

Pili International Multimedia Co., Ltd. Internal Control System		Document No.	Issuing Department	Revision	Effective Date	Page
Cyclical Operations	9. Other Control Activities	CO-105	Capital Center	5	114/5/27	2
Internal Control Measures	9.5 Endorsement and Guarantee Procedures					
Operating Procedures and Key Control Points					Using the Form	
9.5 Endorsement and Guarantee Operating Procedures:						
<p>9.5 Endorsement and Guarantee:</p> <p>Endorsements and guarantees as defined in these procedures refer to the following:</p> <p>9.5.1 Definition of Endorsements and Guarantees in These Procedures:</p> <p>1. Financing endorsements and guarantees, including:</p> <p>1. Discounting of commercial paper.</p> <p>2. Endorsements or guarantees made for the purpose of financing other companies.</p> <p>3. Issuance of negotiable instruments to non-financial enterprises as collateral for the company's own financing purposes.</p> <p>2. Customs endorsements and guarantees, referring to endorsements or guarantees made for the company or other companies in relation to customs matters.</p> <p>3. Other endorsements and guarantees, referring to endorsements or guarantees that cannot be classified under the above two categories.</p> <p>If the company provides movable or immovable property as collateral for another company's loan by establishing a pledge or mortgage, it shall also be handled in accordance with these operating procedures.</p> <p>9.5.2 Entities Eligible for Endorsements and Guarantees:</p> <p>The company may provide endorsements and guarantees to the following entities:</p> <p>1. Companies with business dealings.</p> <p>2. Companies in which the company directly or indirectly holds more than 50% of voting shares.</p> <p>3. Companies that directly or indirectly hold more than 50% of the company’s voting shares.</p>						

Pili International Multimedia Co., Ltd. Internal Control System		Document No.	Issuing Department	Revision	Effective Date	Page
Cyclical Operations	9. Other Control Activities	CO-105	Capital Center	5	114/5/27	3
Internal Control Measures	9.5 Endorsement and Guarantee Procedures					
Operating Procedures and Key Control Points					Using the Form	
<p>9.5.3 Definition of Subsidiary and Parent Company; Net Worth Reference:</p> <p>The terms “subsidiary” and “parent company” as used in these procedures shall be defined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>If the company prepares its financial reports in accordance with International Financial Reporting Standards (IFRS) after becoming a public company, 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 under the aforementioned regulations.</p> <p>9.5.4 Limits on Endorsements and Guarantees:</p> <p>The total amount of liability and the limit standards for the company’s external endorsements and guarantees are as follows:</p> <ol style="list-style-type: none">1. The total amount of external endorsements and guarantees shall not exceed 50% (exclusive) of the company’s net worth.2. The amount of endorsements and guarantees for any single enterprise shall not exceed 50% (exclusive) of the company’s net worth.3. The combined total amount of endorsements and guarantees by the company and its subsidiaries shall not exceed 50% (exclusive) of the company’s net worth.4. The combined amount of endorsements and guarantees by the company and its subsidiaries for any single enterprise shall not exceed 50% (exclusive) of the company’s net worth.5. Endorsements and guarantees may be made between companies in which the company directly or indirectly holds 90% or more of voting shares, provided the amount does not exceed 10% of the company’s net worth. However, endorsements and guarantees between companies in which the company directly or indirectly holds 100% of voting shares are not subject to this limit.6. If the company needs to exceed the above limits due to business requirements and meets the conditions specified in the company’s endorsement and guarantee operating procedures, the matter shall be submitted to the Board of Directors for resolution. More than half of the directors must jointly guarantee any potential losses resulting from the excess amount. The procedures shall be amended and submitted to the Shareholders’ Meeting for ratification. <p>If the Shareholders’ Meeting does not approve, the matter shall be reported to the Board of Directors to formulate a plan to eliminate the excess amount within a specified period.</p> <p>When the Board of Directors discusses the matter, the opinions of all independent directors shall be fully considered, and their explicit agreement or disagreement and the reasons for any objections shall be recorded in the minutes of the Board meeting.</p> <p>The net worth shall be based on the most recent financial statements audited or reviewed by a certified public accountant.</p>					Balance Sheet	

Pili International Multimedia Co., Ltd. Internal Control System		Document No.	Issuing Department	Revision	Effective Date	Page
Cyclical Operations	9. Other Control Activities	CO-105	Capital Center	5	114/5/27	4
Internal Control Measures	9.5 Endorsement and Guarantee Procedures					
Operating Procedures and Key Control Points					Using the Form	
<p>9.5.5 Procedures for Handling Endorsements and Guarantees:</p> <p>1. When the company handles endorsements and guarantees, the finance and accounting department shall review the qualifications of the endorsed or guaranteed company item by item, verify whether the amount complies with the provisions of these operating procedures, and determine whether the matter meets the criteria for public announcement and reporting. The department shall also analyze and assess the risks of the endorsement or guarantee and keep records. The report shall specify the relevant details, reasons, and risk assessment results of the endorsement or guarantee, and be submitted to the Chairperson for approval. After discussion and approval by the Board of Directors, the endorsement or guarantee may proceed.</p> <p>If the endorsement or guarantee amount is NT\$30 million or less, the Chairperson may approve it directly, with subsequent ratification by the next Board meeting.</p> <p>If the amount exceeds NT\$30 million, prior approval by the Board of Directors is required.</p> <p>If the company has appointed independent directors, their opinions shall be fully considered when making endorsements or guarantees for others. Their explicit agreement or disagreement and the reasons for any objections shall be recorded in the minutes of the Board meeting.</p> <p>2. The Accounting and Finance Department shall conduct a credit investigation and risk assessment on the company being endorsed and guaranteed. The assessment should include the following items:</p> <p>2.1. The necessity and reasonableness of the endorsement and guarantee.</p> <p>2.2. Credit investigation and risk assessment of the endorsed and guaranteed party.</p> <p>2.3. The impact on the company’s operational risk, financial condition, and shareholders’ equity.</p> <p>2.4. Whether collateral should be obtained and the assessed value of such collateral.</p> <p>2.5. If the endorsement and guarantee arise from business dealings, whether the amount of the endorsement and guarantee is commensurate with the annual transaction amount.</p>						

Pili International Multimedia Co., Ltd. Internal Control System		Document No.	Issuing Department	Revision	Effective Date	Page
Cyclical Operations	9. Other Control Activities	CO-105	Capital Center	5	114/5/27	5
Internal Control Measures	9.5 Endorsement and Guarantee Procedures					
Operating Procedures and Key Control Points					Using the Form	
<div>3. When the Company handles endorsements and guarantees, the Accounting and Finance Department shall establish an “Endorsement and Guarantee Registry.” After the endorsement and guarantee are approved by the Board of Directors, in addition to applying for the company seal according to the prescribed procedures, the details of the endorsement and guarantee, the guaranteed party, the results of the risk assessment, the amount of the endorsement and guarantee, and the date of Board approval shall be thoroughly recorded in the registry.</div> <div>4. When the guaranteed company repays its obligations, it shall notify the Company of the repayment details to release the Company from its guarantee responsibility, and such information shall be recorded in the Endorsement and Guarantee Registry.</div> <div>5. The Company shall assess or recognize any contingent losses related to endorsements and guarantees, disclose relevant information appropriately in the financial reports, and provide necessary data to the certifying accountant for audit procedures.</div> <div>6. The Company’s managers and responsible personnel shall comply with these procedures when handling matters related to endorsements and guarantees to prevent operational losses due to improper practices. Any violations of relevant laws or these procedures shall be subject to disciplinary actions in accordance with the Company’s personnel regulations.</div> <div>9.5.6 Procedures for Use and Custody of Company Seals:</div> <div>1. The Company shall use the company seal registered with the Ministry of Economic Affairs and the seal of the responsible person exclusively for endorsements and guarantees. These two seals shall be kept by different individuals. Blank negotiable instruments shall be kept by the Accounting and Finance Department. The personnel involved shall be authorized by the Chairman, and any changes shall follow the same authorization procedure.</div> <div>2. After the endorsement and guarantee are approved by the Board of Directors, the Accounting and Finance Department shall complete a “Seal Application Form.” Together with the approval records and relevant documents such as the endorsement and guarantee contract or negotiable instruments, the documents shall be approved by the head of the Accounting and Finance Department and the Chairman before the seal may be affixed.</div> <div>3. For guarantees issued to foreign companies, the “Letter of Guarantee” issued by the Company shall be signed by a person authorized by the Board of Directors.</div>					Endorsement and Guarantee Registry Book	
					Seal Application Form	
					Letter of Guarantee	

Pili International Multimedia Co., Ltd. Internal Control System		Document No.	Issuing Department	Revision	Effective Date	Page
Cyclical Operations	9. Other Control Activities	CO-105	Capital Center	5	114/5/27	6
Internal Control Measures	9.5 Endorsement and Guarantee Procedures					
Operating Procedures and Key Control Points					Using the Form	
<p>9.5.7 Internal Control:</p> <p>1. The Company’s internal audit personnel shall audit the endorsement and guarantee procedures and their implementation at least quarterly, and prepare written records. If any major violations are found, they shall immediately notify the independent directors in writing.</p> <p>2. If changes in circumstances result in the endorsement and guarantee targets becoming non-compliant or the amounts exceeding limits, the Company shall formulate an improvement plan and submit the relevant plan to the independent directors and the Audit Committee. The improvements shall be completed according to the scheduled timeline.</p> <p>3. If the endorsement and guarantee target is a subsidiary whose net worth is less than half of its paid-in capital, the responsible personnel in the Finance Department shall compile a monthly summary of changes and balances in endorsements and guarantees, and submit it to the Chairman for review. If the subsidiary’s operations continue to deteriorate or there is a potential risk related to the endorsement and guarantee, it shall be reported to the Chairman immediately along with a plan to mitigate the risk.</p> <p>For subsidiaries with no par value shares or shares with a par value other than NT\$10 per share, the calculation of paid-in capital shall be based on the sum of capital stock and capital surplus—share premium.</p> <p>9.5.8 Public Announcement and Reporting Procedures:</p> <p>The Company shall publicly announce and report the endorsement and guarantee balances of the Company and its subsidiaries for the previous month by the 10th day of each month.</p> <p>If the endorsement and guarantee balances meet any of the following criteria, the Company shall make a public announcement and report within two days from the date the fact occurs:</p> <p>1. The combined endorsement and guarantee balances of the Company and its subsidiaries reach 50% or more of the Company’s net worth as stated in the most recent financial statements.</p> <p>2. The endorsement and guarantee balance for a single enterprise by the Company and its subsidiaries reaches 20% or more of the Company’s net worth as stated in the most recent financial statements.</p> <p>3. The endorsement and guarantee balance for a single enterprise by the Company and its subsidiaries reaches NT\$10 million or more, and the combined total of the endorsement and guarantee amount, the book value of investments accounted for under the equity method, and the loan balance to the enterprise reaches 30% or more of the Company’s net worth as stated in the most recent financial statements.</p>						

Pili International Multimedia Co., Ltd. Internal Control System		Document No.	Issuing Department	Revision	Effective Date	Page
Cyclical Operations	9. Other Control Activities	CO-105	Capital Center	5	114/5/27	7
Internal Control Measures	9.5 Endorsement and Guarantee Procedures					
Operating Procedures and Key Control Points					Using the Form	
<p>4. The newly added endorsement and guarantee amount by the Company and its subsidiaries reaches NT\$30 million or more and 5% or more of the Company’s net worth as stated in the most recent financial statements.</p> <p>If a subsidiary of the Company is not a domestic public company and meets any of the above criteria requiring public announcement and reporting, the Company shall make the announcement and report on its behalf.</p> <p>The term “date the fact occurs” in these procedures refers to the earlier of the contract signing date, payment date, date of board resolution, or any other date that confirms the endorsement and guarantee target and amount.</p> <p>9.5.9 Control Procedures for Endorsements and Guarantees to Subsidiaries:</p> <p>1. Subsidiaries shall, in accordance with applicable regulations, establish their own Endorsement and Guarantee Operating Procedures, and implement them after obtaining approval from their Board of Directors and Shareholders’ Meeting. They shall follow the procedures they have established, or may alternatively follow the parent company’s Endorsement and Guarantee Operating Procedures.</p> <p>If a subsidiary provides endorsements or guarantees to other parties, it shall compile a detailed report of the previous month’s endorsements and guarantees by the 5th of each month for the parent company’s review.</p> <p>Before making endorsements or guarantees between subsidiaries in which the parent company directly or indirectly holds 90% or more of voting shares, the matter shall be submitted to the parent company’s Board of Directors for approval.</p> <p>However, endorsements or guarantees between subsidiaries in which the parent company directly or indirectly holds 100% of voting shares are exempt from this requirement.</p> <p>2. The limit for external endorsements and guarantees by subsidiaries shall be based on the parent company’s net worth.</p> <p>9.5.10 Implementation and Amendment of Procedures:</p> <p>These operating procedures shall be approved by more than half of all members of the Audit Committee and resolved by the Board of Directors, then submitted to the shareholders’ meeting for approval before implementation. The same applies to any amendments.</p> <p>If the procedures are not approved by more than half of all Audit Committee members, they may be approved by at least two-thirds of all directors. The board meeting minutes shall clearly record the resolution of the Audit Committee.</p> <p>The term “all members of the Audit Committee” and “all directors” refers to those currently in office.</p>						