



TWSE : 2409
OTC Markets : AUOTY

AUO Corporation

2024 Annual General Shareholders Meeting

Meeting Agenda (Translation)

Date: May 30, 2024

NOTES TO SHAREHOLDERS:

1.



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-----Disclaimer---

THIS IS A TRANSLATION OF THE AGENDA FOR THE 2024 ANNUAL GENERAL SHAREHOLDERS MEETING OF AUO CORPORATION. THE TRANSLATION IS FOR REFERENCE ONLY. IF THERE IS ANY DISCREPANCY BETWEEN THE ENGLISH VERSION AND CHINESE VERSION, THE CHINESE VERSION SHALL PREVAIL.



I. Meeting Procedure



II. Meeting Agenda



AUO Corporation

2024 Annual General Shareholders Meeting Agenda

Method of Convening the Meeting: Hybrid Shareholders' Meeting

Time: 9:30 a.m., May 30, 2024, Thursday



Report Items

1. To report the business of 2023

Explanation The 2023 Business Report is attached hereto Attachment1 (Pages10-12).

2. Audit Committee's Review Report and Communication between members of Audit Committee and head of Internal Audit

Explanation The Audit Committee's Review Report is attached hereto Attachment2 (Page13).

Please refer to Page29 in 2023 Annual Report for the communication between members of Audit Committee and head of Internal Audit

3. To report the cash distribution from capital surplus

Explanation

- (1) It is proposed to distribute NT\$6,901,000 from capital surplus of the issuing premium of the par value of the common share pursuant to Article 241 of the Company Act (NT\$6 for every common share, i.e. NT\$6 for every 1,000 common shares held).
- (2) It is proposed that the Chair of Board of Directors shall be authorized to determine the record date for the distribution. In the event that changes in the company's share capital affect the number of shares outstanding, resulting in adjustments to the cash distribution ratio for shareholders, the Chair of Board of Directors is authorized to adjust the distribution ratio based on the actual number of shares outstanding on the distribution base date.
- (3) The distribution will be based on the list of shareholders registered as of the date of cash distribution of capital surplus. The distribution to each shareholder will be paid to the rounded down full NT dollar. Amounts less than one whole NT dollar are rounded down to the nearest NT dollar. The aggregate unpaid cash distribution resulting from the above rounded down, will be distributed to shareholders in the descending order of decimal point and the ascending order of shareholder account numbers, until the total amount of the approved cash distribution has been fully distributed.

4. To report

Explanation

- (1) No remunerations distributed by the Company in 2023 fiscal year.
- (2) The compensation to directors, compensation policy, amount and content, please refer to Pages 19-20 in 2023 Annual Report



Recognition Items

1. To accept 2023 Business Report and Financial Statements (proposed by the Board)

Explanation

- (1) The 2023 Financial Statements were audited by the independent auditor, Mr. Shi-Lung and Yu, Wan-Yuan of KPMG.
- (2) For the 2023 Business Report, In the 2023 Financial Statements, please refer to Attachments 1 and 3-4 (Pages 10-12 and Pages 14-31).

Resolution

2. To accept the proposal for the distribution of 2023 earnings (proposed by the Board)

Explanation:

- (1) The beginning balance of Unappropriated Retained Earnings is NT\$2,705,034,866, after adding Change in Remeasurement of Defined Benefit Plan deducting Disposal of Equity Instruments at Fair Value through, Net Loss after tax of 2023 and Allowance for Special Reserve, the retained earnings in 2023 available for distribution is NT\$13,661,429,290.
- (2) Not to distribute cash dividends for 2023.
- (3) The proposal for 2023 earnings distribution, please refer to Attachment 5 (Page 32).

Resolution:



Discussion Items

1. To amend the Rules for the Election of Directors (proposed by the Board)

Explanation:

- (1) The Company has adopted the candidate nomination system for the election of directors. Shareholders are required to elect directors from the list of nominees provided in the roast of candidates. From the roast of candidates, shareholders obtain relevant information of each candidate. Therefore, it is proposed to delete relevant requirements for identifying candidates by shareholder.
- (2) Comparison table for before and after the amendment is attached hereto as Attachment 33&34).

Resolution

Extraordinary Motions

Meeting Adjourn



III. Attachments



Attachment 1

2023 Business Report

Reflecting on 2023, collaborative efforts throughout the entire supply chain played a crucial role in normalizing overall channel inventories of consumer electronics products, thereby contributing to the gradual stabilization of panel prices. However, the global economy faced headwinds from unfavorable factors such as war, inflation, and interest rates, which persisted throughout the year, impeding the full recovery of end demand. Despite the challenging environment, the Company's overall revenue saw a modest increase of 0.5% compared to 2022, reaching NT\$247.96 billion. Notably, revenue from vertical business grew by nearly 20% from the prior year, mitigating the decline in revenue from the panel

Although the panel industry has experienced fluctuations in recent years, the Company's operations have consistently generated cash inflows, which have helped to lower the debt ratio and improve our financial profile. A stable financial structure and ample cash resources give us the confidence to accelerate our biaxial transformation strategy, continuing to focus on increasing the higher added products and expanding our vertical business.

- Next-generation display technology

In the panel business, AUO mainly focuses on next-generation LED display technologies progressing from Mini LED backlight and high-end directview LED display to Micro LED. This approach has offered us a comprehensive technology platform and ecosystem, enhancing AUO's industry profile and solidifying our leadership as the primary supplier of display products.

- Mini LED backlight: Mini LED is used as the backlighting for LCD panels, offering advantages such as high contrast, wide color gamut, and low power consumption. In the recent years, AUO has applied this technology in automotive, high medical, and gaming displays, making it a competitive technology against OLED.
- High-end directview LED display: Displays that use LED chips directly as pixel units can overcome the size limitations of existing display technology. It also offers many advantages, including high brightness, wide color gamut, high contrast, low power consumption, and long lifespan. AUO has applied this technology in spherical display, solution for situation room, LED virtual production studio, and other field applications.
- Micro LED: In 2023, AUO led the market with the shipment of 1.39-inch Micro LED display for smartwatches. This milestone demonstrates AUO's capability in advancing Micro LED technology toward commercialization and mass production. In the future, Micro LED will be introduced into applications such as automotive displays, super-size retailing TV, and high brightness, high reliability, longer lifetime, as well as ultra-high transparency, flexibility, and bendability.

- Mobility solution business

Benefiting from the booming trend of electrical vehicles and autonomous driving, displays are



expected to play a crucial role as the human-machine interface in the next generation smart cockpits. AUO has been deeply committed to the automotive display market for years, and ranked top three among global automotive display suppliers. With cutting-edge display technology as the core and in depth cooperation with ecosystem partners, we

billion, demonstrating strong momentum with an annual growth rate exceeding 25%. In our journey towards transformation, this sector (s)9()-9(s)9(l)-6(n)204C>38<0056-3<a7E4dy)40()-29(s)451 56.66



elderly care. AUO will leverage its current market dominance and panel technology as a starting point to develop vertically and provides solutions that address users' needs and solve the pain points.

Regarding the intelligent services, and with smart manufacturing as its starting point, AUO is responding to global climate change and the trend toward global net carbon emissions by investing in digital transformation. This transformation aims to implement ESG sustainable development practices and apply successful transformation experiences to develop smart sustainable service solutions for external clients. The "AUO Smart Expo 2023" brought together our subsidiaries AUO Digitech⁴, AUO Envirotech⁵, and AUO Energy Business Headquarters to demonstrate the Group's smart sustainable solutions in smart manufacturing, net zero carbon emissions, and green energy to the public for the first time. These efforts align with our corporate digital and net transformation goals, aiming to create sustainable business opportunities and AUO's competitiveness through ESG value creation.

Looking forward to 2024, the global macro environment remains uncertain. Despite facing a highly challenging operating environment, the Company remains cautiously optimistic, continues to closely monitor the market dynamics, and remains cautious about the pace of demand recovery for various

capital deployment, and human resources. Our primary goal in the panel business will be to optimize its product portfolios and technology platforms to ensure stable positive cash flow. On the other hand, mobility solution and vertical businesses stand as key growth engines in the long term. The Company plans to allocate more resources to accelerate the development in these two businesses, aiming to be recognized as not just a panel maker, but a "Dispersed Solution Provider" by 2025, moving toward becoming a comprehensive sustainable enterprise.

Shuang Lang (Pau) Peng
Chairman and Group CSO

Frank Ko
President and CEO

Benjamin Tseng
Chief Financial Officer and
Chief Accounting Officer

⁴ AUO Digitech Taiwan Inc.

⁵ AUO Envirotech Inc.



Attachment 2

The Board of Directors has prepared the Distribution Proposal for the year of 2023. Yu, Chin and Yu, WanYuan, Certified Public Accountants of KPMG, have audited the Financial Statements and issued an audit report relating to the Financial Statements. The 2023 Business Report, Financial Statements, and Earnings Distribution Proposal have been reviewed and determined to be correct and accurate by the Audit Committee of AUO Corporation. I, as the Chair of the Audit Committee, hereby submit this report according to Article 144 of the Securities and Exchange Act and Article 219 of the Company Act.

AUO Corporation

Chair of the Audit Committee

Chin-Bing (Philip) Peng

A handwritten signature in blue ink, appearing to be '彭 斌', written over a horizontal line. The signature is stylized and includes a large vertical stroke on the right side.

March 11, 2024



Attachment 3

Independent Auditors' Report

To the Board of Directors of AUO Corporation:

Opinion

We have audited the parent company only financial statements of AUO Corporation (the Company), which comprise the balance sheets as of December 31, 2023 and 2022, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2023 and 2022, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for each of the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Impairment of long-term nonfinancial assets (including goodwill)

Refer to Note 4(14) "Impairment of non-financial assets", Note 5(1) and Note 5(2) "Critical Accounting Judgments and Key Sources of Estimations and Assumptions Uncertainty", Note 6(7) "Property, Plant and Equipment", Note 6(8) "Lease Arrangements" and Note 6(10) "Intangible Assets" to the parent company only financial statements.



Description of key audit matter:

The Company operates in an industry with high investment costs, has goodwill through the acquisition of subsidiaries, and may experience volatility in response to changes in the external market; hence, it is important to assess the impairment of its long-term nonfinancial assets (including goodwill). The impairment assessment includes identifying cash-generating units, determining a valuation model, determining significant assumptions, and computing recoverable amounts. With the complexity of the impairment assessment process and the involvement of significant management judgment regarding assumptions used, this is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included understanding and testing the Company's controls surrounding the impairment assessment process; assessing whether there are impairment indications for the identified cash-generating units of the Company and its related assets; understanding and assessing the appropriateness of the valuation model used by the management in the impairment assessment and the significant assumptions used to determine related assets' future cash flows projection, useful lives, and weighted average cost of capital; retrospectively reviewing the accuracy of assumptions used in prior period estimates and performing a sensitivity analysis of key assumptions and results; in addition to the above audit procedures, appointing specialists to evaluate the appropriateness of the weighted average cost of capital used and related assumptions; performing an inquiry of management and identifying any event after the balance sheet date if able to affect the results of the impairment assessment; and assessing the adequacy of the Company's disclosures of its policy on impairment of noncurrent non-financial assets and other related disclosures.

2. Revenue recognition

Refer to Note 4(17) "Revenue from contracts with customers" and Note 6(17) "Revenue from Contracts with Customers" to the parent company only financial statements.

Description of key audit matter:

Revenue is recognized when the control over a product has been transferred to the customer as specified in each individual contract with customers. The Company recognizes revenue depending on the various sales terms in each individual contract with customers to ensure the performance obligation has been satisfied by transferring control over a product to a customer. In addition, the Company operates in an industry in which revenue is considered to be complex in determining the timing of revenue recognition. Consequently, this is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included understanding and testing the Company's controls surrounding revenue recognition; assessing whether appropriate revenue recognition policies are applied through comparison with accounting standards and understanding the Company's main revenue types, its related sales agreements, and sales terms; on a sample basis, inspecting contracts with customers or customers' orders and assessing whether the accounting treatment of the related contracts (including sales terms) is applied appropriately; performing a test of details of sales revenue and understanding the rationale for any identified significant sales fluctuations and any significant reversals of revenue through sales discounts and sales returns which incurred within a certain period before or after the balance sheet date; and assessing the adequacy of the Company's disclosures of its revenue recognition policy and other related disclosures.



Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and presentation of the parent company only financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (inclusive of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identified and assessed the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors report. However, future events or conditions may cause the Company to cease to continue as a going concern.



5. Evaluated the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtained sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated with those charged with governance regarding, among other things, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to those charged with governance, we determined those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent audit report are Yu, Chih-Lung and Yu, Wan-Yuan.

KPMG

Hsinchu, Taiwan (Republic of China)
January 31, 2024

Notes to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, Interim Financial Reporting endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. The standards, procedures and practices to such parent company only financial statements are those generally accepted and applied in the Republic of China.



AUO CORPORATION
Balance Sheets
December 31, 2023 and 2022
(Expressed in thousands of New Taiwan dollars)

| | | <u>December 31, 2023</u> | | <u>December 31, 2022</u> | |
|------------------------|---|--------------------------|----------|--------------------------|----------|
| | | <u>Amount</u> | <u>%</u> | <u>Amount</u> | <u>%</u> |
| Assets | | | | | |
| Current assets: | | | | | |
| 1100 | Cash and cash equivalents | \$ 30,581,951 | 9 | 42,441,711 | 12 |
| 1110 | Financial assets at fair value through profit or loss | | | | |



AUO CORPORATION
Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan dollars, except for Earnings (loss) per share)

| <u>2023</u> | | <u>2022</u> |
|---------------|----------|---------------|
| <u>Amount</u> | <u>%</u> | <u>Amount</u> |



AUO CORPORATION
Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan dollars)

| | Capital Stock | | Retained Earnings | | | | Cumulative Translation Differences | Other Components of Equity | | | Total Equity |
|--|----------------------|-------------------|-------------------|------------------|-------------------------|-------------------|------------------------------------|--|--------------------|------------------|--------------------|
| | Common Stock | Capital Surplus | Legal Reserve | Special Reserve | Unappropriated Earnings | Subtotal | | Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income | Subtotal | Treasury Shares | |
| Balance at January 1, 2022 | \$ 96,242.45 | 60,057.00 | 8,427.14 | 3,270.30 | 68,972.55 | 80,669.99 | (4,873.573) | 130,391 | (4,743,182) | (439,228) | 231,787.04 |
| Appropriation of earnings: | | | | | | | | | | | |
| Legal reserve | - | - | 5,326,268 | - | (5,326,268) | - | - | - | - | - | - |
| Special reserve | - | - | - | 1,472,878 | (1,472,878) | - | - | - | - | - | - |
| Cash dividends distributed to shareholders | - | - | - | - | (9,575,824) | (9,575,824) | - | - | - | - | (9,575,824) |
| Loss for the year | - | - | - | - | (21,101,374) | (21,101,374) | - | - | - | - | (21,101,374) |
| Other comprehensive income (loss), net of tax | - | - | - | - | 44,298 | 44,298 | 2,467,083 | (1,302,552) | 1,164,531 | - | 1,208,822 |
| Total comprehensive income (loss) for the year | - | - | - | - | (21,057,076) | (21,057,076) | 2,467,083 | (1,302,552) | 1,164,531 | - | (19,892,545) |
| Donations from shareholders | - | 1,095 | - | - | - | - | - | - | - | - | 1,095 |
| Adjustments for changes in investees' equity | - | 1,812,907 | - | - | - | - | - | - | - | - | 1,812,907 |
| Capital reduction | (19,248,490) | - | - | - | - | - | - | - | - | 96,842 | (19,151,648) |
| Sharebased payments | - | 71,207 | - | - | - | - | - | - | - | 46,859 | 118,066 |
| Disposal of equity investments measured at fair value through other comprehensive income | - | - | - | - | 41,654 | 41,654 | - | (41,654) | (41,654) | - | - |
| Balance at December 31, 2022 | <u>76,993.96</u> | <u>61,942.21</u> | <u>13,753.41</u> | <u>4,743.18</u> | <u>31,582.15</u> | <u>50,078.75</u> | <u>(2,406.490)</u> | <u>(1,213,815)</u> | <u>(3,620,305)</u> | <u>(295,527)</u> | <u>185,099.09</u> |
| Appropriation of earnings: | | | | | | | | | | | |
| Reversal of special reserve | - | - | - | (1,122,876) | 1,122,876 | - | - | - | - | - | - |
| Loss for the year | - | - | - | - | (18,203,274) | (18,203,274) | - | - | - | - | (18,203,274) |
| Other comprehensive income (loss), net of tax | - | - | - | - | 44,759 | 44,759 | (1,245,272) | 360,181 | (885,091) | - | (840,332) |
| Total comprehensive income (loss) for the year | - | - | - | - | (18,158,515) | (18,158,515) | (1,245,272) | 360,181 | (885,091) | - | (19,043,606) |
| Cash distribution from capital surplus | - | (6,134,305) | - | - | - | - | - | - | - | - | (6,134,305) |
| Donations from shareholders | - | 3,712 | - | - | - | - | - | - | - | - | 3,712 |
| Differences between consideration and carrying amount arising from acquisition or disposal of interest in subsidiary | - | (16,137) | - | - | - | - | - | - | - | - | (16,137) |
| Adjustments for changes in investees' equity | - | (874,755) | - | - | - | - | - | - | - | - | (874,755) |
| Sharebased payments | - | 78,104 | - | - | - | - | - | - | - | 55,103 | 133,207 |
| Disposal of equity investments measured at fair value through other comprehensive income | - | - | - | - | (20,497) | (20,497) | - | 20,497 | 20,497 | - | - |
| Balance at December 31, 2023 | <u>\$ 76,993.961</u> | <u>54,998.829</u> | <u>13,753.412</u> | <u>3,620.305</u> | <u>14,526.023</u> | <u>31,899.740</u> | <u>(3,651.762)</u> | <u>(833,137)</u> | <u>(4,484,899)</u> | <u>(240,424)</u> | <u>159,167.207</u> |



AUO CORPORATION
Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan dollars)



Cash flows from investing activities:

| | | |
|--|---------------------|---------------------|
| Disposals of financial assets at fair value through profit or loss | - | 5,440 |
| Disposals of financial assets at amortized cost | - | 10,000,000 |
| Acquisitions of equity accounted investees | (2,565,902) | (5,993,878) |
| Proceeds from capital reduction of equity accounted investees | 764,000 | - |
| Acquisitions of property, plant and equipment | (18,294,568) | (18,135,881) |
| Disposals of property, plant and equipment | 25,880 | 516,127 |
| Decrease (increase) in refundable deposits | (86,731) | 95,645 |
| Decrease (increase) in other receivables from related party | 505,000 | (140,000) |
| Decrease in other financial assets | 6,035 | - |
| Net cash used in investing activities | (19,646,286) | (13,652,547) |

Cash flows from financing activities:

| | | |
|---|-------------------|------------------|
| Proceeds from short term borrowings | 2,800,000 | - |
| Repayments of short term borrowings | (2,800,000) | - |
| Proceeds from long term borrowings | 50,723,300 | 59,583,471 |
| Repayments of long term borrowings | (31,043,000) | (21,814,000) |
| Payment of lease liabilities | (405,769) | (401,791) |
| Increase in received guarantee deposits | 1,375 | - |
| Cash dividends and cash distribution from capital surplus | (6,134,305) | (9,575,824) |
| Capital reduction payments to shareholders | - | (19,151,648) |
| Treasury shares sold to employees | 73,011 | 46,718 |
| Others | 3,712 | 1,095 |
| Net cash provided by financing activities | 13,218,329 | 8,688,022 |

Effect of exchange rate change on cash and cash equivalents

| | | |
|---|----------------------|-------------------|
| | (18,447) | 20,586 |
| Net increase (decrease) in cash and cash equivalents | (11,859,759) | 6,820,780 |
| Cash and cash equivalents at January 1 | 42,441,718 | 35,620,938 |
| Cash and cash equivalents at December 31 | \$ 30,581,959 | 42,441,718 |



Attachment 4

To the Board of Directors of AUO Corporation:

Opinion

We have audited the consolidated financial statements of AUO Corporation (formerly AU Optronics Corp.) and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all respects, the consolidated financial position of the Company as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the years then ended, accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRS”), International Accounting Standards (“IAS”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the “Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Impairment of long-term nonfinancial assets (including goodwill)

Refer to Note 4(15) “Impairment non-financial assets”, Note 5(1) and Note 5(2) “Critical Accounting Judgments and Key Sources of Estimations and Assumptions Uncertainty”, Note 6(9) “Property, Plant and Equipment”, Note 6(10) “Lease Arrangements” and Note 6(12) “Intangible Assets” to the consolidated financial statements.



Description of key audit matter:

The Company operates in an industry with high investment costs, has goodwill through the acquisition of subsidiaries, and may experience volatility in response to changes in the external market; hence, it is important to assess the impairment of its long nonfinancial assets (including goodwill). The impairment assessment includes identifying cash-generating units, determining a valuation model, determining significant assumptions, and computing recoverable amounts. With the complexity of the impairment assessment process and the involvement of significant management judgment regarding assumptions used, this is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included understanding and testing the Company's controls surrounding the impairment assessment and testing process; assessing whether there are impairment indications for the identified cash-generating units of the Company and its related assets; understanding and assessing the appropriateness of the valuation model used by the management in the impairment assessment and the significant assumptions determine related assets future cash flows projection, useful lives, and weighted average cost of capital; retrospectively reviewing the accuracy of assumptions used in prior estimates and performing a sensitivity analysis of key assumptions and results; in addition to the above audit procedures, appointing specialists to evaluate the appropriateness of the weighted cost of capital used and related assumptions; performing an inquiry of the management and identifying an event after the balance sheet date if able to affect the results of the impairment assessment; and assessing the adequacy of the Company's disclosures of its policy on impairment of noncurrent non-financial assets and other related disclosures.

2. Revenue recognition

Refer to Note 4(18) "Revenue from contracts with customers" and Note 6(20) "Revenue from Contracts with Customers" to the consolidated financial statements.

Description of key audit matter:

Revenue is recognized when the control over a product has been transferred to the customer as specified in each individual contract with customers. The Company recognizes revenue depending on the various sales terms in each individual contract with customers to ensure the performance obligation has been satisfied by transferring control over a product to a customer. In addition, the Company operates in an industry in which revenue is considered to be complex in determining the timing of revenue recognition. Consequently, this is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included understanding and testing the Company's controls surrounding revenue recognition; assessing whether appropriate revenue recognition policies are applied through comparison with accounting standards and understanding the Company's main revenue types, its related sales agreements, and sales terms; on a sample basis, inspecting contracts with customers or customer orders and assessing whether the accounting treatment of the related contracts (including sales terms) is applied appropriately; performing a test of details of sales revenue and understanding the rationale for any identified significant sales fluctuations and any significant reversals of revenue through sales discounts and sales returns which incurred within a certain period before or after the balance sheet date; and assessing t



adequacy of the Company's disclosures of its revenue recognition policy and other related disclosures.

Other Matters

AUO Corporation has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRS, IAS, IFRIC, SIC endorsed and issued into effect by the Financial Supervision Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (inclusive of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and performance of procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events



conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtained sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yu, Chih-Lung and Yu, Wan-Yuan.

KPMG

Hsinchu, Taiwan (Republic of China)
January 31, 2024

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, performance and cash flows in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, which standards are based on the IFRS, IAS, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. The standards and practices to such consolidated financial statements are those generally accepted and applied in the Republic of China.



AUO CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2023 and 2022
(Expressed in thousands of New Taiwan dollars)

| Assets | | December 31, 2023 | | December 31, 2022 | | Liabilities and Equity | | December 31, 2023 | | December 31, 2022 | |
|---------------------------|--|-----------------------|------------|--------------------|------------|--|--|-----------------------|------------|--------------------|------------|
| | | Amount | % | Amount | % | | | Amount | % | Amount | % |
| Current assets: | | | | | | Current liabilities: | | | | | |
| 1100 | Cash and cash equivalents | \$ 83,969,462 | 22 | 80,613,120 | 21 | 2100 | Short-term borrowings | \$ 263,000 | - | 128,487 | - |
| 1110 | Financial assets at fair value through profit or loss—current | 176,492 | - | 365,037 | - | 2120 | Financial liabilities at fair value through profit or loss—current | 11,143 | - | 351,825 | - |
| 1136 | Financial assets at amortized cost—current | 584,217 | - | - | - | 2170 | Notes and accounts payable | 43,433,268 | 11 | 41,479,522 | 11 |
| 1170 | Notes and accounts receivable, net | 22,798,408 | 6 | 18,620,248 | 5 | 2180 | Accounts payable to related parties | 5,203,290 | 1 | 5,890,185 | 2 |
| 1180 | Accounts receivable from related parties, net | 1,244,546 | - | 1,255,500 | - | 2213 | Equipment and construction payable | 6,135,427 | 2 | 7,882,627 | 2 |
| 1210 | Other receivables from related parties | 15,305 | - | 6,139 | - | 2220 | Other payables to related parties | 48,281 | - | 27,853 | - |
| 1220 | Current tax assets | 307,872 | - | 41,186 | - | 2230 | Current tax liabilities | 1,083,677 | - | 1,567,623 | - |
| 130X | Inventories | 29,003,127 | 8 | 30,263,711 | 8 | 2250 | Provisions—current | 2,399,306 | 1 | 559,652 | - |
| 1410 | Prepayments | 2,654,523 | 1 | 3,440,926 | 1 | 2280 | Lease liabilities—current | 644,255 | - | 583,251 | - |
| 1460 | Noncurrent assets held for sale | - | - | 586,406 | - | 2399 | Other current liabilities | 25,291,133 | 7 | 24,812,498 | 6 |
| 1476 | Other current financial | 3,130,373 | 1 | 4,593,092 | 1 | 2322 | Current installments of long-term borrowings | 10,062,192 | 3 | 13,884,632 | 4 |
| 1479 | Other current assets | 326,391 | - | 391,435 | - | | | <u>94,574,966</u> | <u>25</u> | <u>97,168,166</u> | <u>25</u> |
| | | <u>144,210,711</u> | <u>38</u> | <u>140,176,800</u> | <u>36</u> | Noncurrent liabilities: | | | | | |
| Noncurrent assets: | | | | | | 2527 | Contract liabilities—noncurrent | 6,239,558 | 2 | 8,739,846 | 3 |
| 1510 | Financial assets at fair value through profit or loss—noncurrent | 139,170 | - | - | - | 2540 | Long-term borrowings, excluding current installments | 101,524,840 | 26 | 72,930,811 | 19 |
| 1517 | Financial assets at fair value through other comprehensive income noncurrent | 1,832,068 | - | 1,900,587 | 1 | 2550 | Provisions—noncurrent | 881,392 | - | 909,405 | - |
| 1535 | Financial assets at amortized cost—noncurrent | 680,107 | - | 1,142,218 | - | 2570 | Deferred tax liabilities | 3,936,642 | 1 | 5,101,186 | 1 |
| 1550 | Investments in equity-accounted investees | 29,383,580 | 8 | 31,743,900 | 8 | 2580 | Lease liabilities—noncurrent | 8,684,270 | 2 | 8,661,640 | 2 |
| 1600 | Property, plant and equipment | 171,172,805 | 45 | 178,833,837 | 46 | 2600 | Other noncurrent liabilities | 2,271,528 | 1 | 1,918,977 | 1 |
| 1755 | Right-of-use assets | 9,770,626 | 2 | 9,800,458 | 3 | | | <u>123,538,233</u> | <u>32</u> | <u>98,261,866</u> | <u>26</u> |
| 1760 | Investment property | 1,320,907 | - | 1,393,242 | - | Total liabilities | | <u>218,113,200</u> | <u>57</u> | <u>195,430,021</u> | <u>51</u> |
| 1780 | Intangible assets | 11,268,861 | 3 | 11,396,247 | 3 | Equity: | | | | | |
| 1840 | Deferred tax assets | 10,201,660 | 3 | 6,649,457 | 2 | Equity attributable to shareholders of AUO Corporation: | | | | | |
| 1920 | Refundable deposits | 1,102,087 | - | 925,517 | - | 3100 | Common stock | 76,993,967 | 20 | 76,993,967 | 20 |
| 1990 | Other noncurrent assets | 2,388,152 | 1 | 2,878,411 | 1 | 3200 | Capital surplus | 54,998,821 | 14 | 61,942,210 | 16 |
| | | <u>239,260,022</u> | <u>62</u> | <u>246,663,866</u> | <u>64</u> | 3300 | Retained earnings | 31,899,740 | 8 | 50,078,752 | 13 |
| | | | | | | 3400 | Other components of equity | (4,484,899) | (1) | (3,620,305) | (1) |
| | | | | | | 3500 | Treasury shares | (240,424) | - | (295,527) | - |
| | | | | | | | | <u>159,167,200</u> | <u>41</u> | <u>185,099,097</u> | <u>48</u> |
| | | | | | | Non-controlling interests | | | | | |
| | | | | | | 36XX | Non-controlling interests | 6,190,328 | 2 | 6,311,557 | 1 |
| | | | | | | | | <u>165,357,531</u> | <u>43</u> | <u>191,410,644</u> | <u>49</u> |
| | | | | | | Total equity | | | | | |
| Total Assets | | \$ 383,470,737 | 100 | 386,840,674 | 100 | Total Liabilities and Equity | | \$ 383,470,737 | 100 | 386,840,674 | 100 |



AUO CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan dollars, except for Earnings (loss) per share)

| | | <u>2023</u> | | <u>2022</u> | |
|------|-------------------------------------|--------------------|-----------|--------------------|-----------|
| | | <u>Amount</u> | <u>%</u> | <u>Amount</u> | <u>%</u> |
| 4110 | Revenue | \$ 250,048,320 | 101 | 249,956,530 | 101 |
| 4190 | Less: sales return and discount | <u>2,083,880</u> | <u>1</u> | <u>3,163,860</u> | <u>1</u> |
| | Net revenue | 247,964,437 | 100 | 246,792,670 | 100 |
| 5000 | Cost of sales | <u>243,354,060</u> | <u>98</u> | <u>245,225,160</u> | <u>99</u> |
| | Gross profit (loss) | <u>4,610,367</u> | <u>2</u> | <u>1,567,507</u> | <u>1</u> |
| | Operating expenses : | | | | |
| 6100 | Selling and distribution expenses | 5,019,730 | 2 | 4,817,420 | 2 |
| 6200 | General and administrative expenses | 8,321,190 | 4 | 7,852,690 | 3 |
| 6300 | Research and development expenses | <u>13,231,450</u> | <u>5</u> | <u>12,867,780</u> | |



AUO CORPORATION AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan dollars)

| <u>Equity Attributable to Shareholders of AUO Corporation</u> | | <u>Other Components of Equity</u> |
|---|--------------------------|--------------------------------------|
| <u>Capital Stock</u> | <u>Retained Earnings</u> | <u>Unrealized Gains (Losses)</u> |
| | | <u>Cumulative</u> |



AUO CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan dollars)

| | 2023 | 2022 |
|---|-----------------|--------------|
| Cash flows from operating activities: | | |
| Loss before income tax | \$ (21,682,060) | (19,506,192) |
| Adjustments for: | | |
| - depreciation | 32,379,064 | 31,281,587 |
| - amortization | 126,480 | 184,766 |
| - net gains on financial instruments at fair value through profit or loss | (53,869) | (85,959) |
| - interest expense | 2,660,884 | 1,349,724 |
| - interest income | (1,915,078) | (878,975) |
| - dividend income | (2,585) | (6,571) |
| - compensation costs of share-based payments | 61,066 | 84,085 |
| - share of loss (profit) of equity-accounted investees | 518,049 | (2,003,297) |
| - gains on disposal of property, plant and equipment | (53,350) | (1,024,832) |
| - gains on disposal of noncurrent assets held for sale | (1,069,530) | - |
| - gains on disposal of investments | (116) | - |
| - | | |



Cash flows from investing activities:

| | | |
|---|-----------|-----------|
| Acquisitions of financial assets at fair value through other comprehensive income | (217,183) | (544,218) |
| Disposals of financial assets at fair value through other comprehensive income | 74,799 | |



Attachment 5

2023 Earnings Distribution Proposal

| Amount in NT\$ | |
|---|-----------------------|
| Items | Amount |
| Unappropriated Retained Earnings, Beginning Balance | 32,705,034,866 |
| Add: Change in Remeasurement of Defined Benefit Plan (Note 1) | 44,759,351 |
| Less: Disposal of Equity Instruments at Fair Value through | (20,497,389) |
| Net Loss after Tax of 2023 | (18,203,273,882) |
| Less: Allowance for Special Reserve (Note 2) | (864,593,661) |
| Unappropriated Retained Earnings, Ending Balance | 13,661,429,290 |

Note 1.

Note 2. The special reserve is set aside based on the balance of special reserve deducting the other components of equity as of December 31, 2023



Attachment 6

**Comparison Table for the Rules for the Election of Directors
Before and After the Amendment**

| Before amendment | After amendment | Reason of amendment |
|--|---|---|
| <p>The shareholders' meeting held on April 17, 1997 approved (omitted).</p> <p>The shareholders' meeting held on June 19, 2009 approved the 4th amendment.</p> | <p>The shareholders' meeting held on April 17, 1997 approved (omitted).</p> <p>The shareholders' meeting held on June 19, 2009 approved the 4th amendment.</p> <p>The shareholders' meeting held on March 30, 2024 approved the 5th amendment.</p> | <p>Additional Amendment Date</p> |
| <p>Article 9</p> <p>If the candidate is a shareholder of the Company, voters shall fill the name of the candidate in the column of the ballot; if the candidate is not a shareholder of the Company, voters shall fill the name of the candidate in the column of the ballot; if the candidate is a government agency or a legal entity, voters shall fill the name of the government agency or the name of the legal entity or the name of the representative in the column. In the event that several candidates represent a government agency or a legal entity, the names of the representatives shall be filled in the column separately.</p> | <p>delete</p> | <p>In accordance with Taiwan Stock Exchange Corporation No. 1090009468 an Act to amend the Rules for the Election of Directors of companies listed on TWS and TPEX, the candidate nomination system shall be adopted for the election of directors. Shareholders are required to elect directors from the list of nominees provided in the roster of candidates. Shareholders will be provided information regarding the names, education, and experience of each candidate prior to the shareholders' meeting. It is not necessary to indicate the candidate by shareholders' account number or ID number, and such information should be deleted.</p> |
| <p>Article 10</p> <p>A ballot shall be deemed void if such a ballot:</p> <ol style="list-style-type: none"> 1. is not a ballot provided under the Rules; 2. is placed into the ballot box blank; 3. contains illegible words or | <p>Article 409</p> <p>A ballot shall be deemed void if such a ballot:</p> <ol style="list-style-type: none"> 1. is not a ballot provided under the Rules; 2. is placed into the ballot box blank; 3. contains illegible words or | <p>In accordance with Article 9, the corresponding provisions mentioned in this article should be deleted and the revised article number should be updated.</p> |



| Before amendment | After amendment | Reason of amendment |
|--|--|--|
| <p>corrections; 4. _____ which is inconsistent with the _____ is a shareholder of the Company; Contains a name or ID number in the _____ incorrect if the candidate is not a shareholder of the Company; 5. contains any words or marks other than those specified in Article 9; 6. is not filled out in accordance with Article 9 or is filled incompletely; or 7. contains two or more candidates.</p> | <p>corrections; 4. _____ number in _____ which is inconsistent with the _____ the candidate is incorrect with a shareholder of the Company Contains a name or ID _____ column directors' candidate list which is incorrect if the candidate is not a shareholder of the Company 5. Except to filling in the number of allocated voting rights, the ballot is altered any words or marks other than allowed is placed on it contains those specified in Article 9 6. is not filled out in accordance with Article 9 or is filled incompletely; or 7. contains two or more candidates.</p> | |
| <p>Article 11 The ballots should be counted during the meeting right after the vote casting and the results of the election should be announced by the Chairman at the meeting.</p> | <p>Article 104 The ballots should be counted during the meeting right after the vote casting and the results of the election should be announced by the Chairman at the meeting.</p> | <p>In accordance with Article 9, deletion is to be made and revise Article number.</p> |
| <p>Article 12 The Rules and any amendment thereof shall become effective after the Meeting.</p> | <p>Article 112 The Rules and any amendment thereof shall become effective after approval of the Meeting.</p> | <p>In accordance with Article 9, deletion is to be made and revise Article number.</p> |



IV. Appendices



Appendix 1

Articles of Incorporation

Chapter 1: General Provisions

Article 1

The Company is incorporated, registered and organized as a company limited by shares and permanently existing in accordance with the Company Law of the Republic of China (the "Company Law") and the Company's English name is AUO Corporation.

Article 2

The scope of business of the Company shall be as follows:

1. CC01080 Electronic parts and components manufacturing business
2. F119010 Electronic materials wholesale business (for operations outside the Science Park)
3. CC01030 Electronic appliances and AV electronics products manufacturing business
4. CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing
5. CC01090 Batteries Manufacturing
6. IG03010 Energy Technical Services
7. CA02990 Other Fabricated Metal Products Manufacturing
8. C801990 Other Chemical Materials Manufacturing



Subject to the approval of the Board and other relevant authorities, the Company may, if necessary, set up branches, factories, branch operation offices or branch business offices both inside and outside of the R.O.C.

Article 4

The total amount of the Company's investment is not subject to the restriction of Article 13 of the Company Act. The Company may provide guarantees or endorsements on behalf of third parties due to business or investment relationships with such third parties.

Chapter 2: Shares

Article 5

The total capital of the Company is One Hundred and Twenty Billion New Taiwan Dollars (NT\$120,000,000,000), divided into Twelve Billion (12,000,000,000) shares with a par value of Ten New Taiwan Dollars (NT\$10) each and in registered form. The Board of Directors is authorized to issue the unissued shares in installments.

A total of 100,000,000 shares among the above total capital should be reserved for issuance of new shares for performing obligation under the employee stock options, which may be issued in installments.

Article 6

The share certificates of the Company shall be all in registered form. The share certificates, after due registration with the competent authority, shall be signed or sealed by at least three directors and shall be legally authenticated prior to issue.

The Company may, pursuant to the applicable laws and regulations, deliver shares or other securities in book entry form, instead of delivering physical certificates evidencing shares or other securities.

Article 7

Unless otherwise provided by applicable law and regulations, the shareholders services shall be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.

Chapter 3: Shareholders' Meetings

Article 8

Shareholders' meetings shall be of two types, ordinary meetings and extraordinary meetings. Ordinary meetings shall be convened annually by the Board within six months of the end of each fiscal year. Extraordinary meetings shall be convened in accordance with the relevant laws, when necessary. The Company's shareholders meeting may be held by video conference or other methods announced by the competent authority.

Article 9

Unless otherwise provided by applicable law and regulations, a resolution shall be adopted at a meeting attended by the shareholders holding and representing a majority of the total issued and outstanding shares and at which meeting a majority of the attending shareholders shall vote in favor of the resolution. In case a shareholder is unable to attend a shareholders meeting, such shareholder may issue a proxy in the form issued by the Company, setting forth the scope of authorization by signing and affixing such shareholder's seal on the proxy form for the representative to be present on such shareholder's behalf except for trust enterprises or other stock transfer agencies approved by the voting rights representing in excess of 3% of the total issued and outstanding shares shall not be considered. The relevant matters related to the use and rescission of the proxy shall be conducted in accordance with the Company Act and applicable rules.



Chapter 4: Board of Directors and Audit Committee

Article 10

The Company shall have seven to eleven directors. Directors shall be elected from a slate of director candidates, which are nominated under the Candidate Nomination System, at shareholders' meetings. Within the entire Board, the Company shall have at least four independent directors on the Board. The professional qualifications, restrictions on the shareholdings and concurrent positions held, method of nomination and election, and other matters with respect to independent directors shall be in compliance with applicable laws and regulations. The term of office for all directors shall be three (3) years. The directors are eligible for re-election. The number of the directors shall be decided by the board of directors.

The Board is authorized to determine the compensation for the directors, taking into account the extent and value of the

The Company may take out liability insurance for the directors with respect to the liabilities resulting from exercising their duties during their terms of office.

Article 10-1

Pursuant to Article 14 of the Securities and Exchange Act, the Company shall have the audit committee which shall be composed of all independent directors.

Article 11

The Company shall have a chairman of the Board. The chairman of the Board shall be elected by and among the directors by a majority of directors present at a meeting attended by more than two thirds of directors. A necessary, a vice chairman may be elected by and among the directors in the same manner. The chairman of the Board shall preside internally at the meetings of the Board and shall externally represent the Company. In case the chairman of the Board asks for leave or for other reason cannot exercise his power and authority, the vice chairman shall act on his behalf. In case there is no vice chairman or the vice chairman is also on leave or cannot exercise his power and authority for any reason, the chairman of Board may designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect a designee from among themselves.

Article 12

Where a director is unable to attend a meeting of the Board, he may appoint a director to represent him by proxy in accordance with Article 205 of the Company Act. Each director may act as a proxy for one other director only.

The meeting of the Board of Directors shall be convened in accordance with the Company Act. At a call meeting of the Board of Directors, a notice may be given to each director by means of electronic mail or facsimile.

Chapter 5: President & Vice Presidents

Article 13

The Company shall have one or more managerial personnel. Appointment, dismissal or resignation of the president and vice presidents shall be subject to the provisions of the Company Act.



Chapter 6: Accounting

Article 14

After the end of each fiscal year, the Board shall prepare and submit the following documents: (1) business report, (2) financial statements, (3) proposal for allocation of earnings or recovery of loss to the shareholders in accordance with applicable laws at the ordinary meeting of shareholders for their acceptance.

Article 15

Where the Company has a profit before tax for each fiscal year, the Company shall first reserve certain amount of the profit to recover losses for preceding years, and then set aside no less than 5% of the remaining profit for distribution to employees as remuneration and no more than 1% of the remaining profit for distribution to directors as remuneration.

Article 15-1

Where the Company has a profit at the end of each fiscal year, the Company shall first allocate the profit to pay taxes and cover accumulated losses, and then 10% of the remaining net earnings shall be allocated as the Company's legal reserve unless and until the accumulated legal reserve reaches the paid in capital. Certain amount shall be further allocated as special reserve or the special reserve shall be reversed in accordance with applicable laws and regulations or as requested by the competent authority. The balance (if any) together with accumulated unappropriated retained earnings can be distributed after the distribution plan proposed. Dividend distribution in the form of shall be approved by the Board and a report of such distribution shall be submitted t

The Company's dividend policy is to pay dividends from surplus considering factors such as the Company's current and future investment environment, cash requirements, domestic and overseas competitive conditions and capital bud



Chapter 7: Supplementary Articles

Article 16

With respect to the matters not provided herein, the Company Act and other applicable laws and regulations shall govern.

Article 17

These Articles of Incorporation were enacted by the incorporators in the incorporators meeting on July 18, 1996 and were effectively approved by the competent authority.

The first amendment was made on September 18, 1996.
The second amendment was made on September 15, 1997.
The third amendment was made on April 23, 1998.
The fourth amendment was made on April 23, 1999.
The fifth amendment was made on March 9, 2000.
The sixth amendment was made on May 10, 2001.
The seventh amendment was made on May 10, 2001.
The eighth amendment was made on October 17, 2001.
The ninth amendment was made on May 2002.
The tenth amendment was made on May 29, 2003.
The eleventh amendment was made on April 29, 2004.
The twelfth amendment was made on June 14, 2005.
The thirteenth amendment was made on June 15, 2006.
The fourteenth amendment was made on June 13, 2007.
The fifteenth amendment was made on June 19, 2009.
The sixteenth amendment was made on June 10, 2011.
The seventeenth amendment was made on June 13, 2012.
The eighteenth amendment was made on June 19, 2013.
The nineteenth amendment was made on June 2016.
The twentieth amendment was made on June 15, 2017.
The twentyfirst amendment was made on June 14, 2019.
The twentysecond amendment was made on June 17, 2020.
The twentythird amendment was made on June 17, 2022



Appendix 2

AUO Rules and Procedures for

Meeting

1. Shareholders meeting of the Company shall be conducted in accordance with the Rules and Procedures.
2. Shareholders or their proxies attending the shareholders meeting shall be provided with an attendance card for the purpose of signing in. The number of shares represented by shareholders or their proxies attending the Meeting shall be calculated in accordance with the attendance cards submitted by the shareholders or their proxies plus the number of shares exercised by correspondence or electronic means.
3. The quorum required for the Meeting and the votes cast by the shareholders shall be calculated in accordance with the number of shares representing by shareholders attending the Meeting.
4. The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m. The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual shareholders meeting.
5. The chairman of the Board of Directors shall be the chair presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. In case the chairman of the Board of Directors is on leave or cannot exercise his power and authority for any reason, the vice chairman shall act on behalf of the chairman. In case the Company has no vice chairman, or the vice chairman is also on leave or unable to exercise his power and authority for any reason, the chairman of the Board of Directors shall designate one of the directors to act on behalf of the chairman. If the chairman does not make such designation, the directors shall elect from and among the directors present at the Meeting as the chair. If the Meeting is convened by the person other than the Board of Directors who is permitted to convene such Meeting, such person shall be the chair presiding at the Meeting.
6. The Company may appoint designated court-certified public accountants or other related persons to attend the Meeting.
7. The process of the Meeting shall be recorded or videotaped and these tapes or videos shall be preserved for at least one year.
8. The chair shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chair may postpone the time for the Meeting. The postponements shall be limited to two times at the most and the Meeting shall not be postponed for longer than one hour in the aggregate. After two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one-third of the total outstanding shares of the Company, tentative resolutions may be made in accordance with Paragraph 1, Article 175 of the Company Act of the Republic of China. If during the process of the Meeting the number of shares represented by the shareholders present becomes sufficient to constitute the quorum, the chair may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Act of the Republic of China.
9. The agenda of the Meeting shall be set by the Board of Directors. If the Meeting is convened by the Board of Directors, relevant resolutions (including extraordinary motions and the amendment to the original motion) should be voted by poll. The Meeting shall proceed in accordance with the agenda unless otherwise resolved by the Meeting.

If the shareholders' meeting is convened by a convening party other than the Board of Directors, the provisions of the preceding paragraph shall apply.

During the Meeting, the chair may, at his/her discretion, set time for intermissions. Unless otherwise resolved at the Meeting, the chair cannot announce adjournment of the Meeting before all the discussion items listed in the agenda are resolved. The shareholders cannot designate any other person as chair and continue the Meeting in the same or other place after the Meeting is adjourned.
10. When a shareholder present at the Meeting wishes to speak, a speech note should be filled out with summary of the speech, the shareholder's number, and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chair. If any shareholder presenting at the Meeting submits a speech note but does not speak, no



speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the speech note, the contents of actual speech shall prevail. Unless otherwise permitted by the chair and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholder, otherwise the chair shall stop such interruption.

11. Unless otherwise permitted by the chair, each shareholder shall not, for each discussion item, speak more than two times or longer than 5 minutes each time. In case the speech of any shareholder violates this provision, the chair may stop the speech of such shareholder. Under a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words.
12. Any legal entity designated as proxy by a shareholder shall be present at the Meeting may appoint only one representative to attend the Meeting. If a legal entity is a shareholder and designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.
13. After the speech of a shareholder, the chair may respond him/herself or appoint an appropriate person to respond.
14. The chair may announce to end the discussion of any item and amendment or extraordinary motions proposed by the shareholders, to go into ~~vot~~ if the chair deems it appropriate.
15. The voting method and procedures shall be announced by the chair or a person designated by the chair. The person(s) to monitor and the person(s) to count the ballots shall be appointed by the chair. The person(s) monitoring the ballots shall be a shareholder. The result of voting shall be announced at the Meeting and recorded in the minutes of the Meeting.
16. Except otherwise provided in the Company of the Republic of China or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the chair.
17. If there is amendment to or substitute for a discussion item, the chair shall decide the sequence of voting for such discussion item, the amendment or substitute. If any of them has been adopted, the other shall be deemed vetoed and no further voting is necessary.
18. The chair may require or supervise the disciplinary officers or the security guards to assist in keeping order of the Meeting place. Such disciplinary officers shall be required to wear identification purpose.
19. In case of incident due to force majeure, the chair may temporarily suspend the meeting and announce a time when, in view of the circumstances, the meeting will be resumed. If the meeting venue is no longer available for continued use and not all of the items on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.
20. Any matter not provided in the Rules and Procedures shall be handled in accordance with the Company of the Republic of China and the Articles of Incorporation of the Company.
21. The Rules and Procedures shall become effective from the date on which the Rules and Procedures are approved by the Meeting. The same shall apply to amendments to the Rules and Procedures.
22. These Rules were enacted on April 17, 1997; the first amendment was made on April 23, 1999; the second amendment was made on June 6, 2014; the third amendment was made on June 17, 2020; the fourth amendment was made on June 17, 2022.



Appendix 3

Shareholding of Directors

- (1) As of April 01, 2024 the first date of local book Meeting, the issued capital of the Company is NT\$76,993,960,920 representing 7,699,396,092 common shares. In accordance with the Article 26 of the Securities and Exchange Act, the minimum requirements of the collective shareholding for directors shall be 1% of the total common shares.
- (2) As of April 01, 2024 the actual collective shareholdings of directors were shown as below:

| Title | Name | Shareholders Represented | No. of Shareholding | Shareholding % |
|----------------------|-------------------------|--------------------------|---------------------|----------------|
| Chairman | ShuangLang (Paul) Peng | | 10,294,314 | 0.13 |
| Director | Frank Ko | AUO Foundation | 249,600 | 0.00 |
| Director | Han-Chou (Joe) Huang | Qisda Corporation | 530,878,896 | 6.90 |
| Director | ChuangChuang Tsai | E Ink Holdings Inc. | 7,975,188 | 0.10 |
| Independent Director | Chin-Bing (Philip) Peng | | 77,336 | 0.00 |
| Independent Director | JangLin (John) Chen | | 0 | 0.00 |
| Independent Director | Chiu-ling Lu | | 0 | 0.00 |
| Independent Director | Cathy Han | | 0 | 0.00 |
| Total | | | 549,475,334 | 7.13 |

Note: In accordance with the Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the share ownership ratios of independent directors of a public company shall not be counted in the total referred to in the preceding paragraph; if a public company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors and supervisors other than the independent directors and shall be decreased by 20%. In addition, an audit committee has been established in accordance with the Act, the provisions as minimum percentage requirements for the shareholding respectively of all directors and supervisors shall not apply.