

2022 Annual key operations and operation status of Audit Committee

Annual key task and status of operations of Audit Committee:

Holding 4 times (A) of Audit Committee Meetings, the attendance status of Independent Directors in 2022 :

Title	Name	Times of Attendance(B)	Proxy	Actual Percentage of Attendance (%) (B/A)	Remark
Convener	Lawrence Juen-Yee LAU	4	0	100	
Member	Jyuo-Min Shyu	4	0	100	
Member	Ta-Sung Lee	4	0	100	

Experience and professional qualifications of Audit Committee Members

Title	Name	Experience and professional qualifications
Convener	Lawrence Juen-Yee LAU	Ralph and Claire Landau Professor of Economics, The Chinese University of Hong Kong; Serving as the Academician of Academia Sinica, expert in Economic Development and Economic Growth, also serves as a non-executive director of several foreign listed companies, and possesses a broad global perspective and financial background.
Member	Jyuo-Min Shyu	Served in ITRI for 18 years, leading the ITRI team to engage in cutting-edge technology research and development. Profound practical experience in technological innovation and industrial cooperation. Also served as Minister of Science and Technology. The Ministry of Science and Technology is the government's specialized agency for promoting the development of science and technology.
Member	Ta-Sung Lee	Specializes in communication systems and signal processing. Served as a member of the National Communication and Communication Committee. Distinguished Professor of the Department of Electrical Engineering of NYCU and the director of the Internet of Things Smart System Research Center.

Annual key operations of Audit Committee:

The Committee is composed of 3 independent directors. The Audit Committee assists the Board in fulfilling its oversight of the quality and integrity of the accounting, auditing, reporting, and financial control practices of the Company.

Holding 4 times of Audit Committee Meetings in 2022. The powers of the Committee are as follows:

1. The adoption of or amendments of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and providing endorsements or guarantees to others.
4. Matters in which a director is an interested party.

5. Asset transactions or derivatives trading of a material nature.
6. Loans of funds, endorsements, or provision of guarantees of a material nature.
7. The offering, issuance, or private placement of equity-type securities.
8. The hiring or dismissal of an external certified public accountant, or their compensation.
9. The appointment or discharge of a financial, accounting, or internal audit officer.
10. Annual and quarters financial reports.
11. Other material matters as required by this Corporation or by the competent authority.

• **Audit Committee’s Review Report**

The Board of Directors has prepared the Company’s 2021 Business Report, the Financial Statements and the Proposal for Profit Distribution. The CPAs of Deloitte & Touche, An-Hwei Lin and Yung-Hsiang Chao have audited the Financial Statements (including the Stand-alone & the Consolidated Financial Reports) and issued the audit opinions. The Business Report, Financial Statements, and the Proposal for Profit Distribution have been reviewed and determined to be correct and accurate by the Audit Committee members of Far EasTone Telecommunications Co., Ltd.

• **The evaluation of effectiveness of the internal control system**

The evaluation of effectiveness of the internal control system design and implementation is performed in accordance with “Regulations Governing Establishment of Internal Control Systems by Public Companies” (the Regulations). The Regulations examine the following components throughout the internal control process: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Details could be referred to the Regulations. The Company management has assessed the effectiveness of the internal control system design and implementation based on the above Regulations. The Company management declares that the internal control system (including Subsidiary Governance) has effectively assured that the following objectives have been reasonably achieved during the assessment period:

1. Effectiveness and efficiency of business operations (including earnings, operating performance and the safeguard of company assets);
2. Reliability, timeliness, transparency, and regulatory compliance of reporting;
3. Compliance with applicable laws, regulations, and bylaws

• **The hiring of Certified Public Accountant**

Audit Committee assessment according to Standard of Ethics No.10, the assessment result of independence of Certified Public Accountant is in accordance with “The Norm of Professional Ethics for Certified Public Accountant. This proposal has been approved by the 3rd meeting of the 3rd term Audit Committee and the 4th meeting of the 9th Board of Directors on February 25, 2022. Yung-Hsiang Chao and Eddie Shao of Deloitte & Touche and assessment according to Standard of Ethics No.10, the 2022 assessment result of independence of Certified Public Accountant is in accordance with “The Norm of Professional Ethics for Certified Public Accountant”.

Other matters of importance:

1. If any of below listed-circumstances of operation of Audit Committee Meetings, it’s necessary to be disclosed, including dates of Audit Committee meetings, sessions, the contents of motions, all independent opinions from Audit Committee members and the Company’s response to Audit Committee’s opinions:

1-1 The issues of Article 14-5 of the Securities and Exchange Act:

Dates & sessions of Board of Director	Contents and motions	Resolution:	The Company's response to Audit Committee's opinions:
The 4 th Meeting of the 9 th Term (February 25, 2022)	The disposal of equipment and other assets of the Company	Ratified or approved by all attending Members without objection.	Ratified or approved by all attending Directors without objection.
	The amount of NT\$82.5M investment to set up the joint venture company, IDEAWORKS Entertainment Co., Ltd.		
	The 2021 annual financial statements and consolidated financial statements of the Company		
	The distribution cash dividend from retained earnings, capital surplus and legal reserve of the Year 2021		
	The 2021 business report of the Company		
	To merge Asia Pacific Telecom Co., Ltd.		
	The amendment of Company's issuance of new shares in exchange for the part of Asia Pacific Telecom Co., Ltd. shares held by Hon Hai Precision Industry Co., Ltd.		
	The 2022 business plan and summary consolidated financial forecast		
	The change of auditing Certified Public Accountant as from 2022 and the independent assessment result		
The internal audit update of the Company			
The Declaration of Internal Control System of the Company			
The 5 th Meeting of the 9 th Term (May 4, 2022)	The disposal of equipment and other assets of the Company	Ratified or approved by all attending Members without objection.	Ratified or approved by all attending Directors without objection.
	The Q1 2022 consolidated financial statements of the Company		

Dates & sessions of Board of Director	Contents and motions	Resolution:	The Company's response to Audit Committee's opinions:
	<p>The amendments to the "Handling Procedure for Acquisition and Disposal of Assets" of the Company</p> <p>The amendments to the 2022 audit plan</p> <p>The internal audit update</p>		
The 18th Meeting of the 8th Term (June 30, 2021)	The status update of Q1 audit task "Wholesales Revenue and International Sales Management Process and Control".	Approved by all attending Members without objection, and to be submitted to the 18th meeting of the 8th term Board of Directors for report. The proposed legal proceedings related to this audit task will submit to the Board of Directors meeting for decision while reported.	That the subject report is acknowledged by all the Directors present at the Meeting and approved to take both proposed civil and criminal proceedings
The 6th Meeting of the 9th Term (August 3, 2022)	<p>The disposal of equipment and other assets of the Company</p> <p>The Q2 2022 consolidated financial statements of the Company</p> <p>The internal audit update</p>	Ratified or approved by all attending Members without objection.	Ratified or approved by all attending Directors without objection.
The 7th Meeting of the 9th Term (November 11, 2022)	<p>The disposal of equipment and other assets of the Company</p> <p>The Q3 2022 consolidated financial statements of the Company</p> <p>The major Capital Expenditure budget for Q1 2023</p> <p>A NT\$200M investment by New Century InfoComm Tech Co., Ltd (NCIC), the Company's major subsidiary, to set up an on-line</p>	Ratified or approved by all attending Members without objection.	Ratified or approved by all attending Directors without objection.

Dates & sessions of Board of Director	Contents and motions	Resolution:	The Company's response to Audit Committee's opinions:
	property insurance company through joint venture		
	The subscription of the capital call not more than NT\$700M of "Yuanshi Digital Technology Co., Ltd." by the Company		
	The amendments to the "Internal Control System" of the Company		
	The internal audit update		
	The 2023 Audit Plan		

1-2 Any resolutions approved by over two-thirds of the board directors but not approved by the Audit Committee : None.

2. Any Independent Director's avoidance of motions due to conflict of interest, including the Independent Directors' names, the contents of motions, the causes for avoidance and voting: None.