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9.22.1 Purpose To protect investors and ensure information transparency, the Company shall handle the acquisition or disposal of assets in accordance with these procedures.						
9.22.2 Legal Basis These procedures are established pursuant to Article 36-1 of the Securities and Exchange Act and the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.						
9.22.3 Scope of Application These procedures apply to the following types of assets: 9.22.3.1 Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing funds, depositary receipts, call (put) warrants, beneficiary securities, and asset-backed securities. 9.22.3.2 Real estate (including land, buildings, investment properties, and inventory held by construction companies) and equipment. 9.22.3.3 Membership certificates. 9.22.3.4 Intangible assets such as patents, copyrights, trademarks, and franchise rights. 9.22.3.5 Right-of-use assets. 9.22.3.6 Claims held by financial institutions (including accounts receivable, foreign exchange discounts, loans, and collections). 9.22.3.7 Derivative financial products. 9.22.3.8 Assets acquired or disposed of through legal mergers, splits, acquisitions, or share transfers. 9.22.3.9 Other significant assets.						
9.22.4 Evaluation Procedures 9.22.4.1 For acquisition or disposal of securities not traded on centralized markets or at securities firms, factors such as net asset value per share, profitability, future development potential, market interest rates, bond coupon rates, debtor creditworthiness, and negotiated transaction prices shall be considered. 9.22.4.2 For acquisition or disposal of securities traded on centralized markets or at securities firms, the transaction shall be based on the prevailing market prices of the stocks or bonds. 9.22.4.3 For other assets mentioned in the preceding two items, the transaction shall be conducted through one of the following methods: price inquiry, price comparison, negotiation, or public tender. Reference shall be made to publicly announced current values, appraised values, nearby real estate transaction prices, and actual transaction prices of right-of-use assets. If the transaction meets the criteria for public announcement and reporting under these procedures, a professional appraisal report shall be obtained prior to the occurrence of the event.						

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9.22.5 Procedures for Acquisition or Disposal of Assets

9.22.5.1 Definitions

9.22.5.1.1 Derivative Products:

Refers to forward contracts, options, futures, margin trading contracts, swaps, combinations of the aforementioned contracts, or structured products embedded with derivatives, whose value is derived from specific interest rates, financial instrument prices, commodity prices, exchange rates, price or fee indices, credit ratings or indices, or other variables.

Forward contracts do not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, or long-term purchase/sale contracts.

9.22.5.1.2 Assets Acquired or Disposed of Through Legal Mergers, Splits, Acquisitions, or Share Transfers:

Refers to assets acquired or disposed of in accordance with the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act, or other applicable laws, or through share transfers pursuant to Article 156-3 of the Company Act.

9.22.5.1.3 Related Parties and Subsidiaries:

Shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

9.22.5.1.4 Professional Appraisers:

Refers to real estate appraisers or other legally qualified professionals authorized to conduct appraisals of real estate or equipment.

9.22.5.1.5 Date of Occurrence:

Refers to the earlier of the contract signing date, payment date, transaction execution date, transfer date, board resolution date, or any other date sufficient to determine the counterparty and transaction amount.

For investments requiring approval from competent authorities, the earlier of the above dates or the date of approval shall apply.

9.22.5.1.6 Investment in Mainland China:

Refers to investments or technical cooperation conducted in Mainland China in accordance with the regulations of the Investment Commission, Ministry of Economic Affairs.

9.22.5.1.7 "Within One Year":

Refers to the one-year period retroactively calculated from the date of the current asset acquisition or disposal. Previously disclosed transactions within this period are excluded from recalculation.

9.22.5.1.8 "Most Recent Financial Statements":

Refers to the financial statements that have been publicly disclosed and audited or reviewed by certified public accountants prior to the asset acquisition or disposal.

9.22.5.1.9 Securities Exchange:

Domestic securities exchange refers to the Taiwan Stock Exchange Corporation; foreign securities exchange refers to any organized securities market regulated by the securities authority of the respective country.

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<p>9.22.5.1.10 Business Premises of Securities Firms: Domestic premises refer to counters set up by securities firms in accordance with the Regulations Governing the Trading of Securities at Securities Firms' Business Premises; foreign premises refer to financial institutions regulated by foreign securities authorities and authorized to conduct securities business.</p> <p>9.22.5.2 Operating Procedures</p> <p>9.22.5.2.1 When acquiring or disposing of assets, the responsible unit shall evaluate the reasons for the proposed acquisition or disposal, the subject matter, transaction counterparty, transfer price, payment terms, and the basis for price reference. The evaluation shall be submitted to the authorized decision-making unit for approval, and executed by the management department. All related matters shall be handled in accordance with the Company's internal control system and these procedures.</p> <p>9.22.5.2.2 The execution unit for the Company's short-term and long-term investments in marketable securities shall be the finance and accounting department. For real estate, plant, equipment, and right-of-use assets, the execution unit shall be the user department and the relevant responsible units. For other assets not classified as marketable securities or real estate, plant, equipment, and right-of-use assets, the responsible units shall conduct evaluations before execution.</p> <p>9.22.5.2.3 All procedures related to the acquisition or disposal of assets shall be conducted in accordance with the Company's internal control system. If any major violation is discovered, the responsible personnel shall be dealt with according to the severity of the violation.</p> <p>9.22.5.3 Public Announcement and Reporting Procedures When the Company acquires or disposes of assets under any of the following circumstances, it shall, within two days from the date of occurrence, publicly announce and report the relevant information on the designated website of the competent authority in the prescribed format:</p> <p>9.22.5.3.2 Conducting mergers, splits, acquisitions, or share transfers.</p> <p>9.22.5.3.3 Losses incurred from derivative transactions reaching the maximum loss limit for all or individual contracts as specified in the Company's procedures.</p> <p>9.22.5.3.4 Acquisition or disposal of equipment or right-of-use assets for business use, where the counterparty is not a related party, and the transaction amount meets one of the following criteria: 9.22.5.3.4.1 The Company's paid-in capital is less than NT\$10 billion, and the transaction amount is NT\$500 million or more. 9.22.5.3.4.2 The Company's paid-in capital is NT\$10 billion or more, and the transaction amount is NT\$1 billion or more.</p> <p>9.22.5.3.5 Acquisition of real estate through methods such as self-construction on owned land, construction on leased land, joint construction with property division, joint construction with profit sharing, or joint construction with unit sales, where the counterparty is not a related party and the expected investment amount is NT\$500 million or more.</p>						

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<p>9.22.5.3.6 Asset transactions not covered by the above five items, disposal of claims by financial institutions, or investments in Mainland China, where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more.</p> <p>The following are excluded:</p> <p>9.22.5.3.6.1 Transactions involving domestic government bonds or foreign government bonds with credit ratings not lower than Taiwan's sovereign rating.</p> <p>9.22.5.3.6.2 Repurchase/reverse repurchase agreements, or purchases/redemptions of money market funds issued by domestic securities investment trust enterprises.</p> <p>Calculation of Transaction Amounts</p> <p>The transaction amounts mentioned in the preceding paragraph shall be calculated as follows:</p> <ol style="list-style-type: none"> 1. The amount of each individual transaction. 2. The cumulative amount of transactions involving the same counterparty and the same type of asset within one year. 3. The cumulative amount of acquisition or disposal (calculated separately for acquisition and disposal) of real estate or right-of-use assets under the same development project within one year. 4. The cumulative amount of acquisition or disposal (calculated separately for acquisition and disposal) of the same marketable securities within one year. <p>The term "within one year" refers to the one-year period retroactively calculated from the date of occurrence of the current transaction. Transactions that have already been publicly announced in accordance with these procedures are excluded from recalculation.</p> <p>Monthly Reporting of Derivative Transactions</p> <p>The Company shall, by the 10th day of each month, input into the information reporting website designated by the competent authority the status of derivative transactions conducted by the Company and its subsidiaries that are not domestic public companies, as of the end of the previous month, in the prescribed format.</p> <p>Correction of Public Announcements</p> <p>If any errors or omissions are found in items that are required to be publicly announced, the Company shall make a complete re-announcement and report of all items within two days from the date of discovery.</p> <p>Retention of Documentation</p> <p>For asset acquisitions or disposals, the Company shall retain relevant contracts, meeting minutes, registry books, appraisal reports, and opinions issued by accountants, lawyers, or securities underwriters.</p> <p>Unless otherwise provided by law, such documentation shall be kept for at least five years.</p>						

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<p>9.22.5.4 Timeframe for Public Announcement and Reporting</p> <p>After the Company has made a public announcement and report in accordance with Article 9.22.5.3, if any of the following circumstances occur, the Company shall, within two days from the date of occurrence, publicly announce and report the relevant information on the designated website of the competent authority:</p> <p>9.22.5.4.1 Changes, termination, or cancellation of the original transaction contract.</p> <p>9.22.5.4.2 Failure to complete a merger, split, acquisition, or share transfer according to the scheduled timeline in the contract.</p> <p>9.22.5.4.3 Changes to the content of the original public announcement and report.</p> <p>9.22.6 Responsibilities and Authority</p> <p>9.22.6.1 The management unit for the Company's real estate, plant, equipment, and right-of-use assets shall be the General Affairs Department, which is responsible for implementing these procedures. Depending on the asset category, custody may be delegated to the respective user departments.</p> <p>9.22.6.2 The management unit for short-term and long-term investments in marketable securities shall be the Finance and Accounting Department, which is responsible for implementing these procedures.</p> <p>9.22.6.3 For the acquisition or disposal of assets and right-of-use assets intended for business use, if the transaction amount is less than or equal to 20% of the Company's paid-in capital, it shall be approved by the Chairperson.</p> <p>If the transaction amount exceeds 20% of the paid-in capital, it must be approved by the Board of Directors.</p> <p>9.22.6.4 For the purchase of non-business-use real estate, right-of-use assets, or marketable securities:</p> <p>If the investment in any individual non-business-use real estate, right-of-use asset, or marketable security exceeds 20% of the Company's paid-in capital, or If the cumulative balance of such investments exceeds 30% of the paid-in capital, then the transaction must be approved by the Board of Directors.</p> <p>However, for short-term holdings of marketable securities, if:</p> <p>The investment in any individual security exceeds 20% of the paid-in capital, or</p> <p>The cumulative balance exceeds 30% of the paid-in capital, then the transaction must be reported to the Board of Directors for acknowledgment.</p> <p>9.22.6.5 The total amount of non-business-use real estate, right-of-use assets, or marketable securities purchased by the Company and its subsidiaries shall not exceed the Company's paid-in capital.</p> <p>The cumulative transaction amount for any individual marketable security shall also not exceed the paid-in capital.</p> <p>However, 100%-owned subsidiaries of the Company are not subject to this limit, unless otherwise provided by law.</p> <p>If the 100%-owned subsidiary is located in Mainland China, the investment shall comply with the Investment Commission of the Ministry of Economic Affairs' Guidelines for Investment or Technical Cooperation in Mainland China, including its upper limit provisions.</p> <p>9.22.6.6 The scope of investment by the Company and its subsidiaries shall be limited to the types of assets governed by these procedures.</p>						

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<p>9.22.7 Appraisal Requirements for Acquisition or Disposal of Real Estate, Equipment, or Right-of-Use Assets</p> <p>Except for transactions involving domestic government agencies, self-construction on owned land, construction on leased land, or acquisition/disposal of equipment or right-of-use assets for business use, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report from a professional appraiser prior to the date of occurrence, and comply with the following requirements:</p> <p>9.22.7.1 If, due to special circumstances, the transaction price is based on a restricted, specified, or special price, the transaction shall be approved by the Board of Directors in advance.</p> <p>Any subsequent changes to the transaction terms shall also require Board approval.</p> <p>9.22.7.2 If the transaction amount reaches NT\$1 billion or more, appraisals shall be obtained from two or more professional appraisers.</p> <p>9.22.7.3 If any of the following conditions apply to the appraisal results, and the appraised value for asset acquisition is not higher than the transaction amount, or the appraised value for asset disposal is not lower than the transaction amount, the Company shall engage a certified public accountant to provide a specific opinion on the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>9.22.7.3.1 The difference between the appraised value and the transaction amount is 20% or more of the transaction amount.</p> <p>9.22.7.3.2 The difference between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.</p> <p>9.22.7.4 The date of the appraisal report issued by the professional appraiser shall not be more than three months prior to the contract signing date.</p> <p>However, if the appraisal is based on the same period's publicly announced current value and the report is not older than six months, the original professional appraiser may issue an opinion letter instead.</p> <p>9.22.8 Acquisition or Disposal of Marketable Securities</p> <p>Prior to the occurrence of a transaction involving the acquisition or disposal of marketable securities, the Company shall obtain the most recent financial statements of the target company, which have been audited or reviewed by a certified public accountant, as a reference for evaluating the transaction price. If the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall engage a certified public accountant to provide an opinion on the reasonableness of the transaction price prior to the occurrence of the transaction.</p> <p>This requirement does not apply to securities with active market quotations or where otherwise regulated by the Financial Supervisory Commission.</p> <p>9.22.9 Acquisition or Disposal of Intangible Assets, Right-of-Use Assets, or Membership Certificates</p> <p>For transactions involving the acquisition or disposal of intangible assets, right-of-use assets, or membership certificates by a public company, where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, and the counterparty is not a domestic government agency, the Company shall engage a certified public accountant to provide an opinion on the reasonableness of the transaction price prior to the occurrence of the transaction.</p>						

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<p>9.22.9-1 Calculation of Transaction Amounts</p> <p>The calculation of transaction amounts for the preceding three articles shall follow the provisions of Article 9.22.5.3.</p> <p>The term “within one year” refers to the one-year period retroactively calculated from the date of occurrence of the current transaction.</p> <p>Transactions for which a professional appraisal report or accountant’s opinion has already been obtained in accordance with these procedures are excluded from recalculation.</p> <p>9.22.10 Court-Auctioned Assets</p> <p>If the Company acquires or disposes of assets through a court auction process, the documentation issued by the court may be used in lieu of an appraisal report or accountant’s opinion.</p> <p>9.22.11 Qualifications of Professionals Providing Appraisal Reports or Opinions</p> <p>Appraisal reports or opinion letters obtained by the Company from professional appraisers, accountants, lawyers, or securities underwriters must meet the following requirements:</p> <p>9.22.11.1 The professional and their personnel must not have been convicted of violations of the Securities and Exchange Act, Company Act, Banking Act, Insurance Act, Financial Holding Company Act, Business Accounting Act, or crimes involving fraud, breach of trust, embezzlement, forgery, or other business-related offenses resulting in a final sentence of imprisonment for one year or more.</p> <p>This restriction does not apply if the sentence has been served, probation has ended, or a pardon has been granted for more than three years.</p> <p>9.22.11.2 The professional must not be a related party or have a substantive relationship with the transaction counterparty.</p> <p>9.22.11.3 If the Company is required to obtain appraisal reports from two or more professional appraisers, the appraisers and their personnel must not be related parties or have substantive relationships with each other.</p> <p>When issuing appraisal reports or opinion letters, professionals must comply with the self-regulatory standards of their respective industry associations, and must:</p> <p>9.22.11.4 Carefully assess their professional competence, practical experience, and independence before accepting the engagement.</p> <p>9.22.11.5 When executing an engagement, professionals shall properly plan and implement appropriate procedures to reach a conclusion and issue an appraisal report or opinion letter.</p> <p>All procedures performed, data collected, and conclusions reached shall be thoroughly documented in the working papers for the case.</p> <p>9.22.11.6 Professionals shall evaluate the appropriateness and reasonableness of each data source, parameter, and piece of information used as the basis for issuing the appraisal report or opinion letter.</p> <p>9.22.11.7 The declaration shall include confirmation that the relevant personnel possess professional competence and independence, have assessed the reasonableness and appropriateness of the information used, and have complied with applicable laws and regulations.</p>						

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<p>9.22.12 Transactions with Related Parties</p> <p>When the Company acquires or disposes of assets with related parties, in addition to complying with the resolution procedures and transaction reasonableness evaluations specified in Articles 9.22.7 to 9.22.11 and 9.22.12 to 9.22.17, if the transaction amount reaches 10% of the Company's total assets, the Company shall also obtain an appraisal report or accountant's opinion in accordance with Articles 9.22.7 to 9.22.11.</p> <p>The calculation of transaction amounts shall follow the provisions of Article 9.22.9-1.</p> <p>When determining whether a counterparty is a related party, the Company shall consider not only the legal form but also the substance of the relationship.</p> <p>9.22.13 Approval Procedures for Major Transactions with Related Parties</p> <p>If the Company acquires or disposes of real estate or right-of-use assets from or to a related party, or acquires or disposes of other assets from or to a related party (excluding real estate and right-of-use assets), and the transaction amount reaches 20% of paid-in capital, 10% of total assets, or NT\$300 million or more, the following documents shall be submitted to the Audit Committee for approval by at least half of all members, and then approved by the Board of Directors before signing the transaction contract and making payments.</p> <p>Provisions of Articles 9.22.6.4 and 9.22.6.5 shall also apply.</p> <p>Required Documentation:</p> <p>9.22.13.1 Purpose, necessity, and expected benefits of the asset acquisition or disposal.</p> <p>9.22.13.2 Reason for selecting the related party as the transaction counterparty.</p> <p>9.22.13.3 For acquisition of real estate or right-of-use assets from a related party, relevant documents evaluating the reasonableness of the transaction terms in accordance with Articles 9.22.14 to 9.22.14-1.</p> <p>9.22.13.4 Original acquisition date and price of the asset by the related party, transaction counterparty, and their relationship with the Company and the related party.</p> <p>9.22.13.5 Forecast of monthly cash inflows and outflows for the next year starting from the expected contract signing month, and an evaluation of the necessity of the transaction and the reasonableness of fund utilization.</p> <p>9.22.13.6 The appraisal report issued by a professional appraiser or the opinion provided by a certified public accountant obtained in accordance with Article 9.22.12.</p> <p>9.22.13.7 Restrictions and other key terms and conditions of the current transaction.</p> <p>Authorization for Transactions Between the Company and Its Affiliates</p> <p>For transactions between the Company and its parent company, subsidiaries, or subsidiaries that are directly or indirectly 100% owned, the Board of Directors may, in accordance with Articles 9.22.5.2 and 9.22.6.3, authorize the Chairperson to approve transactions within a specified limit, subject to subsequent ratification by the next Board meeting.</p>						

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<p>Authorized Transactions Include:</p> <p>9.22.13.8 Acquisition or disposal of equipment or right-of-use assets for business use.</p> <p>9.22.13.9 Acquisition or disposal of right-of-use assets for real estate intended for business use.</p> <p>Consideration of Independent Directors’ Opinions</p> <p>When submitting a transaction to the Board of Directors for discussion in accordance with the first paragraph, the Company shall fully consider the opinions of independent directors.</p> <p>If any independent director expresses an objection or reservation, such opinion shall be recorded in the minutes of the Board meeting.</p> <p>Shareholder Approval for Major Transactions</p> <p>If the Company or its subsidiaries that are not domestic public companies engage in a transaction described in the first paragraph, and the transaction amount reaches 10% of the Company’s total assets, the Company shall submit the documents listed in the first paragraph to the shareholders’ meeting for approval before signing the transaction contract and making payments.</p> <p>However, transactions between the Company and its parent company, subsidiaries, or between subsidiaries are exempt from this requirement.</p> <p>Transaction Amount Calculation</p> <p>The calculation of transaction amounts under the first and preceding paragraphs shall follow the provisions of Article 9.22.5.3.</p> <p>The term “within one year” refers to the one-year period retroactively calculated from the date of occurrence of the current transaction.</p> <p>Transactions that have already been approved by the shareholders’ meeting, Board of Directors, or acknowledged by the Audit Committee in accordance with these procedures are excluded from recalculation.</p> <p>9.22.14 Reasonableness Evaluation for Real Estate Transactions with Related Parties</p> <p>When the Company acquires real estate or right-of-use assets from a related party, the reasonableness of the transaction cost shall be evaluated using the following methods (Articles 9.22.14.1 and 9.22.14.2):</p> <p>9.22.14.1 Based on the transaction price paid by the related party, plus necessary capital interest and costs legally borne by the buyer.</p> <p>The term “necessary capital interest” shall be calculated using the weighted average interest rate of the Company’s borrowings in the year the asset is acquired, but shall not exceed the maximum borrowing rate for non-financial enterprises as announced by the Ministry of Finance.</p> <p>9.22.14.2 If the related party has previously used the subject asset as collateral for a loan from a financial institution, the total appraised value of the asset by the financial institution may be used as a reference.</p> <p>However, the actual cumulative loan amount must be at least 70% of the appraised value, and the loan period must exceed one year.</p> <p>This provision does not apply if the financial institution and either party to the transaction are related parties.</p>						

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<p>Combined Purchase or Lease of Land and Buildings</p> <p>If the Company purchases or leases both land and buildings as a single transaction, the land and buildings may be evaluated separately using either of the methods listed above.</p> <p>Accountant Review Requirement</p> <p>When the Company acquires real estate or right-of-use assets from a related party, the transaction cost shall be evaluated in accordance with Articles 9.22.14.1 and 9.22.14.2, and a certified public accountant shall be engaged to review and provide a specific opinion on the reasonableness of the transaction.</p> <p>Exceptions to Evaluation Requirements</p> <p>The evaluation methods described above shall not apply in the following cases. Instead, the transaction shall be handled in accordance with Article 9.22.13:</p> <ol style="list-style-type: none"> 1. The related party acquired the real estate or right-of-use asset through inheritance or donation. 2. The related party acquired the real estate or right-of-use asset more than five years prior to the date of the current transaction. 3. The Company enters into a joint construction agreement with the related party, or commissions the related party to construct real estate through self-construction on owned land or construction on leased land. 4. The transaction is between the Company and its parent company, subsidiaries, or subsidiaries that are directly or indirectly 100% owned, and involves the acquisition of right-of-use assets for real estate intended for business use. <p>9.22.14-1 Exceptions to Evaluation Results Below Transaction Price</p> <p>If the evaluation results conducted in accordance with Article 9.22.14.1 and 9.22.14.2 are lower than the transaction price, the Company shall handle the transaction in accordance with Article 9.22.15.</p> <p>However, this requirement does not apply if any of the following circumstances exist, and objective evidence is provided along with specific opinions from a professional real estate appraiser and a certified public accountant confirming the reasonableness of the transaction:</p> <p>(The specific exceptions would typically follow in the next clause or article.)</p> <p>Exceptions to Evaluation Results Below Transaction Price (continued)</p> <ol style="list-style-type: none"> 1. If the related party acquired undeveloped land or leased land and subsequently constructed the property, and can provide evidence that meets one of the following conditions: 						

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<p>I. The undeveloped land is evaluated using the methods specified in the preceding article, and the building is valued based on the construction cost incurred by the related party plus a reasonable construction profit. If the combined amount exceeds the actual transaction price, the transaction may be deemed reasonable. The term “reasonable construction profit” shall be based on the lower of: The average gross profit margin of the related party’s construction division over the past three fiscal years, or The most recent gross profit margin for the construction industry as announced by the Ministry of Finance.</p> <p>II. There are comparable transactions involving other floors of the same property or nearby properties within the past year, conducted with unrelated parties, where: The area is similar, and After adjusting for reasonable differences in floor level or location based on real estate market practices, the transaction terms are deemed comparable.</p> <p>2. The Company provides evidence that the real estate acquired from a related party, or the right-of-use asset obtained through lease, has transaction terms comparable to other transactions conducted within the past year in nearby areas with unrelated parties, and the property size is similar.</p> <p>The term “nearby areas” refers to properties located on the same or adjacent blocks, within a radius of no more than 500 meters from the subject property, or with similar publicly announced current values. The term “similar size” means that the area of the unrelated party transaction is not less than 50% of the area of the subject property. The term “within one year” refers to the one-year period retroactively calculated from the date of occurrence of the current acquisition of the real estate or right-of-use asset.</p> <p>9.22.15 Handling When Evaluation Results Are Lower Than Transaction Price If the Company acquires real estate or right-of-use assets from a related party, and the evaluation results conducted in accordance with Articles 9.22.14 and 9.22.14-1 are lower than the transaction price, the Company shall take the following actions:</p> <p>9.22.15.1 The difference between the transaction price and the evaluated cost of the real estate or right-of-use asset shall be appropriated as a special reserve in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act, and shall not be distributed or converted into capital for stock issuance. If an investor applying the equity method to evaluate its investment in the Company is a public company, it shall also appropriate a special reserve in proportion to its shareholding in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act.</p> <p>9.22.15.2 The Audit Committee shall handle the matter in accordance with Article 218 of the Company Act.</p> <p>9.22.15.3 The circumstances handled under Articles 9.22.15.1 and 9.22.15.2 shall be reported to the shareholders' meeting, and the detailed content of the transactions shall be disclosed in the annual report and the prospectus.</p>						

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<p>If the Company has appropriated a special reserve pursuant to the preceding paragraph, such reserve may only be utilized after the assets acquired or leased at a high price have been recognized for impairment loss, disposed of, the lease terminated, appropriately compensated, restored to their original condition, or other evidence confirms that the transaction was not unreasonable, and with the approval of the competent authority.</p> <p>If the Company acquires real estate or usage rights to real estate from related parties, and there is other evidence indicating that the transaction is not in line with normal business practices, the Company shall also handle the matter in accordance with the preceding two paragraphs.</p> <p>9.22.16 When the Company engages in derivative transactions, it shall follow the procedures outlined in the Company’s “Procedures for Engaging in Derivative Transactions,” and pay attention to matters related to risk management and auditing to ensure the implementation of the internal control system.</p> <p>9.22.16-1 When the Company engages in derivative transactions, the Board of Directors shall supervise and manage in accordance with the following principles:</p> <ol style="list-style-type: none"> 1. Designated senior executives shall continuously monitor and control the risks associated with derivative transactions. 2. Periodically evaluate whether the performance of derivative transactions aligns with the established business strategies and whether the risks undertaken are within the Company’s acceptable range. <p>Senior executives authorized by the Board of Directors shall manage derivative transactions in accordance with the following principles:</p> <ol style="list-style-type: none"> 1. Periodically evaluate whether the current risk management measures are appropriate and ensure that transactions are conducted in accordance with this procedure and the Company’s “Procedures for Engaging in Derivative Transactions.” 2. Supervise the transactions and profit/loss status. If any irregularities are found, necessary countermeasures shall be taken immediately and reported to the Board of Directors without delay. <p>When the Company engages in derivative transactions and authorizes relevant personnel to handle them in accordance with the established procedures, the transactions shall be subsequently reported to the most recent Board of Directors meeting.</p> <p>9.22.17 When the Company conducts a merger, demerger, acquisition, or share transfer, it shall, prior to convening the Board of Directors to make a resolution, engage a CPA, lawyer, or securities underwriter to provide an opinion on the reasonableness of the share exchange ratio, acquisition price, or the cash or other property distributed to shareholders, and submit the matter to the Board of Directors for discussion and approval.</p> <p>However, in the case of a public company merging with a subsidiary in which it directly or indirectly holds 100% of the issued shares or total capital, or a merger between subsidiaries in which the public company directly or indirectly holds 100% of the issued shares or total capital, the aforementioned expert opinion on reasonableness may be exempted.</p>						

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<p>The Company shall prepare a public document for shareholders prior to the shareholders' meeting, detailing the key terms and related matters of the merger, demerger, or acquisition. This document shall be delivered to shareholders together with the expert opinion mentioned in the preceding paragraph and the notice of the shareholders' meeting, to serve as a reference for deciding whether to approve the proposed merger, demerger, or acquisition. However, if other laws provide that a shareholders' meeting resolution for the merger, demerger, or acquisition is not required, this provision shall not apply.</p> <p>If any party involved in a merger, demerger, or acquisition is unable to convene or pass a resolution at its shareholders' meeting due to insufficient attendance, voting rights, or other legal restrictions, or if the proposal is rejected by the shareholders' meeting, the participating company shall immediately make a public announcement explaining the reasons for the occurrence, the subsequent handling procedures, and the expected date of the next shareholders' meeting.</p> <p>9.22.18 Unless otherwise provided by law or under special circumstances approved in advance by the Financial Supervisory Commission (FSC), the Company shall convene the Board of Directors and the Shareholders' Meeting on the same day to resolve matters related to mergers, demergers, or acquisitions.</p> <p>For companies participating in share transfers, unless otherwise provided by law or under special circumstances approved in advance by the FSC, the Board of Directors shall be convened on the same day.</p> <p>Listed companies or companies whose shares are traded at securities firms participating in mergers, demergers, acquisitions, or share transfers shall prepare and retain complete written records of the following information (Items 9.22.18.1 to 9.22.18.3) for five years for audit purposes:</p> <p>9.22.18.1 Basic Information of Personnel: Including the title, name, and ID number (or passport number for foreign nationals) of all individuals involved in the planning or execution of the merger, demerger, acquisition, or share transfer prior to public disclosure.</p> <p>9.22.18.2 Key Dates: Including the dates of signing letters of intent or memoranda of understanding, engagement of financial or legal advisors, contract signing, and Board meetings.</p> <p>9.22.18.3 Important Documents and Meeting Minutes: Including the merger, demerger, acquisition, or share transfer plans, letters of intent or memoranda of understanding, key contracts, and Board meeting minutes.</p> <p>Listed companies or companies whose shares are traded at securities firms shall, within two days from the date of the Board resolution, submit the information under Items 9.22.18.1 and 9.22.18.2 to the FSC via the internet information system in the prescribed format.</p>						

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<p>If any participating company is not a listed company or a company whose shares are traded at securities firms, the listed or traded company shall enter into an agreement with such company and handle matters in accordance with the provisions of the third and fourth paragraphs above.</p> <p>All individuals who participate in or are aware of the Company's merger, demerger, acquisition, or share transfer plans shall sign a written confidentiality agreement and shall not disclose the contents of the plan before it is made public. They shall also refrain from trading, either personally or through others, in the shares or equity-related securities of any company involved in the merger, demerger, acquisition, or share transfer.</p> <p>9.22.19 When the Company participates in a merger, demerger, acquisition, or share transfer, the share exchange ratio or acquisition price shall not be arbitrarily changed, except under the following circumstances, which must be specified in the merger, demerger, acquisition, or share transfer agreement:</p> <ol style="list-style-type: none"> 1. Conducting capital increases in cash, issuing convertible corporate bonds, distributing stock dividends, issuing corporate bonds with warrants, preferred shares with warrants, subscription warrants, or other equity-related securities. 2. Disposal of major assets that affect the Company's financial or business operations. 3. Occurrence of major disasters, significant technological changes, or other events that affect shareholder equity or securities prices. 4. Adjustment due to any party involved in the merger, demerger, acquisition, or share transfer repurchasing treasury shares in accordance with the law. 5. Changes in the number or identity of participating entities. 6. Other conditions for change that have been specified in the agreement and publicly disclosed. <p>The agreement for the Company's participation in a merger, demerger, acquisition, or share transfer shall specify the rights and obligations of the participating companies and include the following items:</p> <ol style="list-style-type: none"> 1. Handling of breach of contract. 2. Principles for handling equity-related securities issued or treasury shares repurchased by the dissolved or demerged company prior to the merger. 3. The number of treasury shares that may be repurchased by participating companies after the base date for calculating the share exchange ratio, and the principles for handling such shares. 4. Methods for handling changes in the number or identity of participating entities. 5. Expected implementation schedule and estimated completion timeline of the plan. 6. If the plan is not completed within the scheduled timeframe, the procedures for handling such delays, including the scheduled date for convening a shareholders' meeting as required by law, shall be specified. 						

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<p>If any party involved in the merger, demerger, acquisition, or share transfer intends to engage in another merger, demerger, acquisition, or share transfer with a different company after the information has been publicly disclosed, then—unless the number of participating entities is reduced and the shareholders’ meeting has already resolved and authorized the Board of Directors to make such changes—the participating companies must reconduct all procedures or legal actions that were already completed under the original plan.</p> <p>If any of the participating companies is not a public company, the Company shall enter into an agreement with such entity and handle the matter in accordance with Article 9.22.18 and the preceding paragraph.</p> <p>9.22.20 Regulations on Subsidiary Asset Acquisition or Disposal</p> <p>9.22.20.1 Subsidiaries shall handle asset acquisition or disposal in accordance with the regulations of the parent company.</p> <p>9.22.20.2 If a subsidiary is not a domestic public company and its asset acquisition or disposal meets the disclosure standards specified in Article 5.3, the parent company shall be responsible for the announcement and reporting.</p> <p>9.22.20.3 For the disclosure standards applicable to subsidiaries, any reference to paid-in capital or total assets shall be based on the paid-in capital or total assets of the parent company.</p> <p>The term “subsidiary” refers to an investee company in which the Company directly holds more than 50% of the issued voting shares, or a company in which the Company indirectly holds more than 50% of the issued voting shares through a subsidiary. This definition shall apply mutatis mutandis to other similar cases where the Company directly and indirectly holds more than 50% of the issued voting shares.</p> <p>9.22.20-1 For provisions in this procedure that refer to 10% of total assets, the calculation shall be based on the total assets stated in the most recent individual financial report prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers.”</p> <p>For companies whose shares have no par value or a par value other than NT\$10 per share, the transaction amount threshold based on 20% of paid-in capital shall be calculated as 10% of equity attributable to owners of the parent. The transaction amount threshold based on NT\$10 billion of paid-in capital shall be calculated as NT\$20 billion of equity attributable to owners of the parent.</p> <p>9.22.21 Disclosure in Financial Statements</p> <p>If the Company acquires or disposes of assets that meet the disclosure standards specified in Article 9.22.5.3, and the counterparty is a substantive related party, the disclosed information shall be included in the notes to the financial statements and reported to the shareholders’ meeting.</p> <p>9.22.22 Violations by Relevant Personnel</p> <p>Any personnel who violate this procedure or its provisions shall be handled in accordance with the Company’s personnel regulations and “Work Rules.”</p>						

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<p>9.22.22-1 Other Important Matters</p> <p>Transactions with related parties, derivative transactions, mergers, demergers, acquisitions, or share transfers conducted by the Company shall be handled in accordance with the provisions set forth above.</p> <p>The Company shall supervise its subsidiaries to establish and implement procedures for asset acquisition or disposal in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies,” or may follow the Company’s own “Procedures for Acquisition or Disposal of Assets.”</p> <p>9.22.23 Effective Date</p> <p>The Company’s “Procedures for Acquisition or Disposal of Assets” shall be implemented upon approval by more than half of all members of the Audit Committee and resolution by the Board of Directors, followed by approval at the Shareholders’ Meeting. The same procedure shall apply to any amendments.</p> <p>If the above approval by more than half of all Audit Committee members is not obtained, the procedure may be implemented with the consent of at least two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.</p> <p>The term “all members of the Audit Committee” and “all directors” refers to those currently holding office.</p> <p>When submitting the “Procedures for Acquisition or Disposal of Assets” to the Board of Directors for discussion in accordance with the preceding paragraph, the opinions of all independent directors shall be fully considered. If any independent director expresses an objection or reservation, it shall be recorded in the minutes of the Board meeting.</p>						