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9.8 Operational Procedures for Lending Funds to Others

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9.8.1 Borrowers and Evaluation Criteria: According to Article 15 of the Company Act, funds shall not be lent to shareholders or any other persons except under the following circumstances: 9.8.1.1 Companies that have business transactions with the Company. "Business transactions" refer to companies that engage in purchasing from or selling to the Company. 9.8.1.2 Affiliates of the Company that require short-term financing for operational needs. The term "affiliates" as used in these procedures shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. 9.8.2 Limits on Total Lending Amount and Individual Borrowers: The total amount of funds lent by the Company due to business transactions and short-term financing needs shall comply with the following regulations: 9.8.2.1 The total amount of funds lent by the Company shall not exceed 40% of the Company's net worth. 9.8.2.2 The amount of financing provided to a single enterprise (either a company with business transactions or an affiliated company) shall not exceed 10% of the Company's net worth. 9.8.2.3 The term "short-term" refers to a period of one year (inclusive). 9.8.2.4 The term "financing amount" refers to the cumulative balance of short-term financing provided by the Company. "Net worth" shall be defined as the equity attributable to owners of the parent company in the balance sheet, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. 9.8.2.5 Lending of funds between foreign companies in which the Company directly or indirectly holds 100% of voting shares, or lending of funds from such foreign companies to the Company, shall not be subject to the restriction in Clause 9.8.2.2. However, the total amount and duration of such lending shall still be governed by Clauses 9.8.2.1 and 9.8.3. 9.8.2.6 If any responsible person of the Company violates the provisions of Clauses 9.8.1 or 9.8.2.1, they shall be jointly and severally liable with the borrower for repayment. If the Company suffers any damages, the responsible person shall also be liable for compensation.						

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<div>9.8.3 Loan Term and Interest Calculation Method:<div>9.8.3.1 The term of each loan shall, in principle, not exceed one year from the date of disbursement. However, if the Company's operating cycle exceeds one year, the loan term may be based on the operating cycle.</div>9.8.3.2 The interest on the loan shall be calculated based on an annual interest rate not lower than the highest short-term borrowing rate the Company obtains from financial institutions, and interest shall be calculated on a monthly basis.<div>If the Company does not have any short-term borrowings from financial institutions, the interest shall be calculated in accordance with the provisions of the Income Tax Act.</div>The borrower shall be notified one week before the agreed interest payment date to make timely payments. Upon maturity, the borrower shall repay both the principal and the interest in full.</div>					Application Form for Lending Funds to Others	
<div>9.8.4 Application and Review Procedures<div>9.8.4.1 Application<div>(1) Application Process:<div>1.1 The borrower shall provide basic information, financial data, and guarantee details, and complete the "Application Form for Lending Funds to Others," specifying the purpose of the loan, loan period, and amount. The application shall be submitted to the Company's finance and accounting department for evaluation and then approved by the Board of Directors upon submission by the Chairman.<div>If the Company has appointed independent directors, their opinions shall be fully considered. Any explicit consent or objection, along with the reasons for objection, shall be recorded in the minutes of the Board meeting.</div></div>1.2 The finance and accounting department shall conduct a detailed review of the borrower, which shall include at least the following aspects:<div><div><div>(1) The necessity and reasonableness of lending funds to others.</div><div>(2) Credit investigation and risk assessment of the borrower.</div><div>(3) The impact on the Company's operational risk, financial condition, and shareholders' equity.</div><div>(4) Whether collateral should be obtained and the appraised value of such collateral.</div></div></div>1.3 For renewal of loans, a new investigation shall generally be conducted at the time of renewal. In cases of significant or urgent matters, investigations may be conducted as needed.</div>1.4 If the borrower has sound financial standing and the annual financial statements have been audited and certified by an accountant for financing purposes, an investigation report that is less than one year old may be reused, along with the accountant's audit and certification report for the relevant period, as reference for the loan decision.</div></div>						

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<p>(2) Loan Approval and Notification:</p> <p>Once the Board of Directors resolves to approve the loan application, the responsible personnel shall promptly notify the borrower in writing, detailing the loan terms set by the Company, including the amount, duration, interest rate, collateral, and guarantor(s).</p> <p>If the Board of Directors resolves not to approve the loan application, the responsible personnel shall promptly inform the borrower of the reason for the rejection in a courteous manner.</p> <p>(3) Disbursement:</p> <p>3.1 After the loan amount is approved, the borrower shall complete a "Disbursement Application Form" to request fund withdrawal from the Company.</p> <p>3.2 When applying for disbursement, the borrower shall provide a promissory note of the same amount (exempted for transactions between the Company and its 100% owned parent or subsidiary companies, or between 100% owned subsidiaries).</p> <p>If necessary, the borrower shall also complete procedures for the registration of pledge or mortgage on movable or immovable property to secure the Company’s claims.</p> <p>3.3 For fund lending between the Company and its parent or subsidiary companies, or between subsidiaries, a resolution from the borrower's Board of Directors shall be provided. The Board may authorize its Chairman to disburse the loan in installments or on a revolving basis within a specified amount and a period not exceeding one year.</p> <p>3.4 For fund lending between the Company and affiliated enterprises that are not subsidiaries, or companies with business transactions, a resolution from the borrower's Board of Directors shall be provided. The Board may authorize its Chairman to disburse the loan in installments within a specified amount and a period not exceeding one year, but revolving use is not permitted.</p> <p>(4) Repayment:</p> <p>Upon loan maturity, the borrower shall first calculate the interest payable and repay both the principal and interest in full. Only after repayment may the promissory note, IOU, or other debt instruments be canceled and returned to the borrower.</p> <p>If the borrower applies for the cancellation of a mortgage, the Company shall first verify whether any outstanding loan balance remains before deciding whether to approve the cancellation.</p>					Disbursement Application Form	

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<div>9.8.5 Post-Lending Control Measures and Procedures for Handling Overdue Claims</div> <div>9.8.5.1 After the loan is disbursed, the finance and accounting department shall regularly monitor the financial, operational, and credit status of the borrower and guarantor. When necessary, the borrower may be required to provide financial information on an ad hoc basis.</div> <div>If collateral has been provided, its value shall be monitored for any changes. In the event of significant changes, the matter shall be reported to the Chairman immediately for appropriate action.</div> <div>In accordance with generally accepted accounting principles, the Company shall assess the status of the loan, set aside adequate allowance for bad debts, disclose relevant information in the financial reports, and provide necessary documentation to the certifying accountant for audit procedures and issuance of a proper audit report.</div> <div>9.8.5.2 Prior to loan maturity, the borrower shall be notified to repay the principal and interest.</div> <div>If the borrower is unable to repay upon maturity and wishes to extend the loan, a formal request must be submitted and approved by the Board of Directors.</div> <div>If no extension request is submitted, the Company shall immediately conduct an evaluation and propose a handling strategy to the Chairman for appropriate action.</div> <div>If collateral has been provided, its value shall continue to be monitored, and any significant changes shall be reported to the Chairman for appropriate handling.</div> <div>9.8.5.3 In the event of overdue claims that remain uncollected despite reminders, the Company shall initiate legal proceedings against the debtor to safeguard its rights and interests.</div> <div>9.8.6 Internal Control</div> <div>9.8.6.1 When handling fund lending matters, the Company shall establish a “Fund Lending Registry” to record details including the borrower, loan amount, date of Board approval, date of disbursement, and other items that must be prudently evaluated in accordance with these procedures.</div> <div>9.8.6.2 After the loan is disbursed, the responsible personnel shall organize all debt-related documents such as loan agreements, promissory notes, collateral certificates, insurance policies, and correspondence. These documents shall be placed in a custody envelope, with the contents and borrower’s name clearly labeled. The envelope shall be inspected by the head of the finance and accounting department, sealed upon verification, and signed or stamped by both parties in the custody register.</div> <div>9.8.6.3 The Company’s internal audit personnel shall audit the fund lending procedures and their implementation at least quarterly and prepare written records. If any major violations are found, they shall immediately notify the independent directors and the Audit Committee in writing.</div>					Fund Lending Registry	

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<p>9.8.6.4 If changes in circumstances result in lending to parties not in compliance with regulations or exceeding approved limits, the Company shall formulate an improvement plan and submit it to the independent directors and the Audit Committee.</p> <p>9.8.7 Control Procedures for Subsidiaries Lending Funds to Others</p> <p>9.8.7.1 If a subsidiary of the Company intends to lend funds to others, it shall establish its own operational procedures for lending funds to others and follow those procedures, or it may adopt the Company’s “Operational Procedures for Lending Funds to Others.”</p> <p>However, the calculation of net worth shall be based on the subsidiary’s own net worth.</p> <p>9.8.7.2 The internal audit personnel of the subsidiary shall audit the procedures and implementation of fund lending to others at least quarterly and prepare written records.</p> <p>If any major violations are found, they shall immediately notify the Company’s audit unit in writing. The Company’s audit unit shall forward the written information to the Audit Committee.</p> <p>9.8.7.3 When the Company’s audit personnel conduct audits at the subsidiary according to the annual audit plan, they shall also review the implementation of the subsidiary’s fund lending procedures.</p> <p>If any deficiencies are found, they shall continue to follow up on the improvement actions and prepare a follow-up report to be submitted to the Board of Directors and the Audit Committee.</p> <p>9.8.7.4 For fund lending between the Company and its subsidiaries, or between subsidiaries, a resolution from the subsidiary’s Board of Directors shall be provided.</p> <p>The subsidiary’s “Application Form for Lending Funds to Others” shall be submitted to the parent company’s General Manager for approval.</p> <p>9.8.8 Public Disclosure and Reporting Procedures</p> <p>9.8.8.1 The Company shall publicly disclose and report the fund lending balances of both the Company and its subsidiaries for the previous month by the 10th day of each month.</p> <p>9.8.8.2 If the Company’s fund lending meets any of the following criteria, it shall publicly disclose and report the information within two days from the date of occurrence:</p> <p>I. The combined fund lending balance of the Company and its subsidiaries to others reaches 20% or more of the Company’s net worth as stated in the most recent financial statements.</p> <p>II. The combined fund lending balance of the Company and its subsidiaries to a single enterprise reaches 10% or more of the Company’s net worth as stated in the most recent financial statements.</p>						

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<p>III. The newly added fund lending amount by the Company or any of its subsidiaries reaches NT\$10 million or more and accounts for 2% or more of the Company’s net worth as stated in the most recent financial statements.</p> <p>If a subsidiary of a public company is not itself a domestic public company, and the subsidiary meets the criteria specified in Item 3 above, the public company shall be responsible for the disclosure and reporting.</p> <p>The term “date of occurrence” as used in these procedures refers to the earlier of the following dates: the contract signing date, payment date, date of Board resolution, or any other date that confirms the lending party and amount.</p> <p>9.8.9 Implementation and Amendment</p> <p>The Company shall establish the “Operational Procedures for Lending Funds to Others,” which shall be reviewed by the Audit Committee, approved by the Board of Directors, and submitted to the Shareholders’ Meeting for approval.</p> <p>If any director expresses dissent and provides a record or written statement, the Company shall submit such dissenting opinion to the Audit Committee and present it to the Shareholders’ Meeting for discussion. The same procedure shall apply to any amendments.</p> <p>The establishment or amendment of the operational procedures for lending funds to others shall be approved by more than half of all Audit Committee members. If such approval is not obtained, the procedures may be adopted with the consent of at least two-thirds of all directors, and the Board meeting minutes shall clearly record the resolution of the Audit Committee.</p> <p>The term “all Audit Committee members” and “all directors” refers to those currently in office.</p> <p>Managers and responsible personnel of the Company shall comply with these procedures when handling matters related to fund lending, to prevent losses caused by improper operations.</p> <p>Any violations of relevant laws or these procedures shall be subject to disciplinary action in accordance with the Company’s personnel regulations.</p>						