

ASMedia Technology Inc.

Rules Governing Financial and Business Matters Between Affiliated Parties

Article 1

To ensure the soundness of financial and business transactions between ASMedia Technology Inc. (the “Company”) and its affiliated parties, and to prevent non-arm’s length transactions and improper transfer of benefits with respect to sales and purchases of goods, acquisition and disposal of assets, endorsements, guarantees, and financial lending between affiliated parties, the Rules Governing Financial and Business Matters Between Affiliated Parties (the “Rules”) are established in accordance with the provisions of Article 17 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2

In the absence of provisions established by law or the Articles of Incorporation, financial and business transactions involving the Company and any of its affiliated parties shall be conducted in accordance with the regulations stipulated in the Rules.

Article 3

The term “affiliated parties” as referred to in the Rules shall be defined based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The term “affiliated enterprises” as referred to in the Rules means an enterprise that, in accordance with Article 369-1 of the Company Act, exists independently and has either of the following relationships with the Company:

1. A relationship of control or subordination.
2. A relationship of mutual investment. In determining whether a relationship of control or subordination under the preceding subparagraph exists, the substantive nature of the relationship shall be taken into account in addition to the legal form.

Article 4

The Company shall consider the overall operational activities, establish an effective internal control system with regard to its affiliated parties (including affiliated enterprises), and review the system in order to adapt to changes in the internal and external environment and ensure that the design and execution of the system remain effective.

The Company shall encourage its subsidiaries to create an effective internal control system after taking into account the law and regulations of the jurisdiction where the subsidiary is located and the nature of its operations. For any affiliated party that is not a public company, the Company shall still consider the extent of influence it has on the Company's financial and business matters, and require it to create effective systems for internal control and for managing financial, business, and accounting matters.

Article 5

When overseeing the operations and management of its affiliated enterprises, the Company shall attend to the following considerations, in addition to adherence to the established internal control system:

1. The Company shall obtain an appropriate number of director and supervisor seats in the affiliated enterprises based on the percentage of shares it holds.
2. A director appointed by the Company to serve on the board of an affiliated enterprise shall regularly participate in the affiliated enterprise's board meetings. In these meetings, the management provide updates on corporate objectives, strategies, financial conditions, operational performance, cash flow, significant contracts, and other pertinent matters to enable the director to exercise proper oversight over the enterprise's operations. In the event of any irregularities detected, the director shall thoroughly investigate the cause, document the findings, and report the matter to the Company's Chairman or President.
3. A supervisor appointed by the Company to oversee an affiliated enterprise shall supervise the business operations of the enterprise, conduct investigations into its financial and business conditions, review its books, records, and audit reports, and may additionally request reports from the enterprise's board of directors or managerial officers. In the event of any irregularities, the supervisor shall investigate the cause, maintain a record, and report the matter to the Company's Chairman or President.
4. The Company shall appoint competent personnel to assume important positions at its affiliated enterprise, such as general managers, financial officers, or internal audit officers. This appointment is made to undertake the duties and responsibilities associated with management, decision-making, and supervision and evaluation.
5. Based on the nature of the subsidiary's business, the scale of its operations, and the number of employees, the Company shall provide guidance to its subsidiary in establishing an internal audit unit and developing procedures and methods for self-inspection of internal control systems
6. The Company's internal audit personnel must carry out audits of the subsidiaries on

a scheduled or unscheduled basis in addition to reviewing the audit reports or self-inspection reports submitted by each subsidiary. After audit findings and recommendations have been presented, they shall instruct the audited subsidiaries to make improvements and prepare follow-up reports on a regular basis to ensure that the subsidiaries have taken appropriate corrective measures in a timely manner.

7. Each subsidiary shall submit monthly financial statements and related management reports for the preceding month on a regular basis, allowing the Company to exercise control. Likewise, other affiliated enterprises shall regularly provide the Company with their financial statements for the previous quarter, including balance sheets, income statements and so forth, for analysis and review purposes.

Article 6

A managerial officer of the Company is not permitted to hold a concurrent position as a managerial officer in an affiliated enterprise. Moreover, the officer is not permitted to engage in the same type of business as the Company, either independently or in collaboration with another party, unless approved by a resolution of the Board of Directors. Clear delineation of powers and responsibilities between the Company and its affiliated enterprises with regard to personnel management is mandated, and personnel transfers between the entities should be avoided. In cases where personnel support or transfer is deemed necessary, the scope of work, responsibilities, and cost allocation should be pre-defined.

Article 7

The Company shall establish an effective communication system with each affiliated enterprise concerning financial and business matters. To mitigate credit risks, the Company shall regularly conduct comprehensive risk assessments of its banks, principal clients, and suppliers. In the case of an affiliated enterprise involved in financial and business transactions, the Company shall maintain particularly close control over significant financial and business matters for the purpose of risk management.

Article 8

Any loans of funds or endorsements/guarantees between the Company and its affiliated enterprise shall be carefully assessed and handled in compliance with both the provisions of the Regulations Governing Lending of Funds and Making of Endorsements/Guarantees by Public Companies and the Company's Operational Procedures for Loans of Funds to Others and Endorsements/Guarantees.

Article 9

Price terms and payment methods shall be expressly stipulated for any business interaction between the Company and any affiliated parties. The purpose, pricing, and terms of a transaction, and its formal and substantive nature and the related handling procedures, shall not differ markedly from those of a normal transaction with a non-related party, nor may they be obviously unreasonable.

When business needs require the purchase of finished products, semi-finished products, or materials from an affiliated party, purchasing personnel shall thoroughly evaluate the reasonableness of the price quoted by the affiliated party based on the prevailing market prices and other transaction conditions. Unless there are special factors or superior conditions that justify deviations from standard pricing or payment terms for regular customers, under which reasonable stipulations may be made to grant preferential pricing or terms of payment, any other prices and payment terms shall be consistent with those offered to regular customers.

Price quotes for the sale of any finished products, semi-finished products, or materials to an affiliated enterprise shall be made with reference to current market prices. Except in cases of long-term cooperation or other special factors that are different from regular customers, under which reasonable stipulations may be made to grant preferential pricing or terms of payment, any other prices and payment terms shall be consistent with those offered to regular customers.

For professional or technical services provided between the Company and an affiliated party, both parties shall enter into a contract stipulating the scope of the services, fees charged, time period, payment terms, and after-sales service. The contract shall be implemented after approval by the President or the Chairman of the Company, and all contract terms and conditions shall comply with normal business practice.

By the end of each month, the accounting personnel of both the Company and its affiliated parties shall perform cross checks of the purchases and sales of goods between them and the related balances of accounts payable and receivable for the preceding month. If any discrepancies are found, accounting personnel shall identify the cause and prepare a reconciliation statement.

Article 9-1

For purchases and sales of goods, professional or technical services provided between the

Company and its affiliated parties, the transaction amount of which during a whole year is expected to be 15 percent of the Company's most recent total consolidated assets in the most recent year, the Company shall submit the following information to the Board of Directors for approval before proceeding with the transactions, except where the provisions of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies apply, or in cases involving transactions between the Company and its parent company, subsidiaries, or transactions between subsidiaries:

1. Items, purpose, necessity, and projected benefits of the transactions.
2. The reason for choosing the affiliated party as a trading counterparty.
3. The calculation principle of the transaction price and the projected limit of annual transaction value.
4. Description of whether transaction terms are consistent with regular commercial terms and that these terms will not damage the Company's interest or shareholders' equity.
5. Restrictions on transaction and other important terms and conditions.

The following particulars about the transactions with affiliated parties in the preceding paragraph shall be reported at the next shareholders' meeting after the end of a year:

1. Actual transaction value and terms and conditions.
2. Whether the calculation principle of the transaction price approved by the Board of Directors has been followed.
3. Whether the total value is under the limit on annual transaction value approved by the Board of Directors. If the total amount is above the limit, describe the reason, necessity, and fairness.

Article 10

Any asset transaction, derivative trading, merger, demerger, acquisition, or share transfer between the Company and an affiliated party shall be conducted in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and the Company's Procedures for Acquisition or Disposal of Assets.

When the Company makes an acquisition of securities from or a disposition of securities to an affiliated party, or an acquisition of securities targeting affiliated enterprises, it shall first obtain the financial statements of the issuing company for the most recent period, audited and attested or reviewed by a certified public accountant (CPA), for reference in appraising the transaction price. If the amount of the transaction reaches 20 percent of the Company's paid-in capital, 10 percent of its total assets, or NT\$300 million or more,

the Company shall also request a CPA to provide an opinion on the reasonableness of the transaction price. However, if the securities have an active market quotation or if the Financial Supervisory Commission has other regulations, this provision does not apply.

When the Company engages in the acquisition of intangible assets or its right-of-use assets or memberships from or their disposition to any of its affiliated parties, if the amount of the transaction reaches 20 percent or more of the Company's paid-in capital, 10 percent of its total assets, or NT\$300 million or more, it shall, before the date of occurrence, request a CPA to provide an opinion on the reasonableness of the transaction price.

Article 11

If the Company acquires or disposes of real estate or right-of-use assets from affiliated parties, or engages in transactions with affiliated parties involving assets other than real estate or right-of-use assets, and the transaction amount reaches 20 percent of the Company's paid-in capital, 10 percent of its total assets, or NT\$300 million or more, the Company shall first seek approval from the Audit Committee, then obtain approval from the Board of Directors, and report the actual transaction details (including the transaction amount, terms, and relevant information) in the most recent shareholder meeting report after the end of the year.

Article 12

With respect to any financial or business interaction between the Company and any affiliated party that requires a resolution of the Board of Directors, full consideration shall be given to each independent director's opinion. Specific opinions by independent directors expressing assent or dissent, and the reasons for dissent, shall be included in the minutes of board meetings.

When a director has a conflict of interest with respect to the agenda items discussed in the meeting, whether personal or on behalf of a represented legal entity, which could potentially harm the interests of the Company, that director shall voluntarily abstain. The director may neither vote or participate in discussions on the items nor act as a proxy for other directors to exercise their voting rights. Directors shall maintain self-discipline among themselves and refrain from engaging in inappropriate mutual support.

The spouse, second-degree relatives, or companies in which a director has a controlling or subsidiary relationship are deemed to have a personal interest in matters discussed in the aforementioned meeting. Such individuals are considered directors with a personal

interest in those matters.

Upon discovering that, in the course of their duties, the Board of Directors or a director has committed a violation of law or regulation, the Articles of Incorporation, or a shareholders meeting resolution, the Audit Committee shall immediately notify the Board of Directors or the individual director to cease the misconduct, and shall take appropriate measures to curb expansion of the misconduct. When necessary, the Audit Committee shall also file a report with the relevant regulatory authority or agency.

Article 13

The Company, in compliance with the requirements of laws and regulations regarding matters that must be publicly disclosed or filed and the deadlines for so doing, shall make timely arrangements for the provision by each subsidiary of required financial and business information, or to retain CPAs to audit or review the financial reports of each subsidiary.

The Company shall publicly disclose the consolidated balance sheets, consolidated statements of comprehensive income, and CPA secondary review reports covering affiliated enterprises by the deadlines for the filing of the annual financial reports under applicable laws and regulations. Information on any increase, decrease, or other change in affiliated enterprises shall be filed with the TWSE within 2 days of the change.

Information on any material transaction between the Company and an affiliated party shall be fully disclosed in the annual report, financial statements, the three reporting forms for affiliated enterprises, and prospectuses.

If an affiliated enterprise experiences financial difficulties, the Company shall obtain its financial statements and related materials to assess the impact on the Company's finances, business, or operations. If necessary, appropriate measures shall be taken to safeguard the Company's rights as a creditor. In such circumstances, in addition to disclosing the impact on its financial condition in the annual report and prospectus, the Company shall make a timely announcement of material information on the Market Observation Post System (MOPS).

Article 14

When any of the following circumstances applies to an affiliated enterprise, the Company shall make a public disclosure and regulatory filing on its behalf:

1. For a subsidiary whose shares have not been publicly issued domestically, the dollar amount of the subsidiary's acquisition or disposal of assets, endorsements or guarantees for others, and loans of funds to others meets the criteria for public disclosure and regulatory filing.
2. The parent or the subsidiary undergoes bankruptcy or reorganization proceedings pursuant to applicable laws and regulations.
3. A major policy adopted by resolution of the affiliated enterprise's board of directors has a material effect on the rights and interests of the shareholders or the securities prices of the Company.
4. A subsidiary of the Company has any material information that meets the criteria for material information disclosure in accordance with the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities.

Article 15

The Rules, and any amendments, shall be implemented after approval by the Board of Directors.

The Rules were established on November 8, 2023.