

FOCI Fiber Optic Communications, Inc.

2024 Annual General Shareholders' Meeting Minutes

(The following is a translation of the Chinese version for reference only. If there are any discrepancies between the Chinese and English versions, the Chinese version shall prevail.)

Time: 9:00 a.m. on May 30, 2024 (Thursday)

Location: 4F., No.1, Gongye E. 2nd Rd., East Dist., Hsinchu City (Hsinchu Science Park Life Hub-4F Bach)

Total share represented by shareholders present in person or by proxy are 67,274,503 shares (including 8,470,719 shares through e-voting), which is 68.2% of the total 98,640,567 outstanding shares.

Attended Directors: Song-fure Lin(Chariman) 、Ting-ta Hu(Director/ President) 、Lee-chiou Chang(Director) 、Li-jen Kuo(Independent Director) 、Tzu-ming Wang(Independent Director)

In Attendance: Attorney Jennifer J.S. Chen 、PWC Accountant Shu-Chian Bai 、Ya-fang Yu(Financial Div., Director)

Chariman: Song-fure Lin

Recorder: Shy-jge Wang

1. Call Meeting to Order (The aggregate shareholding of the presenting shareholders constituted a quorum.)
2. Chairman's Address (Omitted)

3. Report Items

- (1). 2023 Business Report (Please refer to attachment 1.)
- (2). Audit Committee's Review Report (Please refer to attachment 2.)
- (3). To report the cash distribution from capital reserves of 2023

Explanatory Notes:

1. Pursuant to Article 19-1 of the Company's Articles of Incorporation, the Company appropriated NT\$49,320,284 from the capital reserves from the issuance of stock in excess of par value, based on the current number of 98,640,567 outstanding shares of the Company, and distributed NT\$0.50 in cash per share.
2. The cash distribution from the capital reserves is calculated based on the proportion of shareholders' shareholdings as recorded in the shareholders' registers on the record date of the distribution up to the dollar amount (rounded down to the nearest dollar), and the sum of the fractional amounts less than one dollar is adjusted from the largest to the smallest decimal places and from the front to the back of the shareholder's account number, until the sum is equal to the total amount of the capital surplus distributed.
3. The cash distribution from the capital reserves has been fully completed on March 29, 2024.

4. Recognition Items

1. Acknowledgment of the 2023 Business Report and Financial Statements (proposed by the Board of Directors)

Explanatory Notes:

1. The Company's 2023 Financial Statements have been audited by accountants Shu-Chian Bai and Tien-Yi Li of PricewaterhouseCoopers Taiwan and submitted to the Audit Committee for review with the Business Report.
2. Please refer to attachment 1 and attachment 4 to attachment 5 for the Business Report, Accountant Audit Report, and Financial Statements referred to in the preceding paragraph for approval.

Resolution:

Voting Result: Shares present at the time of voting:67,274,503

Voting method	On-site voting	e-voting	Total	%
Approval votes	58,628,657	2,298,395	60,927,052	90.56%
Disapproval votes	0	2,196	2,196	0.00%
Invalid votes	0	0	0	0.00%
Abstention votes/ no votes	175,127	6,170,128	6,345,255	9.43%

The proposal was approved as proposed after voting (Including e-voting).

2. Acknowledgment of the 2023 Earnings Distribution (proposed by the Board of Directors)

Explanatory Notes:

The net profit after tax of the Company in 2023 was NT\$12,058,109. The earnings distribution table is prepared under the Company's Articles of Incorporation. Please refer to attachment 3 for approval.

Resolution:

Voting Result: Shares present at the time of voting:67,274,503

Voting method	On-site voting	e-voting	Total	%
Approval votes	58,628,657	2,298,270	60,926,927	90.56%
Disapproval votes	0	2,223	2,223	0.00%
Invalid votes	0	0	0	0.00%
Abstention votes/ no votes	175,127	6,170,226	6,345,353	9.43%

The proposal was approved as proposed after voting (Including e-voting).

5. Discussion Items

1. Discussion of amendments to the Company's 「Articles of Incorporation」 (Proposed by the Board of Directors)

Explanatory Notes:

In order to meet the Company's practical needs, it is planned to amend some provisions of the Company's "Articles of Incorporation." For a comparison of the provisions before and after the amendments, please refer to attachment 6.

Resolution:

Voting Result: Shares present at the time of voting:67,274,503

Voting method	On-site voting	e-voting	Total	%
Approval votes	58,628,657	2,295,636	60,924,293	90.56%
Disapproval votes	0	3,232	3,232	0.00%
Invalid votes	0	0	0	0.00%
Abstention votes/ no votes	175,127	6,171,851	6,346,978	9.43%

The proposal was approved as proposed after voting (Including e-voting).

2. The Company propose to conduct the private placement of common shares (Proposed by the Board of Directors)

Explanatory Notes:

I. Purpose and amount of the capital raising: In order to attract strategic investors and strengthen the long-term cooperation relationship with strategic partners, and at the same time to enrich the Company's working capital to meet the capital needs of the Company's long-term development, it is motioned to the shareholders' meeting to authorize the Board of Directors to conduct a private placement of common shares of the Company within the limit of 10,000 thousand common shares, which will be divided into one to three installments within one year from the resolution date of the shareholders' meeting.

II. Pursuant to Article 43-6 of the Securities and Exchange Act and the Directions for Public Companies Conducting Private Placements of Securities, matters related to the handling of the private placements are explained below :

(I) Basis and reasonableness of private placement pricing :

1. The issue price is set at not less than 70% of the higher of the following two base prices :

- (1) The simple average closing price of the common shares of the Company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
- (2) The simple average closing price of the common shares of the Company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

- (3) The actual pricing date and the actual private placement price shall be within the range of not less than the resolution of the shareholders' meeting, and the board of directors is authorized to decide based on the circumstances of the specific person in the future. However, the issuance price will not be less than 70% of the higher of the two prices calculated above. The Company appointed an independent expert, Accountant Chen Ci-jian of Sun Rising Certified Public Accountants, to issue an opinion on the basis and rationality of the pricing. Please refer to attachment7. The above issuance price was set with reference to relevant laws and regulations and the closing price of ordinary shares, in addition to taking into account the Company's operating conditions, future prospects and the three-year transfer restriction on the private placement securities under the Securities and Exchange Act, which should be reasonable.
- (II) Method and purpose, necessity and expected benefits of a selection of specified persons :
1. The private placement of common shares is limited to specified persons who meet the requirements of Article 43-6 of the Securities and Exchange Act and the Order Jing-Guan-Zheng-Fa-Zi No. 1120383220 of the Financial Supervisory Commission, dated September 12, 2023, and must be strategic investors.
 2. Purpose, necessity and expected benefits of selecting strategic investors: In order to meet the needs of the Company's operation and development, the Company will select individuals or legal entities that can help the Company to enhance its technology, develop products, reduce costs, expand markets or strengthen customer relationships, etc., by leveraging on their experience, technology, knowledge, reputation or access to channels to strengthen the Company's competitiveness and enhance its operational efficiency and long-term development.
 3. The Company has not yet decided on the agreed-upon placees.
- (III) Necessary reasons for conducting private placement :
1. Reasons for conducting non-public offering: Considering factors such as capital market conditions, effectiveness, issuance costs, the three-year non-transferable restriction on the private placement, the Company proposed to conduct a private placement instead of a public offering to ensure and strengthen the long-term relationship with its strategic investors.
 2. The amount, use of funds, and estimated benefits of the private placement :
 - (1) The amount of private placement: Depending on the market and the status of the placees contacted, the Company will conduct one to three private placements within one year from the date of the resolution of the shareholders' meeting. Regarding the number of shares of common shares to be issued in tranches as in the aforementioned private placement installments, at the time of each actual tranche of processing, all or part of the previously unissued shares or the number of shares expected to be subsequently issued may be issued together, provided that the total number of shares to be issued in the aggregate does not more than 10,000 thousand.

- (2) Use of the each tranche funds raised in the private placement : Increasing the working capital and for capital needs related to future development.
- (3) Benefits expected to be achieved by each tranche: Strengthening the Company's competitiveness, enhancing operational efficiency and improving overall shareholders' equity in light of the Company's long-term development.

- III. In accordance with the " Directions for Public Companies Conducting Private Placements of Securities ", if there is a major change in managerial control from one year prior to the Board of Directors' resolution to conduct a private placement of securities and to one year after the date of delivery of the private placement securities, the securities underwriter should be contacted to issues an evaluation opinion on the necessity and reasonableness of conducting the private placement of securities. Within one year prior to the resolution of the Company's Board of Directors to issue private placement securities, the ratio of board seat change on the Board of Directors is one in seven. The Company will hold a general election of directors at the 2024 General Shareholders' Meeting. The Company's current issued shares are 98,640 thousand shares, and after the proposed private placement of 10,000 thousand shares, the number of privately placed shares is expected to account for 9.20% of the paid-in share capital. Although it is unlikely that more than one-third of the Board of Directors will change, the Company has requested Taishin Securities Co., Ltd. to provide an opinion on the necessity and reasonableness of the private placement of common shares. Please refer to attachment8.
- IV. The rights and obligations of the privately placed common shares are, in principle, the same as those of the Company's outstanding common shares. However, pursuant to Article 43-8 of the Securities and Exchange Act, the common shares of the private placement shall not be freely transferable within three years after the issuance of the private placement shares, except to the transferees and the conditions set forth therein. Three years after the issuance date, the Board of Directors is authorized to apply to the competent authorities for a supplemental public capital raising and TPEx trading of the privately-placed common shares in light of the prevailing market conditions.
- V. Matters related to the number of private placement shares, issuance price, issuance conditions, project items, capital raising amount, fund usage, expected progress and possible benefits of the private placement, as well as all other matters related to the issuance plan, are changed or amended due to the amendment of the laws and regulations or the requirements of the competent authorities, and based on the evaluation of the operation or the impact of the objective environment, it is proposed that the shareholders' regular meeting authorizes the Board of Directors to adjust, formulate and handle the situation based on the prevailing market conditions. In the event of any future changes in laws and regulations, amendments directed by the competent authorities, or changes required based on operational assessment or due to objective circumstances, the Board of Directors is also authorized to handle the matters with full authority.
- VI. In connection with this private placement of common shares, it is proposed that the Shareholders' Meeting authorize the Chairman of the Board of Directors, on behalf of the Company, to execute, negotiate and vary all deeds and documents relating to the private placement of common shares and to do all things necessary in connection with the issuance of the private placement of common shares.

Resolution:

Voting Result: Shares present at the time of voting:67,274,503

Voting method	On-site voting	e-voting	Total	%
Approval votes	58,628,657	2,116,480	60,745,137	90.29%
Disapproval votes	0	184,132	184,132	0.27%
Invalid votes	0	0	0	0.00%
Abstention votes/ no votes	175,127	6,170,107	6,345,234	9.43%

The proposal was approved as proposed after voting (Including e-voting).

6. Election Items

1. Re-election of directors (proposed by the Board of Directors)

Explanatory Notes:

1. The term of office of the eleventh session of the Board of Directors of the Company shall end on July 4, 2024, and it is proposed that an election of all directors be held at the current annual general shareholders' meeting.
2. In accordance with the Company's Articles of Incorporation, it is proposed that seven directors (including three independent directors) be elected under the candidate nomination system.
3. The term of office of the new directors shall be three years, commencing on May 30, 2024 and ending on May 29, 2027, and they shall assume office upon the adjournment of the annual general shareholders' meeting at which they are elected, and the original directors shall be dismissed at the same time.
4. The List of Candidates for Directors and Independent Directors has been approved by the Board of Directors of the Company. For the list of candidates, please refer to attachment 9.

Resolution:

Votes of the newly elected director as below :

Title	Account numbers or ID numbers	Name	Votes Received (Including e-voting)
Director	4	Song-fure Lin	76,472,047
Director	84919	Wonderland Enterprise Co., Ltd. representative: Hau Fang	63,759,684
Director	15692	Lee-chiou Chang	63,667,069
Director	52932	Ting-ta Hu	61,298,226
Independent Director	Q22203****	Li-jen Kuo	53,593,028
Independent Director	K10110****	Tzu-ming Wang	53,435,090
Independent Director	P10151****	Tien-Chang Huang	53,389,846

7. Other Motions

1. Discussion to approve the lifting of non-competition restrictions for directors (proposed by the Board of Directors)

Explanatory Notes:

1. In accordance with 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. In order to benefit from the expertise and experience of the directors of the Company, it is proposed to the shareholders' meeting to approve the Lifting of the Restriction on Competition with the Company by Directors.
3. List of non-competition restrictions proposed to be lifted is as attachment 10.

Resolution:

Voting Result: Shares present at the time of voting: 67,274,503

Voting method	On-site voting	e-voting	Total	%
Approval votes	58,628,657	2,250,764	60,879,421	90.49%
Disapproval votes	0	31,888	31,888	0.04%
Invalid votes	0	0	0	0.00%
Abstention votes/ no votes	175,127	6,188,067	6,363,194	9.45%

The proposal was approved as proposed after voting (Including e-voting).

8. Extemporaneous Motions: None.

(Note: There were no shareholders raised questions at the meeting.)

9. Adjournment :09:40 a.m., May 30, 2024

Note: This document is extracted from the meeting according to the paragraph 4 of Article 183 of the Company Act ; the details are subject to the audio and video recording.

Business Report

Greetings to ladies and gentlemen of the shareholders!

Despite the global economic recovery expected after the pandemic, the growth momentum is still fragile due to the interplay of inflation and geopolitics. In addition, although China's economic recovery is not as strong as expected and the U.S. and Europe's economic outlook is still not favorable, the inventory removal in the manufacturing industry is gradually turning into a bright spot, so we will continue to be prudent and optimistic in our outlook for 2024, and actively plan for the Company's growth to face the various challenges ahead.

In 2023, the consolidated revenue of FOCI was NT\$1,271,745 thousand, with an EPS of NT\$0.13. As part of the Company's proactive transformation and competitiveness enhancement plans, we have seen results in the automation of fiber optic cable production and the silicon photonics packaging business, demonstrating that FOCI is proactively coping with the pressures of traditional optical communication components, which are highly dependent on manpower production and fierce price competition. We are also taking advantage of the rise of AI and the increasing demand for high-speed transmission and computation to plan ahead for the next generation of optical communication technology development and product models in order to meet the needs of corporate growth.

In terms of business development, FOCI will continuously develop international customers for business and technology development. In addition to expanding existing cooperation projects, we will simultaneously develop the photonics packaging business, so as to cooperate with customers strategically, establish subsequent mass production orders, and proactively compete for data center-related requirements. In terms of R&D, we will strengthen our Taiwan headquarters' design and development and development capabilities of CPO product process, build up a patent portfolio, and continually collaborate and partner with major semiconductor companies to provide more complete solutions for silicon photonics co-packaging in order to achieve a leading position in the market. In terms of production planning, we focus on the development of automation equipment and smart manufacturing, and continually enhance our production engineering capabilities and production efficiency, strengthen the development of products and technologies, and expand our production lines. Moreover, we have continuously upgraded our competitiveness, including the professional certification of our products and production lines, and participated in joint R&D with our customers in order to obtain the early market opportunities by stabilizing the order size, securing the production resources, and meeting the goal of maximizing the efficiency of the production capacity.

Moreover, after completing the SAP installation to bring the ERP system in line with international manufacturers, we will continually invest in the optimization of other information management systems, as well as the construction of software and hardware related to product safety. We will also reinforce the cooperation between industry and academia, and recruit talents to transform into a world-class optical communication and silicon photonics packaging manufacturer.

In terms of the implementation of ESG, we have conducted the IS14064-1 Greenhouse Gas Inventory Program and obtained third-party verification and ISO14001 certification in 2023. Apart

from the continuous strengthening of corporate governance and ESG requirements, we have been cultivating talents, developing industry-academia cooperation, and deepening the establishment of Taiwan's optical communication capabilities with integrity and corporate conscience, in the hope of reaching new levels with steady operational performance this year. Therefore, we would like to thank our shareholders for your support and encouragement. We will do our best to take advantage of every growth opportunity and expand our technological advantages and market position under thorough preparations and careful planning, in order to reward our shareholders and investors for their support and patronage of FOCL.

I wish all shareholders, ladies and gentlemen, good health, and happiness!

Chairman: Song-fure Lin

General Manager : Ting-ta Hu

Accounting Supervisor: Ya-fang Yu

Attachment 2

Audit Committee's Review Report

The board of directors prepared the Company's 2023 annual Business Report, Financial Statements, and Earnings Distribution proposal, among which the Financial Statements were audited by accountants Shu-Chian Bai and Tien-Yi Li from PricewaterhouseCoopers Taiwan; an audit report has been issued. The audit committee has reviewed the above-mentioned Business Report, Financial Statements, and Earnings Distribution; there is no discrepancy. The report follows the relevant provisions of the Securities and Exchange Act and the Company Act. Please review.

Sincerely,

FOCI Fiber Optic Communications, Inc.

2024 Annual General Shareholders' Meeting

The Audit Committee

Convener: Mei-huei Li

Feb 22, 2024

Attachment 3

FOCI Fiber Optic Communications, Inc.

2023 Earnings Distribution Proposal

Unit: NT\$

Item	Amount
Unappropriated retained earnings from previous years before adjustment	42,253,148
Less: adjustment to the amount of earnings distribution by applying the fixed dividend rate of \$0.5 per share	(145,373)
Unappropriated retained earnings from previous years after adjustment	<u>42,107,775</u>
Add: Net profit after tax for the year 2023	12,058,109
Less: Provisioned as Legal reserve	(1,205,811)
Less: Provisioned as Special reserve	<u>(52,960,073)</u>
Unappropriated Retained Earnings	<u><u>0</u></u>

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR23003643

To the Board of Directors and Shareholders of FOCI Fiber Optic Communications, Inc.

Opinion

We have audited the accompanying parent company only balance sheets of FOCI Fiber Optic Communications, Inc. as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only 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 parent company only financial position of FOCI Fiber Optic Communications, Inc. as at December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statements 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 *Auditor's Responsibilities for the Audit of the parent company only Financial Statements* section of our report. We are independent of

FOCI Fiber Optic Communications, Inc. in accordance with Norm of Professional Ethics for Certified Public Accountant 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 for 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 financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Assessment of Inventory Valuation

Description of key audit matter

Refer to Note 4(14) for accounting policies on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation losses, and Note 6(6) for details of inventories. FOCI Fiber Optic Communications, Inc. is primarily engaged in researching, developing, manufacturing, selling of optical fiber communication. Due to the rapid innovations in communication technology and the highly competitive market, there was a higher risk of incurring inventory loss on decline in market value or having obsolete inventory. Given that the net realisable value used in the inventory valuation usually involved subjective judgement and estimation uncertainty, and the inventories were material to the financial statements, we considered the inventory valuation as one of the key audit matters.

How the matter was addressed in our audit

In relation to the key audit matter above, our principal audit procedures the inventory valuation losses are as follows:

1. Obtained an understanding on the Company's operations and its industry characteristic to assess the reasonableness of the Company's policies on and procedures for allowance for inventory valuation losses.
2. Assessed and tested the reasonableness of the basis of net realisable value used by management and the accuracy of the net realisable value calculation.
3. Acquired management's individually identified obsolete or damaged inventory list, inspected the related supporting documents and proper recognition in the financial statements.

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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of parent company only 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 FOCI Fiber Optic Communications, Inc. 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 FOCI Fiber Optic Communications, Inc. 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 FOCI Fiber Optic Communications, Inc. financial reporting process.

Auditor's 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 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 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 FOCI Fiber Optic Communications,

Inc.'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 FOCI Fiber Optic Communications, Inc.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only 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 auditor's 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 appropriate audit evidence regarding the financial information of the entities or business activities within FOCI Fiber Optic Communications, Inc. 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 auditor's 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.

Shu-Chien Pai

Li, Tien-Yi

For and on behalf of PricewaterhouseCoopers, Taiwan

February 22, 2024

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

FOCI FIBER OPTIC COMMUNICATIONS, INC.
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

			December 31, 2023		December 31, 2022			
Assets			Notes	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$	729,191	28	\$	314,320	14
1110	Financial assets at fair value through profit or loss - current	6(2)		210,400	8		162,800	7
1150	Notes receivable, net	6(5)		641	-		92	-
1170	Accounts receivable, net	6(5)		263,390	10		302,517	13
1180	Accounts receivable - related parties	6(5) and 7		81,307	3		61,290	3
1200	Other receivables			1,504	-		379	-
1210	Other receivables - related parties	7		1,856	-		347	-
130X	Inventories	6(6)		200,171	8		236,762	11
1470	Other current assets			7,064	1		6,552	-
11XX	Current Assets			1,495,524	58		1,085,059	48
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(3)		148,087	6		192,265	9
1535	Non-current financial assets at amortised cost, net	6(4) and 8		2,939	-		2,939	-
1550	Investments accounted for using equity method	6(7)		415,105	16		508,518	23
1600	Property, plant and equipment	6(8)		311,677	12		325,066	14
1755	Right-of-use assets	6(9)		74,728	3		79,934	4
1760	Investment property - net	6(11)		51,405	2		53,528	2
1780	Intangible assets			7,243	-		2,806	-
1840	Deferred income tax assets	6(29)		25,212	1		9,211	-
1900	Other non-current assets	7		54,451	2		6,123	-
15XX	Non-current assets			1,090,847	42		1,180,390	52
1XXX	Total assets		\$	2,586,371	100	\$	2,265,449	100

(Continued)

FOCI FIBER OPTIC COMMUNICATIONS, INC.
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(13)	\$ -	-	\$ 180,000	8
2130	Current contract liabilities	6(22)	2,256	-	6,089	-
2150	Notes payable		1,873	-	1,546	-
2170	Accounts payable		43,781	2	35,741	2
2180	Accounts payable - related parties	7	272,752	10	226,419	10
2200	Other payables	6(15) and 7	43,465	2	49,097	2
2230	Current income tax liabilities		-	-	10,610	1
2280	Current lease liabilities		3,449	-	5,014	-
2300	Other current liabilities	6(14)	1,551	-	8,514	-
21XX	Current Liabilities		369,127	14	523,030	23
Non-current liabilities						
2570	Deferred tax liabilities	6(29)	3,926	-	3,683	-
2580	Non-current lease liabilities		73,355	3	76,519	4
2600	Other non-current liabilities		1,714	-	1,714	-
25XX	Non-current liabilities		78,995	3	81,916	4
2XXX	Total Liabilities		448,122	17	604,946	27
Equity						
Share capital		6(18)				
3110	Share capital - common stock		986,406	38	883,366	39
Capital surplus		6(19)				
3200	Capital surplus		1,017,177	39	555,581	24
Retained earnings		6(20) and 11				
3310	Legal reserve		135,135	5	130,433	6
3320	Special reserve		168,227	7	170,586	7
3350	Unappropriated retained earnings		54,166	2	88,764	4
Other equity interest		6(21)				
3400	Other equity interest		(222,862)	(8)	(168,227)	(7)
3XXX	Total equity		2,138,249	83	1,660,503	73
Significant events after the balance sheet 11 date						
3X2X	Total liabilities and equity		\$ 2,586,371	100	\$ 2,265,449	100

The accompanying notes are an integral part of these financial statements.

FOCI FIBER OPTIC COMMUNICATIONS, INC.
STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

	Items	Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(22)	\$ 1,218,658	100	\$ 1,482,915	100
5000	Operating costs	6(6)	(1,086,593)	(89)	(1,262,854)	(85)
5900	Net operating margin		132,065	11	220,061	15
5910	Unrealized profit from sales		(6)	-	-	-
5950	Net operating margin		132,059	11	220,061	15
	Operating expenses	6(27)(28)				
6100	Selling expenses		(23,293)	(2)	(29,841)	(2)
6200	General and administrative expenses		(70,852)	(6)	(55,493)	(4)
6300	Research and development expenses		(109,775)	(9)	(77,580)	(5)
6450	Expected credit gains		1,750	-	336	-
6000	Total operating expenses		(202,170)	(17)	(162,578)	(11)
6900	Operating (loss) profit		(70,111)	(6)	57,483	4
	Non-operating income and expenses					
7100	Interest income	6(23)	5,709	1	1,301	-
7010	Other income	6(24)	16,821	1	2,229	-
7020	Other gains and losses	6(25)	42,284	3	(47,097)	(3)
7050	Finance costs	6(26)	(4,219)	-	(2,471)	-
7070	Share of profit of associates and joint ventures accounted for using equity method	6(7)	7,348	1	51,912	3
7000	Total non-operating income and expenses		67,943	6	5,874	-
7900	Profit (loss) before income tax		(2,168)	-	63,357	4
7950	Income tax (expense) benefit	6(29)	14,226	1	(16,336)	(1)
8200	Profit for the year		\$ 12,058	1	\$ 47,021	3
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(21)	(\$ 44,177)	(3)	(\$ 5,680)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(21)	(13,072)	(1)	10,049	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(21)(29)	2,614	-	(2,010)	-
8300	Other comprehensive (loss) income for the year		(\$ 54,635)	(4)	\$ 2,359	-
8500	Total comprehensive (loss) income for the year		(\$ 42,577)	(3)	\$ 49,380	3
	Basic earnings per share	6(30)				
9750	Basic earnings per share		\$ 0.13		\$ 0.53	
	Diluted earnings per share	6(30)				
9850	Diluted earnings per share		\$ 0.13		\$ 0.53	

The accompanying notes are an integral part of these financial statements.

FOCI FIBER OPTIC COMMUNICATIONS, INC.
STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Retained earnings		Unappropriated retained earnings	Other equity interest		Treasury stocks	Total equity
				Legal reserve	Special reserve		Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		
<u>2022</u>										
Balance at January 1, 2022		\$ 882,731	\$ 554,756	\$ 115,107	\$ 132,277	\$ 236,682	(\$ 39,475)	(\$ 131,111)	\$ -	\$1,750,967
Net profit		-	-	-	-	47,021	-	-	-	47,021
Other comprehensive income (loss) for the year		-	-	-	-	-	8,039	(5,680)	-	2,359
Total comprehensive income (loss)		-	-	-	-	47,021	8,039	(5,680)	-	49,380
Distribution of retained earnings of 2021:	6(20)									
Legal reserve		-	-	15,326	-	(15,326)	-	-	-	-
Special reserve		-	-	-	38,309	(38,309)	-	-	-	-
Cash dividends		-	-	-	-	(141,304)	-	-	-	(141,304)
Convertible corporate bond conversion	6(18)(19)	635	825	-	-	-	-	-	-	1,460
Balance at December 31, 2022		<u>\$ 883,366</u>	<u>\$ 555,581</u>	<u>\$ 130,433</u>	<u>\$ 170,586</u>	<u>\$ 88,764</u>	<u>(\$ 31,436)</u>	<u>(\$ 136,791)</u>	<u>\$ -</u>	<u>\$1,660,503</u>
<u>2023</u>										
Balance at January 1, 2023		\$ 883,366	\$ 555,581	\$ 130,433	\$ 170,586	\$ 88,764	(\$ 31,436)	(\$ 136,791)	\$ -	\$1,660,503
Net profit		-	-	-	-	12,058	-	-	-	12,058
Other comprehensive loss for the year		-	-	-	-	-	(10,458)	(44,177)	-	(54,635)
Total comprehensive income (loss)		-	-	-	-	12,058	(10,458)	(44,177)	-	(42,577)
Distribution of retained earnings of 2022:	6(20)									
Legal reserve		-	-	4,702	-	(4,702)	-	-	-	-
Special reserve		-	-	-	(2,359)	2,359	-	-	-	-
Cash dividends		-	-	-	-	(44,313)	-	-	-	(44,313)
Convertible corporate bond conversion	6(18)(19)	3,040	3,852	-	-	-	-	-	-	6,892
Cash capital increase	6(18)(19)	100,000	428,000	-	-	-	-	-	-	528,000
Share-based payments	6(17)(19)(28)	-	29,744	-	-	-	-	-	-	29,744
Balance at December 31, 2023		<u>\$ 986,406</u>	<u>\$1,017,177</u>	<u>\$ 135,135</u>	<u>\$ 168,227</u>	<u>\$ 54,166</u>	<u>(\$ 41,894)</u>	<u>(\$ 180,968)</u>	<u>\$ -</u>	<u>\$2,138,249</u>

The accompanying notes are an integral part of these financial statements.

FOCI FIBOR OPTIC COMMUNICATIONS, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
(Loss) profit before tax		(\$ 2,168)	\$ 63,357
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(27)	70,132	67,683
Amortisation expense	6(27)	1,655	570
Expected credit gains	12(2)	(1,750)	(336)
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	6(25)	(47,600)	74,690
Interest expense	6(26)	4,219	2,471
Interest income	6(23)	(5,709)	(1,301)
Dividend income	6(3)(24)	(15,223)	(1,095)
Share-based payments	6(17)(28)	29,744	-
Share of profits of subsidiaries, associates and joint ventures	6(7)	(7,348)	(51,912)
Loss (gain) on disposal of property, plant and equipment	6(25)	3,189	(97)
Impairment loss of investments accounted for using equity method	6(25)	3,790	-
Unrealized (realized) gains with subsidiaries	6(7)	(13)	97
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(549)	935
Accounts receivable		40,877	116,041
Accounts receivable from related parties		(20,017)	(1,845)
Other receivables		(434)	(6)
Other receivables from related parties		(3,240)	(332)
Inventories		36,591	18,776
Other current assets		(512)	400
Changes in operating liabilities			
Contract liabilities - Current		(3,833)	3,113
Notes payable		327	(357)
Accounts payable		8,040	(40,050)
Accounts payable to related parties		46,333	(97,699)
Other payables		(5,703)	(36,352)
Other current liabilities		(134)	(1,893)
Cash inflow generated from operations		130,664	114,858
Dividends received	6(3)	15,223	1,095
Income taxes paid		(12,140)	(42,315)
Net cash flows from operating activities		133,747	73,638

(Continued)

FOCI FIBOR OPTIC COMMUNICATIONS, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		\$ -	(\$ 70,002)
Proceeds from disposal of financial assets at amortised cost		-	58
Acquisition of financial assets at fair value through profit or loss		-	(237,460)
Dividends paid by subsidiaries		-	117,102
Proceeds from capital reduction of investments accounted for using equity method	6(7)	86,526	-
Acquisition of property, plant and equipment	6(31)	(53,278)	(10,699)
Proceeds from disposal of property, plant, and equipment		1,158	290
Decrease in guarantee deposits paid		2,468	597
Acquisition of intangible assets		(6,092)	(2,954)
Increase in prepayments for equipment		(49,065)	(5,251)
Interest received		5,018	1,239
Net cash flows used in investing activities		(13,265)	(207,080)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term loans	6(32)	460,000	360,000
Decrease in short-term loans	6(32)	(640,000)	(200,000)
Decrease in guarantee deposits received		-	(372)
Payments of lease liabilities	6(32)	(5,054)	(5,378)
Cash dividends paid	6(20)	(44,313)	(141,304)
Cash capital increase	6(18)	528,000	-
Interest paid		(4,244)	(2,239)
Net cash flows from financing activities		294,389	10,707
Net increase (decrease) in cash and cash equivalents		414,871	(122,735)
Cash and cash equivalents at beginning of year		314,320	437,055
Cash and cash equivalents at end of year		<u>\$ 729,191</u>	<u>\$ 314,320</u>

The accompanying notes are an integral part of these financial statements.

Attachment 5

Representation Letter

In connection with the Consolidated Financial Statements of Affiliated Enterprises of FOCI FIBER OPTIC COMMUNICATIONS, INC. (the “Consolidated FS of the Affiliates”), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2023 in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the Consolidated Financial Statements of FOCI FIBER OPTIC COMMUNICATIONS, INC. and its subsidiaries (the “Consolidated FS of the Group”) in accordance with International Financial Reporting Standard 10. Additionally, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, FOCI FIBER OPTIC COMMUNICATIONS, INC. does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,

FOCI FIBER OPTIC COMMUNICATIONS, INC.

By

Song-fure Lin, Chairman

February 22, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR23003827

To the Board of Directors and Shareholders of FOCI Fiber Optic Communications, Inc.

Opinion

We have audited the accompanying consolidated balance sheets of FOCI Fiber Optic Communications, Inc. and subsidiaries (the “Group”) as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, 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 at December 31, 2023 and 2022, 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

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 *Auditor's Responsibilities for the Audit of the consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Norm of Professional Ethics for Certified Public Accountant

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 for 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 of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Assessment of Inventory Valuation

Description of key audit matter

Refer to Note 4(14) for accounting policies on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation losses, and Note 6(6) for details of inventories. The Group is primarily engaged in researching, developing, manufacturing, selling of optical fiber communication. Due to the rapid innovations in communication technology and the highly competitive market, there was a higher risk of incurring inventory loss on decline in market value or having obsolete inventory. Given that the net realisable value used in the inventory valuation usually involved subjective judgement and estimation uncertainty, and the inventories were material to the financial statements, we considered the inventory valuation as one of the key audit matters.

How the matter was addressed in our audit

In relation to the key audit matter above, our principal audit procedures the inventory valuation losses are as follows:

1. Obtained an understanding on the Group's operations and its industry characteristic to assess the reasonableness of the Group's policies on and procedures for allowance for

inventory valuation losses.

2. Assessed and tested the reasonableness of the basis of net realisable value used by management and the accuracy of the net realisable value calculation.
3. Acquired management's individually identified obsolete or damaged inventory list, inspected the related supporting documents and proper recognition in the financial statements.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of FOCI Fiber Optic Communications, Inc. as at and for the years ended December 31, 2023 and 2022.

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 the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, 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, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditor's 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 auditor's 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 auditor's 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 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 auditor's 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.

Shu-Chien Pai

Li, Tien-Yi

For and on behalf of PricewaterhouseCoopers, Taiwan

February 22, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

FOCI FIBER OPTIC COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

			December 31, 2023		December 31, 2022			
Assets			Notes	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$	913,040	38	\$	561,256	26
1110	Financial assets at fair value through profit or loss - current	6(2)		210,400	9		162,800	7
1150	Notes receivable, net	6(5)		641	-		92	-
1170	Accounts receivable, net	6(5)		277,195	11		330,611	15
1180	Accounts receivable - related parties	6(5) and 7		1,391	-		789	-
1200	Other receivables	7		5,518	-		11,189	1
130X	Inventories	6(6)		243,139	10		342,559	16
1470	Other current assets			14,562	1		7,163	-
11XX	Current Assets			1,665,886	69		1,416,459	65
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(3)		148,087	6		192,265	9
1535	Non-current financial assets at amortised cost, net	6(4) and 8		2,939	-		2,939	-
1550	Investments accounted for using equity method	6(7)		6,644	-		14,673	1
1600	Property, plant and equipment	6(8)		355,893	15		376,918	17
1755	Right-of-use assets	6(9)		93,797	4		97,270	5
1760	Investment property - net	6(11)		51,405	2		53,528	2
1780	Intangible assets			7,623	-		3,291	-
1840	Deferred income tax assets	6(29)		25,212	1		9,211	-
1900	Other non-current assets	6(12) and 7		61,615	3		11,375	1
15XX	Non-current assets			753,215	31		761,470	35
1XXX	Total assets		\$	2,419,101	100	\$	2,177,929	100

(Continued)

FOCI FIBER OPTIC COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(13)	\$ -	-	\$ 180,000	8
2130	Current contract liabilities	6(22)	2,256	-	6,089	-
2150	Notes payable		1,873	-	1,546	-
2170	Accounts payable		113,892	5	131,190	6
2200	Other payables	6(15) and 7	57,186	2	67,179	3
2230	Current income tax liabilities		1,487	-	17,684	1
2280	Current lease liabilities		13,813	1	18,066	1
2300	Other current liabilities	6(14)	2,618	-	8,514	1
21XX	Current Liabilities		193,125	8	430,268	20
Non-current liabilities						
2570	Deferred income tax liabilities	6(29)	3,926	-	3,683	-
2580	Non-current lease liabilities		82,087	4	81,761	4
2600	Other non-current liabilities		1,714	-	1,714	-
25XX	Non-current liabilities		87,727	4	87,158	4
2XXX	Total Liabilities		280,852	12	517,426	24
Equity						
	Share capital	6(18)				
3110	Share capital - common stock		986,406	41	883,366	40
	Capital surplus	6(19)				
3200	Capital surplus		1,017,177	42	555,581	25
	Retained earnings	6(20) and 11				
3310	Legal reserve		135,135	6	130,433	6
3320	Special reserve		168,227	7	170,586	8
3350	Unappropriated retained earnings		54,166	2	88,764	4
	Other equity interest	6(21)				
3400	Other equity interest		(222,862)	(10)	(168,227)	(7)
3XXX	Total equity		2,138,249	88	1,660,503	76
Significant events after the balance sheet 11 date						
3X2X	Total liabilities and equity		\$ 2,419,101	100	\$ 2,177,929	100

The accompanying notes are an integral part of these consolidated financial statements.

FOCI FIBER OPTIC COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

			Year ended December 31			
	Items	Notes	2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(22) and 7	\$ 1,271,745	100	\$ 1,620,659	100
5000	Operating costs	6(6)(27)(28)	(1,093,928)	(86)	(1,323,529)	(82)
5900	Net operating margin		177,817	14	297,130	18
	Operating expenses	6(27)(28)				
6100	Selling expenses		(29,094)	(2)	(38,554)	(2)
6200	General and administrative expenses		(98,936)	(8)	(83,789)	(5)
6300	Research and development expenses		(109,775)	(9)	(77,580)	(5)
6450	Expected credit gains (losses)	12(2)	1,742	-	(65)	-
6000	Total operating expenses		(236,063)	(19)	(199,988)	(12)
6900	Operating (loss) profit		(58,246)	(5)	97,142	6
	Non-operating income and expenses					
7100	Interest income	6(23)	5,948	-	1,859	-
7010	Other income	6(24)	18,409	1	6,877	-
7020	Other gains and losses	6(25)	49,271	4	(24,452)	(1)
7050	Finance costs	6(26)	(5,440)	-	(4,014)	-
7060	Share of loss of associates and joint ventures accounted for using equity method	6(7)	(4,240)	-	(4,736)	-
7000	Total non-operating income and expenses		63,948	5	(24,466)	(1)
7900	Profit (loss) before income tax		5,702	-	72,676	5
7950	Income tax benefit (expense)	6(29)	6,356	1	(25,655)	(2)
8200	Profit for the year		\$ 12,058	1	\$ 47,021	3
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	6(3)(21)	(\$ 44,177)	(3)	(\$ 5,680)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(21)	(13,072)	(1)	10,049	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(21)(29)	2,614	-	(2,010)	-
8300	Other comprehensive (loss) income for the year		(\$ 54,635)	(4)	\$ 2,359	-
8500	Total comprehensive (loss) income for the year		(\$ 42,577)	(3)	\$ 49,380	3
	Profit, attributable to:					
8610	Owners of parent		\$ 12,058	1	\$ 47,021	3
	Comprehensive (loss) income attributable to:					
8710	Owners of parent		(\$ 42,577)	(3)	\$ 49,380	3
	Basic earnings per share	6(30)				
9750	Basic earnings per share		\$ 0.13		\$ 0.53	
	Diluted earnings per share	6(30)				
9850	Diluted earnings per share		\$ 0.13		\$ 0.53	

The accompanying notes are an integral part of these consolidated financial statements.

FOCI FIBER OPTIC COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent						Other equity interest									
		Retained earnings				Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income											
Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations			Total equity								
2022																	
Balance at January 1, 2022	\$	882,731	\$	554,756	\$	115,107	\$	132,277	\$	236,682	(\$	39,475)	(\$	131,111)	\$	1,750,967	
Net profit		-		-		-		-		47,021		-		-		47,021	
Other comprehensive income (loss) for the year		-		-		-		-		-		8,039		(5,680)		2,359	
Total comprehensive income (loss)		-		-		-		-		47,021		8,039		(5,680)		49,380	
Distribution of retained earnings of 2021:	6(20)																
Legal reserve		-		-		15,326		-		(15,326)		-		-		-	
Special reserve		-		-		-		38,309		(38,309)		-		-		-	
Cash dividends		-		-		-		-		(141,304)		-		-		(141,304)	
Convertible corporate bond conversion	6(18)(19)	635		825		-		-		-		-		-		1,460	
Balance at December 31, 2022		\$	883,366	\$	555,581	\$	130,433	\$	170,586	\$	88,764	(\$	31,436)	(\$	136,791)	\$	1,660,503
2023																	
Balance at January 1, 2023		\$	883,366	\$	555,581	\$	130,433	\$	170,586	\$	88,764	(\$	31,436)	(\$	136,791)	\$	1,660,503
Net profit		-		-		-		-		12,058		-		-		12,058	
Other comprehensive loss for the year		-		-		-		-		-		(10,458)		(44,177)		(54,635)	
Total comprehensive income (loss)		-		-		-		-		12,058		(10,458)		(44,177)		(42,577)	
Distribution of retained earnings of 2022:	6(20)																
Legal reserve		-		-		4,702		-		(4,702)		-		-		-	
Special reserve		-		-		-		(2,359)		2,359		-		-		-	
Cash dividends		-		-		-		-		(44,313)		-		-		(44,313)	
Convertible corporate bond conversion	6(18)(19)	3,040		3,852		-		-		-		-		-		6,892	
Cash capital increase	6(18)(19)	100,000		428,000		-		-		-		-		-		528,000	
Share-based payments	6(17)(19)(28)	-		29,744		-		-		-		-		-		29,744	
Balance at December 31, 2023		\$	986,406	\$	1,017,177	\$	135,135	\$	168,227	\$	54,166	(\$	41,894)	(\$	180,968)	\$	2,138,249

The accompanying notes are an integral part of these consolidated financial statements.

FOCI FIBER OPTIC COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 5,702	\$ 72,676
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(8)(9)(11)(27)	95,241	96,579
Amortisation expense	6(27)	3,013	570
Expected credit (gains) losses	12(2)	(1,742)	65
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	6(25)	(47,600)	74,690
Interest expense	6(26)	5,440	4,014
Interest income	6(23)	(5,948)	(1,859)
Dividend income	6(3)(24)	(15,223)	(1,095)
Share-based payments	6(17)(28)	29,744	-
Share of profit of associates accounted for using equity method	6(7)	4,240	4,737
Loss on disposals of property, plant and equipment	6(25)	3,275	18,414
Impairment loss of investments accounted for using equity method	6(25)	3,790	-
Impairment reversal on non-financial assets	6(25)	-	(19,242)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable	(	549)	935
Accounts receivable (including related parties)		54,209	141,538
Other receivables (including related parties)		6,779	28,852
Inventories		98,142	22,474
Other current assets	(	7,532)	2,832
Changes in operating liabilities			
Contract liabilities	(	3,833)	2,638
Notes payable		327	(357)
Accounts payable (including related parties)	(	15,744)	(136,893)
Other payables	(	9,761)	(42,015)
Other current liabilities		951	(1,893)
Cash inflow generated from operations		202,921	267,660
Dividends received	6(3)	15,223	1,095
Income taxes paid		(25,541)	(52,692)
Net cash flows from operating activities		192,603	216,063

(Continued)

FOCI FIBER OPTIC COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		\$ -	(\$ 70,002)
Proceeds from disposal of financial assets at amortised cost		-	58
Acquisition of financial assets at fair value through profit or loss		-	(237,460)
Acquisition of property, plant and equipment	6(31)	(55,462)	(17,050)
Proceeds from disposal of property, plant and equipment		1,158	68,352
Decrease (increase) in guarantee deposits paid		(1,861)	597
Acquisition of intangible assets		(6,092)	(3,440)
Increase in other non-current assets		(1,248)	(469)
Increase in prepayments for equipment		(49,065)	(5,251)
Interest received		5,257	1,797
Net cash flows used in investing activities		(107,313)	(262,868)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans	6(32)	460,000	360,000
Decrease in short-term loans	6(32)	(640,000)	(200,000)
Decrease in guarantee deposits received		-	(372)
Payments of lease liabilities	6(32)	(21,294)	(21,235)
Cash dividends paid	6(20)	(44,313)	(141,304)
Cash capital increase	6(18)	528,000	-
Interest paid		(5,465)	(3,782)
Net cash flows from (used in) financing activities		276,928	(6,693)
Effect of exchange rate changes		(10,434)	1,194
Net increase (decrease) in cash and cash equivalents		351,784	(52,304)
Cash and cash equivalents at beginning of year		561,256	613,560
Cash and cash equivalents at end of year		\$ 913,040	\$ 561,256

The accompanying notes are an integral part of these consolidated financial statements.

Attachment 6

FOCI Fiber Optic Communications, Inc.

Comparison Table of Amendment to the Articles of Incorporation

Article	After amendment	Before amendment	Reason
Article 5	The total capital stock of the Company shall be in the amount of <u>1,800,000,000</u> New Taiwan Dollars, divided into <u>180,000,000</u> shares, at ten New Taiwan Dollars each. An amount of NT\$60,000,000 from the above total capital divided into 6,000,000 shares with a par value ten New Taiwan dollars are reserved for issuing employee stock options.	The total capital stock of the Company shall be in the amount of <u>1,100,000,000</u> New Taiwan Dollars, divided into <u>110,000,000</u> shares, at ten New Taiwan Dollars each. An amount of NT\$60,000,000 from the above total capital divided into 6,000,000 shares with a par value ten New Taiwan dollars are reserved for issuing employee stock options.	In line with the Company's practical needs
Article 22	These Articles of Incorporation were established on May 22, 1995...(omitted). The 16th amendment was made at the regular meeting on June 19, 2013. The 17th amendment was made at the regular meeting on May 31, 2016. The 18th amendment was made at the regular meeting on June 16, 2017. The 19th amendment was made at the regular meeting on June 5, 2019. The 20th amendment was made at the special meeting on September 30, 2019. The 21st amendment was made at the regular meeting on May 27, 2022. The 22nd amendment was made at the regular meeting on May 30, 2023. <u>The 23rd amendment was made at the regular meeting on May 30, 2024.</u>	These Articles of Incorporation were established on May 22, 1995...(omitted). The 16th amendment was made at the regular meeting on June 19, 2013. The 17th amendment was made at the regular meeting on May 31, 2016. The 18th amendment was made at the regular meeting on June 16, 2017. The 19th amendment was made at the regular meeting on June 5, 2019. The 20th amendment was made at the special meeting on September 30, 2019. The 21st amendment was made at the regular meeting on May 27, 2022. The 22nd amendment was made at the regular meeting on May 30, 2023.	Adding revision date

FOCI Fiber Optic Communications, Inc.
Private Placement of Common Shares
Independent Expert Opinion on the Reasonableness of the Private Placement Price

I. Matters appointed

The account was appointed by FOCI Fiber Optic Communications, Inc. (hereinafter referred to as "FOCI"). The Board of Directors of FOCI intended to resolve on April 12, 2024, to approve the issuance of common shares by way of a private placement for cash capital increase, and the price of the private placement was set at a price of not less than 70% of the reference price on the pricing date. However, in accordance with the "Directions for Public Companies Conducting Private Placements of Securities," if the price of the private placement is less than 80% of the reference price on the pricing date, an independent expert should be consulted to express an opinion.

In accordance with the "Directions for Public Companies Conducting Private Placements of Securities" promulgated by the Securities and Futures Bureau of the Financial Supervisory Commission, the accountant has issued an opinion on the basis for setting the private placement price for the common shares as a percentage of the reference price as proposed by FOCI and its reasonableness, has taken the necessary procedures to complete the evaluation, and the results of the evaluation are explained as follows:

II. FOCI's basic information

FOCI was established in the Republic of China (Taiwan) on June 14, 1995 and began operations in September of the same year. Its main business activities are the research and development, manufacturing, and sale of various fiber optic passive components, fiber optic test equipment, fiber optic application systems, and planning and design, consulting, and technical services of the integration of the above products and systems. On February 25, 2011, its shares were officially listed on the Taipei Stock Exchange (stock code 3363). From the audited and certified consolidated financial statements of FOCI for the last three years (2021, 2022 and 2023), the relevant financial information is as follows:

(I) Consolidated balance sheet

Unit : Thousands of New Taiwan dollars

Item \ Year	2021	2022	2023
Current assets	1,500,553	1,416,459	1,665,886
Non-current assets	826,955	761,470	753,215
Total assets	2,327,508	2,177,929	2,419,101
Current liabilities	465,879	430,268	193,125
Non-current liabilities	110,662	87,158	87,727
Total liabilities	576,541	517,426	280,852
Share capital	882,731	883,366	986,406
Capital surplus	554,756	555,581	1,017,177
Retained earnings	484,066	389,783	357,528
Other equity interest	(170,586)	(168,227)	(222,862)
Total equity	1,750,967	1,660,503	2,138,249
Total liabilities and equity	2,327,508	2,177,929	2,419,101
Net value per share (NT\$)	19.84	18.80	21.68

(II) Consolidated comprehensive income statement Unit : Thousands of New Taiwan dollars

Item \ Year	2021	2022	2023
Sales revenue	1,988,269	1,620,659	1,271,745
Operating costs	(1,533,623)	(1,323,529)	(1,093,928)
Operating margin	454,646	297,130	177,817
Operating expenses	(213,371)	(199,988)	(236,063)
Operating (loss) profit	241,275	97,142	(58,246)
Non-operating income and expenses	31,287	(24,466)	63,948
Profit before income tax	272,562	72,676	5,702
Income tax benefit (expense)	(70,918)	(25,655)	6,356
Profit for the year	201,644	47,021	12,058
Total other comprehensive (loss) income	(46,888)	2,359	(54,635)
Comprehensive (loss) income	154,756	49,380	(42,577)
Earnings per share (NT\$)	2.31	0.53	0.13

III. Evaluation approaches

Generally speaking, the evaluation of an equity investment is based on the selection of a suitable financial model according to the circumstances of the case. Currently, there are three widely used methods: the "asset approach", the "market approach", and the "income approach", among which "income approach" is also represented by "discounted cash flow approach". A brief description of each approach is as follows:

- (1) **Asset approach:** The net value of the Company's balance sheet is used as the basis for valuation, and the fair value of the Company's assets and liabilities are reassessed, and the difference between the two is the company's value. However, the asset approach does not take into account the company's future profitability or business cycles, and it is more suitable for companies that are primarily based on the value of their assets, newly established companies, or companies in traditional industries.
- (2) **Market approach:** The market approach is to estimate the reasonable value of a listed company from its price in the centralized trading market; or the market comparison approach is to use the market multiplier of a similar company, together with the financial condition of the appraised company to derive a reference value, and then adjust the discount or premium according to the characteristics of the appraised company to arrive at the company's value. This method uses public market-related company information with similar market and product mix, profitability and scale, and uses specific parameters, such as a certain multiple of past net value, future revenue or after-tax earnings, to evaluate the company.
Currently, the commonly used calculation methods of the market comparison approach are: "price-to-earnings ratio approach" and "price-to-book value ratio approach." The former is suitable for companies with stable risk levels, dividend policies and growth rates; the latter is more suitable for companies in industries with large profit fluctuations.
- (3) **Discounted cash flow approach:** The discount rate is used to discount the future net cash flows of a company by taking into account the investment risk and the time value of money, i.e., the free cash flows of a company in future periods are discounted to get the present value, i.e., the value of the company. This approach is applicable to companies with stable profits or being growth-oriented.

IV. Selection of evaluation approaches

In principle, there is no perfect method for assessing the "equity value", but only the best estimate based on the available data.

Each of the above evaluation approaches has its own advantages and disadvantages. Since the net value of an enterprise cannot reasonably reflect the future profitability of the enterprise, the "asset approach" will not be used to evaluate the "investment value" of equity. In practice, it is not easy to use the "discounted cash flow approach" to estimate the profit or loss for the next few years, and the risk of uncertainty is relatively high. In addition, the future cash flow and discount rate are subjective estimates. Thus, to objectively assess the fair value of FOCI's equity, this approach is not used for evaluation.

Accordingly, for the following analysis, the "market approach" (the "market price approach", the "price-book ratio approach" and the "price to earnings ratio approach") will be used as the basis for this comprehensive assessment of the reasonableness of the private placement price, taking into account the restriction on the transfer of private placement shares for a period of three years and assigning a liquidity risk discount rate.

V. Reasonableness of private placement prices

(1) Reference price setting principles

1. Reference price

Pursuant to Article 43-6 of the Securities and Exchange Act and Paragraph 1, Article 2 of the "Directions for Public Companies Conducting Private Placements of Securities," the higher of the prices calculated by the following two bases shall be used for TWSE-listed or TPEX-listed companies: (1) The simple average closing price of the common shares of the Company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction. ; (2) The simple average closing price of the common shares of the Company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction. In addition, according to Article 4 of the "Directions for Public Companies Conducting Private Placements of Securities," the basis and reasonableness of the private placement price, the percentage of the reference price for which the price per share shall not be lower than, and the basis and reasonableness of the pricing method should be listed in the reasons for convening a shareholders' meeting and fully explained in the shareholders' meeting.

For the time being, the valuation base date (April 2, 2024) is used as the pricing date for the purpose of this opinion. The simple arithmetic average of the closing price of the common shares for one, three, or five business days prior to the pricing date, less the dividend of NT\$0.5, is NT\$105.00, NT\$99.00 and NT\$99.04, respectively. Thus, NT\$105.00 has been chosen as the basis for calculating the price. In addition, the simple arithmetic average of the closing price of the common shares for 30 business days prior to the pricing date, less the dividend of NT\$0.5, was NT\$112.09. Therefore, the higher of the two, NT\$112.09, was selected as the reference price for the private placement.

2. Private placement price, reference price ratio, and basis

In order to provide the Company with more flexibility in raising funds and to bring in strategic investors within a short period of time, a private placement is adopted. The main difference between a private placement and a public capital raising is that the liquidity of the securities is lower, which results in the private placement price being lower than the reference price. Therefore, FOCI intends to set the principle of "the private placement price should not be lower than 70% of the reference price" at the Board of Directors' meeting for the time being. However, it is yet for FOCI to list it in the reasons for convening the shareholders' meeting and fully explain it at the shareholders' meeting to comply with the provisions of Article 43-6 of the Securities and Exchange Act and "Directions for Public Companies Conducting Private Placements of Securities."

(2) Private placement price evaluation

1. Market approach

Since FOCI is a TPEx-listed company and has objective public market trading prices for reference, FOCI's recent public trading market prices were used for estimation, sampling on the average closing prices of 10, 20, and 30 business days prior to the valuation benchmark date of April 2, 2024 (excluding that date), and the average closing prices for each sampling period are listed below :

Unit: New Taiwan Dollar

Sampling period	Average closing price (Note)	Reference price range
Previous 10 business days	108.17	108.17~115.91
Previous 20 business days	115.91	
Previous 30 business days	112.59	

Source: Taipei Exchange's closing price information (2024/2/19~2024/4/1).

Note: The average closing price is calculated as a simple arithmetic average.

2. Price-book ratio approach

It is based on the total equity and the most recent number of common shares outstanding in FOCI's 2023 consolidated financial statements. After reviewing the domestic listed companies with similar business nature as FOCI, three companies, namely, LuxNet (Code 4979), Browave (Code 3163), and TrueLight (Code 3234), are selected as the sampled peers. Therefore, the following calculation is based on the three peers' "price-book ratio", which is a daily financial indicator calculated by the Taipei Exchange, as a comparative parameter. The average price-book ratios for 10, 20, and 30 business days prior to the valuation benchmark date (excluding that date), April 2, 2024, of the three companies during the sampling period were used as samples, as a reasonable basis to assess FOCI's price per share during the sampling period. The relevant information of FOCI and the three peer companies for each of the periods is summarized as follows :

Sampling period	FOCI	LuxNet	Browave	TrueLight	Average Price-Book Ratio
Previous 10 business days	4.99	6.19	3.18	5.02	4.85
Previous 20 business days	5.51	8.02	3.30	4.61	5.36
Previous 30 business days	5.61	9.44	3.23	4.43	5.68

Unit: New Taiwan Dollar

Sampling period	Peer group's average price-book ratio (Note)	FOCI's 2023 net value per share	Calculated reference price per share	Theoretical reference range of price
Previous 10 business days	4.85	21.68	105.15	105.15~ 123.14
Previous 20 business days	5.36	21.68	116.20	
Previous 30 business days	5.68	21.68	123.14	

Source: Taipei Exchange's price-book ratio information (2024/2/19~2024/4/1).

Notes: 1. The average share price of the industrial peers is calculated as a simple arithmetic average.

2. Price-book ratio = Closing price / reference net value per share, where the reference net value per share is based on the latest quarterly reference net

value per share announced by the Taipei Exchange.

3. Price to earnings ratio approach

Based on the "price to earnings ratio", which is a daily financial indicator calculated by the Taipei Exchange, of the three sampled peers, LuxNet (Code 4979), Browave (Code 3163), and TrueLight (Code 3234), as a comparative parameter. The average price to earnings ratios for 10, 20, and 30 business days prior to the valuation benchmark date (excluding that date), April 2, 2024, of the three companies during the sampling period were used as samples, as a reasonable basis to assess FOCI's price per share during the sampling period. The relevant information of FOCI and the three peer companies for each of the periods is summarized as follows :

Sampling period	FOCI	LuxNet	Browave	TrueLight	Average P/E ratio
Previous 10 business days	832.08	39.96	18.38	N/A	296.81
Previous 20 business days	788.91	45.19	19.03	N/A	284.38
Previous 30 business days	604.42	48.90	18.49	N/A	223.94

Unit: New Taiwan Dollar

Sampling period	Average price-to-earnings ratio of peers (Note)	FOCI's three-year average earnings per share	Calculated reference price per share	Theoretical reference range of price
Previous 10 business days	296.81	0.99	293.84	221.70~293.84
Previous 20 business days	284.38	0.99	281.54	
Previous 30 business days	223.94	0.99	221.70	

Source: Taipei Exchange's price to earnings ratio information (2024/2/19~2024/4/1).

Notes: 1. The average price-to-earnings ratio of the industrial peers is calculated as a simple arithmetic average.

2. Price-to-earnings ratio = Closing price / Net income after tax per share, where net income after tax per share = the Company's net income after tax for the last 4 quarters / Number of shares issued, and the price-to-earnings ratio is not calculated when the net income after tax per share is zero or negative.

VI. Key factors in determining the private placement price

The results of the calculation of the value of the common shares based on the various valuation models described in V. above are summarized below :

As each of the three valuation models has its own theoretical and practical basis, in order to avoid bias in the valuation process, the weighted-average method was used to calculate a more objective theoretical price. In view of the fact that FOCI is a TPEX-listed company and has an objective market trading value, a higher weighting was given to the market approach, as the main basis. In addition, due to the significant fluctuation in FOCI's profitability in the past three years, the weight of the price-to-earnings ratio approach was lowered, while the weight of the price-book ratio approach was increased. Considering the fact that the liquidity of the common

shares of the private placement is restricted, the law requires that the privately placed securities can only be publicly issued and freely traded on the centralized stock market after 3 years from the date of delivery. Therefore, a liquidity discount of 30% to 35% is proposed in the present private placement case, and the adjusted reference price range is as follows :

Unit: New Taiwan Dollar

Unit: New Taiwan Dollar

Evaluation method	Reference price range	Weight	Reference price range based on weighted average	Liquidity discount rate	Private placement price range after adjusted for liquidity discount
Market method	108.17~115.91	50%	118.32~136.60	30%~35%	76.91~95.62
Price-book ratio approach	105.15~123.14	40%			
Price to earnings ratio approach	221.70~293.84	10%			
Provisional reference price	112.09				
The range of percentage of the private placement price after adjusted for liquidity discount to the reference price	68.61%~85.31%				

VII. Evaluation conclusion

In summary, FOCI intend to issue common shares through a private placement for cash capital increase mainly for the purpose of bringing in strategic investors to strengthen the Company's finance, business, market operational scale and research and development capability, so as to benefit the long-term shareholders' equity. Summarizing the above evaluation methods and taking into account the liquidity discount and other factors, the price per share ranges from NT\$76.91 to NT\$95.62. Based on the provisional reference price of NT\$112.09, the percentage of the private placement price to the reference price ranges from 68.61% to 85.31%, which is in line with the basis that FOCI set the private placement price at no less than 70% of the reference price as of the pricing date, and which is considered to be reasonable.

VIII. Restrictions on use and disclaimer of this opinion

- (1) This opinion is for your Company's internal use only or for filing documents in accordance with the relevant laws and regulations. Please do not provide it to any third party for use before obtaining the consent of the accountant or for any other purposes.
- (2) The conclusion in this opinion is based on the relevant laws and regulations currently in force in Taiwan. Regarding the changes caused by the changes, amendments or abolition of relevant laws and regulations after the completion of this opinion, we will not issue a separate updated opinion, nor will we be responsible for any discrepancies to the original opinion arising from the changes, unless we are appointed to do so.
- (3) This opinion has been prepared primarily on the basis of the financial statements and other related information provided by the Company up to the valuation benchmark date, which have not been independently verified or reviewed by us, and consequently, we are not in a position to express an opinion on the accuracy or feasibility of such information.

Chen Ci-jian, CPA

Sun Rising Certified Public Accountants

April 2, 2024

Expert Independence Statement

I have been appointed to provide an opinion on the reasonableness of the private placement price for FOCI Fiber Optic Communications, Inc.'s intended private placement and issuance of common shares for cash capital increase.

In carrying out the above business, I hereby declare that I do not have any of the following circumstances :

- 1 、 I or my spouse is currently employed by the aforementioned company, holding a regular job with a fixed salary.
- 2 、 The company or institution where I or my spouse works is a related party to the aforementioned company.
- 3 、 I am a spouse or relative within the second degree of kinship to the responsible person or managerial officers of the aforementioned company.
- 4 、 I or my spouse have an investment or interest-sharing relationship with the aforementioned company.
- 5 、 I or my spouse is the certified public accountant of the aforementioned company.
- 6 、 I am the current director, supervisor, and securities listing review committee member of the Taiwan Stock Exchange or the Taipei Exchange, the spouse or a relative within the second degree of kinship.
- 7 、 The work content of the company or institution where I or my spouse works has a direct business relationship with the aforementioned company.

Evaluator : Chen Ci-jian, CPA

April 2, 2024

Resume of the Independent Expert

Evaluator : Chen Ci-jian

Date of Birth : February 21, 1964

ID Card Number : Q121321615

Practicing License Number : Bei-Shi-Hui-Zheng-Zi No. 1308

Education and Work Experience: Department of Accounting, Tunghai University
Associate, Audit Services tent,
PricewaterhouseCoopers Taiwan
Senior Manager, Audit Services Department,
PricewaterhouseCoopers, in Mainland China

Current Position: Certified public accountant (practicing), Sun Rising Certified Public
Accountants

Attachment 8

FOCI Fiber Optic Communications, Inc.

Opinion on the Necessity and Reasonableness of Private Placement

Client of the opinion giver : FOCI Fiber Optic Communications, Inc.

Opinion recipient : FOCI Fiber Optic Communications, Inc.

Specified purpose of the opinion letter : Exclusively for the 2024 Private Placement of FOCI Fiber Optic Communications, Inc.

Type of report : Opinion on the Necessity and Reasonableness of Private Placement

Evaluation agency : Taishin Securities Co.,
Ltd.

Representative : Jerry Guo

(The contents of this opinion letter are only to be used as a reference for FOCI's Board of Directors' and shareholders' meetings to make a resolution on the private placement in 2024, and will not be used for any other purposes. This opinion is based on the financial information provided by FOCI and the information announced on the Market Observation Post System. This opinion does not assume any legal responsibility for any changes in the contents of this opinion letter as a result of changes in the plan of the Private Placement or any other circumstances in the future, and hereby disclaims any legal responsibility.)

April 3, 2024

In order to enrich the Company's operating working capital to meet the capital needs for long-term development and to grasp the timeliness and convenience of raising capital, FOCI Fiber Optic Communications, Inc. conducted the matters related to the private placement of securities under Article 43-6 of the Securities and Exchange Act, in accordance with the "Securities and Exchange Act" and the "Directions for Public Companies Conducting Private Placements of Securities." It is intended for the Board of Directors' meeting on April 12, 2024 to discuss the matter and plan for the annual general shareholders' meeting on May 30, 2024 to discuss the private placement of up to 10,000 thousand common shares. In accordance with Paragraph 3, Article 4 of the "Directions for Public Companies Conducting Private Placements of Securities" (see below), if there has been, is, or will be any significant change in managerial control during the period from one year prior to the date on which the board of directors resolves on the private placement of securities to one year after the delivery date of those privately placed securities, the company shall engage a securities underwriter to provide an evaluations opinion on the necessity and reasonableness for conducting the private placement, and shall state the opinion in the notice to convene the shareholders' meeting to serve as a reference for the shareholders to decide whether to agree. The underwriter's evaluation is described as follows :

I. Company profile

FOCI Fiber Optic Communications, Inc. (stock code 3363), founded in 1995 and listed on the Taipei Exchange in 2011, has a paid-in capital of approximately NT\$986 million. Its main business is the research, development, and manufacturing of products related to the fiber optic communications industry, and it was the first company in Taiwan to invest in the research and development of products related to fiber optic burners (FBTs) and planar Lightwave conductors (PLCs). It is one of the leading manufacturers of fiber optic passive components in Taiwan.

The Company's current main products and services can be divided into three categories, namely (1) fiber optic passive components, including various types of fiber optic connectors, fiber optic patch cords, optical isolators, optical circulators, fiber optic array products, fiber optic couplers, multi-channel wavelength multiplexers, PLC optical splitters, and optical communication integration modules. (2) Optical fiber related modules and integrated systems, such as active-passive integrated components and modules, active optical fiber (AOC, for USB4.0) and related packaging and testing services. (3) SiPh package services, including integrated packaging of optical communication components, silicon optical component packaging, and so on. With the continuous investment in fiber-to-the-home, data center, 5G and 6G infrastructures, the Company's R & D engineering center is responsible for the development of fiber optic components and equipment, the integrated module of optical active and passive components, and the other silicon optical packaging R & D unit is committed to investing in the optical communication chip packaging and product manufacturing process research and development. Through the planning, development, design, and safety control of each department, the Company is able to provide products and services that meet the needs of the market. Its product sales regions in 2023 include 67% in the Americas, 15% domestic sales, 5% in Mainland China and 13% in others.

In recent years, FOCI has been actively transforming its business. In addition to its original mainstay of optical passive components, FOCI has also strengthened its presence in the data center and consumer electronics markets, and has entered the packaging business of co-packaged optical component (CPO). Among them, the growth of data centers is mainly due to (1) the continuous expansion of data centers in response to the demand for AI, (2) the US government's promotion of broadband infrastructure, and (3) the need for broader bandwidth for the deployment of 5G, which will enable the implementation of high-bandwidth data applications such as telemedicine, VR, and AR imaging, as well as the need for higher speeds in the mobile network, which has driven the upgrading and replacement of optical modules. In

addition, FOCI is actively involved in the CPO business and will work with IC companies and manufacturers to develop high-potential products, provide high-end solutions that meet customers' needs, and enhance the Company's technological capabilities, with a view to playing a key role in the CPO field.

As major international customers continue to develop projects, R&D progress cannot be delayed. In 2024, FOCI continues to invest in the production of smart optical cables, building automated production lines for optical fiber cables, expanding its investment in silicon-optical packaging, building mass-production equipment for fully-automatic silicon-optical packaging systems, and developing automated coupler-optical and assembly equipment. FOCI intends to optimize the Company's financial performance and improve its capital structure by injecting capital through a private placement of common shares and strengthening long-term relationships with strategic partners, to gain a head start in the silicon photonics industry.

Parent Company Only Balance Sheets
(Adopting International Financial Reporting Standards (IFRS))

Unit: Thousands of New Taiwan dollars

Item \ Year	Financial information for the most recent five years				
	As of the end of 2019	As of the end of 2020	As of the end of 2021	As of the end of 2022	As of the end of 2023
Current assets	913,944	1,025,160	1,186,681	1,085,059	1,495,524
Funds and investment	435,495	498,197	565,766	508,518	415,105
Property, plant and equipment	439,707	391,584	345,746	325,066	311,677
Other assets	338,876	293,574	301,885	346,806	364,065
Total assets	2,128,022	2,208,515	2,400,078	2,265,449	2,586,371
Current liabilities	345,271	463,743	556,431	523,030	369,127
Non-Current liabilities	88,481	89,345	92,680	81,916	78,995
Total liabilities	433,752	553,088	649,111	604,946	448,122
Share capital	905,958	910,739	882,731	883,366	986,406
Capital surplus	578,841	585,431	554,756	555,581	1,017,177
Retained earnings	417,119	417,882	484,066	389,783	357,528
Other equity interest	(81,301)	(132,278)	(170,586)	(168,227)	(222,862)
Treasury shares	(126,347)	(126,347)	-	-	-
Total equity	1,694,270	1,655,427	1,750,967	1,660,503	2,138,249

Source: Parent company only financial statements audited and certified by a certified public accountant for each year.

Parent Company Only Statements of Comprehensive Income
(Adopting International Financial Reporting Standards (IFRS))

Unit: Thousands of New Taiwan dollars

Item \ Year	Financial information for the most recent five years				
	2019	2020	2021	2022	2023
Sales revenue	1,280,491	1,245,738	1,830,273	1,482,915	1,218,658
Operating margin	238,036	175,649	325,468	220,061	132,059
Operating (loss) profit	60,592	(1,835)	148,119	57,483	(70,111)
Non-operating income and expenses	46,599	93,580	104,473	5,874	67,943
Profit (loss) before income tax	107,191	91,745	252,592	63,357	(2,168)
Profit from continuing operations for the year	94,180	94,844	201,644	47,021	12,058
Profit for the year	94,180	94,844	201,644	47,021	12,058
Other comprehensive income (loss), net of tax	(45,369)	(75,781)	(46,888)	2,359	(54,635)
Total comprehensive income (loss) for the year	48,811	19,063	154,756	49,380	(42,577)
Earnings per share (NT\$)	1.13	1.09	2.31	0.53	0.13

Source: Parent company only financial statements audited and certified by a certified public accountant for each year.

Consolidated Balance Sheets
(Adopting International Financial Reporting Standards (IFRS))

Unit: Thousands of New Taiwan dollars

Item \ Year	Financial information for the most recent five years				
	As of the end of 2019	As of the end of 2020	As of the end of 2021	As of the end of 2022	As of the end of 2023
Current assets	1,236,166	1,327,234	1,500,553	1,416,459	1,665,886
Property, plant and equipment	592,947	530,902	450,931	376,918	355,893
Other assets	366,132	332,230	376,024	384,552	397,322
Total assets	2,195,245	2,190,366	2,327,508	2,177,929	2,419,101
Current liabilities	411,508	435,230	465,879	430,268	193,125
Non-current liabilities	89,467	99,709	110,662	87,158	87,727
Total liabilities	500,975	534,939	576,541	517,426	280,852
Total equity attributable to owners of parent company	1,694,270	1,655,427	1,750,967	1,660,503	2,138,249
Share capital	905,958	910,739	882,731	883,366	986,406
Capital surplus	578,841	585,431	554,756	555,581	1,017,177
Retained earnings	417,119	417,882	484,066	389,783	357,528
Other equity interest	(81,301)	(132,278)	(170,586)	(168,227)	(222,862)
Treasury shares	(126,347)	(126,347)	-	-	-
Total equity	1,694,270	1,655,427	1,750,967	1,660,503	2,138,249

Source: Consolidated financial statements audited and certified by a certified public accountant for each year.

Consolidated Statements of Comprehensive Income
(Adopting International Financial Reporting Standards (IFRS))

Unit: Thousands of New Taiwan dollars

Item \ Year	Financial information for the most recent five years				
	2019	2020	2021	2022	2023
Sales revenue	1,614,912	1,614,479	1,988,269	1,620,659	1,271,745
Operating margin	339,120	284,828	454,646	297,130	177,817
Operating (loss) profit	96,361	83,469	241,275	97,142	(58,246)
Non-operating income and expenses	25,575	16,188	31,287	(24,466)	63,948
Profit before income tax	121,936	99,657	272,562	72,676	5,702
Profit from continuing operations for the year	94,180	94,844	201,644	47,021	12,058
Profit for the year	94,180	94,844	201,644	47,021	12,058
Other comprehensive income (loss), net of tax	(45,369)	(75,781)	(46,888)	2,359	(54,635)
Total comprehensive income (loss) for the year	48,811	19,063	154,756	49,380	(42,577)
Profit attributable to owners of parent	94,180	94,844	201,644	47,021	12,058
Comprehensive (loss) income attributable to owners of parent	48,811	19,063	154,756	49,380	(42,577)
Earnings per share (NT\$)	1.13	1.09	2.31	0.53	0.13

Source: Consolidated financial statements audited and certified by a certified public accountant for each year

II. The private placement plans

In order to attract strategic investors and strengthen the long-term cooperation relationship with strategic partners, and at the same time, to enrich the Company's operating working capital to meet the capital needs for long-term development, the Company intends to raise funds by private placement of common shares in accordance with Article 43-6 of the Securities and Exchange Act, within the limits of the number of shares to be issued, not exceeding 10,000 thousand shares, in one to three installments within one year from the resolution date of the shareholders' meeting.

The issue price of the common shares in the private placement was set at not less than 70% of the higher of the following two benchmark bases prior to the Company's pricing date :

- (I) The simple average closing price of the common shares of the Company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
- (II) The simple average closing price of the common shares of the Company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

The issue price of the private placement of the Company's common shares was set at no less than 70% of the reference price, and an independent expert was appointed to provide an opinion on the reasonableness of the private placement price, and the Board of Directors is authorized to determine the actual pricing date and the actual private placement price, at not less than the percentage within the range resolved by the shareholders' meeting, in accordance with the circumstances of the contact with specified persons in the future.

III. Evaluation of the necessity and reasonableness of the private placement

FOCI intend to issue common shares by way of private placement for cash capital increase. The purpose of the funds for each tranche is to increase the working capital and for capital needs related to future development, and the expected benefits are to strengthen the Company's competitiveness, enhance

operational efficiency and improve the overall shareholders' equity in light of the Company's long-term development, and the amount of the issue is limited to no more than 10,000 thousand shares. The Board of Directors was authorized to do so after a resolution of the shareholders' meeting held on May 30, 2024. The necessity and reasonableness of the Company's private placement are explained as follows :

(I) Evaluation of the necessity of a private placement

The Sales revenue, operating (loss) profit, and interest expense for the past three years listed in FOCI's consolidated financial statements are as follows :

Unit: Thousands of New Taiwan dollars

Item	Year	2021	2022	2023
Sales revenue		1,988,269	1,620,659	1,271,745
Operating (loss) profit		241,275	97,142	(58,246)
Profit before income tax		272,562	72,676	5,702
Interest expense		4,158	4,014	5,440
Interest expense as a percentage of Operating (loss) profit		1.72%	4.13%	(9.34)%
Interest expense as a percentage of Profit before income tax		1.53%	5.52%	95.41%

Source: Consolidated financial statements audited and certified by a certified public accountant for each year.

The growth momentum of fiber optic communication industry is promising. Research data shows that the annual data bandwidth increases by multiples every year. In order to meet the increasing demand for bandwidth, technology giants such as Amazon, Google, and Meta are building large-scale data centers year by year, and countries are launching high-speed network infrastructure policies for the purpose of gradually expanding the strategic layout of 5G and the related applications of the Internet of Things (IoT), Internet of Vehicles, AI computing, and meta-universes. According to IDC's research, in 2023, for the first time, enterprises' investment in cloud-based big data and analytics will exceed the on-premises deployment, demonstrating the importance enterprises attach to cloud services. Therefore, the market size of the global cloud infrastructure and services industry is expected to grow at a compound annual growth rate of 25.97% in the period of 2023-2025. In addition, generative AI has already had a significant impact on the cloud computing center and server industries since its introduction in 2023, and will surely be able to bring a new wave of growth to the fiber optic communications industry. The Company's products are well recognized by domestic and overseas customers in terms of quality, price, delivery and after-sales service. In terms of the latest technology, the Company's technical team continues to develop co-packaged optical (CPO) products and their related processes. If bank loans are used to finance normal operations and strategic cooperation, it will result in increasing interest expenses and thus erode operating profitability. If the Company uses a private placement of common shares, it will be relatively quicker and easier to raise capital, avoid over-reliance on loans from financial institutions, and increase the flexibility of capital utilization, which will have a positive impact on future operations and profitability.

In order to meet the needs of the Company's operation and development, the Company will select individuals or legal entities that can help the Company to enhance its technology, develop products, reduce costs, expand markets or strengthen customer relationships, etc., by leveraging on their experience, technology, knowledge, reputation or access to channels to strengthen the Company's competitiveness and enhance its operational efficiency and long-term development. Taking into account factors such as capital market conditions, timeliness of capital raising, issuance

costs, and the three-year non-transferability restriction on privately-placed shares, the Company intends to issue securities through private placement instead of public offering, as it is more likely to secure and strengthen long-term cooperative relationships with strategic partners.

(II) Evaluation of the reasonableness of a private placement

FOCI expects that the resolution will be passed at the shareholders' regular meeting on May 30, 2024, and the matters related to the private placement of securities are listed under the reasons for convening the shareholders' regular meeting in accordance with Paragraph 6, Article 43-6 of the Securities and Exchange Act. There should be no major anomalies.

The purpose of the proceeds from the Company's capital raising is to increase the Company's working capital and to meet its capital needs for future long-term development. The expected benefits are to strengthen the Company's competitiveness, enhance operational efficiency, and increase the overall shareholders' equity in light of the Company's long-term development.

In addition to obtaining long-term stable capital, the private placement, as compared to a public offering, is subject to a three-year non-transferable restriction on the privately placed common shares, which ensures a long-term relationship between the Company and the specific investors it has attracted, and will be conducive to the growth of the Company's operations in the medium term.

In summary, in accordance with the "Directions for Public Companies Conducting Private Placements of Securities," the securities underwriter considers that it is still necessary and reasonable for FOCI to conduct the private placement.

IV. Evaluation of significant changes in the placees and managerial control

(I) Selection of placees and evaluation of feasibility and necessity.

1. Selection of placees

For the placees to the Company's private placement of the common shares, specified persons will be inquired in accordance with Article 43-6 of the Securities and Exchange Act and Letter Jin-Guan-Zheng-Fa-Zi No. 1120383220 dated September 12, 2023. Currently, the Company's primary consideration is to select strategic investors who can directly or indirectly benefit the Company. However, the selection of the actual placees will be handled in accordance with the relevant regulations after the inquiries, and therefore its selection of the placees should still be appropriate.

The purpose of this private placement is to bring in strategic investors and strengthen the long-term relationship with strategic partners, and at the same time to enrich the Company's operating working capital to meet the Company's needs of funds for long-term development. The inquiries to placers for this private placement should have feasibility and necessity.

2. Feasibility and necessity of placees

In order to meet the needs of the Company's operation and development, the Company will select individuals or legal entities that can help the Company to enhance its technology, develop products, reduce costs, expand markets or strengthen customer relationships, etc., by leveraging on their experience, technology, knowledge, reputation or access to channels to strengthen the Company's competitiveness and enhance its operational efficiency and long-term development. In addition, compared with the public offering, the three-year non-transferability restriction of the private placement of securities will better ensure the long-term cooperative relationship between FOCI and the placers or strategic investors, which is conducive to the stability of the Company's operations. It is expected that in the future, by working with specific investors to enhance

technology, develop products, reduce costs, expand markets, and strengthen customer relationships or channels, FOCI will be able to expand the scale of its market and other strategic cooperation, which will have a positive impact on the Company's business, finance, and shareholders' equity. Therefore, the feasibility and necessity of introducing strategic investors in this private placement should be reasonable.

- (II) Review of significant changes in managerial control within one year prior to Board of Directors' resolution of conducting private placement

After reviewing the relevant information of the Company and checking the Market Observation Post System, within one year prior to the Board of Directors' resolution of conducting private placement, there was no change of directors, except that the director of the Company, BEOLYM CORPORATION, was dismissed naturally due to transfer more than one-half of the shares held at the time of appointment. Therefore, the number of set changes in the Company's Board of Directors in the year prior to the resolution of the private placement was 1/7, and there was no significant change in the managerial control of the Company within one year prior to the Board of Directors' resolution on the private placement as stated in Paragraph 3, Article 4 of the "Directions for Public Companies Conducting Private Placements of Securities."

- (III) Evaluation of whether the introduction of strategic investors in a private placement will result in a significant change in managerial control

The timing of the private placement will be after the complete re-election of directors at the shareholders' regular meeting on May 30, 2024. The Company has not yet determined the placees, and the amount of common shares to be placed in the private placement will be capped at no more than 10,000 thousand shares, which, if issued in full, will account for 9.20% of the issued common shares after the capital increase. However, since there is no certainty as to whether the introduction of strategic investors through a private placement in the future will result in the acquisition of directors' seats or a significant change in managerial control, the Company has requested the securities underwriter to provide an opinion on the necessity and reasonableness of the private placement, in accordance with the "Directions for Public Companies Conducting Private Placements of Securities."

- (IV) Impacts of the private placement on the Company's business, finance, and shareholders' equity

1. Impact on the Company's business

In order to strengthen the Company's operating working capital and to meet the capital needs for long-term development, the Company raises funds by way of private placement. Through this private placement, the Company introduces placees or strategic investors who can directly or indirectly benefit the Company's future operations, which can ensure a long-term cooperative relationship between the Company and the investor partner, and it is expected to be helpful to the Company in enhance its technology, develop products, reduce costs, expand markets or strengthen customer relationships, etc., by leveraging on their experience, technology, knowledge, reputation or access to channels to strengthen the Company's competitiveness and enhance its operational efficiency and long-term development, so it should have positive effect for the Company's business development.

2. Impact on the Company finance

In accordance with Article 43-6 of the Securities and Exchange Act to conduct a private placement of securities, it is to raise funds by means of a private placement of common shares, within the limits of the number of shares to be issued, not exceeding 10,000 thousand shares, in one to three installments within one year from the resolution date of the shareholders' meeting. The proceeds from the private placement will increase the Company's proprietary capital ratio and strengthen the

Company's financial structure; therefore, the private placement should have a positive effect on the Company's finances.

3. Impact on the Company's shareholders' equity

The proceeds from the private placement are used to increase working capital and to meet the capital needs for future long-term development, which will help strengthen the Company's competitiveness, enhance operational efficiency and meet the Company's long-term development. Therefore, the private placement should have a positive benefit on the Company's shareholders' equity.

V. Conclusion

In summary, FOCI Fiber Optic Communications, Inc. is conducting this private placement of common shares to meet the needs of its future long-term operational development, which is expected to improve the Company's financial structure, strengthen the Company's competitiveness and enhance its operational performance, and should have positive benefits for the Company's business, finances, and overall shareholders' interests. After having evaluated it in accordance with the "Directions for Public Companies Conducting Private Placements of Securities," the securities underwriter found that it is necessary and reasonable for the Company to conduct this private placement.

Taishin Securities Co., Ltd.

Responsible person : Jerry Guo

April 3, 2024

Statement of Independence

The Company is appointed by FOCI Fiber Optic Communications, Inc. (hereinafter referred to as FOCI) on the necessity and reasonableness of the private placement of common shares in 2024, and issued an opinion.

The Company, in carrying out the above business, hereby declares that it does not have any of the following circumstances :

1. The Company is not FOCI's equity method investee.
2. The Company is not an equity method investor of FOCI.
3. The chairman or president of the Company is not the same person as the chairman or president of FOCI, nor are they related to each other by spouse or within the second degree of kinship.
4. The Company is not a director or supervisor of FOCI.
5. FOCI is not a director or supervisor of the Company.
6. The Company does not have any related party relationship with FOCI as defined in Article 18 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers other than those mentioned above.

For the purpose of the evaluation of the necessity and reasonableness of the private placement of common shares for FOCI, the Company has maintained the spirit of independence in its evaluation opinion.

Taishin Securities Co., Ltd.

Responsible person : Jerry Guo

April 3, 2024

(For the purpose of the securities underwriter's evaluation opinion of FOCI Fiber Optic Communications, Inc.'s private placement of common shares in 2024 only.)

Attachment 9

List of Candidates for Directors and Independent Directors

Types of Nominee	Name	Major Education	Major Experience	Major Current Positions	Number of Shares (Unit:shares)
Director	Song-fure Lin	Master of Physics, Fu Jen Catholic University	Vice Chairman /GM/R&D VP of FOCI Fiber Optic Communications, Inc. 、 Head of component section, Dept. of Optical fiber Technologies, ITRI EOSL	Chairman of FOCI Fiber Optic Communications, Inc. Chairman of Shanghai FOCI Fiber Optic Communications, Inc. Chairman of Jiangxi FOCI Fiber Optic Communication, Inc. Chairman of Shang Cheng Investment Co., Ltd.	5,124,102
Director	Lee-chiou Chang	NCCU Department of Insurance	The leader of Financial Supervisory Commission 、 The President of Grand Cathay Securities Corp. 、 The Chairman of Yuanta Securities	The CEO of Sun Ten Group. 、 Chairman of Panion &BF Biotech Inc. 、 Chairman of Shun Tian International Consulting Co., Ltd 、 Chairman of Herbiotek Co., Ltd 、 Chairman of Cheng Fong Chemical Co., Ltd 、 Chairman of Ho Tung Chemical Corp. 、 Chairman of YH Bio Co., Ltd 、 Chairman of Viarich Biotechnology Co., Ltd. 、 Director of FOCI Fiber Optic Communications, Inc. 、 Director of Triknigh Capital Corporation 、 Director of Formosan Union Chemical Corporation 、 Independent director / audit committee member / remuneration committee member of T3EX Global Holdings Corp. 、 Independent director / audit committee member / remuneration committee member of Acme Electronics Corporation 、 Independent director / audit committee member / remuneration committee member of Taiwan Hopax Chemicals Mfg.Co.,Ltd.	800,000
Director	Wonderland Enterprise Co., Ltd. representative: Hau Fang	Master of IMBA of NCCU	Chairman of Taiwan Insulation Material Industrial Company Ltd. 、 Vice President of Asia Carbons & Technology Inc.	The legal Board of Director representative of Sino-American Silicon Products Inc. 、 The legal Board of Director representative of Actron Technology Corporation	3,500,000

Director	Ting-ta Hu	Master of Electrical Engineering, National Taiwan University	Special assistant of Centera Photonics Inc. 、 Vice GM of Himax Technologies Limited 、 Vice GM of Xintec Inc. 、 Dept. manager of TSMC	Director/ President of FOCI Fiber Optic Communications, Inc. 、 The legal Board of Director representative of BKS Tec Corp.	770,805
Independent Director	Li-jen Kuo	PhD in Law, Ruhr-Universität Bochum; Bachelor of Laws. NCHU	Associate Professor, School of Law, Soochow University, 、 Professor, Department of Law and Graduate Institute of Technical Laws, NCKU 、 Remuneration committee member of Panion &BF Biotech Inc.	Independent Director of FOCI Fiber Optic Communications, Inc. Professor, Department of Educational Management / Graduate School of Culture and Education Law, National Taipei University of Education	0
Independent Director	Tzu-ming Wang	Bachelor of Department of Public Finance, Feng Chia University	Director of Mega International Investment Trust Co.,Ltd. 、 Director of National Taxation Bureau of Taipei 、 Chief of National Taxation Bureau of Taipei	Independent Director of FOCI Fiber Optic Communications, Inc. Independent director / audit committee member / remuneration committee member of Ho Tung Chemical Corp.	0
Independent Director	Tien-Chang Huang	Master of Institute of Public Finance , NCCU	Chairman / President of Taiwan Business Bank Co., Ltd. 、 Independent director of Mega Securities Co., Ltd. 、 Managing Independent director of Mega International Commercial Bank 、 Chairman of Trust Incorporation of R.O.C	Independent director / audit committee member / remuneration committee member of Heran Co., Ltd. 、 Independent director / audit committee member / remuneration committee member of Yi Jinn Industrial Co., Ltd.	0

Attachment 10

List of non-competition restrictions proposed to be lifted

Name	Released restriction
Song-fure Lin	Chairman of Shang Cheng Investment Co., Ltd.
Lee-chiou Chang	The CEO of Sun Ten Group. 、Chairman of Panion &BF Biotech Inc. 、Chairman of Shun Tian International Consulting Co., Ltd 、Chairman of Herbiotek Co., Ltd、Chairman of Cheng Fong Chemical Co., Ltd、Chairman of Ho Tung Chemical Corp. 、Chairman of YH Bio Co., Ltd 、Chairman of Viarich Biotechnology Co., Ltd. 、Director of Triknigh Capital Corporation 、Director of Formosan Union Chemical Corporation 、Independent director / audit committee member / remuneration committee member of T3EX Global Holdings Corp. 、Independent director / audit committee member / remuneration committee member of Acme Electronics Corporation 、Independent director / audit committee member / remuneration committee member of Taiwan Hopax Chemicals Mfg.Co.,Ltd.
Wonderland Enterprise Co., Ltd.	Institutional director of Grand Capital Investment Corp. 、Institutional director/ Institutional supervisor of Yuan Yao Development Co.,Ltd.
Hau Fang	The legal Board of Director representative of Sino-American Silicon Products Inc. 、The legal Board of Director representative of Actron Technology Corporation
Ting-ta Hu	The legal Board of Director representative of BKS Tec Corp.
Li-jen Kuo	Professor, Department of Educational Management / Graduate School of Culture and Education Law, National Taipei University of Education
Tzu-ming Wang	Independent director / audit committee member / remuneration committee member of Ho Tung Chemical Corp.
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