



TWSE : 2409
OTC Markets : AUOTY

AUO Corporation

2024 Annual General Shareholders' Meeting

Meeting Agenda (Translation)

Date: May 30, 2024

NOTES TO SHAREHOLDERS:

1. For the Company's 2023 annual report, please refer to the Company's website at https://www.auo.com/en-global/shareholder_information/index
2. For the significant differences in the corporate governance between the practices of US and ROC, please refer to the above path of the Company's website.
3. Shareholders who wish to obtain the 2023 annual report may request a copy to be sent, free of charge, by contacting the Depositary at 1-888-301-6618 or <https://app.irdirect.net/company/49733/hotline/>
4. Minutes of the Company's 2024 Annual General Shareholders' Meeting will be available on the Company's website within 20 days after the Meeting at https://www.auo.com/en-global/shareholder_information/index



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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



AUO Corporation

2024 Annual General Shareholders' Meeting Procedure

- Call Meeting to Order

- Chair's Address

- Report Items

- Recognition Items

- Discussion Items

- Extraordinary Motions

- Meeting Adjourn



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

Place : Meeting Room in AUO's Headquarter

(No. 1, Gongye E. 3rd Rd., East Dist., Hsinchu Science Park, Hsinchu City)

**E-Meeting Platform : “E-Voting platform” by Taiwan Depository & Clearing Corporation
([https:// stockservices.tdcc.com.tw](https://stockservices.tdcc.com.tw))**

Attendants: All shareholders or their proxy holders

Chair: Shuang-Lang (Paul) Peng, Chairman

1. Chair’s Address

2. Report Items

- (1) To report the business of 2023
- (2) Audit Committee's Review Report and Communication between members of Audit Committee and head of Internal Audit
- (3) To report the cash distribution from capital surplus
- (4) To report 2023 directors’ remuneration

3. Recognition Items

- (1) To accept 2023 Business Report and Financial Statements
- (2) To accept the proposal for the distribution of 2023 earnings

4. Discussion Items

- (1) To amend the Rules for the Election of Directors

5. Extraordinary Motions

6. Meeting Adjourn



Report Items

1. To report the business of 2023

Explanation: The 2023 Business Report is attached hereto as Attachment 1 (Pages 10-12).

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 as Attachment 2 (Page 13). Please refer to Page 29 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\$6,901,092, 875 from capital surplus of the issuing premium of the par value of the common share pursuant to Article 241 of the Company Act (NT\$0.9 for every common share, i.e. NT\$900 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 record 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 2023 directors' remuneration

Explanation:

- (1) No directors' 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 auditors, Yu, Chi-Lung and Yu, Wan-Yuan of KPMG.
- (2) For the 2023 Business Report, Independent Auditors' Report, and 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 was NT\$32,705,034,866, 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 will obtain relevant information of each candidate. Therefore, it is proposed to delete relevant requirements for identifying candidates by shareholders' account number or ID number.
- (2) Comparison table for before and after the amendment is attached hereto as Attachment 6 (Pages 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 electronic 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 rate, 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 business. AUO's overall loss also narrowed compared to 2022.

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 value-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 direct-view 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-end medical, and gaming displays, making it a competitive technology against OLED.
- High-end direct-view 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 large-size tiling TV, and transparent displays. These applications showcase the technology's advantages, such as 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 strive to develop the Company into a “Smart Cockpit Display Solution Provider.” In 2023, our revenue from mobility solution business exceeded NT\$43 billion, demonstrating strong momentum with an annual growth rate exceeding 25%. In our journey towards transformation, this sector is expected to become one of AUO's important growth engines.

- In October 2023, AUO's Board of Directors approved the acquisition of Behr-Hella Thermocontrol GmbH (BHTC) in Germany. BHTC specializes in human-machine interfaces and climate control systems for the automotive industry. It possesses world-leading resources and R&D capabilities, with Tier 1 supplier abilities, and maintains deep collaborations with global automotive OEMs. The merger is expected to be completed in the first half of 2024. AUO will leverage BHTC's Tier 1 abilities, track records with automotive OEMs, and global sales channel and production bases to accelerate the goal to transform into a “Smart Cockpit Display Solution Provider.”
- AUO debuts at the US Consumer Electronics Show (CES) in January 2024. The year 2024 marks AUO's first-ever participation in CES as a Smart Cockpit Display Solution Provider and its first entry into the main exhibition hall. The Company was proud of earning two innovation awards recognizing our breakthroughs in transparent and rollable Micro LED displays for automotive applications. Among them, the "Interactive Transparent Window" integrates a highly transparent Micro LED display into vehicle side windows, equipped with touch functionality. This exhibit won the Best of Innovation Honoree award. This also means that the market recognizes AUO team's strong R&D capabilities and the ability to meet automotive customers' various needs in smart cockpits.

● Vertical business

In the recent years, AUO has actively developed its vertical businesses in retail, healthcare, enterprise, education, intelligent services, green energy, and other areas. This has been accomplished through the establishment of subsidiaries, via mergers and acquisitions, etc. Revenue from vertical businesses exceeded NT\$40 billion in 2023, marking a nearly 20% increase compared to 2022. The corresponding proportion of revenue also rose from 15% to 17%. This growth is anticipated to continue.

In the healthcare sector, AUO has been a critical player in the professional medical display market for over a decade. We are positioned as the world's leading professional medical display supplier. With a positive outlook on the smart healthcare sector, AUO Group saw its first-ever participation in the “2023 Healthcare+ Expo Taiwan”. Together with several industry partners, this endeavor brought together our subsidiaries AUO Display Plus¹, AUO Health², and AUO Care³ to jointly showcase products, technologies, and solutions launched by the Group in smart healthcare. These include products and services across five domains, including 3D surgical imaging, dental digitization, traditional Chinese medicine digital detection, medical information integration and management, and

¹ AUO Display Plus Corporation

² AUO Health Inc.

³ AUO Care Inc.



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-zero 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-zero transformation goals, aiming to create sustainable business opportunities and enhance AUO's competitiveness through ESG-driven 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 applications. At this stage, the panel business still consumes majority of the Company's capacity, capital deployment, and human resources. Our primary goal for 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 longer-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 "Display-centric Solution Provider" by 2025, moving toward for becoming a comprehensive sustainable enterprise.

Shuang-Lang (Paul) 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

Audit Committee's Review Report

The Board of Directors has prepared the Company's Business Report, Financial Statements, and Earnings Distribution Proposal for the year of 2023. Yu, Chi-Lung and Yu, Wan-Yuan, 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 14-4 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 '彭文彬' (Peng Wenbin), enclosed in a large right-facing curly bracket.

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 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 *Auditors' 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 other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our 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, 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 non-financial assets (including goodwill)

Refer to Note 4(14) “Impairment – 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 non-financial 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 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 the 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 fair 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 matters, 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 with 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 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, Chi-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 with the 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)

		December 31, 2023		December 31, 2022				December 31, 2023		December 31, 2022	
Assets		Amount	%	Amount	%		Liabilities and Equity	Amount	%	Amount	%
Current assets:											
1100	Cash and cash equivalents	\$ 30,581,959	9	42,441,718	12	2120	Financial liabilities at fair value through profit or loss — current	6,817	-	89,776	-
1110	Financial assets at fair value through profit or loss — current	132,527	-	169,455	-	2170	Notes and accounts payable	16,836,244	5	18,037,634	5
1170	Notes and accounts receivable, net	14,795,145	4	12,408,519	4	2180	Accounts payable to related parties	27,432,932	8	24,231,794	7
1180	Accounts receivable from related parties, net	4,612,869	1	5,347,662	2	2213	Equipment and construction payable	4,366,588	1	4,002,367	1
1210	Other receivables from related parties	2,137,997	1	2,050,395	-	2220	Other payables to related parties	224,275	-	249,047	-
1220	Current tax assets	280,343	-	21,306	-	2230	Current tax liabilities	-	-	509,975	-
130X	Inventories	17,158,208	5	17,295,755	5	2250	Provisions — current	1,828,855	1	443,197	-
1410	Prepayments	1,531,715	-	1,833,558	1	2280	Lease liabilities — current	409,888	-	401,297	-
1476	Other current financial assets	2,068,906	1	1,530,474	-	2399	Other current liabilities	18,189,980	5	17,913,439	5
1479	Other current assets	74,836	-	153,245	-	2322	Current installments of long-term borrowings	9,018,000	3	10,371,000	3
		<u>73,374,505</u>	<u>21</u>	<u>83,252,087</u>	<u>24</u>			<u>78,313,579</u>	<u>23</u>	<u>76,249,526</u>	<u>21</u>
Noncurrent assets:											
1517	Financial assets at fair value through other comprehensive income — noncurrent	-	-	85,362	-	2527	Contract liabilities — noncurrent	6,239,558	2	8,739,846	3
1550	Investments in equity-accounted investees	126,941,076	37	124,210,952	35	2540	Long-term borrowings, excluding current installments	89,289,344	26	68,197,393	19
1600	Property, plant and equipment	116,683,030	34	118,164,834	33	2550	Provisions — noncurrent	642,461	-	609,175	-
1755	Right-of-use assets	7,352,001	2	7,810,704	2	2570	Deferred tax liabilities	2,860,412	1	4,078,266	1
1760	Investment property	465,868	-	465,868	-	2580	Lease liabilities — noncurrent	7,233,981	2	7,654,368	2
1780	Intangible assets	9,426,902	3	9,464,184	3	2600	Other noncurrent liabilities	1,060,924	-	1,333,038	1
1840	Deferred tax assets	7,765,164	2	5,656,311	2			<u>107,326,680</u>	<u>31</u>	<u>90,612,086</u>	<u>26</u>
1900	Other noncurrent assets	2,798,920	1	2,850,401	1			<u>185,640,259</u>	<u>54</u>	<u>166,861,612</u>	<u>47</u>
		<u>271,432,961</u>	<u>79</u>	<u>268,708,616</u>	<u>76</u>						
	Total Assets	<u>\$ 344,807,466</u>	<u>100</u>	<u>351,960,703</u>	<u>100</u>		Total liabilities				
							Equity :				
						3100	Common stock	76,993,961	22	76,993,961	22
						3200	Capital surplus	54,998,829	16	61,942,210	18
						3300	Retained earnings	31,899,740	9	50,078,752	14
						3400	Other components of equity	(4,484,899)	(1)	(3,620,305)	(1)
						3500	Treasury shares	(240,424)	-	(295,527)	-
							Total equity	<u>159,167,207</u>	<u>46</u>	<u>185,099,091</u>	<u>53</u>
							Total Liabilities and Equity	<u>\$ 344,807,466</u>	<u>100</u>	<u>351,960,703</u>	<u>100</u>



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)

		2023		2022	
		Amount	%	Amount	%
4110	Revenue	\$ 216,433,131	101	217,686,089	101
4190	Less: sales return and discount	1,752,337	1	2,515,723	1
	Net revenue	214,680,794	100	215,170,366	100
5000	Cost of sales	222,806,471	104	225,776,767	105
	Gross loss	(8,125,677)	(4)	(10,606,401)	(5)
	Operating expenses:				
6100	Selling and distribution expenses	3,008,733	1	3,029,807	1
6200	General and administrative expenses	4,970,709	2	4,631,479	2
6300	Research and development expenses	10,075,719	5	10,129,375	5
	Total operating expenses	18,055,161	8	17,790,661	8
	Loss from operations	(26,180,838)	(12)	(28,397,062)	(13)
	Non-operating income and expenses:				
7100	Interest income	421,509	-	386,558	-
7010	Other income	849,906	-	862,214	-
7020	Other gains and losses	(1,127,151)	(1)	(1,200,499)	(1)
7050	Finance costs	(2,298,117)	(1)	(1,127,843)	-
7060	Share of profit of equity-accounted investees	5,776,406	3	8,383,800	4
	Total non-operating income and expenses	3,622,553	1	7,304,230	3
7900	Loss before income tax	(22,558,285)	(11)	(21,092,832)	(10)
7950	Less: income tax expense (benefit)	(4,355,011)	(2)	8,542	-
8200	Loss for the year	(18,203,274)	(9)	(21,101,374)	(10)
8300	Other comprehensive income:				
8310	Items that will never be reclassified to profit or loss				
8311	Remeasurement of defined benefit obligations	4,260	-	58,558	-
8316	Unrealized gain (loss) on equity investments at fair value through other comprehensive income	(401)	-	19,373	-
8330	Equity-accounted investees – share of other comprehensive income	401,933	-	(1,324,473)	(1)
8349	Related tax	(852)	-	(11,712)	-
		404,940	-	(1,258,254)	(1)
8360	Items that are or may be reclassified subsequently to profit or loss				
8361	Foreign operations – foreign currency translation differences	(96,911)	-	7,463,944	3
8380	Equity-accounted investees – share of other comprehensive income	(1,403,006)	-	(4,511,574)	(2)
8399	Related tax	254,645	-	(485,287)	-
		(1,245,272)	-	2,467,083	1
8300	Other comprehensive income (loss), net of tax	(840,332)	-	1,208,829	-
8500	Total comprehensive income (loss) for the year	<u>\$ (19,043,606)</u>	<u>(9)</u>	<u>(19,892,545)</u>	<u>(10)</u>
	Earnings (loss) per share (NT\$)				
9750	Basic earnings (loss) per share	<u>\$ (2.37)</u>		<u>(2.39)</u>	
9850	Diluted earnings (loss) per share	<u>\$ (2.37)</u>		<u>(2.39)</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	\$ 96,242,451	60,057,001	8,427,144	3,270,303	68,972,551	80,669,998	(4,873,573)	130,391	(4,743,182)	(439,228)	231,787,040
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	-	1,208,829
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)
Share-based 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>76,993,961</u>	<u>61,942,210</u>	<u>13,753,412</u>	<u>4,743,181</u>	<u>31,582,159</u>	<u>50,078,752</u>	<u>(2,406,490)</u>	<u>(1,213,815)</u>	<u>(3,620,305)</u>	<u>(295,527)</u>	<u>185,099,091</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)
Share-based 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)

	2023	2022
Cash flows from operating activities:		
Loss before income tax	\$ (22,558,285)	(21,092,832)
Adjustments for:		
- depreciation	20,541,130	19,845,290
- amortization	37,282	118,802
- losses (gains) on financial instruments at fair value through profit or loss, net	(46,031)	11,461
- interest expense	2,239,466	976,170
- interest income	(421,509)	(386,558)
- dividend income	-	(1,559)
- compensation costs of share-based payments	53,357	70,352
- share of profit of equity-accounted investees	(5,776,406)	(8,383,800)
- gains on disposals of property, plant and equipment	(24,783)	(3,192)
- impairment losses on assets	126,460	1,121,772
- unrealized foreign currency exchange losses (gains)	(282,867)	560,099
- others	58,651	138,935
Changes in operating assets and liabilities:		
- accounts receivable	(3,253,947)	36,027,128
- receivables from related parties	1,001,917	2,550,124
- inventories	137,547	4,395,797
- net defined benefit assets	(569)	3,090
- other operating assets	(9,850)	255,505
- contract liabilities	(476,498)	(1,551,093)
- notes and accounts payable	(163,676)	(7,438,696)
- payables to related parties	3,176,366	(9,207,644)
- provisions	1,439,229	(449,572)
- other operating liabilities	(2,025,796)	(9,058,509)
Cash inflow (outflow) generated from operations	(6,228,812)	8,501,070
Interest received	423,231	389,937
Dividends received	2,949,113	3,810,426
Interest paid	(2,210,241)	(930,473)
Income taxes paid	(346,641)	(6,244)
Net cash provided by (used in) operating activities	(5,413,350)	11,764,716

(Continued)



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	<u>(19,646,286)</u>	<u>(13,652,547)</u>

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	59,583,475
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	<u>13,218,324</u>	<u>8,688,025</u>

Effect of exchange rate change on cash and cash equivalents

	<u>(18,447)</u>	<u>20,586</u>
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Net increase (decrease) in cash and cash equivalents

	(11,859,759)	6,820,780
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Cash and cash equivalents at January 1

	<u>42,441,718</u>	<u>35,620,938</u>
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Cash and cash equivalents at December 31

\$	<u><u>30,581,959</u></u>	<u><u>42,441,718</u></u>
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Attachment 4

Independent Auditors' Report

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 material 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, in 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 *Auditors' 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 requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most 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 non-financial 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-term non-financial 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 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 the 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(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 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.

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 Supervisory 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'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 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 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 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 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 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, Chi-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, financial performance and cash flows in accordance with the 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 Supervisory Commission of the Republic of China. The standards, procedures 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	\$ 83,969,463	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	43,433,269	11	41,479,524	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	-	1,255,503	-	2213	Equipment and construction payable	6,135,421	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	307,874	-	41,186	-	2230	Current tax liabilities	1,083,671	-	1,567,623	-
130X	Inventories	29,003,121	8	30,263,713	8	2250	Provisions – current	2,399,306	1	559,654	-
1410	Prepayments	2,654,523	1	3,440,926	1	2280	Lease liabilities – current	644,259	-	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	4,593,094	1	2322	Current installments of long-term borrowings	10,062,194	3	13,884,634	4
1479	Other current assets	326,391	-	391,435	-			94,574,967	25	97,168,161	25
		<u>144,210,713</u>	<u>38</u>	<u>140,176,807</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	72,930,817	19
1517	Financial assets at fair value through other comprehensive income – noncurrent	1,832,068	-	1,900,581	1	2550	Provisions – noncurrent	881,394	-	909,405	-
1535	Financial assets at amortized cost – noncurrent	680,107	-	1,142,218	-	2570	Deferred tax liabilities	3,936,644	1	5,101,186	1
1550	Investments in equity-accounted investees	29,383,580	8	31,743,902	8	2580	Lease liabilities – noncurrent	8,684,270	2	8,661,640	2
1600	Property, plant and equipment	171,172,804	45	178,833,837	46	2600	Other noncurrent liabilities	2,271,528	1	1,918,971	1
1755	Right-of-use assets	9,770,626	2	9,800,458	3			<u>123,538,234</u>	<u>32</u>	<u>98,261,865</u>	<u>26</u>
1760	Investment property	1,320,901	-	1,393,244	-		Total liabilities	<u>218,113,201</u>	<u>57</u>	<u>195,430,026</u>	<u>51</u>
1780	Intangible assets	11,268,867	3	11,396,241	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	76,993,961	20	76,993,961	20
1990	Other noncurrent assets	2,388,154	1	2,878,412	1	3200	Capital surplus	54,998,829	14	61,942,210	16
		<u>239,260,024</u>	<u>62</u>	<u>246,663,867</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>159,167,207</u>	<u>41</u>	<u>185,099,091</u>	<u>48</u>
						Non-controlling interests					
						36XX	Non-controlling interests	6,190,329	2	6,311,557	1
								<u>165,357,536</u>	<u>43</u>	<u>191,410,648</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	\$ 250,048,326	101	249,956,539	101
4190	Less: sales return and discount	<u>2,083,889</u>	<u>1</u>	<u>3,163,865</u>	<u>1</u>
	Net revenue	247,964,437	100	246,792,674	100
5000	Cost of sales	<u>243,354,069</u>	<u>98</u>	<u>245,225,166</u>	<u>99</u>
	Gross profit (loss)	<u>4,610,368</u>	<u>2</u>	<u>1,567,508</u>	<u>1</u>
	Operating expenses :				
6100	Selling and distribution expenses	5,019,739	2	4,817,426	2
6200	General and administrative expenses	8,321,194	4	7,852,697	3
6300	Research and development expenses	<u>13,231,450</u>	<u>5</u>	<u>12,867,781</u>	<u>5</u>
	Total operating expenses	<u>26,572,383</u>	<u>11</u>	<u>25,537,904</u>	<u>10</u>
	Loss from operations	<u>(21,962,015)</u>	<u>(9)</u>	<u>(23,970,396)</u>	<u>(9)</u>
	Non-operating income and expenses:				
7100	Interest income	1,915,078	1	878,975	-
7010	Other income	1,999,172	1	3,211,169	1
7020	Other gains and losses	(391,363)	-	(121,274)	-
7050	Finance costs	(2,724,883)	(1)	(1,507,963)	-
7060	Share of profit of equity-accounted investees	<u>(518,049)</u>	<u>-</u>	<u>2,003,297</u>	<u>1</u>
	Total non-operating income and expenses	<u>279,955</u>	<u>1</u>	<u>4,464,204</u>	<u>2</u>
7900	Loss before income tax	(21,682,060)	(8)	(19,506,192)	(7)
7950	Less: income tax expense (benefit)	<u>(3,530,906)</u>	<u>(1)</u>	<u>1,466,988</u>	<u>1</u>
8200	Loss for the year	<u>(18,151,154)</u>	<u>(7)</u>	<u>(20,973,180)</u>	<u>(8)</u>
8300	Other comprehensive income:				
8310	Items that will never be reclassified to profit or loss				
8311	Remeasurement of defined benefit obligations	4,074	-	58,455	-
8316	Unrealized loss on equity investments at fair value through other comprehensive income	<u>(36,180)</u>	<u>-</u>	<u>57,359</u>	<u>-</u>
8320	Equity-accounted investees – share of other comprehensive income	446,924	-	(1,362,377)	(1)
8349	Related tax	<u>(1,725)</u>	<u>-</u>	<u>(11,691)</u>	<u>-</u>
		<u>413,093</u>	<u>-</u>	<u>(1,258,254)</u>	<u>(1)</u>
8360	Items that are or may be reclassified subsequently to profit or loss				
8361	Foreign operations – foreign currency translation differences	(1,540,996)	(1)	2,388,106	1
8370	Equity-accounted investees – share of other comprehensive income	<u>(73,173)</u>	<u>-</u>	<u>562,474</u>	<u>-</u>
8399	Related tax	<u>290,245</u>	<u>-</u>	<u>(490,056)</u>	<u>-</u>
		<u>(1,323,924)</u>	<u>(1)</u>	<u>2,460,524</u>	<u>1</u>
8300	Other comprehensive income, net of tax	<u>(910,831)</u>	<u>(1)</u>	<u>1,202,270</u>	<u>-</u>
8500	Total comprehensive income (loss) for the year	<u>\$(19,061,985)</u>	<u>(8)</u>	<u>(19,770,910)</u>	<u>(8)</u>
	Profit (loss) attributable to:				
8610	Shareholders of AUO Corporation	\$(18,203,274)	(7)	(21,101,374)	(8)
8620	Non-controlling interests	<u>52,120</u>	<u>-</u>	<u>128,194</u>	<u>-</u>
		<u>\$(18,151,154)</u>	<u>(7)</u>	<u>(20,973,180)</u>	<u>(8)</u>
	Total comprehensive income (loss) attributable to:				
8710	Shareholders of AUO Corporation	\$(19,043,606)	(8)	(19,892,545)	(8)
8720	Non-controlling interests	<u>(18,379)</u>	<u>-</u>	<u>121,635</u>	<u>-</u>
		<u>\$(19,061,985)</u>	<u>(8)</u>	<u>(19,770,910)</u>	<u>(8)</u>
	Earnings (loss) per share (NT\$)				
9750	Basic earnings (loss) per share	<u>\$ (2.37)</u>		<u>(2.39)</u>	
9850	Diluted earnings (loss) per share	<u>\$ (2.37)</u>		<u>(2.39)</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)

Equity Attributable to Shareholders of AUO Corporation

	Equity Attributable to Shareholders of AUO Corporation					Other Components of Equity			Treasury Shares	Equity Attributable to Shareholders of AUO Corporation	Non-controlling Interests	Total Equity	
	Capital Stock Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Retained Earnings Unappropriated Earnings	Cumulative Translation Differences	Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income	Subtotal					
Balance at January 1, 2022	\$ 96,242,451	60,057,001	8,427,144	3,270,303	68,972,551	80,669,998	(4,873,573)	130,391	(4,743,182)	(439,228)	231,787,040	6,179,431	237,966,471
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)	-	(9,575,824)
Profit (loss) for the year	-	-	-	-	(21,101,374)	(21,101,374)	-	-	-	-	(21,101,374)	128,194	(20,973,180)
Other comprehensive income (loss), net of tax	-	-	-	-	44,298	44,298	2,467,083	(1,302,552)	1,164,531	-	1,208,829	(6,559)	1,202,270
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)	121,635	(19,770,910)
Donations from shareholders	-	1,095	-	-	-	-	-	-	-	-	1,095	-	1,095
Adjustments for changes in investees' equity	-	1,812,907	-	-	-	-	-	-	-	-	1,812,907	604	1,813,511
Capital reduction	(19,248,490)	-	-	-	-	-	-	-	-	96,842	(19,151,648)	-	(19,151,648)
Share-based payments	-	71,207	-	-	-	-	-	-	-	46,859	118,066	12,699	130,765
Disposal of equity investments measured at fair value through other comprehensive income	-	-	-	-	41,654	41,654	-	(41,654)	(41,654)	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(2,812)	(2,812)
Balance at December 31, 2022	76,993,961	61,942,210	13,753,412	4,743,181	31,582,159	50,078,752	(2,406,490)	(1,213,815)	(3,620,305)	(295,527)	185,099,091	6,311,557	191,410,648
Appropriation of earnings:													
Reversal of special reserve	-	-	-	(1,122,876)	1,122,876	-	-	-	-	-	-	-	-
Profit (loss) for the year	-	-	-	-	(18,203,274)	(18,203,274)	-	-	-	-	(18,203,274)	52,120	(18,151,154)
Other comprehensive income (loss), net of tax	-	-	-	-	44,759	44,759	(1,245,272)	360,181	(885,091)	-	(840,332)	(70,499)	(910,831)
Total comprehensive income (loss) for the year	-	-	-	-	(18,158,515)	(18,158,515)	(1,245,272)	360,181	(885,091)	-	(19,043,606)	(18,379)	(19,061,985)
Cash distribution from capital surplus	-	(6,134,305)	-	-	-	-	-	-	-	-	(6,134,305)	-	(6,134,305)
Donations from shareholders	-	3,712	-	-	-	-	-	-	-	-	3,712	-	3,712
Differences between consideration and carrying amount arising from acquisition or disposal of interest in subsidiary	-	(16,137)	-	-	-	-	-	-	-	-	(16,137)	16,137	-
Adjustments for changes in investees' equity	-	(874,755)	-	-	-	-	-	-	-	-	(874,755)	(25,675)	(900,430)
Share-based payments	-	78,104	-	-	-	-	-	-	-	55,103	133,207	867	134,074
Disposal of equity investments measured at fair value through other comprehensive income	-	-	-	-	(20,497)	(20,497)	-	20,497	20,497	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(94,178)	(94,178)
Balance at December 31, 2023	\$ 76,993,961	54,998,829	13,753,412	3,620,305	14,526,023	31,899,740	(3,651,762)	(833,137)	(4,484,899)	(240,424)	159,167,207	6,190,329	165,357,536



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	2,660,885	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)	-
- impairment losses on assets	210,771	1,179,565
- unrealized foreign currency exchange losses (gains)	(364,148)	158,438
- others	101,025	82,019
Changes in operating assets and liabilities:		
- notes and accounts receivable	(4,844,979)	39,381,310
- receivables from related parties	1,791	1,238,452
- inventories	1,266,186	4,214,575
- other operating assets	385,546	(48,157)
- contract liabilities	(440,614)	(1,507,156)
- notes and accounts payable	2,755,404	(12,705,469)
- payables to related parties	(666,467)	(2,979,734)
- provisions	1,832,878	(489,391)
- other operating liabilities	(395,560)	(9,677,630)
Cash inflow generated from operations	10,810,789	28,241,158
Interest received	1,855,266	782,513
Dividends received	1,599,601	1,827,279
Interest paid	(2,632,179)	(1,522,704)
Income taxes paid	(1,639,914)	(2,357,288)
Net cash provided by operating activities	9,993,563	26,970,958

(Continued)



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	10,002
Acquisitions of financial assets at amortized cost	(878,405)	(660,262)
Disposals of financial assets at amortized cost	770,824	10,000,000
Acquisitions of financial assets at fair value through profit or loss	(138,231)	-
Disposals of financial assets at fair value through profit or loss	-	5,440
Acquisitions of equity-accounted investees	(105,904)	(5,183,707)
Disposals of equity-accounted investees	-	83,152
Proceeds from disposal of noncurrent assets held for sale	808,694	-
Acquisitions of property, plant and equipment	(26,786,572)	(35,950,205)
Disposals of property, plant and equipment	2,293,768	845,768
Increase in receipts in advance due to disposal of assets	-	848,008
Decrease (increase) in refundable deposits	(106,096)	83,193
Acquisitions of intangible assets	-	(2,929)
Decrease (increase) in other financial assets	315,501	(743,153)
Net cash outflow arising from acquisition of subsidiaries	(85,579)	(704,049)
Net cash used in investing activities	(24,054,384)	(31,912,960)

Cash flows from financing activities:

Proceeds from short-term borrowings	3,241,000	539,963
Repayments of short-term borrowings	(3,104,249)	(457,499)
Proceeds from long-term borrowings	63,124,446	64,168,996
Repayments of long-term borrowings	(38,134,307)	(32,619,345)
Payment of lease liabilities	(606,200)	(574,590)
Decrease in received guarantee deposits	(2,403)	(20,819)
Cash dividends and cash distribution from capital surplus	(6,134,305)	(9,575,824)
Capital reduction	-	(19,151,648)
Treasury shares sold to employees	73,011	46,718
Net change of non-controlling interests	(94,178)	(2,812)
Others	3,712	1,095
Net cash provided by financing activities	18,366,527	2,354,235

Effect of exchange rate change on cash and cash equivalents

Effect of exchange rate change on cash and cash equivalents	(949,363)	3,256,201
Net increase in cash and cash equivalents	3,356,343	668,434
Cash and cash equivalents at January 1	80,613,120	79,944,686
Cash and cash equivalents at December 31	\$ 83,969,463	80,613,120



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 <small>(Note1)</small>	44,759,356
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 <small>(Note 2)</small>	(864,593,661)
Unappropriated Retained Earnings, Ending Balance	13,661,429,290

Note 1. Including the Company's and the adjustments of investments accounted under equity method.

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.

**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 May 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 candidate's name and shareholder's number in the "candidate" column of the ballot; if the candidate is not a shareholder of the Company, voters shall fill the candidate's name and ID number in the "candidate" column. If the candidate is a government agency or a legal entity, voters shall fill the name of the government agency or the legal entity or the name of their 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 separately in the column.</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 TWSE 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 10⁹</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;</p> <p>4. contains a name or shareholder’s number in the “candidate” column which is inconsistent with the shareholder’s register if the candidate is a shareholder of the Company;</p> <p>Contains a name or ID number in the “candidate” column which is incorrect if the candidate is not a shareholder of the Company;</p> <p>5. contains any words or marks other than those specified in Article 9;</p> <p>6. is not filled out in accordance with Article 9 or is filled incompletely; or</p> <p>7. contains two or more candidates.</p>	<p>corrections;</p> <p>4. contains a name or shareholder’s number in the “candidate” column which is inconsistent with the shareholder’s register if the candidate is incorrect with a shareholder of the Company; Contains a name or ID number in the “candidate” column directors' candidate list which is incorrect if the candidate is not a shareholder of the Company;</p> <p>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;</p> <p>6. is not filled out in accordance with Article 9 or is filled incompletely; or</p> <p>7. contains two or more candidates.</p>	
<p>Article 11</p> <p>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 101</p> <p>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</p> <p>The Rules and any amendment thereof shall become effective after approval by the Shareholders’ Meeting.</p>	<p>Article 112</p> <p>The Rules and any amendment thereof shall become effective after approval by the Shareholders’ 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 material wholesale business (for operations outside the Science Park only)
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

To research, develop, produce, manufacture and sell the following products:

- (1) Plasma display and related systems
- (2) Liquid crystal display and related systems
- (3) Organic light emitting diodes and related systems
- (4) Amorphous silicon photo sensor device parts and components
- (5) Thin film photo diode sensor device parts and components
- (6) Thin film transistor photo sensor device parts and components
- (7) Touch imaging sensors
- (8) Full color active matrix flat panel displays
- (9) Field emission displays
- (10) Single crystal liquid crystal displays
- (11) Original equipment manufacturing for amorphous silicon thin film transistor process and flat panel display modules
- (12) Original design manufacturing and original equipment manufacturing business for flat panel display modules
- (13) Solar Cell, modules, and related system and service.
- (14) New green energy related system and service (for operations outside the Science Park only)
- (15) Color Filters
- (16) The simultaneous operation of a trade business and maintenance service relating to the Company's business
- (17) The simultaneous operation of metals, Refuse Derived Fuel and chemical products from the Company's manufacturing recycle processes

The operation of the businesses listed above shall be conducted in accordance with the relevant laws and regulations.

Article 3

The head office of the Company shall be in the Science-Based Industrial Park, Hsinchu, Taiwan, the Republic of China ("R.O.C.") or such other appropriate place as may be decided by the board of directors (the "Board").



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 un-issued 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, whenever 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 in 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 securities authorities, if a person is designated as proxy by more than two shareholders, any of such person's 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 three 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 services provided for the Company's operation and with reference to the standards of local and overseas industry.

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 14-4 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. As 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 the 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 another 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. In calling a 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, and remuneration 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 and approved. Dividend distribution in the form of shares (in whole or in part) shall be approved by the shareholders' meeting. Dividend distribution in the form of cash shall be approved by the Board and a report of such distribution shall be submitted to the shareholders' meeting.

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 budget requirements, and taking into account the shareholders' interest, maintenance of a balanced dividend and the Company's long term financial plan. If the retained earnings available for distribution of the current year reaches 2% of the paid in capital of the Company, no less than 20% of the retained earnings available for distribution of the current year shall be distributed as dividend. If the retained earnings available for distribution of the current year does not reach 2% of the paid in capital of the Company, the Company may distribute no dividend. The cash portion of the dividend shall not be less than 10% of the total dividend in the form of cash and stock.

The dividend distribution ratio in the preceding paragraph could be adjusted taking into consideration finance, business and operations, etc.

Article 15-2

Where the Company incurs no loss, the Company may distribute the portion of legal reserve which exceeds 25% of the Company's paid-in capital and the capital reserves permitted for distribution under the Company Act, in whole or in part, in the form of cash, to the shareholders in proportion to their shareholdings by the resolution adopted by the Board and a report of such distribution shall be submitted to the shareholders' meeting.

Article 15-3

The employees who are entitled to employees remunerations in the form of shares or cash, employee stock option, restricted employee stock, the bought back shares to be transferred by the Company and the new shares reserved for employees subscription in the Company's share offering include employees of subsidiaries of the Company meeting certain specific qualifications and the Board or the person duly designated by the Board is authorized to decide such qualifications and allocation.



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 held 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 21, 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 seventeen amendment was made on June 13, 2012.
The eighteenth amendment was made on June 19, 2013.
The nineteenth amendment was made on June 16, 2016.
The twentieth amendment was made on June 15, 2017.
The twenty-first amendment was made on June 14, 2019.
The twenty-second amendment was made on June 17, 2020.
The twenty-third amendment was made on June 17, 2022



Appendix 2

AUO Rules and Procedures for Shareholders' 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 (the "Meeting") shall submit the 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-only 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 chair. In case the Company has no vice chairman, or the vice chairman is also on leave or unable to exercise his and authority for any reason, the chairman of the Board of Directors shall designate one of the directors to act on behalf of the chair. If the chairman does not make such designation, the directors shall elect from and among themselves an acting 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 the Meeting.
6. The Company may appoint designated counsel, Certified Public Accountant or other related persons to attend the Meeting.
7. The process of the Meeting shall be tape-recorded or videotaped and these tapes or videos shall be preserved for at least one year.
8. 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 Meeting shall not be postponed for longer than one hour in the aggregate. If 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 at 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 intermission. 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 designated 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 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 or exceeds the scope of the discussion item, the chair may stop the speech of such shareholder. Where 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(s) to 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 voting 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(s). 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 Act 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 the 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 or security guards shall wear badges marked "Disciplinary Officer" for identification purpose.
19. In case of incident due to force majeure, the chair may rule the meeting temporarily suspended 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 Act of 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-close period for the 2023 Annual Shareholders' 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 are 123,190,337 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	Shuang-Lang (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	Chuang-Chuang Tsai	E Ink Holdings Inc.	7,975,188	0.10
Independent Director	Chin-Bing (Philip) Peng		77,336	0.00
Independent Director	Jang-Lin (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 that “The shareholdings of independent directors elected by 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 percent”. In addition an audit committee has been established in accordance with the Act, the provisions on the minimum percentage requirements for the shareholding respectively of all directors and supervisors shall not apply.