



April 19, 2023

Dear Shareholder,

AUO Corporation (AUO) will convene its Annual General Meeting (AGM) on May 26, 2023. To facilitate timely and convenient participation of shareholders in important corporate decisions, we will continue to employ a hybrid method to convene the meeting, thereby promoting shareholder activism.

We trust that you have received all the necessary documentation to make an independent and informed decision on this year's proposed resolutions put forward by the Board of Directors (Board). Below please find AUO's 2023 AGM agenda, with brief explanations for items you may have inquiries about. As always, we truly appreciate your support and please let us know if you need any additional information.

### **Recognition Item 1: To recognize 2022 Business Report and Financial Statements**

For the fiscal year of 2022, AUO reported NT\$21.10 billion net loss attributable to owners of AUO, with a basic loss per share of NT\$2.39.

Looking back at 2022, the Company faced significant operational challenges. The demand for stay-at-home economy that was robust in the past two years had gradually faded. Additionally, war, inflation and rising interest rates led to lackluster end-market demand. Combined with high channel inventory, this led to a sudden slump in panel demand from brand customers, resulting in revenues of NT\$246.79 billion in 2022, a decline of 33.4% year-over-year. The profitability of the Company also turned into a loss in 2022 from an all-time high in 2021, with a net loss attributable to owners of the Company of NT\$21.10 billion and a basic loss per share of NT\$2.39.

### **Recognition Item 2: To recognize the proposal for the distribution of 2022 earnings**

1. AUO continues to invest in the mass production of uLED, expand the applications of display, and accelerate "Biaxial Transformation" to mitigate the impact of industry cyclicality and strengthen business sustainability. These efforts aim to balance long-term competitiveness while maximizing shareholder returns.
2. As previously mentioned, the unanticipated changes in the economy has posted a significant challenge for AUO. Despite the financial loss incurred in 2022, the Company has decided to distribute NT\$0.8 for every common share. This decision is based on its strong balance sheet (with a low gearing ratio) and its dedication to providing steady returns to shareholders. Therefore, AUO has distributed cash for the first time ever, even though it recorded a loss in the previous year.



**Discussion Item 1: To lift non-competition restrictions on board members**

According to Article 209 of the Company Act of the Republic of China, any Director who conducts business for himself/herself/itself or on behalf of another person that is within the AUO's business scope, shall provide an explanation for the essential contents of such conduct at the shareholders' meeting, and obtain approval from shareholders. Thus, the list of non-competition restrictions proposed to be lifted in the 2023 AGM is as follows:

Title	Name	Released restriction
Director	Han-Chou (Joe) Huang, Representative of Qisda Corporation	Director, Alpha Networks Inc.
Independent Director	Chin-Bing (Philip) Peng	Director, Cruise I0 Co., Ltd.

Should you have any concerns or questions before voting on the AGM proposals, please feel free to contact us via email at [emily.tai@auo.com](mailto:emily.tai@auo.com). In addition to the AGM proposals, if you're interested in learning about AUO's ESG achievements, please check out the ESG Insight Report on AUO's website at <https://csr.auo.com/en>. We look forward to seeing you at the General Meeting in person, but in case you cannot join us onsite, please be reminded that you have the right to vote by proxy through your respective agents.

Yours Sincerely,

Benjamin Tseng  
Chief Financial Officer  
AUO Corporation