	(243,018)	18,614	(43,579)	(267,983)	10,012,721	3,317,358	13,330,079
Profit	-	-	-	-	218,627	218,627	-	-	-	-	218,627	123,372	341,999
Other comprehensive income (loss)	-	-	-	-	31,689	31,689	222,759	(42,225)	-	180,534	212,223	61,764	273,987
Total comprehensive income (loss)	-	-	-	-	250,316	250,316	222,759	(42,225)	-	180,534	430,850	185,136	615,986
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	54,694	-	(54,694)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	41,434	(41,434)	-	-	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(547,136)	(547,136)	-	-	-	-	(547,136)	-	(547,136)
Donation from shareholders	-	10	-	-	-	-	-	-	-	-	10	-	10
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	544	544	-	(544)	-	(544)	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	(43,579)	-	43,579	-	-	-	-
Changes in ownership interests in subsidiaries	-	18,463	-	-	-	-	-	-	-	-	18,463	(18,463)	-
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(230,106)	(230,106)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	813,868	813,868
Balance at December 31, 2024	\$ 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

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

ALPHA NETWORKS INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2024	2023
Cash flows from operating activities:		
Profit before tax	\$ 514,956	807,397
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	504,383	556,948
Amortization expense	219,771	217,260
Expected credit loss (reversal gain)	281	(23,805)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	21,990	(35,836)
Interest expense	143,824	156,251
Interest income	(107,187)	(81,342)
Dividend income	(1,306)	(3,456)
Loss on disposal of property, plant and equipment	3,578	7,626
Loss on disposal of intangible assets	-	3,115
Provisions for inventory obsolescence and devaluation loss	62,202	225,505
Gain on disposal of non-current assets held for sale	(453,891)	-
Lease modification benefits	155	-
Total adjustments to reconcile profit	393,800	1,022,266
Changes in operating assets and liabilities:		
Notes and accounts receivable (including related parties)	976,374	704,967
Financial assets mandatorily at fair value through profit or loss	30,309	5,320
Inventories	901,036	1,697,983
Other current assets	21,482	228,441
Financial liabilities held for trading	(778)	(9,836)
Accounts payable (including related parties)	(878,491)	(740,638)
Other payables to related parties	3,273	(800)
Other current liabilities	(415,414)	(593,356)
Net defined benefit liability	(17,911)	(41,375)
Other non-current liabilities	8,512	(31,428)
Total changes in operating assets and liabilities	628,392	1,219,278
Total adjustments	1,022,192	2,241,544
Cash flows generated from operations	1,537,148	3,048,941
Interest received	105,124	80,177
Dividends received	1,306	3,456
Interest paid	(150,198)	(152,011)
Income taxes paid	(206,248)	(278,211)
Net cash flows from operating activities	1,287,132	2,702,352

(Continued)

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

ALPHA NETWORKS INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows(Continued)

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	<u>2024</u>	<u>2023</u>
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through profit or loss	\$ -	56,025
Proceeds from disposal of financial assets at fair value through other comprehensive income	31,974	-
Acquisition of financial assets at amortized cost	(73,355)	(261,000)
Proceeds from repayments of financial assets at amortized cost	41,000	220,000
Acquisition of financial assets at fair value through profit or loss	(50,000)	-
Net cash outflow arising from acquisition of subsidiaries	(349,760)	-
Proceeds from disposal of non-current assets classified as held for sale	536,388	-
Decrease in cash classified as held for sale disposal group	-	(12,349)
Acquisition of property, plant and equipment	(606,530)	(636,079)
Proceeds from disposal of property, plant and equipment	36,066	50,269
Increase in refundable deposits	(34,188)	(6,352)
Acquisition of intangible assets	(79,615)	(103,307)
Decrease in other non-current assets	327,999	28,677
Net cash flows used in investing activities	<u>(220,021)</u>	<u>(664,116)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	10,257,379	13,191,481
Repayments of short-term borrowings	(9,590,130)	(15,757,797)
Proceeds from bonds payable	-	631,884
Proceeds from long-term borrowings	55,000	700,000
Repayments of long-term borrowings	(300,000)	(26,000)
Increase (decrease) in guarantee deposits received	580	(76)
Payment of lease liabilities	(38,007)	(39,820)
Cash dividends paid to shareholders	(547,136)	(915,504)
Donation from shareholders	10	16
Cash dividends paid to non-controlling interest	(230,106)	(296,382)
Net cash flows used in financing activities	<u>(392,410)</u>	<u>(2,512,198)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>81,903</u>	<u>(409,647)</u>
Net increase (decrease) in cash and cash equivalents	756,604	(883,609)
Cash and cash equivalents at beginning of period	3,200,675	4,084,284
Cash and cash equivalents at end of period	<u><u>\$ 3,957,279</u></u>	<u><u>3,200,675</u></u>

Independent Auditors' Report

To the Board of Directors of Alpha Networks Inc.

Opinion

We have audited the parent company only financial statements of Alpha Networks Inc. (“the Company”), which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition from contracts with customers

Please refer to note 4(15) and note 6(20) for accounting policy and detailed disclosure of revenue, respectively, of the notes to the parent company only financial statements.

Description of key audit matter:

The Company's major revenue is derived from the sales of goods to its customers. Revenue is recognized when the control over a product has been transferred to the customer as specified in each individual contract with customers. The Company recognizes revenue depending on the various sales terms in each individual contract with customers to ensure its performance obligation has been satisfied by transferring its control over a product to its customer. Therefore, revenue recognition is one of our key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included understanding and testing the Company's internal controls surrounding the sales process and cash collection transaction process; analyzing the terms and types of the major sales transactions and assessing whether they were recorded in the proper period; selecting samples of sales transactions within the period before and after the balance sheet date, to recognize when the performance obligation has been satisfied by transferring control over the goods to a customer in order to determine whether they have been recorded in a proper period.

2. Valuation of inventories

Please refer to the note 4(7) for the accounting policy, note 5 for significant accounting assumptions and judgments, and major sources of estimation uncertainty, and note 6(4) for summary of inventory.

Description of key audit matter:

Inventories are measured at the lower of cost or net realizable value at the reporting date. The net realizable value of the inventory is determined by the Company based on the assumptions of the estimated selling price of the products. The rapid development of technology and introduction of new products may significantly change market demand and cause market price fluctuation, which may lead to product obsolescence and the cost of inventory to be higher than the net realizable value. Therefore, the valuation of inventory is one of our key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included reviewing the inventory of aging report and analyzing the fluctuation of inventory aging; selecting samples to verify the accuracy of the net realizable value of inventories and inventory aging report prepared by the Company; evaluating whether the valuation of inventories was accounted for in accordance with the Company's accounting policies; and assessing the historical reasonableness of the management's estimates on inventory provisions.

3. Evaluation of investments accounted for using equity method

Please refer to note 4(9) investment in subsidiaries for accounting policy; and note 6(8) investment in

equity accounted investees, for the evaluation description of the investments accounted for using equity method.

Description of key audit matters:

The Company holds 62.24% shares of Hitron Technologies Inc. ("Hitron Technologies"). Due to the significant amount of investment in Hitron Technologies and the fluctuations in the products selling price of Hitron Technologies are influenced by the competitive market environment for Netcom products as well as the rapid development of product functions, thus, the assessment of revenue recognition and inventories valuation of subsidiaries are crucial. Therefore, it is considered to be one of the key areas in our audit.

How the matter was addressed in our audit:

We reviewed the component audit work papers to evaluate the main audit procedures for revenue recognition and inventories valuation under the investment entities accounted for using equity method. The main audit procedures for revenue recognition included analysis of the policies on revenue recognition, the sampling test used to support the appropriateness of revenue recognition, and the execution of period end cut off tests used to confirm the attribution period of significant sales revenue. The main audit procedures for inventories valuation included the understanding of the accounting treatment for inventory measurement, sampling test of market information, evaluation of the rationality of the net realizable value of inventory, and observation of the slow moving inventory.

Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue

an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in

internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hai Ning Huang and Wei Ming Shih.

KPMG

Taipei, Taiwan (Republic of China)

February 27, 2025

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
ALPHA NETWORKS INC.
Balance Sheets
December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (note 6(1))	\$ 837,467	6	609,030	4
1110	Current financial assets at fair value through profit or loss (note 6(2))	290	-	30,168	-
1170	Accounts receivable, net (note 6(3))	1,135,559	8	2,309,216	15
1180	Accounts receivable due from related parties, net (notes 6(3) and 7)	1,907,300	14	1,474,837	10
1210	Other receivables due from related parties (note 7)	337,667	3	-	-
130x	Inventories (note 6(4))	1,029,355	7	857,822	6
1461	Non-current assets held for sale (note 6(6))	-	-	109,632	1
1470	Other current assets (note 6(12))	53,159	-	96,663	1
		<u>5,300,797</u>	<u>38</u>	<u>5,487,368</u>	<u>37</u>
Non-current assets:					
1517	Non-current financial assets at fair value through other comprehensive income (note 6(2))	-	-	31,429	-
1535	Non-current financial assets at amortized cost (notes 6(3), (5) and 8)	17,670	-	18,428	-
1550	Investment accounted for using equity method (note 6(8))	7,677,873	55	8,044,561	55
1600	Property, plant and equipment (notes 6(9) and 7)	688,774	5	707,444	5
1755	Right-of-use assets (note 6(10))	155,311	1	166,784	1
1780	Intangible assets (note 6(11))	194,521	1	186,725	1
1840	Deferred tax assets (note 6(17))	45,972	-	129,602	1
1990	Other non-current assets (notes 6(12))	31,889	-	22,256	-
		<u>8,812,010</u>	<u>62</u>	<u>9,307,229</u>	<u>63</u>
Total assets		<u>\$ 14,112,807</u>	<u>100</u>	<u>14,794,597</u>	<u>100</u>

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

ALPHA NETWORKS INC.

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
Liabilities and Equity					
Current liabilities:					
2120	Current financial liabilities at fair value through profit or loss (note 6(2))	\$ 22,322	-	778	-
2170	Accounts payable	603,378	4	1,378,265	9
2130	Current contract liabilities (note 6(20))	872,474	6	679,237	4
2180	Accounts payable to related parties (note 7)	1,461,640	10	887,985	6
2209	Accrued expenses	230,188	2	302,608	2
2220	Other payables to related parties (note 7)	100,234	1	118,033	1
2230	Current tax liabilities	43,938	-	248,705	2
2250	Current provisions (note 6(13))	164,537	1	245,233	2
2280	Current lease liabilities (note 6(15))	6,729	-	12,266	-
2399	Other current liabilities (note 6(14))	353,049	3	545,065	4
		<u>3,858,489</u>	<u>27</u>	<u>4,418,175</u>	<u>30</u>
Non-Current liabilities:					
2570	Deferred tax liabilities (note 6(17))	116,741	1	84,047	-
2580	Non-current lease liabilities (note 6(15))	168,983	1	174,411	1
2640	Net defined benefit liability (note 6(16))	53,686	1	105,243	1
		<u>339,410</u>	<u>3</u>	<u>363,701</u>	<u>2</u>
Total liabilities		<u>4,197,899</u>	<u>30</u>	<u>4,781,876</u>	<u>32</u>
Equity (note 6(18)):					
3110	Ordinary shares	5,417,185	38	5,417,185	37
3200	Capital surplus	2,614,277	19	2,595,804	18
Retained earnings:					
3310	Legal reserve	1,321,375	9	1,266,681	9
3320	Special reserve	267,982	2	226,548	1
3350	Unappropriated retained earnings	382,082	3	774,486	5
		<u>1,971,439</u>	<u>14</u>	<u>2,267,715</u>	<u>15</u>
3400	Other equity interest	(87,993)	(1)	(267,983)	(2)
Total equity		<u>9,914,908</u>	<u>70</u>	<u>10,012,721</u>	<u>68</u>
Total liabilities and equity		<u>\$ 14,112,807</u>	<u>100</u>	<u>14,794,597</u>	<u>100</u>

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

ALPHA NETWORKS INC.

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2024		2023	
4000	Operating revenue (notes 6(20) and 7)	\$ 13,350,072	100	18,254,966	100
5000	Operating costs (notes 6(4) and 7)	11,510,599	86	15,253,161	84
	Gross profit	1,839,473	14	3,001,805	16
5920	Add: Net changes in unrealized profit on sales to subsidiaries and associates (note 7)	144,004	1	(121,304)	-
	Realized gross profit	1,983,477	15	2,880,501	16
	Operating expenses (notes 7):				
6100	Selling expenses	310,750	2	368,122	2
6200	Administrative expenses	372,838	3	413,635	2
6300	Research and development expenses	1,335,378	10	1,380,005	8
6450	Expected credit loss (reversal gain) (note 6(3))	(1,177)	-	(537)	-
	Total operating expenses	2,017,789	15	2,161,225	12
	Net operating income	(34,312)	-	719,276	4
	Non-operating income and expenses:				
7010	Other income (note 6(23) and 7)	43,936	-	49,089	-
7020	Other gains and losses, net (note 6(24))	369,176	3	(24,634)	-
7050	Finance costs (note 6(25))	(7,416)	-	(17,128)	-
7070	Share of profit (loss) of subsidiaries (note 6(8))	(151,208)	(1)	(97,838)	-
7100	Interest income (notes 6(22) and 7)	56,214	-	27,314	-
	Total non-operating income and expenses	310,702	2	(63,197)	-
	Profit before income tax	276,390	2	656,079	4
7950	Less: Income tax expense (note 6(17))	57,763	-	108,159	1
	Profit	218,627	2	547,920	3
8300	Other comprehensive income (loss):				
8310	Components of other comprehensive income (loss) that may not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans (note 6(16))	31,689	-	(976)	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method (note 6(18))	(42,225)	-	12,036	-
	Components of other comprehensive income (loss) that may not be reclassified subsequently profit or loss	(10,536)	-	11,060	-
8360	Components of other comprehensive income (loss) that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements (note 6(18))	278,448	2	(66,837)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (notes 6(17) and (18))	(55,689)	-	13,367	-
	Components of other comprehensive income (loss) that may be reclassified subsequently to profit or loss	222,759	2	(53,470)	-
8300	Other comprehensive income (loss), net of income tax	212,223	2	(42,410)	-
8500	Total comprehensive income	<u>\$ 430,850</u>	<u>4</u>	<u>505,510</u>	<u>3</u>
	Earnings per share (New Taiwan dollars) (note 6(19))				
	Basic earnings per share	<u>\$ 0.40</u>		<u>1.01</u>	
	Diluted earnings per share	<u>\$ 0.40</u>		<u>1.01</u>	

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

ALPHA NETWORKS INC.

Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Total other equity interest				
	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	Equity related to non-current assets held for sale	Total other equity interest	Total equity
Balance at January 1, 2023	<u>\$ 5,417,185</u>	<u>2,544,401</u>	<u>1,169,989</u>	<u>447,091</u>	<u>1,019,195</u>	<u>2,636,275</u>	<u>(233,127)</u>	<u>6,578</u>	<u>-</u>	<u>(226,549)</u>	<u>10,371,312</u>
Profit	-	-	-	-	547,920	547,920	-	-	-	-	547,920
Other comprehensive income	-	-	-	-	(976)	(976)	(53,470)	12,036	-	(41,434)	(42,410)
Total comprehensive income	-	-	-	-	546,944	546,944	(53,470)	12,036	-	(41,434)	505,510
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	96,692	-	(96,692)	-	-	-	-	-	-
Special reserve	-	-	-	(220,543)	220,543	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(915,504)	(915,504)	-	-	-	-	(915,504)
Donation from shareholders	-	16	-	-	-	-	-	-	-	-	16
Changes in ownership interests in subsidiaries	-	51,387	-	-	-	-	-	-	-	-	51,387
Equity related to non-current assets held for sale	-	-	-	-	-	-	43,579	-	(43,579)	-	-
Balance at December 31, 2023	<u>5,417,185</u>	<u>2,595,804</u>	<u>1,266,681</u>	<u>226,548</u>	<u>774,486</u>	<u>2,267,715</u>	<u>(243,018)</u>	<u>18,614</u>	<u>(43,579)</u>	<u>(267,983)</u>	<u>10,012,721</u>
Profit	-	-	-	-	218,627	218,627	-	-	-	-	218,627
Other comprehensive income (loss)	-	-	-	-	31,689	31,689	222,759	(42,225)	-	180,534	212,223
Total comprehensive income	-	-	-	-	250,316	250,316	222,759	(42,225)	-	180,534	430,850
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	54,694	-	(54,694)	-	-	-	-	-	-
Special reserve	-	-	-	41,434	(41,434)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(547,136)	(547,136)	-	-	-	-	(547,136)
Donation from shareholders	-	10	-	-	-	-	-	-	-	-	10
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	-	544	544	-	(544)	-	(544)	-
Disposal of shareholders' equity in subsidiaries	-	-	-	-	-	-	(43,579)	-	43,579	-	-
Changes in ownership interests in subsidiaries	-	18,463	-	-	-	-	-	-	-	-	18,463
Balance at December 31, 2024	<u>\$ 5,417,185</u>	<u>2,614,277</u>	<u>1,321,375</u>	<u>267,982</u>	<u>382,082</u>	<u>1,971,439</u>	<u>(63,838)</u>	<u>(24,155)</u>	<u>-</u>	<u>(87,993)</u>	<u>9,914,908</u>

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

ALPHA NETWORKS INC.

Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	<u>2024</u>	<u>2023</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 276,390	656,079
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	125,518	116,520
Amortization expense	78,655	77,361
Expected credit (reversal gain)	(1,177)	(537)
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	22,032	(29,390)
Interest expense	7,416	17,128
Interest income	(56,214)	(27,314)
Lease incentives loss	170	-
Share of loss (profit) of subsidiaries	151,208	97,838
Loss (gain) on disposal of property, plant and equipment	-	82
Provisions for inventory obsolescence and devaluation loss	169,418	201,172
Gain on disposal of non-current assets classified as held for sale	(453,891)	-
Unrealized loss from sales	(144,004)	121,304
Total adjustments to reconcile profit	<u>(100,869)</u>	<u>574,164</u>
Changes in operating assets and liabilities:		
Financial assets mandatorily at fair value through profit or loss	30,168	-
Notes and accounts receivable	1,174,834	(374,326)
Accounts receivable due from related parties	(432,463)	502,150
Inventories	(340,951)	497,692
Other current assets	43,504	(19,331)
Financial liabilities mandatorily at fair value through profit or loss	(778)	(2,415)
Accounts payable	(774,887)	338,910
Accounts payable to related parties	573,655	(813,973)
Other payable to related parties	(17,799)	(32,393)
Other current liabilities	(209,457)	171,913
Net defined benefit liability	(19,868)	(41,375)
Total changes in operating assets and liabilities	<u>25,958</u>	<u>226,852</u>
Total adjustments	<u>(74,911)</u>	<u>801,016</u>
Cash flows generated from operations	201,479	1,457,095
Interest received	46,550	27,314
Interest paid	(7,416)	(17,950)
Income taxes paid	(165,207)	(164,255)
Net cash flows from operating activities	<u>75,406</u>	<u>1,302,204</u>

(Continued)

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

ALPHA NETWORKS INC.

Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	<u>2024</u>	<u>2023</u>
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(554,550)	(945,537)
Proceeds from disposal of financial asset at fair value through other comprehensive income	31,973	-
Cash dividends from investments accounted for using equity method	74,253	564,639
Proceeds from disposal of non-current assets held for sale	568,606	-
Proceeds from capital reduction of investments accounted for using equity method	1,109,713	1,557,924
Acquisition of property, plant and equipment	(93,032)	(107,041)
Proceeds from disposal of property, plant and equipment	1,237	285
Decrease (increase) in refundable deposits	758	289
Decrease (increase) in other receivables due from related parties	(328,003)	176,867
Acquisition of intangible assets	(86,451)	(61,571)
Decrease (increase) in other non-current assets	(11,337)	(13,256)
Net cash flows from (used in) investing activities	<u>713,167</u>	<u>1,172,599</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	2,400,000	4,470,000
Repayments of short-term borrowings	(2,400,000)	(5,730,000)
Payment of lease liabilities	(13,010)	(12,972)
Cash dividends distributed to shareholders	(547,136)	(915,504)
Donation from shareholders	10	16
Net cash flows used in financing activities	<u>(560,136)</u>	<u>(2,188,460)</u>
Net increase (decrease) in cash and cash equivalents	228,437	286,343
Cash and cash equivalents at beginning of period	<u>609,030</u>	<u>322,687</u>
Cash and cash equivalents at end of period	<u><u>\$ 837,467</u></u>	<u><u>609,030</u></u>

Alpha Networks Inc.
2024 Earnings Distribution Table

	Unit: NT\$
Net Income in 2024 (After taxes)	218,627,474
Less: Legal Reserve	(25,085,987)
Plus: Reversal on Special Reserve	179,989,692
Earnings Available for Distribution in 2024	373,531,179
Plus: Unappropriated Retained Earnings of Previous Years	131,221,530
Plus: Change in Remeasurements of the Defined Benefit Plan	31,688,392
Plus: Dispose of Financial Asset at fair value through other comprehensive profit or loss	544,000
Retained Earnings Available for Distribution as of December 31, 2024	536,985,101
Distribution Items:	
Cash Dividends (NT\$ 500 for every 1,000 common shares)	(270,859,230)
Unappropriated Retained Earnings After Earnings Distribution	266,125,871

Note:

The distribution of cash dividends shall be based on share ratio and rounded off (less than NT\$1) to the integer. Fractional dividend amounts that are less than NT\$1 shall be ranked from high to low in value and from a small beginning into a mighty in shareholders account number, and then they shall be adjusted in this order until the total amount of cash dividend distribution is met.

Chairperson: Wen-Fang Huang

President: Wen-Fang Huang

Accounting officer: Shao-Ling Chen

Comparison Table for the Articles of Incorporation

Before and After Amendment

Article No.	After Amendment	Before Amendment	Reason for Amendments
Article 28	The Company may appoint <u>several managers</u> and the commissioning, decommissioning and remuneration of the president shall be as pursuant to the Company Act.	The Company may appoint one President and the commissioning, decommissioning and remuneration of the president shall be as pursuant to Article 29 of the Company Act.	Amend according to actual needs
Article 30	<p>If the Company reports profits, the Company shall appropriate 10~<u>22%</u> of profits as the employee compensation and less than 1% of profits as the director compensation. When the Company has accumulated losses, earnings shall be retained to offset the losses at first.</p> <p><u>The compensation distribution for non-executive employees shall not be less than 10% of the total compensation of the employees in the preceding paragraph.</u></p> <p>The appropriation ratio of the employee compensation and the director compensation and whether the employee compensation is distributed in stocks or cash shall be resolved by a majority of members in a meeting attended by over two-thirds of the directors. And then the resolutions shall be submitted to the shareholders' meeting to report.</p> <p>The board of directors can determine whether payments shall be in cash or stocks to the eligible employees, including employees of the subsidiaries <u>in the first paragraph. The conditions and distribution method are authorized to be determined by the board of directors.</u></p>	<p>If the Company reports profits, the Company shall appropriate 10~22.5% of profits as the employee compensation and less than 1% of profits as the director compensation. When the Company has accumulated losses, earnings shall be retained to offset the losses at first.</p> <p>The appropriation ratio of the employee compensation and the director compensation and whether the employee compensation is distributed in stocks or cash shall be resolved by a majority of members in a meeting attended by over two-thirds of the directors. And then the resolutions shall be submitted to the shareholders' meeting to report.</p> <p>The board of directors can determine whether payments shall be in cash or stocks to the eligible employees, including employees of the subsidiaries. And the board of directors is authorized to set up the eligibility criteria.</p>	Amend according to actual and legislative needs

Article 32	<p>This article was formulated on 16th August, 2003. (Omitted)</p> <p>Its fifteenth amendment was made on 18th June, 2021.</p> <p>Its sixteenth amendment was made on 31st May, 2022.</p> <p><u>Its seventeenth amendment was made on 27th May, 2025.</u></p>	<p>This article was formulated on 16th August, 2003. (Omitted)</p> <p>Its fifteenth amendment was made on 18th June, 2021.</p> <p>Its sixteenth amendment was made on 31st May, 2022.</p>	Add amendment date
---------------	---	--	--------------------------

List of Non-competition restrictions on Current Directors and Their Representatives

Director	Release Non-competition restrictions Items
Representative of Qisda Corporation: Chi-Hong Chen	Director, Representative of Phoenix 6 Venture Capital Co., Ltd.
	Director, Representative of Dunpin No.1 Innovation Investment Co., Ltd.
	Director, Representative of Dunpin No.2 Innovation Investment Co., Ltd.
	Director, Representative of InnoFund V.
	Director, Industrial Technology Research Institute.
Representative of Qisda Corporation: Han-Chou, Huang	Director, Representative of BenQ Biotech (Shanghai) Co., Ltd.
	Director, Representative of Shanghai Filter Technology Co., Ltd.
	Director, Representative of MetaAge Corporation.
Representative of Qisda Corporation: Chiu-Chin Hung	Director, BenQ Foundation
Independent Director: Ming-Der Hsieh	Independent Director, Genesys Logic Inc.
	Director, Southern Taiwan Silicon Valley Program Office
Independent Director: Julian Chen	Chairperson, Lixue Asset Management Co., Ltd.
	Director, Dunpin No.1 Innovation Investment Co., Ltd.

Appendices

Alpha Networks Inc.

Rules of Procedure for Shareholders' Meeting

Article 1

Unless otherwise provided by laws and regulations, the shareholders' meeting of the Company shall be held in accordance with the Rules.

Unless otherwise provided by the competent securities authority, the virtual shareholders' meeting of the Company shall be held in accordance with the Rules.

Article 2

Shareholders, proxies solicitors and agent (collectively "shareholders") attending the shareholders' meeting shall submit a sign-in card to sign in. In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Article 3

The attendance and voting by shareholders shall be duly calculated based on the number of shares held.

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

Article 3-1

The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

Article 4

If the shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson is on leave or for any reason unable to exercise

the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair. Or, if there are no managing directors, one of the directors shall be appointed to act as chairperson. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as the chair.

If a shareholders' meeting is convened by a party, other than the board of directors, with power to convene, the convening party shall chair the meeting.

Article 4-1

When a company will convene a shareholders' meeting with video conferencing, it shall specify the following matters in the shareholders' meeting notice:

1. The means for shareholders to take part in the video conferencing and exercise their rights.
2. Measures to be taken if, due to circumstances of a natural disaster, unforeseen event, or other force majeure event, any disruption occurs in the video conferencing platform or in participation by means of video conferencing, including at least the following particulars:
 - (1) To what time the meeting is postponed or from what time the meeting will resume if the above disruption continues and cannot be eliminated, and the date to which the meeting is postponed or on which the meeting will resume.
 - (2) Shareholders that have not registered to take part by video conference in the originally scheduled shareholders' meeting may not take part by video conference in the postponed or reconvened meeting.
 - (3) When the Company convenes a hybrid shareholders meeting, if the virtual meeting cannot be continued, then if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the shareholders meeting by video conferencing, meets the legal quorum for holding a shareholder meeting, the shareholders meeting shall continue in session. The number of shares represented by the shareholders, proxy solicitors, or proxy agents who were attending the shareholders' meeting by video conferencing shall be counted toward the total number of shares represented by the shareholders attending the meeting, but they shall be deemed to have waived their voting rights on all proposals at that shareholders' meeting.
 - (4) Measures to be taken if the outcome of all proposals have been announced but extemporary motions have not yet been proceeded with.
3. When the Company convenes a virtual-only shareholders' meeting, it furthermore shall specify appropriate alternative measures available to shareholders who have difficulty taking part in a virtual shareholders' meeting.

Article 5

The Company may appoint the designated attorneys, CPAs or relevant persons to attend the

shareholders' meeting. The staffs handling administrative affairs of the shareholders' meeting shall wear identification cards or armbands.

Article 6

The process of the shareholders' meeting shall be tape-recorded or videotaped and these recorded materials shall be preserved for at least one year. Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

Article 7

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements but the attending shareholders represent one third or more of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. All shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company within 2 days held shareholders' meeting.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 8

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda (including extraordinary motions), except by a resolution of the shareholders meeting. The shareholders may not designate other person as the chair to continue the meeting at the original or

other place after the meeting is adjourned. If the chair declares the meeting adjourned in violation of the rules of procedure, the attending shareholders can elect a new chair by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

Article 9

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

Article 10

Except with the consent of the chair, a shareholder may not speak more than twice on the same agenda, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in preceding article and paragraphs 1 in this article do not apply.

Article 11

A corporate shareholder being entrusted to attend in a shareholders meeting may appoint only one representative to represent it in the meeting.

When a corporate shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

Article 12

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 13

When the chair is of the opinion that an agenda has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote.

Article 14

The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the chair; however, that the person supervising the casting of votes shall be a shareholder. The results of resolution(s) shall be announced in the meeting, and recorded in the meeting minutes.

Article 15

During the proceedings of a meeting, the chair may consider the schedule and announce for a break.

Article 16

When the Company holds a shareholder meeting, it can adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. The exercise method and related matters shall be executed in accordance with Company Act and the regulations of the authority.

Except as otherwise provided in the Company Act and the Company's Articles of Incorporation, the passage of an agenda shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the chairperson. If an objection exists, the resolution shall be voted by casting ballots.

During the voting process, an agenda is deemed as having been duly resolved if no shareholder objects in response to consultation by the chair and the agenda so resolved is equally valid as the one resolved through casting of ballots. In case an objection is heard, the agenda shall be resolved through casting of ballots.

When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

Article 17

If there shall be an amendment or alternative to one agenda, the chair may combine the amendment or alternative into the original agenda, and determine their orders for resolution. Any one of the above shall be resolved, the others shall be considered as rejected, upon which no further resolution shall be required.

Article 18

In the event of a virtual shareholders meeting, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before

the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

Article 19

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

Article 20

The rules and procedures shall be effective from the date it is adopted by the shareholders' meetings. The same applies in case of amendment.

Article 21

The Rules was formulated on March 2nd, 2004 at Special Shareholders' Meeting.

The first amendment was made on June 9th, 2006.

The second amendment was made on June 18th, 2015.

The third amendment was made on May 31st, 2023.

Alpha Networks Inc.

Articles of Incorporation (Before the Amendments)

Chapter 1 General Provisions

Article 1

The name of the company is ALPHA NETWORKS INC. (the “Company”), which is duly organized as a company limited by shares under the Company Act of Taiwan.

Article 2

The scope of business of the Company shall be as follows:

1. CC01101 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing.
2. CC01070 Wireless Communication Mechanical Equipment Manufacturing.
3. CF01011 Medical Devices Manufacturing.
4. F108031 Wholesale of Medical Devices.
5. F401010 International Trade.
6. Research, develop, design, manufacture and sell the following products:
 - (1) Equipment and the components of computer network system.
 - (2) Metropolitan network and enterprise network products.
 - (3) Broadband products.
 - (4) Wireless network products.
 - (5) Medical equipment products and the parts and components.
 - (6) The import/export business and medical application of the products in the preceding paragraphs.
 - (7) The maintenance, testing and after-sales service for the products in the preceding paragraphs.

Article 3

The headquarter of the Company shall be in Hsinchu Science Park, Taiwan R.O.C. Where it is necessary for business, the Company might set up branch companies and representatives in appropriate locations within and outside the territory of Taiwan upon resolutions of the board of directors and approvals by authorities.

Article 4

The public announcements of the Company shall be executed in accordance with Article 28 of the Company Act.

Article 5

The Company may provide endorsements and guarantees to other parties for business needs.

Article 6

The total amount of the Company's investment in other companies is exempted from the Article 13 of the Company Act. Any matters regarding the investment shall be resolved in accordance with the board to directors.

Chapter 2 Shares

Article 7

The authorized capital of the Company is NT\$ 8,000 million, divided into 800 million shares, with a par value of NT\$10 per share and the board of directors is authorized to issue the shares in separate installments as required. The Company may issue employee stock options from time to time. A total of 50 million shares among the above total capital should be reserved for issuing employee stock options. The board of directors is also authorized to issue options in separate installments as required. The employees qualified for certain requirements shall be included in the recipients of the issuance of shares, the recipients of employee stock options, recipients of employee restricted shares plan and the recipients of issuance of shares reserved for subscription by employees. The board of directors is authorized to set the "certain requirements".

Article 8

After the share certificates of the Company are affixed with the signatures or personal seals of the director representing the company and are duly certified or authenticated by the bank, the share certificates could be issued to the public. The Company may issue shares without printing share certificates but the shares issued shall be recorded in depository institutes.

Article 9

The stock related operations shall be executed in accordance with the "Guidelines for Stock Operations for Public Companies" and other related laws and regulations.

Article 10

No transfer and pledge of shares of the Company may be used against the Company unless the name and residence or domicile of the transferee is recorded in the shareholder book of the Company. It should be handled by the company or book-entry transfer.

Chapter 3 Shareholders' Meeting

Article 11

Within 60 days prior to the convening date of a general shareholders' meeting, or within 30 days prior

to the convening date of a special shareholders' meeting, or within 5 days prior to the date on which the distribution of dividends, bonus or other benefits, registration for transfer of shares shall be suspended.

Article 12

Shareholders' meetings of the Company are of two types, namely general meetings and special meetings. The general meeting shall be convened at least once per year and within six months after close of each fiscal year. A notice to convene a general meeting shall be given no later than 30 days prior to the scheduled meeting date. A special meeting is convened when necessary, and notice shall be given no later than 15 days prior to the scheduled meeting date.

The meeting notice shall include the date, place and subject(s) of a meeting. A shareholders' meeting shall, unless otherwise regulated by the Company Act and other acts, be convened by the board of directors.

Article 12-1

The Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 13

The shareholders' meeting shall be presided over by the chairperson. In his absence, the chairperson shall appoint one of the directors to act as the chairperson. Where the chairperson does not make such a designation, the directors shall select one person among themselves to serve as the chairperson.

Article 14

A shareholder may appoint a representative to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney stating the scope of powers authorized to the proxy. The proxy shall be sent to the company no later than 5 days prior to the date of the shareholders' meeting. In case two or more written proxies are received from one shareholder, the first one received by the Company shall prevail; unless an explicit statement to revoke the previous written proxy is made in the proxy which comes later.

Article 15

The proxy for attending shareholders' meetings shall be executed in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" issued by the securities authority.

Article 16

The shareholders' meeting of the Company shall be executed in accordance with the "Rules and Procedure of the Shareholders Meeting" unless specified otherwise by laws and regulations.

Article 17

Except in the circumstances otherwise specified in the Article 179 of the Company Act, each share of stock of the Company shall be entitled to one vote.

Article 18

Resolutions at a shareholders' meeting shall, unless otherwise specified for in the Company Act, be adopted by a majority vote of the attending shareholders, who represent more than one-half of the total number of voting rights.

Article 19

The resolutions adopted at a shareholders' meeting shall be recorded in the meeting minutes which shall be affixed with the signature or seal of the chairperson of the meeting and shall be distributed to all shareholders within twenty (20) days after the close of the meeting.

The preparation and distribution of the minutes of the shareholders' meeting required in the preceding paragraph shall be executed by the Company Act.

The minutes of the shareholders' meeting shall record the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points and the results of the meeting. The minutes shall be kept persistently throughout the life of the Company.

The attendance book bearing the signatures of the attending shareholders and the powers of attorney of the proxies shall be kept by the Company for a minimum period of at least one year. However, if a lawsuit has been initiated by any shareholder in accordance with the provisions of Article 189 of the Company Act hereof, the minutes of the shareholders' meeting involved shall be kept by the company until the legal proceedings of the foregoing lawsuit have been concluded.

Chapter 4 Directors

Article 20

The Company shall have five to eleven directors who are elected by the shareholders' meeting among candidates with legal capacity. The term of office shall be three years, and all directors shall be eligible for re-election. The board of directors shall have at least three independent directors.

The candidate nomination system is adopted for election of the directors of the Company and the shareholders shall elect the directors from the nominees listed in the candidate roster.

Independent directors and non-independent directors shall be elected together, and the number of elected candidates shall be calculated respectively.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the rules and regulations of the securities authority.

The percentage of shareholdings of all the directors shall be in accordance with the rules and

regulations of the securities authority.

The Company shall buy the director liability insurance with respect to liabilities resulting from exercising their duties during their term of directors.

The remuneration of directors for performing their duties, regardless of the company's profit or loss, is authorized to the board of directors to decide according to the standards of the industry.

Article 21

When the number of vacancies on the board of directors of the Company exceeds one-third of the total number, the board of directors shall convene, within 60 days, a special shareholders' meeting to elect succeeding directors to fill the vacancies.

Article 22

In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of existing directors shall be extended until the time new directors have been elected and assumed their office.

Article 23

The directors shall elect from among themselves the chairperson of the board of directors by a majority of members in a meeting attended by over two-thirds of the directors.

The chairperson of the board of directors is both the chairperson of the shareholders' meeting and the meeting of the board of directors, and shall have the authority to represent the Company.

Article 24

The meeting of the board of directors shall be convened by the chairperson, except for the first meeting of the board of directors of each term in accordance with Article 203 of the Company Act. Unless otherwise specified in the Company Act, resolutions of the board of directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

If a director is unavailable to attend a meeting, the director may issue a proxy for the given meeting specifying the scope of the authorized powers to the authorized director to attend the meeting. A director may represent only one other director at a meeting pursuant to Article 205 of the Company Act.

In case a meeting of the board of directors is proceeded via visual communication network, then the directors participating in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 24-1

Seven days prior to the convening of a meeting of the board of directors, a notice shall be sent to all directors, specifying the reasons for calling the meeting. In an emergency situations, a meeting may be called whenever necessary.

The notice of convening a board meeting may be in writing, by fax or by e-mail notification thereof.

Article 25

In case the chairperson is on leave or absent or unable to exercise his/her power and authority for any cause, his/her authority shall be executed in accordance with Article 208 of the Company Act.

Article 26

The authorities of the board of directors are as follows:

1. The Company's business policies, and middle\long-term development plans.
2. Deliberate and monitor the annual business plan.
3. Deliberate Company's annual budget plan.
4. Deliberate the plan to increase or decrease the Company's capital.
5. Deliberate the proposal of the distribution of earnings or the proposal of loss off-setting.
6. Deliberate the substantial contracts.
7. Deliberate the revisions of the Articles of Incorporation.
8. Deliberate the company organization regulations and the major operation rules.
9. Deliberate the setup, re-organization and dismissal of branch offices.
10. Deliberate the major capital expenditures plans.
11. Commissioning and decommissioning of the Company's president and vice presidents.
12. The implementation of the resolutions of the shareholders' meeting.
13. Discussion and resolution of the proposals initiated by the president.
14. Convene the shareholders' meeting and report the operation results.
15. The authorities pursuant to the shareholders' meeting and in accordance with other regulations.

Article 27

The Company sets up the audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee is exercising the authority of supervisions conducted in the Company Act, the Securities and Exchange Act, and other relevant laws and regulations. The audit committee is composed of independent directors only.

Charter 5 Managers

Article 28

The Company may appoint one President and the commissioning, decommissioning and remuneration of the president shall be as pursuant to Article 29 of the Company Act.

Charter 6 Accounting

Article 29

The fiscal year for the Company shall be from January 1 of each year to December 31 of the same year. After the end of each fiscal year, the following reports shall be prepared by the board of directors,

and then submitted the general shareholders' meeting for adoption:

1. Business reports.
2. Financial statements.
3. The proposal of the distribution of earnings or the proposal of loss off-setting.

Article 30

If the Company reports profits, the Company shall appropriate 10~22.5% of profits as the employee compensation and less than 1% of profits as the director compensation. When the Company has accumulated losses, earnings shall be retained to offset the losses at first.

The appropriation ratio of the employee compensation and the director compensation and whether the employee compensation is distributed in stocks or cash shall be resolved by a majority of members in a meeting attended by over two-thirds of the directors. And then the resolutions shall be submitted to the shareholders' meeting to report.

The board of directors can determine whether payments shall be in cash or stocks to the eligible employees, including employees of the subsidiaries. And the board of directors is authorized to set up the eligibility criteria.

Article 30-1

When allocating the net profits for each fiscal year, the distribution order shall be followed:

1. Reserve for tax payments.
2. Offset losses in previous years, if any.
3. Legal reserve, which is 10% of leftover profits.
4. Allocation or reverse of special reserves as required by the Securities and Exchange Act.
5. After deducting the previous balances, the board of directors will propose a distribution proposal for the balance and the earnings in previous years. When the distribution is made by issuing new shares, it shall be submitted to the shareholders meeting for a resolution.

When the whole or part of the distributable dividends and bonuses, and the legal reserve and capital surplus in accordance with laws is made by cash, the board of directors is authorized to resolve by a majority vote in a meeting of the board of directors attended by two-thirds of the directors. And then the resolution shall be submitted to the shareholders' meeting.

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

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

Charter 7 Supplementary Provisions

Article 31

All matters not provided for in the articles of incorporation shall be handled in accordance with the Company Act and other applicable laws or regulations.

Article 32

This article was formulated on 16th August, 2003.
Its first amendment was made on 2nd March, 2004.
Its second amendment was made on 17th June, 2005.
Its third amendment was made on 9th June, 2006.
Its fourth amendment was made on 8th June, 2007.
Its fifth amendment was made on 8th June, 2007.
Its sixth amendment was made on 13th June, 2008.
Its seventh amendment was made on 19th June, 2009.
Its eighth amendment was made on 18th June, 2010.
Its ninth amendment was made on 10th June, 2011.
Its tenth amendment was made on 15th June, 2012.
Its eleventh amendment was made on 18th June, 2015.
Its twelfth amendment was made on 17th June, 2016.
Its thirteenth amendment was made on 14th June, 2019.
Its fourteenth amendment was made on 12th June, 2020.
Its fifteenth amendment was made on 18th June, 2021.
Its sixteenth amendment was made on 31st May, 2022.

Alpha Networks Inc.

Shareholding of Directors

Book Closure Date: March 29, 2025

Title	Name	Date elected	Shareholding when elected			Current shareholding		
			Type	Shares	%	Type	Shares	%
Chairperson	Qisda Corporation Representative: Wen-Fang Huang	2023.5.31	Common Share	295,797,126	54.60%	Common Share	295,797,126	54.60%
Vice Chairperson	Qisda Corporation Representative: Chi-Hong Chen							
Director	Qisda Corporation Representative: Han-Zhou Huang							
Director	Qisda Corporation Representative: Chiu-Chin Hung							
Independent Director	Ming-Der Hsieh	2023.5.31	Common Share	0	0.00%	Common Share	0	0.00%
Independent Director	Shu-Hsing Li	2023.5.31	Common Share	0	0.00%	Common Share	0	0.00%
Independent Director	Cheng-Jung Chiang	2023.5.31	Common Share	0	0.00%	Common Share	0	0.00%
Independent Director	Julian Chen	2023.5.31	Common Share	0	0.00%	Common Share	0	0.00%
Total			Common Share	295,797,126		Common Share	295,797,126	

The total outstanding shares of the Company: 541,718,460 common shares as of March 29, 2025.

Note: The minimum number of shares that shall be held by all directors of the Company is 17,334,990. As of March 29, 2025(closing date), the number of shares held by all directors is 295,797,126 shares which have met the minimum requirement. (The number of shares held by independent directors did not apply)

The Company has set up the audit committee therefore the number of shares held by supervisors is not applicable.



ALPHA Networks

No.8, Li-shing 7th Rd., Science-based Industrial Park, Hsinchu, Taiwan, R.O.C.

Tel: 886-3-5636666 Fax: 886-3-5636789

▲ www.alphanetworks.com