

Stock Ticker 3363



上詮光纖通信股份有限公司

FOCI Fiber Optic Communications, Inc.

2023 Annual General Shareholders' Meeting

Meeting Agenda (Translation)

5/30/2023

**No. 2, Zhanye 1st Road, East Dist., Hsinchu City , The Allied
Association for Science Park Industries (Conference Room 202)**

**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.**

Table of Contents

I.	Meeting Agenda (Translation)	2
1.	Report Items	3
2.	Recognition and Discussion Items	4
3.	Extemporaneous Motions.....	5
II.	Attachments	
1.	2022 Business Report	6
2.	Audit Committee's Review Report	8
3.	The 2022 Earnings Distribution Proposal	9
4.	Independent Auditors' Report and 2022 Parent Company Only Financial Statements	10
5.	Independent Auditors' Report and 2022 Consolidated Financial Statements	20
6.	Comparison Table of Amendment to the Articles of Incorporation	31
III.	Appendices	
1.	Rules of Procedure for Shareholders' Meeting	36
2.	Articles of Incorporation (Pre-amendment)	40
3.	Shareholding of Directors	46

FOCI Fiber Optic Communications, Inc.

Agenda for 2023 Annual General Shareholders' Meeting

Time: 9:00 a.m. on May 30, 2023 (Tuesday)

Location: No. 2, Zhanye 1st Road, East Dist., Hsinchu City , The Allied Association for Science Park Industries (Conference Room 202)

Type of the Meeting: Physical Shareholders' Meeting

1. Call Meeting to Order (report number of shares attended)
2. Chairman's Address
3. Report Items
 - (1).2022 Business Report
 - (2).Audit Committee's Review Report
 - (3).Report on 2022 employees' and directors' remuneration
 - (4).Report on cash dividend of 2022 earnings distribution
4. Recognition and Discussion Items
 - (1).Acknowledgment of the 2022 Business Report and Financial Statements
 - (2).Acknowledgment of the 2022 Earnings Distribution
 - (3).Discussion of amendments to the Company's "Articles of Incorporation"
5. Extemporaneous Motions
6. Adjournment

Report Items

1. 2022 Business Report

Explanatory Notes: For the 2022 Business Report, please refer to Attachment 1(pages 6-7).

2. Audit Committee's Review Report

Explanatory Notes: For the Audit Committee's Review Report, please refer to Attachment 2 (page 8).

3. Report on 2022 employees' and directors' remuneration

Explanatory Notes: According to Article 19 of the Company's Articles of Incorporation, the director's remuneration distribution ratio proposed is 1.99%, NT\$1,400,000, and the employees' remuneration distribution ratio is 7.96%, NT\$5,600,000, all paid in cash.

4. Report on cash dividend of 2022 earnings distribution

Explanatory Notes:

- (1). According to Article 19-1 of the Company's Articles of Incorporation, if earnings distribution plan is performed by means of cash dividends, it is proposed the Board of Directors be authorized for resolution. The resolution thereof shall be reported in the Shareholders' Meeting.
- (2). On Feb 23, 2023, the board of directors of the company is authorized to resolve to distributing cash dividends to shareholders at NT\$0.5 per share. For the earnings distribution proposal, please refer to Attachment 3 (page 9).

Recognition and Discussion Items

1. Acknowledgment of the 2022 Business Report and Financial Statements (proposed by the Board of Directors)

Explanatory Notes:

- (1). The 2022 Financial Statements were audited by the independent auditors, Ya-Huei Cheng and Tien-Yi Li of PricewaterhouseCoopers Taiwan and submitted to the Audit Committee for review with the Business Report.
- (2). For the Business Report, Independent Auditors' Report, and the Financial Statements, please refer to Attachment 1 (pages 6 - 7) and Attachment 4 to Attachment 5 (pages 10 - 30).

Resolution:

2. Acknowledgment of the 2022 Earnings Distribution (proposed by the Board of Directors)

Explanatory Notes: The net profit after tax of the Company in 2022 was NT\$47,020,860. The Earnings Distribution Proposal please refer to Attachment 3 (page 9).

Resolution:

3. Discussion of amendments to the Company's "Articles of Incorporation" (proposed by the Board of Directors)

Explanatory Notes: It is proposed to amend some articles of the Company's "Articles of Incorporation" to meet actual needs. The amendment comparison table of the articles, please refer to Attachment 6 (page 31-35).

Resolution:

Extemporaneous Motions

Adjournment

Attachment 1

Business Report

Greetings to ladies and gentlemen of the shareholders!

With the lifting of various controls in China, the global lifestyle will gradually return to the right track. Global inflation still affects economic recovery, and the shadow of the Russo-Ukrainian War looms large, making this year's economic outlook uncertain. However, our management team will still actively take root in developing new technologies and the layout of new businesses and prepare to embrace the new era after the pandemic with a new pattern.

In 2022, the consolidated revenue of FOCI was NT\$1,620,659 thousand and NT\$0.53 EPS. The pressure of customer inventory dragged down the revenue growth in the year's second half. However, with the gradual depletion of customer inventory and the continued demand for optical fiber network infrastructure, this year will still maintain a growth momentum that can be expected. We will seek breakthroughs in traditional optical fiber passive components and strive to win in the unprecedentedly competitive industrial environment with a highly flexible and resilient operating model.

In business development, we will deeply cultivate existing customers, develop other extended cooperation projects, and continue to focus on other applications of product technology to break through the pattern of the traditional optical communication industry and create new product application markets. In the CPO business promotion, we will provide customers with integrated solutions through cooperation with IC-related design companies and manufacturers and promote business cooperation and development through joint development to win more OEM opportunities for end customers.

Regarding the process and component development of CPO (Co-Packaged Optics), We have achieved results in developing new products for CPO applications, in addition to continuously expanding the technological leadership of FA products and launching ReLFACon™ (Reflowable Lensed Fiber Array Connector) products for Optical Switch, HPC, AI, ML, Lidar and sensors. It can meet the process environment requirements required by standard semiconductor packaging and provide a complete solution for silicon photonics co-packaging. In addition, in developing AOC products, USB3.2, DP Alt Type C, and HDMI2.1 have all been introduced into mass production. The process development of USB4 has also been completed, and the follow-up process, yield improvement, and AOC cable production seat automation will be the focus of work in 2023.

In production layout, we will fully cooperate with the upgrade and transformation of the ERP system to review and adjustment various process this year. We will combine the MES system with the intelligent industrial 2.5 automatic optical cable assembly line. Through developing the automatic product line and increasing the flexibility of manufacturing line by intelligent design to solve the manpower gap in high manpower-consuming workstations. Integrating production and cost information to monitor and correct abnormal costs in real-time to ensure the gross profit. Additional, keeping improve the optimization and connectivity of MES. In the future, we wish provide customers with real-time production information on dedicated lines and become customers' virtual factories.

In response to the global layout's development, the ERP system's replacement has been started this year to speed up the timeliness of cross-rubber area information integration and improve the ability to integrate international information. In implementing ESG sustainable development, we have established Greenhouse Gas Inventory Management Measures and ISO14001 environmental management system. Third-party verification of the ISO14064-1 Greenhouse Inventory Plan will also be carried out this year. In addition to continuously strengthening corporate of governance and ESG requirements, FOCI has always upheld integrity and corporate conscience. Whether in the industry-university cooperation in talent cultivation or in deepening the establishment of Taiwan's optical communication capabilities, we will do what we can. We believe we will reach new heights in steady operations. I would like to thank all shareholders for your supporting and encouraging to FOCI. With complete preparation and careful planning, we will do our best to seize every growth opportunity, great technological advantage, and market position to return all shareholders' support to FOCI.

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 has prepared the Company's 2022 Business Report, Financial Statements, and proposal for allocation of earnings. The CPA firm of PricewaterhouseCoopers Taiwan was retained to audit FOCI's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and Earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of FOCI Fiber Optic Communications, Inc. According to relevant requirements of the Securities and Exchange Act and the Company Law, we hereby submit this report

Sincerely,

FOCI Fiber Optic Communications, Inc.

2023 Annual General Shareholders' Meeting

The Audit Committee

Convener: Mei-huei Li

Feb 23, 2023

Attachment 3

FOCI Fiber Optic Communications, Inc.

2022 Earnings Distribution Proposal

Unit: NT\$	
Item	Amount
Unappropriated retained earnings from previous years	41,743,327
Add: Net profit after tax for the year 2022	47,020,860
Less: Provisioned as Legal reserve	(4,702,086)
Add: Reserved as Special reserve	2,359,350
Retained earnings available for distribution as of December 31,2022	86,421, 451
Shareholders' Dividends - cash (NT\$0.5 per share)	44,168,303
Shareholders' Dividends - stock	0
Unappropriated Retained Earnings	42,253,148

Explanatory Notes:

1. According to the Company's articles of Incorporation, the annual cash dividends were approved by the Board of Directors and to be reported at the shareholders' meeting.
2. Authorize the Chairman to set the cash dividend distribution base date and other related matters.
3. The cash dividend per share is NT\$0.5, and the total amount of distribution is temporarily calculated based on the number of outstanding shares of the Company as of Feb 14, 2023, which is 88,336,606 shares. While maintaining the dividend rate of NT\$0.5 per share, if the competent authority revises it or the number of outstanding shares is changed before the ex-dividend date cause the change of earnings distribution proposal, the Chairman is authorized to handle it with full authority.
4. The cash dividend distribution to each shareholder will be paid to the rounded-down full NT dollar. Amounts less than one whole NT dollar are rounded-down to the nearest NT dollar. The aggregate unpaid cash dividend resulting from the above rounded-down, will be distributed to shareholders in the descending order of decimal point and the ascending order of shareholder account numbers, until the total amount of the approved cash dividend has been fully distributed.

Attachment 4

Independent Auditors' Report (Parent Company Only Financial Statements)

The Board of Directors of FOCI Fiber Optic Communications, Inc.

Opinion

We have audited the parent company only financial statements of FOCI Fiber Optic Communications, Inc. (the “Company”) which comprise the parent company only balance sheets as of December 31, 2022 and 2021, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits of the parent company only financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the 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 Accounts Receivable Impairment

Description of key audit matter

Please refer to Note 4 (9) for the accounting policy of evaluating accounts receivable and refer to Notes 5 (2) and 6 (5) to accounts receivable descriptions. FOCI Fiber Optic Communications, Inc. estimates the expected credit impairment losses that may occur based on historical experience and other known reasons or existing objective evidence. Due to the management's subjective judgment in the assessment and has estimation uncertainty, and considering the significant impact of accounts receivable on the financial statements, therefore assessment of accounts receivable impairment as a key audit item.

How the matter was addressed in our audit

In relation to the key audit matter above, our principal audit procedures the accounts receivable impairment are as follows:

1. Assess the rationality of the expected credit loss policy provision for accounts receivable.
2. Test the completeness and correctness of the accounts receivable aging analysis table.
3. Evaluate the rationality of expected credit losses based on the customer's past payment records and forward-looking information.
4. Perform post-period collection tests to understand the future recovery of accounts receivable.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of 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 the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company 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 for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our 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.

PricewaterhouseCoopers, Taiwan (Republic of China)

Feb 23, 2023

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

FOCI Fiber Optic Communications, Inc.
Parent Company Only Balance Sheets
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan dollars)

Assets			Dec 31, 2022		Dec 31, 2021	
			Amount	%	Amount	%
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 314,320	14	\$ 437,055	18
1110	Financial assets at fair value through profit or loss-current	6(2)	162,800	7	32	-
1150	Notes receivable, net	6(5)	92	-	1,027	-
1170	Accounts receivable, net	6(5)	302,517	13	418,222	17
1180	Accounts receivable from related parties, net	6(5) and 7	61,290	3	59,445	3
1200	Other receivables		379	-	311	-
1210	Other receivables form related parties	7	347	-	15	-
1220	Current tax assets		-	-	8,084	-
130X	Inventories	6(6)	236,762	11	255,538	11
1470	Other current assets		6,552	-	6,952	-
11XX	Total Current Assets		1,085,059	48	1,186,681	49
Non-current Assets						
1517	Financial assets at fair value through other comprehensive income- non-current	6(3)	192,265	9	127,942	5
1535	Financial assets at amortised cost-non-current	6(4) and 8	2,939	-	2,997	-
1550	Investments accounted for using equity method	6(7)	508,518	23	565,766	24
1600	Property, plant and equipment	6(8)	325,066	14	345,746	15
1755	Right-of-use assets	6(9)	79,934	4	81,626	3
1760	Investment property, net	6(11)	53,528	2	65,434	3
1780	Intangible assets		2,806	-	422	-
1840	Deferred tax assets	6(28)	9,211	-	6,478	-
1900	Other non-current assets	6(12)	6,123	-	16,986	1
15XX	Total Non-current Assets		1,180,390	52	1,213,397	51
1XXX	Total Assets		\$ 2,265,449	100	\$ 2,400,078	100

(continued on next page)

FOCI Fiber Optic Communications, Inc.
Parent Company Only Balance Sheets
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan dollars)

Liabilities and Equity		Notes	Dec 31, 2022		Dec 31, 2021	
			Amount	%	Amount	%
Current Liabilities						
2100	Short term loans	6(13)	\$ 180,000	8	\$ 20,000	1
2130	Contract liabilities-current	6(21)	6,089	-	2,976	-
2150	Notes payable		1,546	-	1,903	-
2170	Accounts payable		35,741	2	75,791	3
2180	Accounts payable to related parties	7	226,419	10	324,118	14
2200	Other payables	6(15) and 7	49,097	2	81,595	3
2230	Current tax liabilities		10,610	1	33,495	1
2280	Lease liabilities-current		5,014	-	4,832	-
2300	Other current liabilities	6(14)	8,514	-	11,721	1
21XX	Total Current Liabilities		523,030	23	556,431	23
Non-current Liabilities						
2570	Deferred tax liabilities	6(28)	3,683	-	12,128	1
2580	Lease liabilities-non-current		76,519	4	78,466	3
2600	Other non-current liabilities	6(16)	1,714	-	2,086	-
25XX	Total Non-current Liabilities		81,916	4	92,680	4
2XXX	Total Liabilities		604,946	27	649,111	27
Equity						
	Share Capital	6(17)				
3110	Ordinary shares		883,366	39	882,731	37
	Capital surplus	6(18)				
3200	Capital surplus		555,581	24	554,756	23
	Retained earnings	6(19)				
3310	Legal reserve		130,433	6	115,107	5
3320	Special reserve		170,586	7	132,277	5
3350	Unappropriated retained earnings		88,764	4	236,682	10
	Other equity interest	6(20)				
3400	Other equity interest		(168,227)	(7)	(170,586)	(7)
	Treasury shares	6(17)				
3500	Treasury shares		-	-	-	-
3XXX	Total Equity		1,660,503	73	1,750,967	73
	Significant events after the balance sheet date	11				
3X2X	Total Liabilities and Equity		\$ 2,265,449	100	\$ 2,400,078	100

The accompanying notes are an integral part of these parent company only financial statements

FOCI Fiber Optic Communications, Inc.
Parent Company Only Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan dollars, except earnings per share)

	Items	Notes	2022		2021	
			Amount	%	Amount	%
4000	Operating revenues	6(21)	\$ 1,482,915	100	\$ 1,830,273	100
5000	Operating costs	6(6)	(1,262,854)	(85)	(1,504,974)	(82)
5900	Gross Profits		220,061	15	325,299	18
5910	Unrealized Loss (Profit) on Sales		-	-	(107)	-
5920	Realized Profit (Loss) on Sales		-	-	276	-
5950	Gross Profits, Net		220,061	15	325,468	18
	Operating expenses	6(26)(27)				
6100	Selling expenses		(29,841)	(2)	(32,822)	(2)
6200	Administrative expenses		(55,493)	(4)	(60,652)	(3)
6300	Research and development expenses		(77,580)	(5)	(84,309)	(5)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9		336	-	434	-
6000	Total Operating expenses		(162,578)	(11)	(177,349)	(10)
6900	Operating income		57,483	4	148,119	8
	Non-operating income and expenses					
7100	Interest income	6(22)	1,301	-	593	-
7010	Other income	6(23)	2,229	-	7,947	1
7020	Other gains and losses	6(24)	(47,097)	(3)	56,056	3
7050	Financial costs, net	6(25)	(2,471)	-	(2,160)	-
7070	Share of profit of subsidiaries, associates and joint ventures	6(7)	51,912	3	42,037	2
7000	Total Non-Operating Income and Expenses		5,874	-	104,473	6
7900	Profit (loss) before tax		63,357	4	252,592	14
7950	Income tax expense	6(28)	(16,336)	(1)	(50,948)	(3)
8000	Profit (loss) from continuing operations		47,021	3	201,644	11
8200	Net Profit		<u>\$ 47,021</u>	<u>3</u>	<u>\$ 201,644</u>	<u>11</u>
	Other comprehensive income					
	Items that will not be reclassified to profit					
8311	Gains (losses) on remeasurements of defined benefit plans	6(16)	\$ -	-	\$ -	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(20)	(5,680)	-	(50,044)	(3)
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation	6(20)	10,049	-	3,944	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss		(2,010)	-	(788)	-
8300	Other comprehensive income, net		<u>\$ 2,359</u>	<u>-</u>	<u>(\$ 46,888)</u>	<u>(3)</u>
8500	Total comprehensive income		<u>\$ 49,380</u>	<u>3</u>	<u>\$ 154,756</u>	<u>8</u>
	Basic earnings per share	6(29)				
9750	Basic earnings per share		<u>\$ 0.53</u>		<u>\$ 2.31</u>	
	Diluted earnings per share	6(30)				
9850	Diluted earnings per share		<u>\$ 0.53</u>		<u>\$ 2.27</u>	

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

FOCI Fiber Optic Communications, Inc.
Parent Company Only Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan dollars)

	Notes	Retained Earnings					Other equity interest		Treasury shares	Total Equity
		Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		
Year ended December 31, 2021										
Balance at January 1, 2021		\$ 910,739	\$ 585,431	\$ 108,103	\$ 81,301	\$ 228,478	(\$ 42,631)	(\$ 89,647)	(\$ 126,347)	\$ 1,655,427
Net profit		-	-	-	-	201,644	-	-	-	201,644
Other comprehensive income (loss) for the year		-	-	-	-	-	3,156	(50,044)	-	(46,888)
Total comprehensive income (loss)		-	-	-	-	201,644	3,156	(50,044)	-	154,756
Distribution of retained earnings of 2020:	6(19)									
Legal reserve		-	-	7,004	-	(7,004)	-	-	-	-
Special reserve		-	-	-	50,976	(50,976)	-	-	-	-
Cash dividends		-	-	-	-	(87,074)	-	-	-	(87,074)
Convertible corporate bond conversion		11,992	15,866	-	-	-	-	-	-	27,858
Treasury shares cancellation	6(17)	(40,000)	(46,541)	-	-	(39,806)	-	-	126,347	-
Disposal of equity instruments measured at fair value through other comprehensive income	6(3)	-	-	-	-	(8,580)	-	8,580	-	-
Balance at December 31, 2021		\$ 882,731	\$ 554,756	\$ 115,107	\$ 132,277	\$ 236,682	(\$ 39,475)	(\$ 131,111)	\$ -	\$ 1,750,967
Year ended December 31, 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(19)									
Legal reserve		-	-	15,326	-	(15,326)	-	-	-	-
Special reserve		-	-	-	38,309	(38,309)	-	-	-	-
Cash dividends		-	-	-	-	(141,304)	-	-	-	(141,304)
Convertible corporate bond conversion		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

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

FOCI Fiber Optic Communications, Inc.
Parent Company Only Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Notes	2022	2021
<u>Cash Flows from Operating Activities</u>			
Profit before tax		\$ 63,357	\$ 252,592
Adjustment Item			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(26)	67,683	70,016
Amortization expense	6(26)	570	304
Expected credit loss (gains for reversal)	12(2)	(336)	(434)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6(24)	74,690	(36,661)
Interest expense	6(25)	2,471	2,160
Interest income	6(22)	(1,301)	(593)
Dividend income	6(2)(23)	(1,095)	(1,177)
Share of profits of subsidiaries, associates and joint ventures	6(7)	(51,912)	(42,037)
Loss (gain) on disposal of property, plan and equipment	6(24)	(97)	318
Impairment loss on non-financial assets	6(24)	-	(17,162)
Unrealized (realized) gains with subsidiaries		97	(169)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		935	(976)
Accounts receivable		116,041	(176,933)
Accounts receivable from related parties		(1,845)	612
Other receivables		(6)	(47)
Other receivables from related parties		(332)	103
Inventories		18,776	(94,702)
Other current assets		400	4,762
Other non-current assets		-	505
Changes in operating liabilities			
Contract liabilities - Current		3,113	987
Notes payable		(357)	252
Accounts payable		(40,050)	(3,148)
Accounts payable to related parties		(97,699)	120,362
Other payables		(36,352)	8,424
Other current liabilities		(1,893)	1,931
Net defined benefit liability		-	(1,650)
Cash inflow generated from operations		114,858	87,639
Dividends received	6(2)	1,095	1,177
Income tax paid		(42,315)	(7,725)
Net cash flows from (used in) operating activities		73,638	81,091

(continued on next page)

FOCI Fiber Optic Communications, Inc.
Parent Company Only Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Notes	2022	2021
<u>Cash Flows from Investing Activities</u>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 70,002)	(\$ 69,911)
Disposal (acquisition) of financial assets measured at amortized cost		58	(27)
Acquisition of financial assets at fair value through profit or loss		(237,460)	(12,924)
Proceeds from disposal of financial assets at fair value through profit or loss		-	267,952
Dividends paid by subsidiaries		117,102	-
Acquisition of property, plant, and equipment	6(30)	(10,699)	(23,261)
Disposal of property, plant, and equipment		290	266
Decrease in refundable deposits		597	2
Acquisition of Intangible Assets		(2,954)	-
Advance payment for equipment (increase) decrease		(5,251)	2,060
Interest received		1,239	611
Net cash flows from (used in) investing activities		(207,080)	164,768
<u>Cash Flows from Financing Activities</u>			
Increase (Decrease) in short-term loans	6(31)	160,000	(40,000)
Increase(Decrease) in guarantee deposits received		(372)	144
Payments of lease liabilities	6(31)	(5,378)	(4,637)
Cash dividends paid	6(19)	(141,304)	(87,074)
Interest Paid		(2,239)	(1,577)
Net cash flows from (used in) financing activities		10,707	(133,144)
Net increase (decrease) in cash and cash equivalents		(122,735)	112,715
Cash and cash equivalents at beginning of year		437,055	324,340
Cash and cash equivalents at end of year		<u>\$ 314,320</u>	<u>\$ 437,055</u>

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

Attachment 5

FOCI Fiber Optic Communications, Inc.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2022, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the company that is required to be included in the consolidated financial statements of affiliates, is the same as the company required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard No. 10. Additionally, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby Declare,

Company Name: FOCI Fiber Optic Communications, Inc.

Person in Charge: Song-fure Lin

2/23/2023

Independent Auditors' Report
(Consolidated Financial Statements)

The Board of Directors of FOCI Fiber Optic Communications, Inc.

Opinion

We have audited the consolidated financial statements of FOCI Fiber Optic Communications, Inc. and its subsidiaries (the “Company”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2022 and 2021, 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 as endorsed by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the 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 Accounts Receivable Impairment

Description of key audit matter

Please refer to Note 4 (10) for the accounting policy of evaluating accounts receivable and refer to Notes 5 (2) and 6 (5) to accounts receivable descriptions. FOCI Fiber Optic Communications, Inc. estimates the expected credit impairment losses that may occur based on historical experience and other known reasons or existing objective evidence. Due to the management's subjective judgment in the assessment and has estimation uncertainty, and considering the significant impact of accounts receivable on the financial statements, therefore assessment of accounts receivable impairment as a key audit item.

How the matter was addressed in our audit

In relation to the key audit matter above, our principal audit procedures the accounts receivable impairment are as follows:

1. Assess the rationality of the expected credit loss policy provision for accounts receivable.
2. Test the completeness and correctness of the accounts receivable aging analysis table.
3. Evaluate the rationality of expected credit losses based on the customer's past payment records and forward-looking information.
4. Perform post-period collection tests to understand the future recovery of accounts receivable.

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, 2022 and 2021.

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 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance auditing standards generally accepted in 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain 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 Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company 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 Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

and where applicable, related safeguards.

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

PricewaterhouseCoopers, Taiwan (Republic of China)

Feb 23, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China. For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

FOCI Fiber Optic Communications, Inc. and Subsidiaries
Consolidated Balance Sheet
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan dollars)

Assets			Dec 31, 2022		Dec 31, 2021	
			Amount	%	Amount	%
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 561,256	26	\$ 613,560	26
1110	Financial assets at fair value through profit or loss-current	6(2)	162,800	7	32	-
1150	Notes receivable, net	6(5)	92	-	1,027	-
1170	Accounts receivable, net	6(5)	330,611	15	464,682	20
1180	Accounts receivable from related parties, net	6(5) and 7	789	-	786	-
1200	Other receivables	7	11,189	1	39,241	2
1220	Current tax assets		-	-	8,084	-
130X	Inventories	6(6)	342,559	16	363,158	16
1470	Other current assets		7,163	-	9,983	-
11XX	Total Current Assets		1,416,459	65	1,500,553	64
Non-Current Assets						
1517	Financial assets at fair value through other comprehensive income-non-current	6(3)	192,265	9	127,942	6
1535	Financial assets at amortised cost-non-current	6(4) and 8	2,939	-	2,997	-
1550	Investments accounted for using equity method	6(7)	14,673	1	19,410	1
1600	Property, plant, and equipment	6(8)	376,918	17	450,931	19
1755	Right-of-use assets	6(9)	97,270	5	131,653	6
1760	Investment property, net	6(11)	53,528	2	65,434	3
1780	Intangible assets		3,291	-	422	-
1840	Deferred tax assets		9,211	-	6,478	-
1900	Other non-current assets	6(12)	11,375	1	21,688	1
15XX	Total Non-Current Assets		761,470	35	826,955	36
1XXX	Total Assets		\$ 2,177,929	100	\$ 2,327,508	100

(continued on next page)

FOCI Fiber Optic Communications, Inc. and Subsidiaries
Consolidated Balance Sheet
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan dollars)

Liabilities and Equity		Notes	Dec 31, 2022		Dec 31, 2021	
			Amount	%	Amount	%
Current Liabilities						
2100	Short term loans	6(13)	\$ 180,000	8	\$ 20,000	1
2130	Contract liabilities-current		6,089	-	3,442	-
2150	Notes payable		1,546	-	1,903	-
2170	Accounts payable	7	131,190	6	262,791	11
2200	Other payables	6(15)	67,179	3	103,939	4
2230	Current tax liabilities		17,684	1	41,486	2
2280	Lease liabilities- current		18,066	1	20,596	1
2300	Other current liabilities	6(14)	8,514	1	11,722	1
21XX	Total Current Liabilities		430,268	20	465,879	20
Non-Current Liabilities						
2570	Deferred tax liabilities		3,683	-	12,128	1
2580	Lease liabilities- non-current		81,761	4	96,448	4
2600	Other non-current liabilities		1,714	-	2,086	-
25XX	Total Non-Current Liabilities		87,158	4	110,662	5
2XXX	Total Liabilities		517,426	24	576,541	25
Equity						
	Share Capital	6(17)				
3110	Ordinary shares		883,366	40	882,731	38
	Capital surplus	6(18)				
3200	Capital surplus		555,581	25	554,756	24
	Retained earnings	6(19)				
3310	Legal reserve		130,433	6	115,107	5
3320	Special reserve		170,586	8	132,277	6
3350	Unappropriated retained earnings		88,764	4	236,682	10
	Other equity interest	6(20)				
3400	Other equity interest		(168,227)	(7)	(170,586)	(8)
3XXX	Total Equity		1,660,503	76	1,750,967	75
	Significant events after the balance sheet date	11				
3X2X	Total Liabilities and Equity		\$ 2,177,929	100	\$ 2,327,508	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
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan dollars, except earnings per share)

Items	Notes	2022		2021	
		Amount	%	Amount	%
4000 Operating revenues	6(21)	\$ 1,620,659	100	\$ 1,988,269	100
5000 Operating costs	6(6)	(1,323,529)	(82)	(1,533,623)	(77)
5900 Gross profits		<u>297,130</u>	<u>18</u>	<u>454,646</u>	<u>23</u>
Operating expenses					
6100 Selling expenses		(38,554)	(2)	(49,935)	(3)
6200 Administrative expenses		(83,789)	(5)	(81,971)	(4)
6300 Research and development expenses		(77,580)	(5)	(84,309)	(4)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9		(65)	-	2,844	-
6000 Total Operating expenses		(199,988)	(12)	(213,371)	(11)
6900 Operating income (loss)		<u>97,142</u>	<u>6</u>	<u>241,275</u>	<u>12</u>
Non-operating income and expenses					
7100 Interest income	6(22)	1,859	-	821	-
7010 Other income	6(23)	6,877	-	12,577	1
7020 Other gains and losses		(24,452)	(1)	24,057	1
7050 Financial costs		(4,014)	-	(4,158)	-
7060 Share of profit (loss) of associates and joint ventures	6(7)	(4,736)	-	(2,010)	-
7000 Total Non-Operating Income and Expenses		(24,466)	(1)	31,287	2
7900 Profit (loss) before tax		<u>72,676</u>	<u>5</u>	<u>272,562</u>	<u>14</u>
7950 Income tax expense		(25,655)	(2)	(70,918)	(4)
8200 Net Profit		<u>\$ 47,021</u>	<u>3</u>	<u>\$ 201,644</u>	<u>10</u>
Other comprehensive income					
Items that will not be reclassified to profit					
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(20)	(\$ 5,680)	-	(\$ 50,044)	(2)
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Exchange differences on translation		10,049	-	3,944	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss		(2,010)	-	(788)	-
8300 Other comprehensive income, net		<u>\$ 2,359</u>	<u>-</u>	<u>(\$ 46,888)</u>	<u>(2)</u>
8500 Total comprehensive income		<u>\$ 49,380</u>	<u>3</u>	<u>\$ 154,756</u>	<u>8</u>
Net (Loss) Profit Attributable to:					
8610 Shareholders of the Company		<u>\$ 47,021</u>	<u>3</u>	<u>\$ 201,644</u>	<u>10</u>
Comprehensive Income Attributable to:					
8710 Shareholders of the Company		<u>\$ 49,380</u>	<u>3</u>	<u>\$ 154,756</u>	<u>8</u>
Basic earnings per share					
9750 Basic earnings per share		<u>\$ 0.53</u>		<u>\$ 2.31</u>	
Diluted earnings per share					
9850 Diluted earnings per share		<u>\$ 0.53</u>		<u>\$ 2.27</u>	

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
For the years ended December 31, 2022 and 2021
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent company									
		Retained Earnings				Other equity interest					
		Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements	Unrealised gains (losses) from		Treasury shares	Total Equity
Notes							Translation differences of Foreign operations	value through other comprehensive income	financial assets measured at fair		
Year ended December 31, 2021											
Balance at January 1, 2021		\$ 910,739	\$ 585,431	\$ 108,103	\$ 81,301	\$ 228,478	(\$ 42,631)	(\$ 89,647)	(\$ 126,347)	\$ 1,655,427	
Net profit		-	-	-	-	201,644	-	-	-	201,644	
Other comprehensive (loss) income for the year		-	-	-	-	-	3,156	(50,044)	-	(46,888)	
Total comprehensive income (loss)		-	-	-	-	201,644	3,156	(50,044)	-	154,756	
Distribution of retained earnings of 2020:	6(19)										
Legal reserve		-	-	7,004	-	(7,004)	-	-	-	-	
Special reserve		-	-	-	50,976	(50,976)	-	-	-	-	
Cash dividends		-	-	-	-	(87,074)	-	-	-	(87,074)	
Convertible corporate bond conversion		11,992	15,866	-	-	-	-	-	-	27,858	
Treasury shares cancellation		(40,000)	(46,541)	-	-	(39,806)	-	-	126,347	-	
Disposal of equity instruments measured at fair value through other Comprehensive income	6(3)	-	-	-	-	(8,580)	-	8,580	-	-	
Balance at December 31, 2021		\$ 882,731	\$ 554,756	\$ 115,107	\$ 132,277	\$ 236,682	(\$ 39,475)	(\$ 131,111)	\$ -	\$ 1,750,967	
Year ended December 31, 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 (loss) income 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(19)										
Legal reserve		-	-	15,326	-	(15,326)	-	-	-	-	
Special reserve		-	-	-	38,309	(38,309)	-	-	-	-	
Cash dividends		-	-	-	-	(141,304)	-	-	-	(141,304)	
Convertible corporate bond conversion		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	

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

FOCI Fiber Optic Communications, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan dollars)

	Notes	2022	2021
<u>Cash Flows from Operating Activities</u>			
Profit before tax		\$ 72,676	\$ 272,562
Adjustment Item			
Adjustments to reconcile profit (loss)			
Depreciation expense		96,579	101,715
Amortization expense		570	304
Expected credit loss (gains for reversal)	12(2)	65	(2,844)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss		74,690	(36,661)
Interest expense		4,014	4,158
Interest income	6(22)	(1,859)	(821)
Dividend income	6(23)	(1,095)	(1,177)
Share of loss (profit) of associates and joint ventures	6(7)	4,737	2,010
Loss (gain) on disposal of property, plan and equipment		18,414	530
Impairment reversal on non-financial assets		(19,242)	-
Impairment loss on non-financial assets		-	1,655
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		935	(976)
Accounts receivable		141,538	(76,678)
Other receivables		28,852	(22,467)
Inventories		22,474	(104,394)
Other current assets		2,832	5,115
Changes in operating liabilities			
Contract liabilities - Current		2,638	1,451
Notes payable		(357)	252
Accounts payable		(136,893)	48,978
Other payables		(42,015)	(2,135)
Other current liabilities		(1,893)	1,931
Net Defined benefit liability		-	(1,650)
Cash inflow generated from operations		267,660	190,858
Dividends received		1,095	1,177
Income tax paid		(52,692)	(20,393)
Net cash flows from (used in) operating activities		216,063	171,642

(continued on next page)

FOCI Fiber Optic Communications, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan dollars)

	Notes	2022	2021
<u>Cash Flow from Investing Activities</u>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 70,002)	(\$ 69,911)
Disposal (acquisition) of financial assets measured at amortized cost		58	(27)
Acquisition of financial assets at fair value through profit or loss		(237,460)	(12,924)
Proceeds from disposal of financial assets at fair value through profit or loss		-	267,952
Acquisition of property, plant, and equipment		(17,050)	(28,550)
Proceeds from disposal of property, plant and equipment		68,352	1,116
Decrease in refundable deposits		597	18,976
Acquisition of Intangible Assets		(3,440)	-
Increase in other non-current assets		(469)	(828)
Advance payment for equipment (increase) decrease		(5,251)	2,060
Interest received		1,797	839
Net cash flows from (used in) investing activities		(262,868)	178,703
<u>Cash Flow from Financing Activities</u>			
Increase (Decrease) in short-term loans		160,000	(40,000)
Increase (Decrease) in guarantee deposits received		(372)	144
Payments of lease liabilities		(21,235)	(15,328)
Cash dividends paid	6(19)	(141,304)	(87,074)
Interest paid		(3,782)	(3,575)
Net cash flows from (used in) financing activities		(6,693)	(145,833)
Effect of exchange rate changes on cash and cash equivalents		1,194	178
Net increase (decrease) in cash and cash equivalents		(52,304)	204,690
Cash and cash equivalents at beginning of period		613,560	408,870
Cash and cash equivalents at end of period		\$ 561,256	\$ 613,560

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 2	The businesses of the Company are set out as follows: (1)CC01080 Manufacture of electronics components and parts (2)CC01060 Manufacture of wired communication equipment and apparatus 1. Researching, developing, producing, manufacturing, and selling <u>the following</u> products: (1) Optical fiber passive components: optical fiber connectors and jumpers, optical fiber couplers, optical fiber WDM, optical fiber filters, optical fiber attenuators, optical fiber isolators, optical fiber amplifiers, and optical switch, optical splitters, combinations type connector. (2) Optical fiber testing instruments: LED/LD light source, optical power meters, optical fiber insertion loss meter, and optical fiber component testing systems. (3) Optical fiber application system: optical fiber automatic monitoring and alarm system, optical fiber sensing and sensing system. 2. Planning, design, consulting, and technical services for the product mentioned above systems. 3. Import and export business of the products mentioned above.	The businesses of the Company are set out as follows: (1)CC01080 Manufacture of electronics components and parts (2)CC01060 Manufacture of wired communication equipment and apparatus 1. Researching, developing, producing, manufacturing, and selling the products <u>on the left</u> : (1) Optical fiber passive components: optical fiber connectors and jumpers, optical fiber couplers, optical fiber WDM, optical fiber filters, optical fiber attenuators, optical fiber isolators, optical fiber amplifiers, and optical switch, optical splitters, combinations type connector. (2) Optical fiber testing instruments: LED/LD light source, optical power meters, optical fiber insertion loss meter, and optical fiber component testing systems. (3) Optical fiber application system: optical fiber automatic monitoring and alarm system, optical fiber sensing and sensing system. 2. Planning, design, consulting, and technical services for the product mentioned above systems. 3. Import and export business of the products mentioned above.	Word correction
Article 2-1	The Company may engage in <u>endorsements and guarantees externally to meet business or investment needs.</u>	<u>The Company may engage in provide external guarantees for peers to meet business needs.</u>	In line with the Company's operational needs
Article 2-2	The total <u>amount of the Company's investment is not subject to the restriction of paragraph 2 of Article 13 of the Company Act.</u>	<u>The total investment amount by the Company may exceed 40% of the paid-in capital.</u>	In line with the Company's operational needs
Article 9	Shareholders' meetings shall be of two types : regular meetings and special meetings. Regular meetings shall be convened, by the board of directors, within six months after the end of each fiscal year. Special meetings shall be convened in accordance with laws when necessary. Proceedings of the shareholders' meeting shall be conducted under the Company's "Rules of Procedures for the Shareholders' Meeting." The convening notice of the shareholder's meeting may be done electronically if agreed. For shareholders holding less than 1,000 registered shares, the convening notice referred to in the preceding paragraph may be issued as an announcement. When the Company's shareholders' meeting is held, it may be held by video conference or other means announced by the central competent authority.	Shareholders' meetings shall be of two types : regular meetings and special meetings. Regular meetings shall be convened, by the board of directors, within six months after the end of each fiscal year. Special meetings shall be convened in accordance with laws when necessary. Proceedings of the shareholders' meeting shall be conducted under the Company's "Rules of Procedures for the Shareholders' Meeting." <u>Shareholders shall be notified 20 days before the convening of a regular meeting and ten days before the convening of a special meeting.</u> The convening notice of the shareholder's meeting may be done electronically if agreed. For shareholders holding less than 1,000 registered shares, the convening notice referred to in the preceding paragraph may be issued as an announcement. When the Company's shareholders' meeting	Compliance with the Company Act

Article	After amendment	Before amendment	Reason
		is held, it may be held by video conference or other means announced by the central competent authority.	
Article 10	In case a shareholder is unable to attend a shareholders' meeting, he/she may issue a proxy form to appoint a proxy on his/her behalf to attend such meeting in accordance with Article 177 of the Company Act. Unless otherwise provided by the Company Act, the procedures for shareholders to attend proxy meetings shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.	In case a shareholder is unable to attend a shareholders' meeting, he/she may issue a proxy form to appoint a proxy on his/her behalf to attend such meeting in accordance with Article 177 of the Company Act. Unless otherwise provided by the Company Act, the procedures for shareholders to attend proxy meetings shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority. <u>If a person is designated as proxy by more than two shareholders, any of such person's voting rights representing in excess of 3% of the total issued and outstanding shares shall not be considered.</u>	Compliance with the Company Act
Chapter IV	Directors and Audit Committee	Directors, <u>Supervisors</u> , and Audit Committee	The Company has established an audit committee to replace the supervisor and revise relevant regulations
Article 13	The Company shall have seven to eleven directors. The term of office should be three years, and all directors should be eligible for re-elected. The total number of shares held by all directors of the Company shall not be less than the percentage prescribed by the competent authority. <u>The Company shall have at least three Independent Directors. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, methods of nomination and election, and other matters for compliance with respect to Independent Directors shall be followed in accordance with the Rules for election of Directors and relevant laws.</u> The Company adopts a candidate nomination system to elect directors. Shareholders elect directors from a list of candidates. Directors referred to in this Articles of Incorporation include independent directors. The Company may purchase liability insurance for the directors during their term of office in respect of their legally borne compensation liabilities for the execution of the Company's business scope.	The Company shall have seven to eleven directors <u>and two to three supervisors</u> . The term of office should be three years, and all directors <u>and supervisors</u> should be eligible for re-elected. The total number of shares held by all directors <u>and supervisors</u> of the Company shall not be less than the percentage prescribed by the competent authority. <u>The Company's directors and supervisors are elected using the single-register cumulative election method. Each share has the same voting rights as the number of directors or supervisors to be elected. The votes can be on one person or allocated to several. The person with more voting rights represented by the votes obtained shall be elected as a director or supervisor. When it is necessary to amend the method, in addition to handling it under Article 172 of the Company Act, the main content shall be listed and explained in the reason for the convening.</u> The Company adopts a candidate nomination system to elect directors <u>and supervisors</u> , and shareholders elect directors <u>and supervisors</u> from a list of candidates. Directors referred to in this Articles of Incorporation include independent directors. The Company may purchase liability insurance for the directors during their term of office in respect of their legally borne compensation liabilities for the execution of the Company's business scope.	The Company has established an audit committee to replace the supervisor and revise relevant regulations in line with the Company's operational needs
Article 13-1	<u>In accordance with Article 14-4 of the Securities and Exchange Act, the Company</u>	<u>Among the number of directors mentioned in Article 13 of the Articles of</u>	The Company has established

Article	After amendment	Before amendment	Reason
	<p><u>has set up an audit committee of all independent directors.</u></p> <p><u>The authority of the Audit Committee and the other compliance issues shall be made according to the Company Act, the Securities and Exchange Act, other relevant laws and regulations and the company by laws.</u></p>	<p><u>Incorporation, the number of independent directors shall not be less than two and shall not be less than one-fifth of the number of directors. A candidate nomination system is adopted, and the shareholders' meeting selects independent director candidates from the list. The professional qualifications, shareholding, part-time job restrictions, nomination and election methods, and other compliance matters of independent directors shall be handled under the relevant regulations of the competent authority of the securities.</u></p> <p><u>Pursuant to the provisions of Article 14-4 and Article 181-2 of the Securities and Exchange Act, the board of directors shall set up an audit committee or supervisor. The supervisor system shall be abolished at the same time as the audit committee is established.</u></p> <p><u>The Audit Committee is composed of all independent directors. The provisions of the Articles of Incorporation, the Company Law, the Securities and Exchange Law, and other laws regarding supervisors shall apply mutatis mutandis to the Audit Committee.</u></p>	<p>an audit committee to replace the supervisor and revise relevant regulations in line with the Company's operational needs</p>
Article 14	<p>Directors shall organize the board of directors, and more than two-thirds of the directors shall be present. More than half of the directors present shall agree to elect a Chairman. <u>They may elect a Vice Chairman among themselves similarly depending on business needs, and the Chairman shall represent the Company externally.</u></p>	<p>Directors shall organize the board of directors, and more than two-thirds of the directors shall be present. More than half of the directors present shall agree to elect a Chairman <u>and a Vice Chairman. The Chairman shall represent the Company externally.</u></p>	<p>In line with the Company's operational needs</p>
Article 14-1	<p>The meeting of the Board of Directors shall be held once every quarter. The reason for the convening shall be stated, and the directors shall be notified seven days in advance. However, it can be called on shorter notice in case of emergency. The convening notice of the board of directors may be in writing, by fax, or by e-mail.</p>	<p>The meeting of the Board of Directors shall be held once every quarter. The reason for the convening shall be stated, and the directors <u>and supervisors</u> shall be notified seven days in advance. However, it can be called on shorter notice in case of emergency. The convening notice of the board of directors may be in writing, by fax, or by e-mail.</p>	<p>The Company has established an audit committee to replace the supervisor and revise relevant regulations</p>
Article 16	<p>When the Company's directors perform their duties, the Company may pay remuneration regardless of the Company's operating profit or loss. The remuneration authorized to the board of directors shall be negotiated according to the degree of participation in the Company's operation and the value of its contribution. It shall not exceed the standard of the highest salary scale stipulated in the Company's salary assessment method. If the Company has a profit, the remuneration shall be distributed under Article 19.</p>	<p>When the Company's directors <u>and supervisors</u> perform their duties, the Company may pay remuneration regardless of the Company's operating profit or loss. The remuneration authorized to the board of directors shall be negotiated according to the degree of participation in the Company's operation and the value of its contribution. It shall not exceed the standard of the highest salary scale stipulated in the Company's salary assessment method. If the Company has a profit, the remuneration shall be distributed under Article 19.</p>	<p>The Company has established an audit committee to replace the supervisor and revise relevant regulations</p>
Article 18	<p>At the end of each fiscal year, the following reports shall be prepared by the board of directors <u>to the regular shareholders' meeting by the law, for approval:</u></p> <ol style="list-style-type: none"> 1. Business report 2. Financial statements 3. Proposals for profit distribution or loss compensation. 	<p>After the end of each fiscal year, the following reports shall be prepared by the board of directors, <u>which deliver the same to the Supervisor for audit thirty days before the convention of the regular shareholders' meetings, and such documents, as well as the audit report made by the Supervisor, shall be submitted to the regular</u></p>	<p>The Company has established an audit committee to replace the supervisor and revise relevant regulations</p>

Article	After amendment	Before amendment	Reason
		<u>shareholders' meeting for acceptance</u> : 1. Business report 2. Financial statements 3. Proposal on profit distribution or loss compensation.	
Article 19	<p>If the Company makes a profit in the year, 5% to 15% should be appropriated as employee remuneration and no more than 5% as director remuneration. However, if the Company still has accumulated losses, it shall reserve a portion of its earning to offset the losses first.</p> <p>The board shall make the distribution of remuneration to employees <u>and</u> directors with the attendance of more than two-thirds and a resolution approved by more than half of the directors present and reported to the shareholders' meeting. The board of directors distributes employee remuneration through stock or cash, and the distribution recipients may include employees of controlling or subordinate companies who meet certain conditions. The board of directors authorizes the qualifications and distribution methods for resolution.</p> <p>If there is any profit in the Company's annual final accounts, it shall be distributed in the following order:</p> <ol style="list-style-type: none"> 1. Paying tax. 2. Making up losses for preceding years. 3. Setting aside a legal reserve at 10% of the earnings (unless the accumulated amount of the legal reserve has reached the total authorized capital of the Company). 4. Setting aside or reversing a special reserve according to relevant regulations. 5. If there is still a surplus, together with the accumulated undistributed surplus, the board of directors shall prepare a earnings distribution proposal and submit it to the shareholders' meeting for a resolution on distributing dividends to shareholders. 	<p>If the Company makes a profit in the year, 5% to 15% should be appropriated as employee remuneration and no more than 5% as director <u>and supervisor</u> remuneration. However, if the Company still has accumulated losses, it shall reserve a portion of its earning to offset the losses first.</p> <p>The board shall make the distribution of remuneration to employees, directors, <u>and supervisors</u> with the attendance of more than two-thirds and a resolution approved by more than half of the directors present and reported to the shareholders' meeting. The board of directors distributes employee remuneration through stock or cash, and the distribution recipients may include employees of controlling or subordinate companies who meet certain conditions. The board of directors authorizes the qualifications and distribution methods for resolution.</p> <p>If there is any profit in the Company's annual final accounts, it shall be distributed in the following order:</p> <ol style="list-style-type: none"> 1. Paying tax. 2. Making up losses for preceding years. 3. Setting aside a legal reserve at 10% of the earnings (unless the accumulated amount of the legal reserve has reached the total authorized capital of the Company). 4. Setting aside or reversing a special reserve according to relevant regulations. 5. If there is still a surplus, together with the accumulated undistributed surplus, the board of directors shall prepare a earnings distribution proposal and submit it to the shareholders' meeting for a resolution on distributing dividends to shareholders. 	The Company has established an audit committee to replace the supervisor and revise relevant regulations
Article 20	<p>The Company's dividend policy is determined under the Company Act and the Company's Articles of Incorporation and based on factors such as the Company's capital and financial structure, operating conditions, earnings, and the nature and cycle of the industry it belongs to. <u>Suppose the Company has a surplus in its final annual accounts, and the distributable surplus reaches 2% of the paid-in capital. In that case, the dividend distribution shall not be less than 10% of the distributable surplus.</u> Cash dividends are preferred in the distribution of surplus and may also be distributed in stock dividends. The distribution ratio of stock dividends shall not <u>exceed</u> 50% of the total dividends for the current year.</p>	<p>The Company's dividend policy is determined under the Company Act and the Company's Articles of Incorporation and based on factors such as the Company's capital and financial structure, operating conditions, earnings, and the nature and cycle of the industry it belongs to. Cash dividends are preferred in the distribution of surplus and may also be distributed in stock dividends. The distribution ratio of stock dividends shall not <u>be higher than</u> 50% of the total dividends for the current year <u>in principle</u>.</p>	In line with the Company's operational needs
Article 22	These Articles of Incorporation were established on May 22, 1995, (omitted). The 16th amendment was made at the regular	These Articles of Incorporation were established on May 22, 1995. (omitted). The 16th amendment was made at the regular	Word correction and amendment date

Article	After amendment	Before amendment	Reason
	<p>meeting on June 19, 2013.</p> <p>The 17th amendment was made at the regular meeting on May 31, 2016.</p> <p>The 18th amendment was made at the regular meeting on June 16, 2017.</p> <p>The 19th amendment was made at the regular meeting on June 5, 2019.</p> <p>The 20th amendment was made at the special meeting on September 30, 2019.</p> <p>The 21st amendment was made at the regular meeting on May 27, 2022. <u>The 22nd amendment was made at the regular meeting on May 30, 2023.</u></p>	<p>meeting on June 19, 2013.</p> <p>The 17th amendment was made at the regular meeting on May 31, 2016.</p> <p>The 18th amendment was made at the regular meeting on June 16, 2017.</p> <p>The 19th amendment was made at the regular meeting on June 5, 2019.</p> <p>The 20th amendment was made at the special meeting on September 30, 2019.</p> <p>The 21st amendment was made at the regular meeting on May 27, 2022.</p>	

Appendices 1

FOCI FIBER OPTIC COMMUNICATIONS, INC. Rules of Procedure for Shareholders' Meetings (Translation)

- Article 1 To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies. The rules of procedures for this Corporation's shareholders meetings, shall be as provided in these Rules. Matters not stipulated in these rules shall be handled under relevant laws and regulations.
- Article 2 Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.
- The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.
- Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- Attendance and voting at the shareholders' meeting shall be calculated based on numbers of shares.
- Article 3 The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
- Article 4 The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.
- Article 5 The process of the shareholders' meeting shall be audio or video-recorded throughout and retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
- Article 6 If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman of the board of directors or one of the directors shall preside at the meeting in accordance with Article 208 of the

Company Law of the Republic of China.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairman of the board in person and attended by a majority of the directors.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 7 Chairman shall call the Meeting to order at the time scheduled for the Meeting. If However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. The aforesaid tentative resolutions shall be executed in accordance with relevant provisions of the Company Law of the Republic of China.

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

Article 8 If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

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

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting.

The shareholders cannot designate any other person as chairman and continue the Meeting in the same or other place after the Meeting is adjourned. However, in the event that the Chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting.

Article 9 Shareholders attending the meeting have an obligation to abide by the meeting rules, obey the resolutions, and maintain the order of the meeting place.

Article 10 When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 11 Before speaking, an attending shareholder must specify on a speaker's slip his/her shareholder account number, account name, and the subject of the speech. The order in which

shareholders speak will be set by the chair.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

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

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

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

Article 12 The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

Article 13 Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The result of voting shall be announced at the Meeting and placed on record.

Article 14 Except as otherwise provided in the Company Act and in the Company 's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. However, if there is an objection, the voting method, the number of voting rights, and weight ratios should be specified.

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes and handled under Article 183 of the Company Act.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results. The minutes shall be retained for the duration of the existence of the Company.

Article 15 During the Meeting, the chairman may, at his discretion, set time for intermission. In case of incident of force majeure, the chairman may decide to temporarily suspend the Meeting and announce, depending on the situation, when the Meeting will resume or, by resolution of the shareholders present at the Meeting, the chairman may resume the Meeting within five days without further notice or public announcement.

- Article 16 When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- Article 17 On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.
- If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.
- Article 18 The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an armband bearing the word "Proctor."
- Article 19 These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Appendices 2

Articles of Incorporation of FOCI Fiber Optic Communications, Inc. (Translation)

Chapter I General Provisions

- Article 1: The Company is organized in accordance with the Company Act and named 上詮光纖通信股份有限公司. The English name of the Company is FOCI FIBER OPTIC COMMUNICATIONS, INC.
- Article 2: The businesses of the Company are set out as follows:
- (1) CC01080 Manufacture of electronics components and parts
 - (2) CC01060 Manufacture of wired communication equipment and apparatus
 1. Researching, developing, producing, manufacturing, and selling the products on the left:
 - (1) Optical fiber passive components: optical fiber connectors and jumpers, optical fiber couplers, optical fiber WDM, optical fiber filters, optical fiber attenuators, optical fiber isolators, optical fiber amplifiers, and optical switch, optical splitters, combinations type connector.
 - (2) Optical fiber testing instruments: LED/LD light source, optical power meters, optical fiber insertion loss meter, and optical fiber component testing systems.
 - (3) Optical fiber application system: optical fiber automatic monitoring and alarm system, optical fiber sensing and sensing system.
 2. Planning, design, consulting, and technical services for the product mentioned above systems.
 3. Import and export business of the products mentioned above.
- Article 2-1: The Company may engage in provide external guarantees for peers to meet business needs.
- Article 2-2: The total investment amount by the Company may exceed 40% of the paid-in capital.
- Article 3: The head office of the Company is located in Hsinchu Science Park. Subject to the approval by boards of directors and governmental authority, the Company may set up branch office in Taiwan or abroad when necessary.
- Article 4: Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

Chapter II Shares

- Article 5: The total capital stock of the Company shall be in the amount of 1,100,000,000 New Taiwan Dollars, divided into 110,000,000 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.

- Article 5-1: The transferee of the shares purchased by the Company pursuant to Securities and Exchange Act, the recipient of the employee stock warrants, the employee who purchases the shares when issuing new shares, and the recipient of new issuance with restricted employee stock shall include certain qualified employees' of subsidiaries. The board of directors authorizes the qualifications and distribution for resolution.
- Article 6: The share certificates of the Company shall all be name-bearing share certificates which is signed or sealed by the director representing the company, and issued in accordance with the Company Law and relevant rules and regulations of the Republic of China. The Company may issue shares without printing share certificate(s), but shall register with the Centralized Securities Depository Institution.
- Article 7: Shareholders of the company shall handle stock affairs such as pledge of rights, inheritance, gift, report of loss and change of seal, change of address, loss and damage of stock certificates, etc., unless otherwise stipulated by laws and securities regulations. Regulations Governing the Administration of Shareholder Services of Public Companies shall be handled.
- Article 8: Registration for transfer of share shall be suspended for sixty (60) days before the date of regular meeting of shareholders, thirty (30) days before the date of any special meeting of shareholders, and five (5) days before the base date on which dividends, bonuses, or any other interests to be paid out by the Company.
- Article 8-1: The shareholders meeting shall, unless otherwise provided by the Company Act, be convened by the Board of Directors. For the Shareholders' Meeting convened by any other person have the convening right, such person shall act as the chairman of that meeting. If there are two or more persons have the convening right, the chairman of the meeting shall be elected from among themselves.

Chapter III Shareholders' Meeting

- Article 9: Shareholders' meetings shall be of two types : regular meetings and special meetings. Regular meetings shall be convened, by the board of directors, within six months after the end of each fiscal year. Special meetings shall be convened in accordance with laws when necessary. Proceedings of the shareholders' meeting shall be conducted under the Company's "Rules of Procedures for the Shareholders' Meeting."

Shareholders shall be notified 20 days before the convening of a regular meeting and ten days before the convening of a special meeting.

The convening notice of the shareholder's meeting may be done electronically if agreed. For shareholders holding less than 1,000 registered shares, the convening notice referred to in the preceding paragraph may be issued as an announcement.

When the Company's shareholders' meeting is held, it may be held by video conference or other means announced by the central competent authority.

Article 10: In case a shareholder is unable to attend a shareholders' meeting, he/she may issue a proxy form to appoint a proxy on his/her behalf to attend such meeting in accordance with Article 177 of the Company Act. Unless otherwise provided by the Company Act, the procedures for shareholders to attend proxy meetings shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.

If a person is designated as proxy by more than two shareholders, any of such person's voting rights representing in excess of 3% of the total issued and outstanding shares shall not be considered.

Article 11: A Shareholder shall be entitled to one vote for each share held by him/her, except those shares for which the voting rights are restricted or excluded as stipulated in Article 179 of the Company Act.

Article 12: Resolutions at a shareholders' meeting shall, unless otherwise provided for in this Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Shareholders of the Company may exercise their voting rights electronically, and related matters shall be handled under laws and regulations.

Article 12-1: When the Company intends to revoke the public offering of its shares, it shall submit a resolution to the shareholders' meeting. This article shall not be changed during TWSE and TPEx trading.

Chapter IV Directors, Supervisors, and Audit Committee

Article 13: The Company shall have seven to eleven directors and two to three supervisors. The term of office should be three years, and all directors and supervisors should be eligible for re-elected. The total number of shares held by all directors and supervisors of the Company shall not be less than the percentage prescribed by the competent authority. The Company's directors and supervisors are elected using the single-register cumulative election method. Each share has the same voting rights as the number of directors or supervisors to be elected. The votes can be on one person or allocated to several. The person with more voting rights represented by the votes obtained shall be elected as a director or supervisor. When it is necessary to amend the method, in addition to handling it under Article 172 of the Company Act, the main content shall be listed and explained in the reason for the convening.

The Company adopts a candidate nomination system to elect directors and supervisors, and shareholders elect directors and supervisors from a list of candidates.

Directors referred to in this Articles of Incorporation include independent directors. The Company may purchase liability insurance for the directors during their term of office in respect of their legally borne compensation liabilities for the execution of the Company's business scope.

Article 13-1: Among the number of directors mentioned in Article 13 of the Articles of Incorporation, the number of independent directors shall not be less than two and shall not be less than

one-fifth of the number of directors. A candidate nomination system is adopted, and the shareholders' meeting selects independent director candidates from the list. The professional qualifications, shareholding, part-time job restrictions, nomination and election methods, and other compliance matters of independent directors shall be handled under the relevant regulations of the competent authority of the securities.

Pursuant to the provisions of Article 14-4 and Article 181-2 of the Securities and Exchange Act, the board of directors shall set up an audit committee or supervisor. The supervisor system shall be abolished at the same time as the audit committee is established.

The Audit Committee is composed of all independent directors. The provisions of the Articles of Incorporation, the Company Law, the Securities and Exchange Law, and other laws regarding supervisors shall apply mutatis mutandis to the Audit Committee.

Article 14: Directors shall organize the board of directors, and more than two-thirds of the directors shall be present. More than half of the directors present shall agree to elect a Chairman and a Vice Chairman. The Chairman shall represent the Company externally.

Article 14-1: The meeting of the Board of Directors shall be held once every quarter. The reason for the convening shall be stated, and the directors and supervisors shall be notified seven days in advance. However, it can be called on shorter notice in case of emergency. The convening notice of the board of directors may be in writing, by fax, or by e-mail.

Article 15: When the chairman asks for leave or cannot exercise his powers, his proxy shall be handled following Article 208 of the Company Act. If a director cannot attend a meeting of board of directors, he/she shall appoint another director as proxy to attend the meeting and shall execute a power of attorney for the proxy. Each director may act as a proxy for one other director only.

When the board of directors meeting is held, if a video conference is used, those who participate in the meeting through the video screen are deemed present in person.

Article 16: When the Company's directors and supervisors perform their duties, the Company may pay remuneration regardless of the Company's operating profit or loss. The remuneration authorized to the board of directors shall be negotiated according to the degree of participation in the Company's operation and the value of its contribution. It shall not exceed the standard of the highest salary scale stipulated in the Company's salary assessment method. If the Company has a profit, the remuneration shall be distributed under Article 19.

Chapter V Managers

Article 17: The Company may have a general manager whose appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter VI Accounting

Article 18: After the end of each fiscal year, the following reports shall be prepared by the board of

directors, which deliver the same to the Supervisor for audit thirty days before the convention of the regular shareholders' meetings, and such documents, as well as the audit report made by the Supervisor, shall be submitted to the regular shareholders' meeting for acceptance :

1. Business report
2. Financial statements
3. Proposal on profit distribution or loss compensation.

Article 19: If the Company makes a profit in the year, 5% to 15% should be appropriated as employee remuneration and no more than 5% as director and supervisor remuneration. However, if the Company still has accumulated losses, it shall reserve a portion of its earning to offset the losses first.

The board shall make the distribution of remuneration to employees, directors, and supervisors with the attendance of more than two-thirds and a resolution approved by more than half of the directors present and reported to the shareholders' meeting. The board of directors distributes employee remuneration through stock or cash, and the distribution recipients may include employees of controlling or subordinate companies who meet certain conditions. The board of directors authorizes the qualifications and distribution methods for resolution.

If there is any profit in the Company's annual final accounts, it shall be distributed in the following order:

1. Paying tax.
2. Making up losses for preceding years.
3. Setting aside a legal reserve at 10% of the earnings (unless the accumulated amount of the legal reserve has reached the total authorized capital of the Company).
4. Setting aside or reversing a special reserve according to relevant regulations.
5. If there is still a surplus, together with the accumulated undistributed surplus, the board of directors shall prepare a earnings distribution proposal and submit it to the shareholders' meeting for a resolution on distributing dividends to shareholders.

Article 19-1: The Company's board of directors shall have more than two-thirds of the directors present and a resolution approved by more than half of the directors present. All or part of the dividends, bonuses, Legal reserve, or capital reserve shall be distributed in cash and reported to the shareholders' meeting. The provisions of the Articles of Incorporation related to the resolutions of the shareholders' meeting are not applicable.

Article 20: The Company's dividend policy is determined under the Company Act and the Company's Articles of Incorporation and based on factors such as the Company's capital and financial structure, operating conditions, earnings, and the nature and cycle of the industry it belongs to. Cash dividends are preferred in the distribution of surplus and may also be distributed in stock dividends. The distribution ratio of stock dividends shall not be higher than 50% of the total dividends for the current year in principle.

Chapter VII Supplementary Provisions

Article 21: Matters not specified in the Articles of Incorporation shall be handled under the provisions of the Company Act.

Article 22: These Articles of Incorporation were established on May 22, 1995.
The first amendment was made at the regular meeting on July 31, 1996.
The 2nd amendment was made at the special meeting on January 18, 1997.
The 3rd amendment was made at the regular meeting on June 11, 1997.
The 4th amendment was made at the regular meeting on April 7, 1998.
The 5th amendment was made at the special meeting on May 15, 2000.
The 6th amendment was made at the regular meeting on August 29, 2001.
The 7th amendment was made at the regular meeting on June 20, 2002.
The 7th amendment was made at the special meeting on November 11, 2002.
The 8th amendment was made at the special meeting on December 15, 2003.
The 9th amendment was made at the regular meeting on June 18, 2004.
The 10th amendment was made at the regular meeting on June 24, 2005.
The 11th amendment was made at the regular meeting on June 20, 2006.
The 12th amendment was made at the regular meeting on June 27, 2007.
The 13th amendment was made at the regular meeting on June 6, 2008.
The 14th amendment was made at the special meeting on December 9, 2009.
The 15th amendment was made at the regular meeting on May 20, 2010.
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.

Appendices 3

FOCI Fiber Optic Communications, Inc. Shareholding of Directors

As of April 1, 2023

Title	Name	Number of Shares	Shareholding Ratio %
Chairman	Song-fure Lin	4,743,367	5.37%
Director	Lee-chiou Chang	800,000	0.91%
Director	Representative of BEOLYM CORPORATION: Hsin-tse Tsai	2,268,000	2.57%
Director	Ting-ta Hu	462,000	0.52%
Independent Director	Mei-huei Li	0	0
Independent Director	Li-jen Kuo	0	0
Independent Director	Tzu-ming Wang	0	0
Total		8,273,367	9.37%

Notes 1: The Company's paid-in capital is NT\$883,366,060, and 88,336,606 shares have been issued.

Notes 2: According to Article 26 of the Securities and Exchange Act, the minimum number of shares held by all directors is as follows:

The statutory number of shares held by all directors (10%): 7,066,928 shares (Explanatory Notes 3)

The number of shares held by all directors of the Company has reached the statutory percentage standard

Notes 3: According to Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," if two or more independent directors are elected at the same time, the shareholding ratio for all directors other than independent directors shall be reduced to 80%.