FOCI FIBER OPTIC COMMUNICATIONS, INC.
Procedures for Lending Funds to Other Parties
(Translation)

Amended by the General Shareholders' Meeting on May 28, 2026

Article 1: Purpose and Legal Basis

These Procedures for Lending Funds to Other Parties (the “Procedures”) are established by the Company for the purpose of managing matters relating to the lending of funds to others, in accordance with Article 36-1 of the Securities and Exchange Act and the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”, for compliance therewith.

Article 2: Counterparties for Lending of Funds and Evaluation Criteria

Pursuant to the Company Act, the Company’s funds shall not be loaned to any shareholder or any other person except under the following circumstances:

I. Companies or firms having business dealings with the Company; the term “business dealings” as used herein refers to entities that have purchase or sales transactions with the Company.

II. Companies or firms having a short-term financing need with the Company. The amount of financing shall not exceed 40% of the net worth of the borrowing entity. The term “short-term” as used herein refers to a period of one year or one operating cycle, whichever is longer. The amount of financing refers to the cumulative outstanding balance of the Company’s short-term financing.

Article 3: The terms "subsidiary" and "parent company" as used in these Procedures shall be determined in accordance with the provisions of the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

The term "net worth" as used in these Procedures refers to the equity attributable to owners of the parent company as presented in the balance sheet in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The term "public announcement and filing" as used in these Procedures refers to the entry of information into the reporting system designated by the Financial Supervisory Commission.

Article 4: Total Amount of Funds Available for Lending and Limits for Individual Counterparties

Except for subsidiaries, the total amount of funds available for lending shall not exceed 40% of the Company’s current net worth. Other than this, the limits may be further categorized into the following two circumstances:

I. Where funds are loaned to companies or firms having business dealings with the Company, the total loan amount shall not exceed 20% of the Company’s net worth, and the amount of loans to any single counterparty shall not exceed the amount of business transactions between the two parties in the most recent fiscal year. The term "amount of business transactions" refers to the higher of the purchase amount or the sales amount between the two parties.

II. Where funds are loaned to companies or firms with short-term financing needs, the total loan amount shall not exceed 20% of the Company's net worth, and the amount of loans to any single counterparty shall not exceed 10% of the Company's net worth.

III. Loans of funds between overseas companies in which the Company directly or indirectly holds 100% of the voting shares, or loans of funds by such overseas companies to the Company, shall not exceed the Company's net worth.

IV. The term "current net worth" shall be based on the most recent financial statements audited by a certified public accountant.

Article 5: Loan Term and Interest Calculation

I. In principle, the term of any loan of funds shall not exceed one year. In special circumstances, the term may be extended within the scope permitted by applicable laws, subject to approval by the Board of Directors and based on actual needs. However, where loans are made due to short-term financing needs, extensions shall not be permitted.

II. The interest rate on loans shall not be lower than the highest interest rate applicable to the Company's short-term borrowings from financial institutions. Interest shall, in principle, be paid on a monthly basis. In special circumstances, adjustments may be made based on actual needs, subject to approval by the Board of Directors.

III. For loans of funds between overseas companies in which the Company directly or indirectly holds 100% of the voting shares, or loans of funds by such overseas companies to the Company, the loan term shall not exceed one year. In special circumstances, the term may be extended based on actual needs, subject to approval by the Board of Directors of the relevant company. The method of interest calculation for such loans may be agreed upon between the companies and shall not be subject to the restriction set forth in the preceding paragraph.

Article 6: Procedures for Handling and Review

I. Application Procedures

(I) The borrower shall provide basic information and financial data and complete an application form specifying the purpose of the loan, loan term, and amount, and submit it to the Company's finance department. The review procedures conducted by the finance department shall include an assessment of the necessity and reasonableness of the lending of funds, credit investigation and risk evaluation of the borrower, the impact on the Company's operational risks, financial condition, and shareholders' equity, as well as whether collateral should be obtained and the evaluation of the value of such collateral.

(II) Where funds are loaned due to business dealings, the responsible personnel of the Company’s finance department shall assess whether the loan amount is commensurate with the volume of such business transactions. Where funds are loaned due to short-term financing needs, the reasons and circumstances justifying the loan shall be specified, and a credit investigation shall be conducted. Relevant information, together with the proposed lending terms, shall be submitted to the head of the finance department, the President, and the Chairman. Upon prudent evaluation as to whether the requirements of these Procedures are met, the proposal, along with the evaluation results, shall be submitted to the Board of Directors for approval prior to implementation, and such authority shall not be delegated to any other person.

(III) Loans between the Company and its subsidiaries, or between subsidiaries, shall be subject to a board resolution as stipulated in the preceding paragraph, and the Chairman may be authorized to disburse or recycle funds to the same lender within a specified limit and a period not exceeding one year as resolved by the Board of Directors. The aforementioned "specified limit", except as provided in Article 4, means that the authorized loan amount from the Company to a single enterprise shall not exceed 10% of the Company's most recent net asset value.

(IV) The Company has appointed Independent Directors. When lending funds to others, the opinions of each Independent Director shall be fully considered, and their explicit opinions of agreement or disagreement, along with the reasons for their objection, shall be recorded in the Board minutes. Where the Company has appointed Independent Directors. When lending funds to others, the opinions of each Independent Director shall be fully considered, and their explicit opinions of agreement or disagreement, along with the reasons for their objection, shall be recorded in the Board Meeting Minutes.

II. Credit Investigation

(I) For first-time borrowers, the borrower shall provide basic information and financial data for the purpose of conducting a credit investigation.

(II) For repeat borrowers, a new credit investigation shall, in principle, be conducted at the time of applying for renewal. In the case of material or urgent circumstances, such investigation may be conducted as needed.

(III) Where the borrower has a sound financial condition and its annual financial statements have been audited for financing purposes by a certified public accountant, an existing credit investigation report not exceeding one year may be used together with the auditor’s report for that period as a reference for lending.

(IV) When conducting a credit investigation of the borrower, the Company shall also evaluate the impact of the loan on the Company’s operational risks, financial condition, and shareholders’ equity.

III. Loan Approval and Notification

(I) Where, after credit investigation and evaluation, the responsible authority decides not to grant the loan, the handling personnel shall promptly notify the borrower of the reasons for rejection.

(II) Where, after credit investigation and evaluation, the responsible authority approves the loan, the handling personnel shall promptly notify the borrower in writing, specifying the lending terms, including the loan amount, term, interest rate, collateral, and guarantors, and request the borrower to complete the contract execution procedures within the specified period.

IV. Collateral Valuation and Creation of Security Interests

Except for subsidiaries, the borrower shall provide collateral of equivalent value, promissory notes, or a guarantor, and complete the procedures for establishing a pledge or mortgage. The Company shall also assess the value of the collateral to ensure the protection of its claims.

V. Contract Execution and Verification

(I) For each loan, the handling personnel shall draft the loan agreement, which shall be reviewed by the responsible supervisor and countersigned by legal personnel before execution.

(II) The terms of the agreement shall be consistent with the approved lending conditions. After the borrower and any joint guarantor have affixed their signatures or seals to the agreement, the handling personnel shall complete the verification procedures.

VI. Insurance

(I) Except for land and securities, all collateral shall be insured against fire and other appropriate risks. The insured amount shall, in principle, not be less than the value of the collateral pledged. The insurance policy shall designate the Company as the beneficiary. The name, quantity, location, insurance terms, and endorsements stated in the policy shall be consistent with the Company's approved lending conditions.

(II) The handling personnel shall ensure that, prior to the expiration of the insurance coverage, the borrower is notified to renew the insurance.

VII. Disbursement

After a loan has been approved and the borrower has duly executed the agreement, delivered promissory notes (including installment repayment notes, if applicable), and completed the registration of pledge or mortgage over the collateral, the loan may be disbursed upon verification that all procedures have been duly completed.

Article 7: Repayment

After the loan has been disbursed, the Company shall regularly monitor the borrower's and guarantor's financial condition, business operations, and credit status. Where collateral has been provided, the Company shall also monitor any changes in its value. Two months prior to the loan maturity date, the borrower shall be notified to repay the principal and interest upon maturity or to apply for an extension.

I. Upon repayment of the loan at maturity, the borrower shall first calculate the interest payable and repay the principal together with the interest in full before any promissory notes, IOUs, or other debt repayment instruments may be cancelled and returned to the borrower.

II. Where the borrower applies for cancellation of a mortgage, the Company shall first verify whether any outstanding loan balance remains in order to determine whether to approve the cancellation of the mortgage.

Article 8: Subsequent Control Measures for Outstanding Loans and Procedures for Handling Overdue Receivables:

I. Extension

Where a borrower having business dealings with the Company requires an extension prior to the maturity of a loan, the borrower shall apply for an extension and renewal of the agreement at least two months before the due date. Such extension shall be limited to one time (six months). Upon approval by the Board of Directors, the Company shall complete the relevant procedures anew.

Where any receivable becomes overdue and cannot be recovered after collection efforts, the Company shall promptly take legal action against the debtor to safeguard its rights and interests.

II. Registration and Safekeeping of Cases

(I) When the Company engages in lending of funds, it shall establish a register for recordation, in which the borrower, loan amount, date of approval by the Board of Directors, date of loan disbursement, and matters required to be carefully evaluated in accordance with these Procedures shall be duly recorded for reference.

(II) The personnel responsible for handling loan cases shall, after disbursement, organize the relevant documents, including contracts, promissory notes and other debt instruments, collateral documents, insurance policies, and correspondence, in proper order, place them into a safekeeping envelope, and indicate on the envelope the contents and the name of the client. The envelope shall then be submitted to the head of the finance department for inspection. Upon confirmation of accuracy, the envelope shall be sealed, and both parties shall sign or affix their seals in the safekeeping register before storage.

(III) The Company’s internal auditors shall audit the Procedures for Lending Funds to Other Parties and their implementation at least on a quarterly basis and prepare written records. In the event of any material violation, a written notice shall be submitted to the Audit Committee.

(IV) Where, due to changes in circumstances, a borrower no longer meets the requirements of these Procedures or the outstanding loan balance exceeds the prescribed limit, the internal auditors shall urge the finance department to establish a deadline for the recovery of the excess loan amount. The remediation plan shall be submitted to the Audit Committee and reported to the Board of Directors, and corrective actions shall be completed in accordance with the prescribed timeline.

(V) The responsible personnel shall, by the 5th of each month, prepare a detailed statement of the Company's lending of funds to other companies for the preceding month and submit it for review through the appropriate hierarchical levels.

Article 9: Control Procedures for Subsidiaries' Lending of Funds to Others

I. Where a subsidiary of the Company intends to lend funds to others, it shall establish its own Procedures for Lending Funds to Other Parties and conduct such lending in accordance herewith; provided, however, that the net worth shall be calculated based on the subsidiary's net worth.

II. Each subsidiary shall, prior to the 5th of each month, prepare a detailed statement of its lending of funds to other companies for the preceding month and submit it to the Company for review.

III. The internal auditors of each subsidiary shall also audit the Procedures for Lending Funds to Other Parties and their implementation at least on a quarterly basis and prepare written records. In the event of any material violation, they shall immediately notify the Company's internal auditors in writing, and the Company's internal auditors shall submit such written information to the Audit Committee.

IV. When the Company's auditors conduct audits at subsidiaries in accordance with the annual audit plan, they shall also review the implementation of the subsidiaries' Procedures for Lending Funds to Other Parties. If any deficiencies are identified, the auditors shall continuously monitor the status of corrective actions and prepare a follow-up report to be submitted to the Audit Committee.

Article 10: Information Disclosure

I. The Company shall, by the 10th of each month, publicly announce and file the outstanding balance of loans of funds of the Company and its subsidiaries for the preceding month.

II. Where the Company's outstanding balance of loans of funds meets any of the following thresholds, it shall make a public announcement and filing within two days from the date of occurrence of the event:

(I) The outstanding balance of loans of funds by the Company and its subsidiaries to others reaches 20% or more of the Company's net worth as shown in its most recent financial statements.

(II) The outstanding balance of loans of funds by the Company and its subsidiaries to a single enterprise reaches 10% or more of the Company's net worth as shown in its most recent financial statements.

(III) Any new loan of funds by the Company or its subsidiaries reaches NT$10 million or more and also reaches 2% or more of the Company's net worth as shown in its most recent financial statements.

The term "date of occurrence" as used herein refers to the earliest of the contract execution date, payment date, date of Board resolution, or any other date sufficient to determine the borrower and the loan amount.

III. Where a subsidiary of the Company is not a domestic public company and has any matter subject to public announcement and filing under Subparagraph (III) of the preceding paragraph, the Company shall make such announcement and filing on its behalf.

IV. The Company shall, in accordance with generally accepted accounting principles, assess the status of loans of funds and recognize an adequate allowance for doubtful accounts. Relevant information shall be appropriately disclosed in the financial statements, and the Company shall provide the necessary information to the Certified Public Accountant for the performance of required audit procedures.

Article 11: Penalties

Where managerial officer or responsible personnel of the Company violate these Procedures, such violations shall be subject to performance evaluation and disciplinary action in accordance with the Company's personnel management rules and employee handbook, depending on the severity of the circumstances.

Article 12: Implementation and Amendments

These Procedures shall be established by the Company in accordance with applicable regulations and, upon approval by more than one-half of all members of the Audit Committee and by the Board of Directors, shall be submitted to the shareholders' meeting for approval prior to implementation. Where any Director expresses dissent with a record or written statement, the Company shall submit such dissent together with the materials to the Audit Committee and the shareholders' meeting for discussion. The same shall apply to any amendments thereto. If approval by more than one-half of all Audit Committee members is not obtained, the matter may be approved by more than two-thirds of all Directors, and the results of the Audit Committee's review shall be recorded in the minutes of the Board meeting.

The Company has established Independent Directors. When these Procedures are submitted to the Board of Directors for discussion in accordance with the first paragraph, full consideration shall be given to the opinions of the Independent Directors. Any objection or qualified opinion expressed by an Independent Director shall be recorded in the minutes of the Board meeting.