

AUO CORPORATION

Parent Company Only Financial Statements

With Independent Auditors' Report

For the Years Ended December 31, 2025 and 2024

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

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, 2025 and 2024, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2025 and 2024, and notes to the parent company only financial statements, including a summary of material 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, 2025 and 2024, 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 Lu, Chien Hui.

KPMG

Hsinchu, Taiwan (Republic of China)
February 10, 2026

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 audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
AUO CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

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

		2025		2024	
		Amount	%	Amount	%
4000	Net revenue (Notes 6(17)&7)	\$216,867,696	100	223,751,195	100
5000	Cost of sales (Notes 6(5),(15),(18),(19)&7)	<u>204,729,970</u>	<u>94</u>	<u>218,510,957</u>	<u>97</u>
	Gross profit	<u>12,137,726</u>	<u>6</u>	<u>5,240,238</u>	<u>3</u>
	Operating expenses (Notes 6(8),(15),(18),(19)&7):				
6100	Selling and distribution expenses	3,417,082	2	3,574,755	2
6200	General and administrative expenses	5,070,329	2	5,291,373	2
6300	Research and development expenses	<u>9,885,569</u>	<u>5</u>	<u>10,819,545</u>	<u>5</u>
	Total operating expenses	<u>18,372,980</u>	<u>9</u>	<u>19,685,673</u>	<u>9</u>
	Loss from operations	<u>(6,235,254)</u>	<u>(3)</u>	<u>(14,445,435)</u>	<u>(6)</u>
	Non-operating income and expenses:				
7100	Interest income (Notes 6(20)&7)	442,695	-	533,334	-
7010	Other income (Notes 6(3),(20)&7)	2,751,035	1	2,167,888	1
7020	Other gains and losses (Notes 6(3),(6),(7),(20)&7)	5,452,691	3	4,696,063	2
7050	Finance costs (Notes 6(7),(8),(20)&7)	(2,507,599)	(1)	(2,658,363)	(1)
7060	Share of profit of equity-accounted investees (Note 6(6))	<u>6,105,296</u>	<u>3</u>	<u>6,070,891</u>	<u>3</u>
	Total non-operating income and expenses	<u>12,244,118</u>	<u>6</u>	<u>10,809,813</u>	<u>5</u>
7900	Profit (loss) before income tax	6,008,864	3	(3,635,622)	(1)
7950	Less: income tax expense (benefit) (Note 6(21))	<u>(834,497)</u>	<u>-</u>	<u>(571,455)</u>	<u>-</u>
8200	Profit (loss) for the year	<u>6,843,361</u>	<u>3</u>	<u>(3,064,167)</u>	<u>(1)</u>
8300	Other comprehensive income (loss) (Notes 6(6),(15),(16)&(21)):				
8310	Items that will never be reclassified to profit or loss				
8311	Remeasurement of defined benefit obligations	12,847	-	35,377	-
8316	Unrealized gain (loss) on equity investments at fair value through other comprehensive income	(2,876,870)	(1)	-	-
8330	Equity-accounted investees – share of other comprehensive income	(1,532,583)	(1)	1,357,683	1
8349	Related tax	<u>(2,569)</u>	<u>-</u>	<u>(7,076)</u>	<u>-</u>
		<u>(4,399,175)</u>	<u>(2)</u>	<u>1,385,984</u>	<u>1</u>
8360	Items that are or may be reclassified subsequently to profit or loss				
8361	Foreign operations – foreign currency translation differences	(2,427,169)	(1)	4,836,098	2
8380	Equity-accounted investees – share of other comprehensive income	2,425,903	1	(1,677,274)	(1)
8399	Related tax	<u>(130,706)</u>	<u>-</u>	<u>(552,084)</u>	<u>-</u>
		<u>(131,972)</u>	<u>-</u>	<u>2,606,740</u>	<u>1</u>
8300	Other comprehensive income (loss), net of tax	<u>(4,531,147)</u>	<u>(2)</u>	<u>3,992,724</u>	<u>2</u>
8500	Total comprehensive income (loss) for the year	<u>\$ 2,312,214</u>	<u>1</u>	<u>928,557</u>	<u>1</u>
	Earnings (loss) per share (NT\$, Note 6(22))				
9750	Basic earnings (loss) per share	<u>\$ 0.90</u>		<u>(0.40)</u>	
9850	Diluted earnings (loss) per share	<u>\$ 0.90</u>		<u>(0.40)</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
AUO CORPORATION

Statements of Changes in Equity
For the years ended December 31, 2025 and 2024
(Expressed in thousands of New Taiwan dollars)

	<u>Capital Stock</u>		<u>Retained Earnings</u>				<u>Cumulative Translation Differences</u>	<u>Other Components of Equity</u>		<u>Treasury Shares</u>	<u>Total Equity</u>
			<u>Common Stock</u>	<u>Capital Surplus</u>	<u>Legal Reserve</u>	<u>Special Reserve</u>		<u>Unappropriated Earnings</u>	<u>Subtotal</u>		
Balance at January 1, 2024	\$ 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
Appropriation of earnings:											
Special reserve	-	-	-	864,594	(864,594)	-	-	-	-	-	-
Loss for the year	-	-	-	-	(3,064,167)	(3,064,167)	-	-	-	-	(3,064,167)
Other comprehensive income (loss), net of tax	-	-	-	-	32,197	32,197	2,606,740	1,353,787	3,960,527	-	3,992,724
Total comprehensive income (loss) for the year	-	-	-	-	(3,031,970)	(3,031,970)	2,606,740	1,353,787	3,960,527	-	928,557
Cash distribution from capital surplus	-	(6,901,093)	-	-	-	-	-	-	-	-	(6,901,093)
Donations from shareholders	-	(218)	-	-	-	-	-	-	-	-	(218)
Adjustments for changes in investees' equity	-	141,172	-	-	-	-	-	-	-	-	141,172
Changes in capital surplus for not proportionately participating in the capital increase of investees	-	(37,905)	-	-	-	-	-	-	-	-	(37,905)
Treasury shares retired	(315,151)	74,727	-	-	-	-	-	-	-	240,424	-
Disposal of equity investments measured at fair value through other comprehensive income	-	-	-	-	(168,594)	(168,594)	-	168,594	168,594	-	-
Balance at December 31, 2024	<u>76,678,810</u>	<u>48,275,512</u>	<u>13,753,412</u>	<u>4,484,899</u>	<u>10,460,865</u>	<u>28,699,176</u>	<u>(1,045,022)</u>	<u>689,244</u>	<u>(355,778)</u>	<u>-</u>	<u>153,297,720</u>
Appropriation of earnings:											
Reversal of special reserve	-	-	-	(4,129,121)	4,129,121	-	-	-	-	-	-
Profit for the year	-	-	-	-	6,843,361	6,843,361	-	-	-	-	6,843,361
Other comprehensive income (loss), net of tax	-	-	-	-	42,258	42,258	(131,972)	(4,441,433)	(4,573,405)	-	(4,531,147)
Total comprehensive income (loss) for the year	-	-	-	-	6,885,619	6,885,619	(131,972)	(4,441,433)	(4,573,405)	-	2,312,214
Cash distribution from capital surplus	-	(2,300,364)	-	-	-	-	-	-	-	-	(2,300,364)
Donations from shareholders	-	(509)	-	-	-	-	-	-	-	-	(509)
Adjustments for changes in investees' equity	-	445,120	-	-	-	-	-	-	-	-	445,120
Changes in capital surplus for not proportionately participating in the capital increase of investees	-	69,279	-	-	-	-	-	-	-	-	69,279
Treasury shares acquired	-	-	-	-	-	-	-	-	-	(1,824,016)	(1,824,016)
Treasury shares retired	(1,207,820)	(616,196)	-	-	-	-	-	-	-	1,824,016	-
Disposal of equity investments measured at fair value through other comprehensive income	-	-	-	-	(721,607)	(721,607)	-	721,607	721,607	-	-
Balance at December 31, 2025	<u>\$ 75,470,990</u>	<u>45,872,842</u>	<u>13,753,412</u>	<u>355,778</u>	<u>20,753,998</u>	<u>34,863,188</u>	<u>(1,176,994)</u>	<u>(3,030,582)</u>	<u>(4,207,576)</u>	<u>-</u>	<u>151,999,444</u>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
AUO CORPORATION

Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in thousands of New Taiwan dollars)

	2025	2024
Cash flows from operating activities:		
Profit (loss) before income tax	\$ 6,008,864	(3,635,622)
Adjustments for:		
- depreciation	15,636,704	18,814,317
- amortization	1,621	196,164
- net losses (gains) on financial instruments at fair value through profit or loss	(12,813)	201,705
- interest expense	2,439,884	2,565,983
- interest income	(442,695)	(533,334)
- dividend income	(261,106)	-
- share of profit of equity-accounted investees	(6,105,296)	(6,070,891)
- gains on disposal of property, plant and equipment	(5,388,213)	(4,732,741)
- net gains on disposal of investments	(1,664,630)	(1,055,602)
- impairment losses on assets	321,187	154,280
- unrealized foreign currency exchange losses	91,444	224,488
- others	53,152	92,695
Changes in operating assets and liabilities:		
- accounts receivable	(4,897,981)	1,206,096
- receivables from related parties	1,226,956	1,335,276
- inventories	(61,322)	(581,934)
- net defined benefit assets	(1,836)	(251)
- capitalized contract cost	(581,987)	(284,755)
- other operating assets	(1,464,706)	(146,761)
- accounts payable	(2,244,669)	(3,016,339)
- payables to related parties	(1,366,067)	(2,009,329)
- Increase (decrease) in accounts payable to related parties	4,971,029	6,964,799
- provisions	583,113	99,512
- other operating liabilities	(1,621,283)	302,887
Cash inflow generated from operations	5,219,350	10,090,643
Interest received	380,584	529,922
Dividends received	5,506,474	3,945,549
Interest paid	(2,470,805)	(2,551,050)
Income taxes paid	(316,729)	(75,768)
Net cash provided by operating activities	8,318,874	11,939,296

(Continued)

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
AUO CORPORATION

Statements of Cash Flows (Continued)

For the years ended December 31, 2025 and 2024

(Expressed in thousands of New Taiwan dollars)

	2025	2024
Cash flows from investing activities:		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	423,415	-
Acquisition of equity-accounted investees	(5,560,268)	(16,672,276)
Disposal of equity-accounted investees	206,238	4,116,000
Proceeds from capital reduction of equity-accounted investees	5,074,601	15,419,943
Acquisition of property, plant and equipment	(13,045,636)	(18,003,853)
Disposal of property, plant and equipment	8,383,224	3,423,866
Decrease (increase) in refundable deposits	701,487	(1,280,892)
Decrease in other receivables from related party	670,000	475,000
Decrease in other financial assets	403	111
Net cash used in investing activities	(3,146,536)	(12,522,101)
Cash flows from financing activities:		
Proceeds from short-term borrowings	22,432,025	13,100,000
Repayments of short-term borrowings	(17,333,825)	(10,300,000)
Proceeds from long-term borrowings	19,100,000	44,819,934
Repayments of long-term borrowings	(33,581,000)	(41,993,000)
Payment of lease liabilities	(420,540)	(430,395)
Increase in received guarantee deposits	-	840
Cash distribution from capital surplus	(2,300,364)	(6,901,093)
Repurchase of treasury shares	(1,824,016)	-
Others	(509)	(218)
Net cash used in financing activities	(13,928,229)	(1,703,932)
Effect of exchange rate change on cash and cash equivalents	(4,437)	4,437
Net increase (decrease) in cash and cash equivalents	(8,760,328)	(2,282,300)
Cash and cash equivalents at January 1	28,299,659	30,581,959
Cash and cash equivalents at December 31	\$ 19,539,331	28,299,659

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
AUO CORPORATION

Notes to the Parent Company Only Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in thousands of New Taiwan dollars, unless otherwise indicated)

1. Organization

AUO Corporation (“AUO” or “the Company”) was founded on August 12, 1996 and is located in Hsinchu Science Park, the Republic of China (“ROC”). AUO primarily engages in the research, development, production and sale of thin film transistor liquid crystal displays (“TFT-LCDs”) and other flat panel displays used in a wide variety of applications, and providing display solutions of smart fields as well as construction services for solar module and solar power plant. AUO’s common shares have been publicly listed on the Taiwan Stock Exchange since September 2000, and its American Depositary Shares (“ADSs”) have been listed on the New York Stock Exchange (“NYSE”) since May 2002. On and from October 1, 2019, AUO’s ADSs has delisted from the NYSE and begun trading on the over-the-counter (“OTC”) market. Further on January 27, 2021, AUO’s ADSs and underlying ordinary shares was officially cancelled from the registration of the United States Securities and Exchange Commission and its reporting obligations under the U.S. Securities Exchange Act was terminated.

On September 1, 2001, October 1, 2006 and October 1, 2016, Unipac Optoelectronics Corp. (“Unipac”), Quanta Display Inc. (“QDI”) and Taiwan CFI Co., Ltd. (“CFI”) were merged with and into AUO, respectively. AUO is the surviving Company, whereas Unipac, QDI and CFI were dissolved.

In order to advance AUO’s value transformation strategy, to accelerate the extension of the value chain and enhance the overall operating performance, upon the resolution of the shareholders’ meeting held on June 17, 2020, AUO demerged and transferred the business of the General Display and the Public Information Display, including assets, liabilities and the operations, to its wholly-owned subsidiary, AUO Display Plus Corporation (“ADP”). ADP issued new shares to AUO as the consideration. The effective date of the demerger was set on January 1, 2021.

In order to advance AUO’s value transformation strategy, enhance its market responsiveness, provide customers with one stop solutions, and improve operational performance, AUO’s Board of Directors resolved on November 21, 2024, to demerge and transfer the business of the Mobility Solution, to its newly established, wholly owned subsidiary, AUO Mobility Solution Corporation (“AMSC”). AMSC will issue new shares to AUO as the consideration. The effective date of the demerger is on January 1, 2026.

2. The Authorization of Financial Statements

The parent company only financial statements were authorized for issue by the Board of Directors of AUO on February 10, 2026.

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AUO CORPORATION
Notes to the Parent Company Only Financial Statements

3. Application of New and Revised Standards, Amendments and Interpretations

- (1) Impact of adoption of new, revised or amended standards and interpretations endorsed by the Financial Supervisory Commission, ROC (“FSC”).

The Company has adopted the amendments to the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations (collectively, “IFRSs”) with effective date from January 1, 2025. The adoption does not have a material impact on the Company’s parent company only financial statements.

- Amendments to IAS 21 “Lack of Exchangeability”

- (2) Impact of the IFRSs that have been endorsed by the FSC but not yet in effect

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its parent company only financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

- (3) The IFRSs issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do so with the endorsement of the FSC.

(Continued)

AUO CORPORATION
Notes to the Parent Company Only Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
	<ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	

The Company is evaluating the impact on its parent company only financial position and parent company only financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

In addition to the above, there are the following new, revised or amended standards and interpretations issued by the IASB but not yet endorsed by the FSC:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

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As of the date that the accompanying parent company only financial statements were issued, the Company continues in assessing the relevance and potential impact on its financial position and results of operations as a result of the application of abovementioned standards and interpretations except for IFRS 17, Insurance Contracts and the amendments to IFRS 17 that are not relevant to the Company. The disclosures will be made upon the completion of the assessment.

4. Summary of Material Accounting Policy Information

The material accounting policies applied in the preparation of these parent company only financial statements are set out as below. The following accounting policies have been applied consistently to all periods presented in these parent company only financial statements.

(1) Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”).

(2) Basis of preparation

a. Basis of measurement

The parent company only financial statements have been prepared on the historical cost basis except for the following material items in the balance sheets:

- (i) Financial instruments at fair value through profit or loss (including derivative financial instruments) (Note 6(2));
- (ii) Financial assets at fair value through other comprehensive income (Note 6(3));
- (iii) Defined benefit asset (liability) is recognized as the fair value of the plan assets less the present value of the defined benefit obligation (Note 6(15)).

b. Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The parent company only financial statements are presented in New Taiwan Dollar (“NTD”), which is also the Company’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand, unless otherwise noted.

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AUO CORPORATION
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(3) Foreign currency transactions and operations

- a. Transactions in foreign currencies are translated to the functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date and the resulting exchange differences are included in profit or loss for the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date when the fair value was determined. The resulting exchange differences are included in profit or loss for the year except for those arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items in foreign currencies that are measured at historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences arising from the effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges are recognized in other comprehensive income.

- b. For the purpose of presenting parent company only financial statements, the assets and liabilities of the Company's foreign operations are translated into NTD using exchange rates at the reporting date. Income and expenses of foreign operations are translated at the average exchange rates for the period unless the exchange rates fluctuate significantly during the period; in that case, the exchange rates at the dates of the transactions are used. Foreign currency differences are recognized in other comprehensive income and accumulated in equity.

(4) Classification of current and non-current assets and liabilities

An asset is classified as current when:

- a. The asset expected to realize, or intends to sell or consume, in its normal operating cycle;
- b. The asset primarily held for the purpose of trading;
- c. The asset expected to realize within twelve months after the reporting period; or
- d. The asset is cash or a cash equivalent (as defined in IAS 7), unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- a. The liability expected to settle in its normal operating cycle;
- b. The liability primarily held for the purpose of trading;

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- c. The liability is due to be settled within twelve months after the reporting period; or
- d. The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(5) Cash and cash equivalents

Cash comprises cash balances and demand deposits. Cash equivalents comprise short-term highly liquid investments that are readily convertible into known amount of cash and are subject to an insignificant risk of changes in their fair value. Time deposits with short-term maturity but not for investments and other purposes and are qualified with the aforementioned criteria are classified as cash equivalent.

(6) Financial instruments

a. Financial assets

(i) Classification of financial assets

The Company classifies financial assets into the following categories: financial assets at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. When, and only when, the Company changes its business model for managing financial assets it shall reclassify all affected financial assets.

(a) Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at fair value through profit or loss:

- i. it is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- ii. its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are initially recognized at fair value, plus any directly attributable transaction costs. Subsequently, these assets are measured at amortized cost using the effective interest method, less any impairment losses. Interest income, foreign exchange gains and losses, and recognition (reversal) of impairment losses, are recognized in profit or loss.

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(b) Financial assets at fair value through other comprehensive income

On initial recognition, the Company is able to make an irrevocable election to present subsequent changes in the fair value of investments in equity instruments that is not held for trading in other comprehensive income. This election is made on an instrument-by-instrument basis.

Such financial assets are initially recognized at fair value, plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein are recognized in other comprehensive income and accumulated in equity—unrealized gains (losses) on financial assets at fair value through other comprehensive income, except for dividends deriving from equity investments which are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. When an investment is derecognized, the cumulative gain or loss in equity will not be reclassified to profit or loss, instead, is reclassified to retained earnings.

Dividends on investments in equity instruments are recognized on the date that the Company's right to receive the dividends is established.

(c) Financial assets at fair value through profit or loss

All financial assets not classified as at amortized cost or at fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes all derivative financial assets.

Such financial assets are initially recognized at fair value, and attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, they are measured at fair value and changes therein are recognized in profit or loss.

(ii) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets at amortized cost, including cash and cash equivalents, receivables, refundable deposits and other financial assets, etc., and contract assets. Loss allowances for financial assets are deducted from the gross carrying amount of the assets. The recognition or reversal of the loss allowance is recognized in profit or loss.

The expected credit loss is the weighted average of credit losses with the respective risks of a default occurring on the financial instrument as the weights.

The Company measures the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses, except for the financial instrument that is determined to have low credit risk at the reporting date and the credit risk thereof has not increased significantly since initial recognition, which is measured at an amount equal to the 12-month expected credit losses. For trade receivables and contract assets, the Company measures their loss allowances at an amount equal to lifetime expected credit losses.

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AUO CORPORATION
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When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant. This includes both qualitative and quantitative information and analysis, based on the Company's historical experience and credit assessment as well as forward-looking information.

In the circumstance that a financial asset is past due or the borrower is unlikely to pay its credit obligations to the Company in full, the Company considers the credit risk on that financial asset has significantly increased, or further, to be in default.

At each reporting date, the Company assesses whether financial assets at amortized cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(iii) De-recognition of financial assets

The Company derecognizes financial assets when the contractual rights to the cash flows from the asset expire, or when the Company transfers substantially all the risks and rewards of ownership of the financial assets to another entity.

b. Financial liabilities

(i) Classification of financial liabilities

The Company classifies financial liabilities into the following categories: financial liabilities at fair value through profit or loss and other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

The Company designates financial liabilities as held for trading for the purpose of hedging exposure to foreign exchange risk arising from operating and financing activities. When a financial liability is not effective as a hedge, the Company accounts for it as a financial liability at fair value through profit or loss.

The Company accounts for financial liabilities, other than the one mentioned above, as at fair value through profit or loss at initial recognition. Attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities in this category are subsequently measured at fair value and changes therein, which takes into account any interest expense, are recognized in profit or loss.

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(b) Other financial liabilities

Financial liabilities not classified as held for trading, or not designated as at fair value through profit or loss (including loans and borrowings, trade and other payables), are measured at fair value, plus any directly attributable transaction cost at the time of initial recognition. Subsequent to initial recognition, they are measured at amortized cost calculated using the effective interest method, except for insignificant recognition of interest expense from short-term borrowings and payables. Interest expense not capitalized as an asset cost is recognized in profit or loss.

(ii) De-recognition of financial liabilities

The Company derecognizes financial liabilities when the contractual obligation has been discharged, cancelled or expired. The difference between the carrying amount and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed is recognized in profit or loss.

c. Offsetting of financial assets and liabilities

The Company presents financial assets and liabilities on a net basis in the balance sheet when the Company has the legally enforceable rights to offset, and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

(7) Inventories

The cost of inventories includes all necessary expenditures and charges for bringing the inventory to a stable, useable and marketable condition and location. The production overhead is allocated to finished goods and work in progress based on the normal capacity of the production facilities. Subsequently, inventories are measured at the lower of cost and net realizable value. Cost is determined using the weighted-average method. Net realizable value is calculated based on the estimated selling price less all estimated costs of completion and the estimated costs necessary to make the sale.

(8) Investments in associates and joint ventures

Associates are those entities in which the Company and its subsidiaries have the power to exercise significant influence, but not control or joint control, over their financial and operating policies.

Joint venture is a joint arrangement whereby the Company and other parties agreed to share the control of the arrangement, and have rights to the net assets of the arrangement. Unanimous consent from the parties sharing control is required when making decisions for the relevant activities of the arrangement.

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Investments in associates or joint ventures are accounted for using the equity method and are recognized initially at cost. The parent company only financial statements include the Company's share of the profit or loss and other comprehensive income of associates or joint ventures, after adjustments are made to align their accounting policies with those of the Company. When an associate or a joint venture incurs changes in its equity not derived from profit or loss and other comprehensive income, the Company recognizes all the equity changes in proportion to its ownership interest in the associate or joint venture as capital surplus provided that the ownership interest in the associate or joint venture remains unchanged.

The difference between acquisition cost and fair value of associates' or joint ventures' identifiable assets and liabilities as of the acquisition date is accounted for as goodwill. Goodwill is included in the original investment cost of acquired associates or joint ventures and is not amortized. If the fair value of identified assets and liabilities is in excess of acquisition cost, the remaining excess over acquisition cost is recognized as a gain in profit or loss.

The Company discontinues the use of the equity method from the date when its investment ceases to be an associate or a joint venture, and then measures the retained interests at fair value at that date. The difference between the carrying amount of the investment at the date the equity method was discontinued and the fair value of the retained interests along with any proceeds from disposing of a part interest in the associate or joint venture is recognized in profit or loss. Moreover, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would be required if the investee had directly disposed of the related assets or liabilities.

When the Company subscribes for additional shares in an associate or a joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the net assets of the associate or joint venture. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the capital surplus arising from investment accounted for under the equity method in associates or joint ventures is insufficient to offset with the said corresponding amount, the differences will be charged or credited to retained earnings.

If the Company's ownership interest in an associate or a joint venture is reduced due to disposal of or disproportionate subscription to the shares, but the Company continues to apply the equity method, the Company shall reclassify to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest on the same basis as would be required if the investee had directly disposed of the related assets or liabilities.

At the end of each reporting period, if there is any indication of impairment, the entire carrying amount of the investment including goodwill is tested for impairment as a single asset, by comparing its recoverable amount with its carrying amount. An impairment loss recognized forms part of the carrying amount of the investment in associates or joint ventures. Accordingly, any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

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Profits and losses resulting from the transactions between the Company and associates or joint ventures are recognized in the Company's parent company only financial statements only to the extent of interests in the associate or joint venture that are not related to the Company.

When the Company's share of losses exceeds its interest in an associate or a joint venture, the carrying amount of that interest, including any long-term investments that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Company has a legal or constructive obligation, or has made payments on behalf of the investee.

(9) Investment in subsidiaries

The investees which are controlled by the Company are measured under equity method in preparing the parent company only financial statement. The profit or loss, other comprehensive income and equity in the parent company only financial statement are equal to the profit or loss, other comprehensive income and equity attributable to the shareholders of parent in the consolidated financial statement. The Company prepares the consolidated financial statement quarterly comprising of the Company and its subsidiaries.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing of control over the subsidiary are accounted for as equity transaction.

(10) Investment property

Investment property is the property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition. Subsequent to initial recognition, investment properties are measured using the cost model. Depreciation is charged and recognized in non-operating income and expenses based on the depreciable amount. Depreciation methods, useful lives and residual values are in accordance with the policy of property, plant and equipment. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

An investment property is reclassified to property, plant and equipment at its carrying amount when the use of the investment property changes.

(11) Property, plant and equipment

a. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributed to the acquisition of the asset, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and any borrowing cost that is eligible for capitalization. The cost of the software is capitalized as part of the equipment if the purchase of the software is necessary for the equipment to be capable of operating.

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When part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and the useful life or the depreciation method of the significant part is different from another significant part of that same item, it is accounted for as a separate item (significant component) of property, plant and equipment.

The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and is recognized in profit or loss.

b. Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. Ongoing repairs and maintenance expenses are recognized in profit or loss as incurred.

c. Depreciation

Depreciation is determined by depreciable amount allocated over the estimated useful lives of the respective assets, considering significant components of an individual asset on a straight-line basis. If a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation charge is recognized in profit or loss.

Leased assets are depreciated over their useful lives if it is reasonably certain that the Company will obtain ownership by the end of the lease term. Otherwise, leased assets are depreciated over the shorter of the lease term and their useful lives.

Except for land, which is not depreciated, the estimated useful lives of the assets are as follows:

- (i) Buildings: 20~50 years
- (ii) Machinery and equipment: 6~9 years
- (iii) Other equipment: 3~6 years

Depreciation methods, useful lives, and residual values are reviewed at each annual reporting date and, if necessary, adjusted as appropriate. Any changes therein are accounted for as changes in accounting estimates.

d. Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner-occupied to investment purpose.

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(12) Leases

a. Identifying a lease

A contract is, or contains, a lease when all the following conditions are satisfied:

- (i) the contract involves the use of an identified asset, and the supplier does not have a substantive right to substitute the asset; and
- (ii) the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use; and
- (iii) the Company has the right to direct the use of the identified asset throughout the period of use.

b. As a lessee

Payments for leases of low-value assets and short-term leases are recognized as expenses on a straight-line basis during the lease term for which the recognition exemption is applied. Except for leases described above, a right-of-use asset and a lease liability shall be recognized for all other leases at the lease commencement date.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments (including fixed payments and variable lease payments that depend on an index or a rate), discounted using the lessee's incremental borrowing rate. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred in restoring the underlying asset.

The right-of-use asset is subsequently depreciated using the straight-line method over the shorter of the useful life of the right-of-use asset or the lease term. The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured (i) if there is a change in the lease term; (ii) if there is a change in future lease payments arising from a change in an index or a rate; (iii) if there is a change in the amounts expected to be payable under a residual value guarantee; or (iv) if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in the circumstances aforementioned, a corresponding adjustment is made to the carrying amount of the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss.

Moreover, the lease liability is remeasured when lease modifications occur that decrease the scope of the lease. The Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognizes in profit or loss any gain or loss relating to the partial or full termination of the lease.

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For sale-and-leaseback transactions, the Company applies the requirements for determining when a performance obligation is satisfied in IFRS 15 to determine whether the transfer of an asset is accounted for as a sale of the asset. If the transfer of an asset satisfies the requirement of IFRS 15 to be accounted for as a sale of the asset, the Company derecognizes the transferred asset, and recognizes the amount of gain or loss that relates to the rights transferred to the buyer-lessor. For leaseback transaction, the Company applies the lessee accounting policy and recognizes the related right-of-use asset. If the transfer of an asset does not satisfy the requirement of IFRS 15 to be accounted for as a sale of the asset, the Company continues to recognize the transferred asset and recognizes the financial liability equal to the transfer proceeds.

c. As a lessor

Lease income from an operating lease is recognized in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the asset leased to others and recognized as an expense on a straight-line basis over the lease term.

(13) Intangible assets

a. Goodwill

Goodwill is recognized when the purchase price exceeds the fair value of identifiable net assets acquired in a business combination. Goodwill is measured at cost less accumulated impairment losses.

Equity-method goodwill is included in the carrying amounts of the equity investments. The impairment losses for the goodwill within the equity-accounted investees are accounted for as deductions of carrying amounts of investments in equity-accounted investees.

b. Research and development

During the research phase, activities are carried out to obtain and understand new scientific or technical knowledge. Expenditures during this phase are recognized in profit or loss as incurred.

Expenditure arising from development is capitalized as an intangible asset when the Company demonstrates all of the following:

- (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (ii) its intention to complete the intangible asset and use or sell it;
- (iii) its ability to use or sell the intangible asset;
- (iv) the probability that the intangible asset will generate probable future economic benefits;

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- (v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (vi) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development expenditure which fails to meet the criteria for recognition as an intangible asset is reflected in profit or loss when incurred. Capitalized development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

c. Other intangible assets

Other intangible assets acquired are measured at cost less accumulated amortization and any accumulated impairment losses.

d. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

e. Amortization

The depreciable amount of an intangible asset is the cost less its residual value. Other than goodwill and intangible assets with indefinite useful life, an intangible asset with a finite useful life is amortized over 3 to 20 years using the straight-line method from the date that the asset is made available for use. The amortization charge is recognized in profit or loss.

The residual value, amortization period, and amortization method are reviewed at least annually at each annual reporting date, and any changes therein are accounted for as changes in accounting estimates.

(14) Impairment – non-financial assets

Other than inventories, deferred tax assets and noncurrent assets held for sale, the carrying amounts of the Company's investment property measured at cost and other long-term non-financial assets (property, plant and equipment, right-of-use assets and other intangible assets with finite useful lives), are reviewed at the reporting date to determine whether there is any indication of impairment. When there is an indication of impairment exists for the aforementioned assets, the recoverable amount of the asset is estimated. If it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset has been allocated to.

In performing an impairment test for other long-term non-financial assets, the estimated recoverable amount is evaluated in terms of an asset or a CGU. Any excess of the carrying amount of the asset or its related CGU over its recoverable amount is recognized as an impairment loss. The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value in use.

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If there is evidence that the accumulated impairment loss of an asset other than goodwill and intangible assets with indefinite useful lives in prior years no longer exists or has decreased, the amount previously recognized as an impairment loss is reversed, and the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount. The increased carrying amount shall not exceed the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior years.

For goodwill and intangible assets with indefinite useful lives or that are not yet available for use, are required to be tested for impairment at least annually. Any excess of the carrying amount of the asset over its recoverable amount is recognized as an impairment loss.

For the purpose of impairment test, goodwill acquired in a business combination is allocated to CGUs that are expected to benefit from the synergies of the combination. If the recoverable amount of a CGU is less than its carrying amount, the difference is allocated first to reduce the carrying amount of any goodwill allocated to the unit, then the carrying amounts of the other assets in the unit on a pro rata basis. The impairment loss recognized on goodwill is not reversed in a subsequent period.

(15) Provisions

A provision is recognized when the Company has a present obligation arising from a past event, it is probable that the Company will be required to make an outflow of resources embodying economic benefits to settle the obligation, and the amount of the obligation can be estimated reliably. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as interest expense.

a. Warranties

A provision for warranties is recognized when the underlying products or services are sold. The provision is weighting factors based on historical experience of warranty claims rate and other possible outcomes against their associated probabilities.

b. Onerous contracts

A provision for onerous contracts is recognized when the unavoidable cost of fulfilling the obligations under a contract exceed the expected benefits to be derived by the Company from a contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before establishing a provision, the Company recognizes any impairment loss on the assets associated with that contract.

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c. Litigation

Management periodically assesses the obligation of all litigation and claims and relative legal costs. Provision for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recognized when it is probable the present obligation as a result of a past event will result in an outflow of resources and the amount can be reasonably estimated.

d. Carbon fee

Carbon fees levied in accordance with Taiwan's Climate Change Response Act and Regulations Governing the Collection of Carbon Fees are recognized based on the assessment of greenhouse gas emissions incurred during the reporting period. The related provision is measured based on the volume of greenhouse gas emissions incurred during the reporting period, using the rate expected to apply.

e. Restructuring

A provision for restructuring is recognized when the company has approved a detailed and formal restructuring plan, and the restructuring has either commenced or been publicly announced. Future operating losses are not recognized as provisions.

(16) Treasury shares

Where the Company repurchases its common stock that has been issued, the consideration paid, including all directly attributable costs is recorded as treasury share and deducted from equity. When treasury share is reissued, the excess of sales proceeds over cost is accounted for as capital surplus – treasury shares. If the sales proceeds are less than cost, the deficiency is accounted for as a reduction of capital surplus arising from similar types of treasury shares. If such capital surplus is insufficient to cover the deficiency, the remainder is recorded as a reduction of retained earnings. The carrying amount of treasury share is calculated using the weighted-average cost of different types of repurchase.

If treasury share is retired, the weighted-average cost of the retired treasury share is written off against the par value and the capital surplus premium, if any, of the stock retired on a pro rata basis. If the weighted-average cost written off exceeds the sum of the par value and the capital surplus premium, the difference is accounted for as a reduction of capital surplus – treasury shares, or a reduction of retained earnings for any deficiency where capital surplus – treasury shares is insufficient to cover the difference. If the weighted-average cost written off is less than the sum of the par value and the capital surplus premium, if any, of the stock retired, the difference is accounted for as an increase in capital surplus – treasury shares.

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(17) Revenue from contracts with customers

a. Revenue from contracts with customer

Revenue is measured based on the consideration that the Company expects to be entitled in the transfer of goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. The following is a description of the Company's major revenues:

(i) Sales of goods

Revenue is recognized when the control over a product has been transferred to the customer. The transfer of control refers to the product has been delivered to and accepted by the customer without remaining performance obligations from the Company. Delivery occurs when the product has been shipped to the specified location and the risk of loss over the product has been transferred to the customer, as well as when the product has been accepted by the customer according to the terms of sales contract, or when the Company has objective evidence that all criteria for acceptance have been satisfied.

For certain contracts with volume discounts offer to customers, revenue is recognized on a net basis of contract price less estimated volume discounts, and only to the extent that it is highly probable that a significant reversal will not occur. The amount of volume discounts is estimated based on the expected value with reference to the historical experience, and is recorded as refund liability (presented under other current liabilities).

Trade receivable is recognized when the Company is entitled for unconditional right to receive payment upon delivery of goods to customers. The consideration received in advance from the customer according to the sales contract but without delivery of goods is recognized as a contract liability, for which revenue is recognized when the control over the goods is transferred to the customer.

The Company provides standard warranties for goods sold and has obligation to refund payments for defective goods, in which the Company has recognized provisions for warranties to fulfill the obligation. Refer to Note 4(15) for further details.

(ii) Construction contracts

For construction contracts, revenue is recognized progressively based on the progress towards complete satisfaction of contract activities, and only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

If the Company cannot reasonably measure its progress towards complete satisfaction of performance obligations in accordance with the construction contracts, revenue is recognized only to the extent of contract costs incurred that it is expected to be recoverable.

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The consideration is paid by the customer according to the agreed payment terms. The excess of the amount that has been recognized as revenue over the amount that the Company has issued a bill is recognized as a contract asset. When the entitlement to the payment becomes unconditional, the contract asset is transferred to receivables.

A contract liability is recognized for an advance consideration that the Company has billed to customers arising from construction contracts. When the construction is completed and accepted by the customers, the contract liability is transferred to revenue.

If there are changes in circumstances, the estimates of revenue, cost and the progress towards complete satisfaction of contract will be amended. Any changes therein are recognized in profit or loss during the period in which the changes and amendments are made.

The Company provides standard warranties for construction contracts and has recognized provisions for warranties to fulfill the obligation. Refer to Note 4(15) for further details.

(iii) Financing components

The Company expects that the length of time when the Company transfers the goods or services to the customer and when the customer pays for those goods or services will be less than one year. Therefore, the amount of consideration is not adjusted for the time value of money.

b. Contract costs

(i) Incremental costs of obtaining a contract

The Company recognizes the incremental costs of obtaining a contract with a customer as an asset if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Company applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset is one year or less.

(ii) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Company recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- (a) the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify;

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- (b) the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs relate to satisfied (or partially satisfied) performance obligations, and costs for which the Company cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations), the Company recognizes these costs as expenses when incurred.

Reimbursements received from customers for the costs to fulfil the project contract are recognized as contract liabilities. The asset and contract liability should be recognized in profit or loss on a straight line basis over the benefit period of the project, when the related goods or services are transferred to the customer.

(18) Government grants

- a. Grants for compensating the research and development expenditures

Grants that compensate the Company for research and development expenditures are recognized in profit or loss on a systematic basis in the periods in which the expenses are recognized.

- b. Grants related to the purchase of assets

Grants related to the purchase of assets are set up as deferred income and are recognized in profit or loss on a systematic basis over the useful life of the assets.

- c. Other grants

Other grants from government that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss of the period in which it becomes receivable.

(19) Employee benefits

- a. Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

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b. Defined benefit plans

The Company's net obligation in respect of defined benefit pension plans is calculated separately for each benefit plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. Discount rate is determined by reference to the yield rate of Taiwan government bonds at the reporting date. The calculation of defined benefit obligations is performed annually by a qualified actuary using the Projected Unit Credit Cost Method.

Remeasurements of the net defined benefit liability (asset) which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in other comprehensive income in the period in which they occur, and which then are reflected in retained earnings and will not be reclassified to profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

c. Short-term employee benefits

Short-term employee benefit obligations, which are due to be settled within twelve months are measured on an undiscounted basis and are expensed as the related service is provided.

The expected cost of cash bonus or profit-sharing plans, which is anticipated to be paid within one year, are recognized as a liability when the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(20) Income taxes

Income tax expense comprises current and deferred taxes.

a. Current taxes

Current taxes comprise the expected tax payable or receivable on the taxable income or losses for the year and any adjustments to tax payable or receivable in respect of previous years. It is measured using the statutory tax rate or the actual legislative tax rate at the reporting date.

In accordance with the ROC Income Tax Act, undistributed earnings is subject to an additional surtax. The surtax on unappropriated earnings is expensed in the year the shareholders approved the distributions which is the year subsequent to the year the earnings arise.

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b. Deferred taxes

Deferred taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes at the reporting date. Deferred tax liabilities are recognized for temporary difference of future taxable income. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at annual reporting date, by considering global economic environment, industry environment, statutory tax deduction years and projected future taxable income, and reduced to the extent that it is no longer probable that future taxable profits will be available to allow all or part of the deferred tax asset to be recovered. Deferred tax assets which originally not recognized is also reviewed at annual reporting date and recognized to the extent that it is probable that future taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred taxes liabilities for taxable temporary differences related to investments in subsidiaries, associates and joint arrangements are recognized, unless the Company is able to control the timing of the reversal of the taxable temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when the reverse, using the statutory tax rate or the actual legislative tax rate on the reporting date. Deferred tax assets and liabilities are offset only if certain criteria are met.

Current taxes and deferred taxes are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

(21) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing profit or loss attributable to the shareholders of the Company by the weighted-average number of common shares outstanding during the period. In computing diluted earnings per share, profit or loss attributable to the shareholders of the Company and the weighted-average number of common shares outstanding during the period are adjusted for the effects of dilutive potential common stock, assuming dilutive share equivalents had been issued. The Company's potential dilutive common shares comprise the estimate of employee compensation to be distributed in the form of stock.

The weighted-average outstanding shares are retroactively adjusted for the effects of stock dividends transferred from retained earnings or capital surplus to common stock.

(22) Operating segments

The Company has provided the operating segments disclosure in the consolidated financial statements. Thus, disclosure of the segment information in the parent company only financial statements is waived.

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5. Critical Accounting Judgments and Key Sources of Estimations and Assumptions Uncertainty

The preparation of the parent company only financial statements in conformity with the Regulations requires management to make judgments, and estimates about the future, including climate related risks and opportunities, that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed by management on an ongoing basis and are consistent with the Company's risk management and climate related commitments where appropriate. Revisions to accounting estimates are recognized prospectively in the period of the change and future periods .

Information about critical judgments, estimates and assumptions in applying accounting policies that have a significant effect on the amounts recognized in the parent company only financial statements is included in the following notes:

(1) Impairment of long-term non-financial assets, other than goodwill

In the process of evaluating the potential impairment of tangible and intangible assets other than goodwill, the Company is required to make subjective judgments in determining the independent cash flows, useful lives, expected future income and expenses related to the specific asset groups with the consideration of the usage mode of asset and the nature of industry. Any changes in these estimates based on changed economic conditions or business strategies could result in significant impairment charges or reversal in future years.

(2) Impairment of goodwill

The assessment of impairment of goodwill requires the Company to make subjective judgment to determine the identified CGUs, allocate the goodwill to relevant CGUs and estimate the recoverable amount of relevant CGUs. Any changes in these estimates based on changed economic conditions or business strategies could result in significant adjustments.

(3) Recognition of deferred tax assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax assets requires management's subjective judgment and estimate, including the future revenue growth and profitability, the sources of taxable income, the amount of tax credits can be utilized and feasible tax planning strategies. Changes in the global economic environment, the industry trends and relevant laws and regulations may result in adjustments to the deferred tax assets.

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(4) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories.

6. Description of Significant Accounts

(1) Cash and Cash Equivalents

	December 31, 2025	December 31, 2024
Cash on hand, demand deposits and checking accounts	\$ 19,539,331	26,443,470
Time deposits	-	1,856,189
	<u>\$ 19,539,331</u>	<u>28,299,659</u>

Refer to Note 6(25) for the disclosure of credit risk, currency risk and sensitivity analysis of the financial instruments of the Company.

As at December 31, 2025 and 2024, no cash and cash equivalents were pledged with banks as collaterals.

(2) Financial Assets and Liabilities at Fair Value through Profit or Loss (“FVTPL”)

	December 31, 2025	December 31, 2024
Financial assets mandatorily measured at FVTPL:		
Foreign currency forward contracts	<u>\$ 882</u>	<u>3,129</u>
Financial liabilities measured at FVTPL:		
Financial liabilities held for trading:		
Foreign currency forward contracts	<u>\$ 64,063</u>	<u>79,123</u>

The Company entered into derivative contracts to manage the exposure to currency risk arising from operating activities. Refer to Note 6(25) for the disclosure of the Company’s credit and currency risks related to financial instruments.

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As at December 31, 2025 and 2024, the Company's outstanding foreign currency forward contracts were as follows:

December 31, 2025		
Contract item	Maturity date	Contract amount
Sell USD / Buy NTD	Jan. 2026~Mar. 2026	USD 76,000 / NTD 2,384,840
Sell USD / Buy JPY	Jan. 2026~Mar. 2026	USD 72,400 / JPY 11,165,792
Sell EUR / Buy JPY	Jan. 2026~Apr. 2026	EUR 14,500 / JPY 2,570,953
Sell NTD / Buy USD	Jan. 2026	NTD 6,607,288 / USD 210,000
December 31, 2024		
Contract item	Maturity date	Contract amount
Sell USD / Buy NTD	Jan. 2025	USD 32,000 / NTD 1,045,756
Sell USD / Buy JPY	Jan. 2025~Mar. 2025	USD 88,000 / JPY 13,438,979
Sell EUR / Buy JPY	Feb. 2025	EUR 18,300 / JPY 2,921,807

(3) Financial Assets at Fair Value through Other Comprehensive Income ("FVTOCI")

	December 31, 2025
Investments in equity instruments at FVTOCI:	
Equity securities – listed stocks	\$ <u>4,532,892</u>

The purpose that the Company invests in the abovementioned equity securities is for long-term strategies, and such investments are not held for trading purposes. Therefore, those equity securities are designated as financial assets at FVTOCI.

On January 3, 2025, the Company resigned from one board seat at Qisda Corporation. As its cumulative shareholding ratio decreased to 18.41%, the Company held only one board seat, and no longer actively participated in significant activities related to Qisda. The Company assessed that it no longer had significant influence over Qisda. As of that date, the investment previously accounted for using the equity method was derecognized and reclassified as a financial asset at FVTOCI, measured at its fair value on that date. The aforementioned investment was deemed as a disposal, and a disposal gain of \$1,053,393 thousand was recognized. The accumulated unrealized loss of \$795,895 thousand relating to financial assets at FVTOCI was reclassified to retained earnings.

If the value of these equity securities appreciates or depreciates by 10% at the reporting date, other comprehensive income would increase or decrease by \$453,289 thousand for the years ended December 31, 2025.

Dividends recognized from the investments in equity instruments at FVTOCI held by the Company were \$261,106 thousand for the years ended December 31, 2025.

As at December 31, 2025 and 2024, none of the Company's financial assets abovementioned was pledged as collateral.

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(4) Accounts Receivable, net (Including Related and Unrelated Parties)

	December 31, 2025	December 31, 2024
Accounts receivable—measured at amortized cost	\$ 13,395,473	10,890,097
Accounts receivable—measured at fair value through other comprehensive income	11,255,703	8,668,660
Less: loss allowance	<u>(744)</u>	<u>(3,045)</u>
	<u>\$ 24,650,432</u>	<u>19,555,712</u>
Accounts receivable, net	<u>\$ 20,806,000</u>	<u>15,544,197</u>
Accounts receivable from related parties, net	<u>\$ 3,844,432</u>	<u>4,011,515</u>

The Company has assessed that part of its accounts receivable were held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Therefore, those accounts receivable were measured at fair value through other comprehensive income.

The Company measures loss allowance for accounts receivable using the simplified approach under IFRS 9 with the lifetime expected credit losses. Analysis of expected credit losses which was measured based on the aforementioned method, was as follows:

	December 31, 2025		
	Carrying amount of accounts receivable	Weighted- average loss rate	Loss allowance for lifetime expected credit losses
Not past due	\$ 23,351,512	0.00%	164
Past due less than 60 days	1,294,793	0.04%	548
Past due 61~180 days	<u>4,871</u>	0.66%	<u>32</u>
	<u>\$ 24,651,176</u>		<u>744</u>
	December 31, 2024		
	Carrying amount of accounts receivable	Weighted- average loss rate	Loss allowance for lifetime expected credit losses
Not past due	\$ 18,813,956	0.00%	-
Past due less than 60 days	659,661	0.00%	-
Past due 61~180 days	<u>82,095</u>	0.00%	<u>-</u>
	<u>\$ 19,555,712</u>		<u>-</u>

In addition, there was objective evidence including that some of the accounts receivable would not be fully recovered under reasonable expectation for which amounted to \$0 thousand and \$3,045 thousand as of December 31, 2025 and 2024. Consequently, the Company recognized a loss allowance of all.

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The movement of the loss allowance for accounts receivable was as follows:

	For the years ended December 31,	
	2025	2024
Balance at the beginning of the year	\$ 3,045	3,045
Provisions charged to expense	744	-
Write-offs	(3,045)	-
Balance at the end of the year	\$ 744	3,045

The payment terms granted to customers are generally 25 to 60 days from the end of the month during which the invoice is issued. This term is consistent with practices in our industry, and thus, no financing components involved.

Information about the Company's exposure to credit risk is included in Note 6(25).

As at December 31, 2025 and 2024, the Company's accounts receivables sold and derecognized were as follows:

December 31, 2025							
Underwriting bank	Factoring limit (in thousands)		Amount sold and derecognized (in thousands)		Amount advanced (in thousands)		Principal terms
CTBC Bank	USD	176,000	-	-	-	-	See Notes(a)-(c)&(e)
DBS Bank	USD	270,000	USD	184,136	NTD	3,762,000	See Notes(a)-(c)&(e)
Taipei Fubon Bank	USD	100,000	USD	68,079	NTD	1,920,000	See Notes(a)-(c)&(e)
Bank of Taiwan	USD	250,000	USD	11,035	NTD	282,000	See Notes(a)-(c)&(e)
			EUR	3,896	NTD	116,000	See Notes(a)-(c)&(e)
December 31, 2024							
Underwriting bank	Factoring limit (in thousands)		Amount sold and derecognized (in thousands)		Amount advanced (in thousands)		Principal terms
CTBC Bank	USD	176,000	USD	123,637	NTD	3,641,000	See Notes(a)-(d)
DBS Bank	USD	220,000	USD	160,359	NTD	4,678,000	See Notes(a)-(d)
Taipei Fubon Bank	USD	70,000	USD	67,138	NTD	1,964,000	See Notes(a)-(d)
Bank of Taiwan	USD	250,000	-	-	-	-	See Notes(a)-(d)

Note (a): Under these facilities, the Company transferred accounts receivable to the respective underwriting banks, which are without recourse subject to the underwriting consents.

Note (b): The Company informed its customers pursuant to the respective facilities to make payment directly to the respective underwriting banks.

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Note (c): As of December 31, 2025 and 2024, total outstanding receivables after the above transactions, net of fees charged by underwriting banks, of \$2,339,798 thousand and \$1,205,071 thousand, respectively, were recognized under other current financial assets. In addition, interest rates for the balance of advanced amount as of December 31, 2025 and 2024, were ranging from 2.09%~2.167% and 1.71%~2.38%, respectively.

Note (d): To the extent of the amount transferred to the underwriting banks, risks of non-collection or potential payment default by customers in the event of insolvency are borne by the respective banks. The Company is not responsible for the collection of receivables subject to these facilities, or for any legal proceedings and costs thereof in collecting these receivables. In case any commercial dispute between the Company and customers or other reasons results in the Company's failure to perform the obligation under these facilities, the banks have requested the Company to issue promissory notes in the amounts equal to 10 percent of respective facilities or to transfer receivables in the amounts equal to 10 percent of respective facilities. Other than such arrangements, no collaterals were provided by the Company.

Note (e): To the extent of the amount transferred to the underwriting parties, risks of non-collection or potential payment default by customers in the event of insolvency are borne by the respective parties. The Company is not responsible for the collection of receivables subject to these facilities, or for any legal proceedings and costs thereof in collecting these receivables. In case any commercial dispute between the Company and customers or other reasons results in the Company's failure to perform the obligation under these facilities, the underwriting parties have requested the Company to transfer receivables in the amounts equal to 10 percent of respective facilities. Other than such arrangements, no collaterals were provided by the Company.

(5) Inventories

	December 31, 2025	December 31, 2024
Finished goods	\$ 6,873,686	7,195,378
Work-in-progress	8,863,554	8,718,052
Raw materials	2,064,225	1,826,712
	<u>\$ 17,801,465</u>	<u>17,740,142</u>

For the years ended December 31, 2025 and 2024, the amounts recognized as cost of sales in relation to inventories were \$204,729,970 thousand and \$218,510,957 thousand, respectively. The net amount of reversals of inventories write-down to net realizable value, which were also included in cost of sales, was a reversal of \$280,059 thousand and a reversal of \$217,054 thousand for the years ended December 31, 2025 and 2024, respectively.

As at December 31, 2025 and 2024, none of the Company's inventories was pledged as collateral.

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Notes to the Parent Company Only Financial Statements

(6) Investments in Equity-accounted Investees

	December 31, 2025	December 31, 2024
Subsidiaries	\$ 117,306,960	114,445,239
Associates	<u>8,278,646</u>	<u>17,421,760</u>
	<u>\$ 125,585,606</u>	<u>131,866,999</u>

a. Subsidiaries

Refer to consolidated financial statements for the years ended December 31, 2025 and 2024 for the details.

b. Associates

	December 31, 2025	December 31, 2024
Ennostar Inc. (“Ennostar”)	\$ 5,262,204	5,934,064
Star Shining Energy Holdings Corporation (“SSEH”)	2,653,276	-
Star Shining 2 Energy Corporation (“SS2C”)	281,316	-
SINTRONES Technology Corp. (“SINTRONES”)	81,850	89,576
Qisda Corporation (“Qisda”)	-	6,662,133
Star Shining Energy Corporation. (“SSEC”)	-	2,607,894
ADLINK Technology Inc.(“ADLINKHQ”)	<u>-</u>	<u>2,128,093</u>
	<u>\$ 8,278,646</u>	<u>17,421,760</u>

None of the above associates is considered individually material to the Company. The following table summarized the amount recognized by the Company at its share of those associates.

	For the years ended December 31,	
	2025	2024
The Company’s share of associates’:		
Loss	\$ (314,696)	(40,131)
Other comprehensive income (loss)	<u>(150,077)</u>	<u>292,076</u>
Total comprehensive income (loss)	<u>\$ (464,773)</u>	<u>251,945</u>

In March 2024, the Company disposed of part of its shares in Qisda with proceeds of disposal and gain on disposal amounting to \$4,116,000 thousand and \$1,055,602 thousand, respectively. The Company reassessed that it still has significant influence over Qisda, and therefore, continued to account for Qisda using the equity method.

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In January 2025, the Company derecognized the investment in Qisda that previously classified as an investment accounted for using the equity method and further recognized as financial assets at FVTOCI. Refer to Note 6(3) for the relevant information.

In August 2025, the Company increased its investment in SS2C by \$280,500 thousand, thereby acquiring a 33% equity interest.

In December 2025, the Company contributed its equity interest in SSEC as consideration for a share swap. Based on the agreed exchange ratio, the shares were converted into shares of SSEH. This transaction did not have a material impact on the Company's profit or loss.

On June 20, 2025, the Company held 32.84% of the voting shares of ADLINKHQ. At the shareholders' meeting, ADLINKHQ conducted a full re-election of its board of directors. Following the re-election, the Company became the single largest shareholder and obtained three board seats. In addition, the Company's designated corporate director was appointed as chairman of ADLINKHQ. Based on assessment, this arrangement constitutes substantial control, and as a result, the Company obtained control over ADLINKHQ. Accordingly, ADLINKHQ has been included in the consolidated financial statements as a subsidiary. This transaction was accounted for as a deemed disposal and a disposal gain of \$581,044 thousand was recognized.

As at December 31, 2025 and 2024, none of the Company's investments in equity-accounted investees was pledged as collateral.

(7) Property, Plant and Equipment

	For the year ended December 31, 2025				Balance, End of Year
	Balance, Beginning of Year	Additions (Deductions)	Disposal or write off	Reclassification	
Cost:					
Land	\$ 5,785,702	-	-	-	5,785,702
Buildings	84,373,292	-	(2,236,759)	-	82,136,533
Machinery and equipment	697,869,116	858,548	(13,430,988)	12,248,535	697,545,211
Other equipment	<u>28,246,351</u>	<u>1,635,294</u>	<u>(2,517,261)</u>	<u>920,350</u>	<u>28,284,734</u>
	<u>816,274,461</u>	<u>2,493,842</u>	<u>(18,185,008)</u>	<u>13,168,885</u>	<u>813,752,180</u>
Accumulated depreciation and impairment loss:					
Buildings	30,950,931	1,642,278	(1,208,366)	-	31,384,843
Machinery and equipment	664,470,437	10,743,036	(13,328,452)	-	661,885,021
Other equipment	<u>22,853,243</u>	<u>3,096,563</u>	<u>(2,467,941)</u>	<u>(851)</u>	<u>23,481,014</u>
	<u>718,274,611</u>	<u>15,481,877</u>	<u>(17,004,759)</u>	<u>(851)</u>	<u>716,750,878</u>
Prepayments for purchase of land and equipment, and construction in progress	<u>14,387,998</u>	<u>9,804,592</u>	<u>-</u>	<u>(13,171,200)</u>	<u>11,021,390</u>
Net carrying amounts	<u>\$ 112,387,848</u>				<u>108,022,692</u>

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	For the year ended December 31, 2024				
	Balance, Beginning of Year	Additions	Disposal or write off	Reclassification	Balance, End of Year
Cost:					
Land	\$ 6,344,658	-	(558,956)	-	5,785,702
Buildings	87,176,402	-	(2,803,110)	-	84,373,292
Machinery and equipment	724,288,386	451,730	(29,689,008)	2,818,008	697,869,116
Other equipment	27,274,178	1,925,592	(2,393,780)	1,440,361	28,246,351
	845,083,624	2,377,322	(35,444,854)	4,258,369	816,274,461
Accumulated depreciation and impairment loss:					
Buildings	30,889,986	1,715,944	(1,654,999)	-	30,950,931
Machinery and equipment	680,110,272	13,560,608	(29,200,443)	-	664,470,437
Other equipment	21,964,766	3,225,565	(2,337,088)	-	22,853,243
	732,965,024	18,502,117	(33,192,530)	-	718,274,611
Prepayments for purchase of land and equipment, and construction in progress	4,564,430	14,083,525	(1,588)	(4,258,369)	14,387,998
Net carrying amounts	\$ 116,683,030				112,387,848

As of December 31, 2025 and 2024, a non-irrigated farmland located in LongTan plant amounted to \$23,671 thousand was registered in the name of a farmer due to regulations. An agreement of pledge had been signed between the Company and the farmer clarifying the rights and obligations of each party.

In 2025 and 2024, the Company wrote down certain long-term assets with extremely low capacity utilization associated with its display segment and recognized impairment losses of \$192,147 thousand and \$147,085 thousand, respectively.

Due to intense competition in the global solar energy industry, imbalances in market supply and demand, significant volatility in polysilicon prices driven by supply conditions, and geopolitical risks, the Company's production of solar cells is no longer cost-effective. Accordingly, on February 13, 2025, the Board of Directors resolved to cease production in the solar energy business and to conduct impairment testing on those long term assets. In 2025, an impairment loss of \$129,040 thousand was recognized for assets that are no longer in use. In 2024, the Company wrote down certain long term assets with extremely low capacity utilization associated with its energy segment and recognized an impairment loss of \$7,195 thousand.

Impairment losses as mentioned above were recognized under other gains and losses in the statements of comprehensive income.

In order to focus on operational services, enhance the utilization of assets, and optimize financial structure, the Board of Directors of AUO approved the disposal of part of the real estate with related equipment on November 14, 2025. On the same day, the asset sale agreements were signed with an unrelated party. By December of the same year, both parties had completed the transfer and delivery procedures. The disposal consideration (net of related transaction costs) and gain on disposal were 6,503,524 thousand and 5,395,950 thousand, respectively. The consideration had been fully collected.

(Continued)

AUO CORPORATION
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In order to focus on operational services, enhance the utilization of assets, and optimize financial structure, the Board of Directors of AUO approved the disposal of part of the real estate with related equipment on August 27, 2024. On the same day, the asset sale agreements were signed with an nonrelated party. By November of the same year, both parties had completed the transfer and delivery procedures. The disposal consideration (net of related transaction costs) and gain on disposal were \$6,950,335 thousand and \$5,015,804 thousand, respectively. The consideration is to be paid in installments. As of December 31, 2025 and 2024, the outstanding receivables amounted to \$1,850,000 thousand and \$3,700,000 thousand, respectively, and were recorded under other current financial assets and other noncurrent assets.

The following table summarized the Company's capitalized borrowing costs and the interest rate range applied for the capitalization:

	For the years ended	
	December 31,	
	2025	2024
Capitalized borrowing costs	\$ 369,351	235,538
The interest rates applied for the capitalization	2.42%~ 2.60%	2.45%~ 2.62%

Certain property, plant and equipment were pledged as collateral, see Note 8.

(8) Lease Arrangements

a. Lessee

(i) Right-of-use assets

	December 31,	December 31,
	2025	2024
Carrying amount of right-of-use assets		
Land	\$ 6,326,750	7,011,378
Buildings	93,968	118,794
Other equipment	983	621
	\$ 6,421,701	7,130,793
	For the years ended	
	December 31,	
	2025	2024
Additions to right-of-use assets	\$ 31,434	254,384
Depreciation charge for right-of-use assets		
Land	\$ 420,116	418,831
Buildings	55,279	47,268
Other equipment	619	381
	\$ 476,014	466,480

(Continued)

AUO CORPORATION
Notes to the Parent Company Only Financial Statements

(ii) Lease liabilities

	December 31, 2025		
	Future minimum lease payments	Interests	Present value of minimum lease payments
Less than one year	\$ 524,172	119,623	404,549
Between one and five years	1,825,096	410,012	1,415,084
More than five years	5,570,790	622,896	4,947,894
	\$ 7,920,058	1,152,531	6,767,527
Lease liabilities – current			\$ 404,549
Lease liabilities – noncurrent			\$ 6,362,978
	December 31, 2024		
	Future minimum lease payments	Interests	Present value of minimum lease payments
Less than one year	\$ 539,113	131,743	407,370
Between one and five years	2,004,276	453,184	1,551,092
More than five years	6,205,791	728,312	5,477,479
	\$ 8,749,180	1,313,239	7,435,941
Lease liabilities – current			\$ 407,370
Lease liabilities – noncurrent			\$ 7,028,571

(iii) Significant lease agreements

AUO has entered into various land lease agreements with Hsinchu Science Park Bureau, Central Science Park Administration Bureau and Southern Taiwan Science Park Bureau, respectively, for the construction of plant for operations. All lease amounts are adjusted in accordance with the land value announced by the government from time to time.

Total cash outflow for the Company's leases in which it acts as a lessee for the years ended December 31, 2025 and 2024 were \$551,626 thousand and \$556,974 thousand, respectively.

b. Lessor

The Company leased out its investment properties and part of its land, and did not transfer substantially all the risks and rewards incidental to their ownership to the lessee, therefore, those leases were recognized as operating leases. Refer to Note 6(20) for the information of rental income from operating leases. In addition, the direct costs relating to the aforementioned operating leases for the years ended December 31, 2025 and 2024 were \$263 thousand and \$267 thousand, respectively.

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AUO CORPORATION
Notes to the Parent Company Only Financial Statements

The maturity analysis of undiscounted operating lease receivable for the abovementioned assets are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Year 1	\$ 14,393	13,222
Year 2	14,393	13,222
Year 3	14,393	13,222
Year 4	14,394	13,222
Year 5	14,394	13,222
Year 6 onwards	<u>40,782</u>	<u>50,685</u>
Total undiscounted operating lease receivable	<u>\$ 112,749</u>	<u>116,795</u>

(9) Investment Property

For the year ended December 31, 2025				
	<u>Balance, Beginning of Year</u>	<u>Additions</u>	<u>Reclassification</u>	<u>Balance, End of Year</u>
Cost:				
Land	\$ <u>465,868</u>	<u>-</u>	<u>-</u>	<u>465,868</u>
Fair Value	<u>\$ 2,137,336</u>			<u>2,185,986</u>
For the year ended December 31, 2024				
	<u>Balance, Beginning of Year</u>	<u>Additions</u>	<u>Reclassification</u>	<u>Balance, End of Year</u>
Cost:				
Land	\$ <u>465,868</u>	<u>-</u>	<u>-</u>	<u>465,868</u>
Fair Value	<u>\$ 2,137,336</u>			<u>2,137,336</u>

The fair value of investment property is based on a valuation performed by a qualified independent appraiser who holds a recognized and relevant professional qualification and has recent valuation experience in the location and category of the investment property being valued. The valuation is performed using sales comparison approach with reference to available market information.

The fair value measurement was categorized as a level 3 fair value based on the inputs in the valuation techniques used. Sales comparison approach is through comparison, analysis, adjustment and other means of value for comparable properties to estimate the value of the investment property.

As of December 31, 2025 and 2024, there was no investment property that was pledged as collateral.

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AUO CORPORATION
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(10) Intangible Assets

For the year ended December 31, 2025			
	Balance, Beginning of Year	Additions	Balance, End of Year
Cost:			
Goodwill	\$ 11,280,595	-	11,280,595
Patent and technology fee	12,078,767	-	12,078,767
	23,359,362	-	23,359,362
Accumulated amortization and impairment loss:			
Goodwill	2,052,689	-	2,052,689
Patent and technology fee	12,075,935	1,621	12,077,556
	14,128,624	1,621	14,130,245
Net carrying amounts	\$ 9,230,738	(1,621)	9,229,117
For the year ended December 31, 2024			
	Balance, Beginning of Year	Additions	Balance, End of Year
Cost:			
Goodwill	\$ 11,280,595	-	11,280,595
Patent and technology fee	12,078,767	-	12,078,767
	23,359,362	-	23,359,362
Accumulated amortization and impairment loss:			
Goodwill	2,052,689	-	2,052,689
Patent and technology fee	11,879,771	196,164	12,075,935
	13,932,460	196,164	14,128,624
Net carrying amounts	\$ 9,426,902	(196,164)	9,230,738

For the purpose of impairment test, the following table shows the information of the operating business that the Company's goodwill allocating to:

	December 31, 2025	December 31, 2024
Display business	\$ 9,227,906	9,227,906

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AUO CORPORATION
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The Company's goodwill has been tested for impairment at least once at the end of the annual reporting period. The recoverable amount was determined based on value in use of the operating business.

The key assumptions used in the estimation of the recoverable amount included discount rate and terminal growth rate. The annual discount rates for the years ended December 31, 2025 and 2024 were 10.00% and 10.60%, respectively, based on industry weighted average cost of capital. The cash flow projections were determined based on the financial budgets approved by management covering the future five-year period and extrapolated with a steady annual terminal growth rate for subsequent years, which were negative 0.3% and negative 0.1% for the years ended December 31, 2025 and 2024, respectively. The key assumptions abovementioned represents the management's forecast of the future for the related industry by considering the historical information from internal and external sources.

For the years ended December 31, 2025 and 2024, no impairment loss was recognized as the recoverable amount of the CGU was higher than its carrying amount.

(11) Prepayments, Other Current Assets and Other Noncurrent Assets

	December 31, 2025	December 31, 2024
Prepayments for purchases	\$ 434,469	680,045
Refundable deposits	1,557,316	2,438,189
Refundable and overpaid tax	86,640	355,979
Other receivables	125,752	1,850,000
Prepayments for royalty and others	<u>3,076,148</u>	<u>2,848,651</u>
	5,280,325	8,172,864
Less: prepayments and other current assets	<u>(1,363,909)</u>	<u>(2,018,068)</u>
Other noncurrent assets	<u>\$ 3,916,416</u>	<u>6,154,796</u>

(12) Short-term Borrowings

	December 31, 2025	December 31, 2024
Unsecured borrowings	<u>\$ 7,900,000</u>	<u>2,800,000</u>
Unused credit facilities	<u>\$ 2,508,115</u>	<u>5,888,764</u>
Interest rate range	1.88%~ 2.0825%	1.82%~ 1.99%

(Continued)

AUO CORPORATION
Notes to the Parent Company Only Financial Statements

(13) Long-term Borrowings

<u>Bank or agent bank</u>	<u>Durations</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Syndicated loans:			
Bank of Taiwan, First Bank and others	From Apr. 2022 to Apr. 2029	\$ 31,770,000	50,000,000
Bank of Taiwan and others	From Nov. 2024 to Jan. 2029	10,000,000	14,000,000
Bank of Taiwan, First Bank and others	From Feb. 2025 to Jan. 2030	10,000,000	-
Unsecured bank loans	From Mar. 2023 to Dec. 2030	23,464,934	22,689,934
Secured bank loans	From Nov. 2019 to Jul. 2029	<u>11,814,000</u>	<u>14,840,000</u>
		87,048,934	101,529,934
Less: transaction costs		<u>(237,360)</u>	<u>(303,276)</u>
		86,811,574	101,226,658
Less: current portion		<u>(21,649,000)</u>	<u>(11,626,000)</u>
		<u>\$ 65,162,574</u>	<u>89,600,658</u>
Unused credit facilities		<u>\$ 52,135,726</u>	<u>57,252,105</u>
Interest rate range		<u>1.8780%~</u>	<u>1.9200%~</u>
		<u>2.6400%</u>	<u>2.8625%</u>

The Company entered into the aforementioned long-term loan arrangements with banks and financial institutions to finance capital expenditures for purchase of machinery and equipment, and to fulfill working capital, as well as to repay the matured debts. A commitment fee is negotiated with the leading banks of syndicated loans and is calculated based on the committed-to-withdraw but unused balance, if any. No commitment fees were paid for the year ended December 31, 2025.

These credit facilities contain covenants that require the Company to maintain certain financial ratios, calculating based on the Company's annual audited consolidated financial statements prepared in accordance with IFRSs endorsed and issued into effect by the FSC, such as current ratio, leverage ratio, interest coverage ratio, tangible net worth and others as specified in the loan agreements. As of December 31, 2025 and 2024, the Company complied with all financial covenants required under each of the loan agreements.

Refer to Note 6(25) for detailed information of exposures to interest rate, currency, and liquidity risks. Refer to Note 8 for assets pledged as collateral to secure the aforementioned long-term borrowings.

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AUO CORPORATION
Notes to the Parent Company Only Financial Statements

(14) Provisions

	<u>Warranties⁽ⁱ⁾</u>	<u>Litigation and, claims</u>	<u>Others^{(ii) (iii)}</u>	<u>Total</u>
Balance at January 1, 2025	\$ 1,242,955	1,350,019	59,739	2,652,713
Additions (reversals)	91,556	-	802,338	893,894
Usage	(209,931)	-	(100,850)	(310,781)
Effect of change in exchange rate	-	(52,776)	-	(52,776)
Balance at December 31, 2025	1,124,580	1,297,243	761,227	3,183,050
Less: current	(549,247)	(1,297,243)	(761,227)	(2,607,717)
Noncurrent	<u>\$ 575,333</u>	<u>-</u>	<u>-</u>	<u>575,333</u>
Balance at January 1, 2024	\$ 934,784	1,345,470	191,062	2,471,316
Additions(reversals)	368,592	(77,336)	4,514	295,770
Usage	(60,421)	-	(135,837)	(196,258)
Effect of change in exchange rate	-	81,885	-	81,885
Balance at December 31, 2024	1,242,955	1,350,019	59,739	2,652,713
Less: current	(591,811)	(1,350,019)	(59,739)	(2,001,569)
Noncurrent	<u>\$ 651,144</u>	<u>-</u>	<u>-</u>	<u>651,144</u>

(i) The provisions for warranties were estimated based on historical experience of warranty claims rate associated with similar products and services. The Company expects most warranty claims will be made within two years from the date of the sale of the product.

(ii) Primarily including provisions for onerous contracts and carbon fees.

(iii) During the year, in connection with the disposal of the plant, the Company recognized provisions for restructuring, including machine relocation costs, site restoration and clearance costs, and other necessary expenditures, totaling \$717,321 thousand.

(15) Employee Benefits

a. Defined benefit plans

Pursuant to the ROC Labor Standards Act, the Company has established a defined benefit pension plan covering their full-time employees in the ROC. This plan provides for retirement benefits to retiring employees based on years of service and the average salaries and wages for the six-month period before the employee's retirement. The funding of this retirement plan by the Company is contributed monthly based on a certain percentage of employees' total salaries and wages. The fund is deposited with Bank of Taiwan.

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AUO CORPORATION
Notes to the Parent Company Only Financial Statements

- (i) Reconciliation of the present value of defined benefit obligation and the fair value of plan assets for the Company.

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	\$ (119,134)	(104,489)
Fair value of plan assets	376,388	347,060
Net defined benefit asset (recognized in other noncurrent assets)	\$ 257,254	242,571

- (ii) Movement in net defined benefit asset (liability)

	Present value of defined benefit obligation		Fair value of plan assets		Net defined benefit asset (liability)	
	2025	2024	2025	2024	2025	2024
Balance at January 1	\$ (104,489)	(115,290)	347,060	322,233	242,571	206,943
Service cost	(2,317)	(2,572)	-	-	(2,317)	(2,572)
Interest cost	(1,703)	(1,452)	-	-	(1,703)	(1,452)
Expected return on plan assets	-	-	5,657	4,060	5,657	4,060
Included in profit or loss	(4,020)	(4,024)	5,657	4,060	1,637	36
Actuarial (loss) gain arising from:						
- demographic assumptions	(35)	(1,147)	-	-	(35)	(1,147)
- financial assumptions	(2,963)	4,723	-	-	(2,963)	4,723
- experience adjustment	(8,346)	3,383	-	-	(8,346)	3,383
Return on plan assets excluding interest income	-	-	24,191	28,418	24,191	28,418
Included in other comprehensive income	(11,344)	6,959	24,191	28,418	12,847	35,377
Contributions paid by the employer	-	-	199	215	199	215
Benefits paid	719	7,866	(719)	(7,866)	-	-
	719	7,866	(520)	(7,651)	199	215
Balance at December 31	\$ (119,134)	(104,489)	376,388	347,060	257,254	242,571

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AUO CORPORATION
Notes to the Parent Company Only Financial Statements

(iii) Plan assets

Pursuant to the ROC Labor Standards Act, the Company contributes an amount to its pension fund (the "Fund"), which is administered by the Bureau of Labor Fund, Ministry of Labor. Under the ROC Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, the minimum return to be allocated based on the annual settlement of the funds shall not be less than the return calculated at the average interest rate on two-year time deposits published by the local banks.

As of December 31, 2025 and 2024, the Fund deposited in the Bank of Taiwan amounted to \$376,388 thousand and \$347,060 thousand, respectively. Information on utilization of labor pension funds, including the yield rate of funds and the component of plan assets are available at the Bureau of Labor Funds, Ministry of Labor website.

(iv) Present value of defined benefit obligation

(a) Principal actuarial assumptions

	December 31, 2025	December 31, 2024
Discount rate	1.43%	1.63%
Rate of increase in future salary	3.00%	3.00%

The Company anticipates contributing \$0 thousand to the defined benefit plans in the year starting from January 1, 2026.

As at December 31, 2025, the weighted-average duration of the defined benefit obligation was 13 years.

(b) Sensitivity analysis

Reasonably possible changes at December 31, 2025 and 2024 to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	December 31, 2025		December 31, 2024	
	Changes in assumptions		Changes in assumptions	
	+ 0.25%	-0.25%	+0.25%	-0.25%
Discount rate	<u>\$ (3,689)</u>	<u>3,871</u>	<u>(3,056)</u>	<u>3,203</u>
Rate of increase in future salary	<u>\$ 3,801</u>	<u>(3,643)</u>	<u>3,152</u>	<u>(3,024)</u>

In practical, the relevant actuarial assumptions are correlated to each other. The approach to develop the sensitivity analysis as above is the same approach to recognize the net defined benefit asset (liability) in the balance sheet.

The approach to develop the sensitivity analysis and its relevant actuarial assumptions are the same as those in previous year.

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AUO CORPORATION
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b. Defined contribution plans

Commencing July 1, 2005, pursuant to the ROC Labor Pension Act (the “Act”), employees who elected to participate in the Act or joined the Company after July 1, 2005, are subject to a defined contribution plan under the Act. Under the defined contribution plan, the Company contributes monthly at a rate of no less than six percent of the employees’ monthly salaries and wages to the employee’s individual pension fund account at the ROC Bureau of Labor Insurance. Besides, matters that are not addressed in the Company’s defined contribution plan should be governed by the Act.

The Company has set up defined contribution plan in accordance with the Act. For the years ended December 31, 2025 and 2024, \$905,636 thousand and \$911,080 thousand, respectively, of the pension costs under the pension plan to the ROC Bureau of Labor Insurance.

(16) Capital and Other Components of Equity

a. Common stock

The Company’s authorized common stock, with par value of \$10 per share, both amounted to \$120,000,000 thousand as at December 31, 2025 and 2024.

The Company’s issued common stock, with par value of \$10 per share, are amounted to \$75,470,990 thousand and \$76,678,810 thousand, respectively, as at December 31, 2025 and 2024.

The Company retired treasury shares in November 2024, with a capital reduction amount of \$315,151 thousand and cancellation of 31,515 thousand shares. The base date for the capital reduction was November 4, 2024. All related registration procedures have been completed.

The Company retired treasury shares in May 2025, with a capital reduction amount of \$1,207,820 thousand and cancellation of 120,782 thousand shares. The base date for the capital reduction was May 28, 2025. All related registration procedures have been completed.

As of December 31, 2025, the Company has issued 17,133 thousand ADSs, which represented 171,334 thousand shares of its common stock.

b. Capital surplus

The components of capital surplus were as follows:

	December 31, 2025	December 31, 2024
From common stock	\$ 36,670,711	39,558,075
From convertible bonds	6,049,862	6,049,862
From others	<u>3,152,269</u>	<u>2,667,575</u>
	<u>\$ 45,872,842</u>	<u>48,275,512</u>

(Continued)

AUO CORPORATION
Notes to the Parent Company Only Financial Statements

According to the ROC Company Act, capital surplus, including premium from stock issuing and donations received, may be used to offset a deficit. When a company has no deficit, such capital surplus may be distributed by issuing common stock as stock dividends or by cash according to the proportion of shareholdings. In accordance with the Company's Articles of Incorporation, cash distribution from capital surplus should be approved by the Company's Board of Directors and reported to the Company's shareholders in its meeting. Pursuant to the ROC Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total sum of capital surplus capitalized per annum shall not exceed 10 percent of the paid-in capital.

c. Retained earnings and dividend policy

In accordance with the Company's Articles of Incorporation, distribution of earnings by way of cash dividends should be approved by the Company's Board of Directors and reported to the Company's shareholders in its meeting. After payment of income taxes and offsetting accumulated deficits, the legal reserve shall be set aside until the accumulated legal reserve equals the Company's paid-in capital. In addition, a special reserve in accordance with applicable laws and regulations shall also be set aside or reversed. The remaining current-year earnings together with accumulated undistributed earnings from preceding years can be distributed according to relevant laws and the Company's Articles of Incorporation.

Legal reserve may be used to offset a deficit. When the Company incurs no loss, it may distribute its legal reserve by issuing new shares or by cash in accordance with the proportion of shareholdings for the portion in excess of 25% of the paid-in capital.

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, while taking into account shareholders' interest, maintenance of balanced dividend and the Company's long-term financial plan. If the current-year retained earnings available for distribution reach 2% of the paid-in capital of the Company, dividend to be distributed shall be no less than 20% of the current-year retained earnings available for distribution. If the current-year retained earnings available for distribution do not reach 2% of the paid-in capital of the Company, the Company may decide not to distribute dividend. The cash portion of the dividend, which may be in the form of cash and stock, shall not be less than 10% of the total dividend distributed during the year. The dividend distribution ratio aforementioned could be adjusted after taking into consideration factors such as finance, business and operations, etc.

Pursuant to relevant laws or regulations or as requested by the local authority, total net debit balance of the other components of equity shall be set aside from current earnings as special reserve, and not for distribution. Subsequent decrease pertaining to items that are accounted for as a reduction to the other components of equity shall be reclassified from special reserve to undistributed earnings.

(Continued)

AUO CORPORATION
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The Board of Directors resolved AUO's appropriation of earnings for 2025 by way of cash dividends at its meeting held on February 10, 2026. The appropriation of legal reserve and special reserve remains subject to resolution at the annual shareholder's meeting. Details of distribution were as follows:

	<u>Appropriation of earnings</u>	<u>Cash distributed per share (NT\$)</u>
Legal reserve	\$ 616,401	
Special reserve	3,851,797	
Cash dividends to shareholders	<u>3,018,840</u>	0.40
	<u><u>\$ 7,487,038</u></u>	

On February 13, 2025, AUO's Board of Directors resolved not to distribute cash dividends for 2024. Details of cash distribution from capital surplus were as follows:

	<u>Cash distribution from capital surplus</u>	<u>Cash distributed per share (NT\$)</u>
Cash distribution from capital surplus	<u><u>\$ 2,300,364</u></u>	<u>0.30</u>

On May 28, 2025, the annual shareholders' meeting resolved the other distribution of earnings for 2024, which solely consists of a reversal of special reserve of \$4,129,121 thousand.

On March 11, 2024, AUO's Board of Directors resolved not to distribute cash dividends for 2023. Details of cash distribution from capital surplus were as follows:

	<u>Cash distribution from capital surplus</u>	<u>Cash distributed per share (NT\$)</u>
Cash distribution from capital surplus	<u><u>\$ 6,901,093</u></u>	<u>0.90</u>

On May 30, 2024, the annual shareholders' meeting resolved the other distribution of earnings for 2023, which solely consists of a provision of special reserve of \$864,594 thousand.

Information on the approval of Board of Directors and shareholders for the Company's appropriations of earnings are available at the Market Observation Post System website.

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d. Treasury shares

In order to maintain the company's credit and shareholder's equity, the Board of Directors of the Company resolved on February 13, 2025, to repurchase a total of 120,782 thousand shares of treasury shares in accordance with Securities and Exchange Act requirements. The related information was as follows (shares in thousands):

For the year ended December 31, 2025				
Reason for reacquisition	Number of shares, Beginning of Year	Additions	Reductions	Number of shares, End of Year
Maintaining the company's credit and shareholder's equity	-	120,782	(120,782)	-

The Board of Directors of the Company resolved to retire 120,782 thousand shares of treasury shares on April 30, 2025. The base date for the capital reduction was May 28, 2025. The registration of the change was completed on June 18, 2025.

For the year ended December 31, 2024					
Reason for reacquisition	Number of shares, Beginning of Year	Additions	Transfers	Reductions	Number of shares, End of Year
Transferring to employees	31,515	-	-	(31,515)	-

The Board of Directors of the Company resolved to retire 31,515 thousand shares of treasury shares on October 31, 2024. The base date for the capital reduction was November 4, 2024.

Pursuant to the Securities and Exchange Act, the number of shares repurchased shall not exceed 10 percent of the number of the company's issued and outstanding shares, and the total amount repurchased shall not exceed the sum of the company's retained earnings, share premium, and realized capital surplus. The shares repurchased to maintain the company's credit and shareholder equity shall have amendment registration completed within six months from the date of reacquisition. Also, the shares repurchased for transferring to employees shall be transferred within five years from the date of reacquisition and those shares not transferred within the five-year period shall be deemed unissued shares and retired.

In accordance with the Securities and Exchange Act, treasury shares held by the Company shall not be pledged, and do not hold any shareholder rights before their transfer.

(Continued)

AUO CORPORATION
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e. Other components of equity

Changes of other components of equity

	Cumulative translation differences	Unrealized gains (losses) on financial assets at FVTOCI	Total
Balance at January 1, 2025	\$ (1,045,022)	689,244	(355,778)
Foreign operations – foreign currency translation differences	(2,427,169)	-	(2,427,169)
Net change in fair value of financial assets at FVTOCI	-	(2,876,870)	(2,876,870)
Equity-accounted investees – share of other comprehensive income	2,879,701	(1,564,563)	1,315,138
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	-	721,607	721,607
Realized gain on sales of securities reclassified to profit or loss	(453,798)	-	(453,798)
Related tax	(130,706)	-	(130,706)
Balance at December 31, 2025	<u>\$ (1,176,994)</u>	<u>(3,030,582)</u>	<u>(4,207,576)</u>
Balance at January 1, 2024	\$ (3,651,762)	(833,137)	(4,484,899)
Foreign operations – foreign currency translation differences	4,836,098	-	4,836,098
Equity-accounted investees – share of other comprehensive income	(1,546,155)	1,353,787	(192,368)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	-	168,594	168,594
Realized gain on sales of securities reclassified to profit or loss	(131,119)	-	(131,119)
Related tax	(552,084)	-	(552,084)
Balance at December 31, 2024	<u>\$ (1,045,022)</u>	<u>689,244</u>	<u>(355,778)</u>

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AUO CORPORATION
Notes to the Parent Company Only Financial Statements

(17) Revenue from Contracts with Customers

a. Disaggregation of revenue

	For the years ended December 31,					
	2025			2024		
	Display segment	Energy segment	Total segments	Display segment	Energy segment	Total segments
Primary geographical markets:						
PRC (including Hong Kong)	\$ 60,752,404	190	60,752,594	67,662,607	1,881	67,664,488
Taiwan	75,565,417	3,299,220	78,864,637	80,223,983	6,374,591	86,598,574
Singapore	14,200,280	-	14,200,280	14,148,198	-	14,148,198
United States	38,110,537	300	38,110,837	26,584,246	-	26,584,246
Others	24,938,891	457	24,939,348	28,754,019	1,670	28,755,689
	<u>\$ 213,567,529</u>	<u>3,300,167</u>	<u>216,867,696</u>	<u>217,373,053</u>	<u>6,378,142</u>	<u>223,751,195</u>
Major products:						
Display	\$ 169,829,514	-	169,829,514	177,711,534	-	177,711,534
Mobility solution	43,498,450	-	43,498,450	39,464,132	-	39,464,132
Vertical solution	1,453	3,300,167	3,301,620	13,293	6,378,142	6,391,435
Others	238,112	-	238,112	184,094	-	184,094
	<u>\$ 213,567,529</u>	<u>3,300,167</u>	<u>216,867,696</u>	<u>217,373,053</u>	<u>6,378,142</u>	<u>223,751,195</u>
Major customers:						
Customer A	\$ 25,212,760	-	25,212,760	20,345,125	-	20,345,125
Customer B	23,762,859	-	23,762,859	21,263,669	-	21,263,669
Customer C	21,199,736	-	21,199,736	24,213,261	-	24,213,261
Customer D	19,845,497	-	19,845,497	24,016,247	-	24,016,247
Others (individually not greater than 10%)	123,546,677	3,300,167	126,846,844	127,534,751	6,378,142	133,912,893
	<u>\$ 213,567,529</u>	<u>3,300,167</u>	<u>216,867,696</u>	<u>217,373,053</u>	<u>6,378,142</u>	<u>223,751,195</u>

b. Contract balances

	December 31, 2025	December 31, 2024
Contract assets — current (recorded in other current financial assets)	\$ 633,549	346,933
Capitalized contract cost-noncurrent	866,742	284,755
	<u>\$ 1,500,291</u>	<u>631,688</u>
Contract liabilities — current (recorded in other current liabilities)	\$ 4,544,997	3,061,547
Contract liabilities — noncurrent	-	3,739,270
	<u>\$ 4,544,997</u>	<u>6,800,817</u>

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AUO CORPORATION
Notes to the Parent Company Only Financial Statements

The Company has entered into long-term supply agreements with car manufacturers for project products. In order to meet the validation requirements from the car manufacturers, the costs incurred for development activities related to the project before production phase were recognized as capitalized contract cost. Reimbursements received from customers for the project were recognized as contract liabilities. Additionally, in the first quarter of 2021, the Company entered into long term sales agreements with customers and has received payments in advance. The Company accounted for such obligation as contract liabilities.

The amounts of revenue recognized for the years ended December 31, 2025 and 2024 that previously included in the contract liability balance at the beginning of the years were \$2,585,404 thousand and \$2,752,479 thousand, respectively.

(18) Remuneration to Employees and Directors

The Company amended its Articles of Incorporation at the shareholders' meeting on May 28, 2025. According to the Company's Articles of Incorporation, the Company should distribute remuneration to employees and directors no less than 5% (among which remuneration to entry-level employees shall not less than 20%) and no more than 1% of annual profits before income tax, respectively, after offsetting accumulated deficits, if any. Only employees, including employees of affiliate companies that meet certain conditions are entitled to the abovementioned remuneration which to be distributed in stock or cash. The said conditions and distribution method are decided by Board of Directors or the personnel authorized by Board of Directors.

The Company accrues remuneration to employees based on the profit before income tax excluding the remuneration to employees and directors for the period, multiplied by the percentage resolved by Board of Directors. Remuneration to directors is estimated based on the amount expected to pay and recognized together with the remuneration to employees as cost of sales or operating expenses.

If remuneration to employees is resolved to be distributed in stock, the number of shares is determined by dividing the amount of remuneration by the closing price of the shares (ignoring ex dividend effect) on the day preceding the Board of Directors' meeting. If there is a change in the proposed amounts after the annual financial statements are authorized for issue, the differences are accounted for as a change in accounting estimate and adjusted prospectively to next year's profit or loss.

The Company accrued remuneration to employees based on the profit before income tax excluding the remuneration to employees and directors for the period, multiplied by the percentage resolved by Board of Directors. For the year ended December 31, 2025, the Company estimated the remuneration to employees (including remuneration to entry-level employees) amounting to \$609,563 thousand. Remuneration to directors was estimated based on the amount expected to pay and recognized together with the remuneration to employees as cost of sales or operating expenses. Additionally, the Company did not accrue remuneration to employees and directors due to the loss making position for the year ended December 31, 2024.

The information about the Company's remuneration to employees and directors is available at the Market Observation Post System website.

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AUO CORPORATION
Notes to the Parent Company Only Financial Statements

(19) Additional Information of Expenses by Nature

	For the years ended December 31,					
	2025			2024		
	Recognized in cost of sales	Recognized in operating expenses	Total	Recognized in cost of sales	Recognized in operating expenses	Total
Employee benefits expenses:						
Salaries and wages	\$14,469,906	7,457,927	21,927,833	14,055,566	7,709,305	21,764,871
Labor and health insurances	1,259,784	526,768	1,786,552	1,231,309	545,576	1,776,885
Retirement benefits	603,610	300,389	903,999	595,616	315,428	911,044
Compensation to directors	-	53,218	53,218	-	38,698	38,698
Other employee benefits	900,441	299,834	1,200,275	896,361	335,837	1,232,198
Depreciation	13,018,172	2,618,532	15,636,704	16,141,453	2,672,864	18,814,317
Amortization	1,621	-	1,621	196,164	-	196,164

Additional information on the number of the Company's employees and the average employee benefit expenses of the Company for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31,	
	2025	2024
Number of employees	17,596	18,426
Number of non-employee directors	7	6
Average employee benefit expenses	\$ 1,468	1,394
Average salaries expenses	\$ 1,247	1,182
Average salary expense adjustment	5.5 %	10.6 %
Remuneration to supervisor	\$ -	-

The Company's compensation policies (including directors, managers and employees) were as follows:

- a. Directors: compensation for directors have been authorized for distribution by the Board of Directors pursuant to the Company's Articles of Incorporation, based on individual Director's level of participation and contributions to the Company operations, and have been paid pursuant to the "Compensation Policy to the Directors and Functional Committee Members" which is in reference to domestic and overseas industry standards. If the Company has a profit, the Board of Directors will determine the amount of Directors' remunerations in accordance with the Company's Articles of Incorporation.

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AUO CORPORATION
Notes to the Parent Company Only Financial Statements

b. Managers and employees:

- (i) The Company provides diversified and competitive overall remuneration and career development opportunities. Apart from basic salary (including principal salary, meal allowance, etc.), various allowances and rewards, such as work allowances, duty allowances, performance bonuses, incentive bonuses and remuneration to employees based on annual profit, are designed for difference job nature and reward purpose.
- (ii) The Company participates in international market salary surveys every year, regularly reviews and adjusts the salary structure based on the living standards in different regions, and makes salary adjustment based on the market level of each job and individual performance to sustain our market competitiveness. Under the premise of enhancing the Company's overall operations and performance from team work and individual, the Company designs various short-term or long-term reward plans and profit sharing with employees to achieve the purpose of talent attraction, retention, motivation and programmatic cultivation of high-quality talents.
- (iii) The remuneration for the managers is linked to the Company's operating performance and job duties. While designing the salary package, the Company refers to the salary market level and cooperates with long-term external professional consultants. According to the laws, the remuneration for the managers is proposed by the Remuneration Committee and approved by the Board of Directors. It is driven to build up a management team that focuses on creating long-term shareholders' value and has entrepreneurial spirit.
- (iv) Salaries for employees are determined by the factors such as the employees' educational background, professional knowledge and technology, and professional years of experience. Employees would not be discriminated regardless of their gender, race, nationality, place of birth, religious beliefs, age, physical disability, political stance, marital status and unions they participate.

(20) Non-Operating Income and Expenses

a. Interest income

	For the years ended	
	December 31,	
	2025	2024
Interest income on bank deposits	\$ 373,077	508,372
Other interest income	69,618	24,962
	\$ 442,695	533,334

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AUO CORPORATION
Notes to the Parent Company Only Financial Statements

b. Other income

	For the years ended December 31,	
	2025	2024
Rental income, net	\$ 340,653	295,472
Dividend income	261,106	-
Grants	106,449	77,334
Earthquake insurance claim income and others	<u>2,042,827</u>	<u>1,795,082</u>
	<u>\$ 2,751,035</u>	<u>2,167,888</u>

c. Other gains and losses

	For the years ended December 31,	
	2025	2024
Foreign exchange gains , net	\$ (87,161)	506,292
Gains on valuation of financial instruments at FVTPL, net	209,580	(412,563)
Gains on disposal of investments, net	1,664,630	1,055,602
Gains on disposal of property, plant and equipment	5,388,213	4,732,741
Impairment losses on assets	(321,187)	(154,280)
Gain on reversal of litigation	-	77,336
Restructuring losses	(717,321)	-
Earthquake losses and others	<u>(684,063)</u>	<u>(1,109,065)</u>
	<u>\$ 5,452,691</u>	<u>4,696,063</u>

d. Finance costs

	For the years ended December 31,	
	2025	2024
Interest expense on bank borrowings	\$ 2,141,502	2,381,083
Interest expense on lease liabilities	131,086	126,579
Other interest expense	167,296	58,321
Finance expense	<u>67,715</u>	<u>92,380</u>
	<u>\$ 2,507,599</u>	<u>2,658,363</u>

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AUO CORPORATION
Notes to the Parent Company Only Financial Statements

(21) Income Taxes

a. Income tax expense

The components of income tax expense (benefit) for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31,	
	2025	2024
Current income tax expense:		
Current year	\$ -	456,730
Effect of combined business income tax return	(558,993)	(1,063,861)
Adjustment to prior years	(145,599)	1,603
	<u>(704,592)</u>	<u>(605,528)</u>
Deferred tax expense:		
Temporary differences	(129,905)	34,073
Income tax expense (benefit)	\$ (834,497)	(571,455)

Income taxes expense (benefit) recognized directly in other comprehensive income for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31,	
	2025	2024
Items that will never be reclassified to profit or loss:		
Remeasurement of defined benefit obligations	\$ 2,569	7,076
Items that are or may be reclassified subsequently to profit or loss:		
Foreign operations – foreign currency translation differences	\$ (485,434)	967,220
Equity-accounted investees – share of other comprehensive income	616,140	(415,136)
	\$ (130,706)	552,084

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AUO CORPORATION
Notes to the Parent Company Only Financial Statements

Reconciliation of the expected income tax expense (benefit) calculated based on the ROC statutory income tax rate compared with the actual income tax expense as reported in the statements of comprehensive income for the years ended December 31, 2025 and 2024, was as follows:

	For the years ended	
	December 31,	
	2025	2024
Income tax expense (benefit) at statutory tax rate	\$ 1,201,773	(727,124)
Net of non-taxable income from domestic investments and non-deductible expense	(421,321)	(720,719)
Change of unrecognized deductible temporary differences	(910,358)	1,481,917
Effect of combined business income tax return and others	(558,992)	(988,891)
Adjustments to prior years	(145,599)	1,603
House and Land Transactions Income Tax (new regulations)	-	381,759
Income tax expense (benefit)	<u>\$ (834,497)</u>	<u>(571,455)</u>

b. Deferred tax assets and liabilities

Deferred tax assets have not been recognized in respect of the following items.

	December 31,	December 31,
	2025	2024
Deductible temporary differences	\$ -	348,494
Unused tax losses carryforwards	8,788,437	11,056,461
	<u>\$ 8,788,437</u>	<u>11,404,955</u>

Under the ROC tax laws, approved tax losses can be carried forward for 10 years to offset future taxable profits.

As of December 31, 2025, the expiration period for abovementioned unrecognized deferred tax assets of unused tax losses carryforwards were as follows:

<u>Year of assessment</u>	<u>Unrecognized deferred tax assets</u>	<u>Expiration in year</u>
2022 (filed)	4,604,061	2032
2023 (filed)	4,184,376	2033
	<u>\$ 8,788,437</u>	

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AUO CORPORATION
Notes to the Parent Company Only Financial Statements

The components of and changes in deferred tax assets and liabilities were as follows:

	Deferred tax assets		Deferred tax liabilities		Total	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Tax losses carryforwards	\$ 2,793,181	3,582,375	-	-	2,793,181	3,582,375
Unrealized loss and expenses	636,610	260,539	-	-	636,610	260,539
Inventories write-down	490,691	546,703	-	-	490,691	546,703
Accumulated amortization of goodwill in accordance with local tax laws	-	-	(1,802,891)	(1,802,891)	(1,802,891)	(1,802,891)
Remeasurement of defined benefit plans	102,300	104,870	-	-	102,300	104,870
Foreign investment gains	-	-	-	(711,622)	-	(711,622)
Others	<u>2,155,373</u>	<u>2,398,292</u>	<u>(67,115)</u>	<u>(66,747)</u>	<u>2,088,258</u>	<u>2,331,545</u>
	<u>\$ 6,178,155</u>	<u>6,892,779</u>	<u>(1,870,006)</u>	<u>(2,581,260)</u>	<u>4,308,149</u>	<u>4,311,519</u>

	January 1, 2024	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2024	Recognized in profit or loss	Recognized in other comprehensive income	December 31, 2025
	Deferred tax assets (liabilities):						
Tax losses carryforwards	\$ 4,260,400	(678,025)	-	3,582,375	(789,194)	-	2,793,181
Unrealized loss and expenses	186,957	73,582	-	260,539	376,071	-	636,610
Inventories write-down	590,114	(43,411)	-	546,703	(56,012)	-	490,691
Accumulated amortization of goodwill in accordance with local tax laws	(1,802,891)	-	-	(1,802,891)	-	-	(1,802,891)
Remeasurement of defined benefit plans	111,945	-	(7,076)	104,869	-	(2,569)	102,300
Foreign investment gains	(967,657)	256,035	-	(711,622)	711,622	-	-
Others	<u>2,525,884</u>	<u>357,746</u>	<u>(552,084)</u>	<u>2,331,546</u>	<u>(112,582)</u>	<u>(130,706)</u>	<u>2,088,258</u>
	<u>\$ 4,904,752</u>	<u>(34,073)</u>	<u>(559,160)</u>	<u>4,311,519</u>	<u>129,905</u>	<u>(133,275)</u>	<u>4,308,149</u>

c. Assessments by the tax authorities

As of December 31, 2025, the tax authorities have completed the examination of income tax returns of the Company through 2021.

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Notes to the Parent Company Only Financial Statements

(22) Earnings (loss) per Share

	For the years ended December 31,	
	2025	2024
Basic earnings (loss) per share		
Profit (loss) attributable to common shareholders	\$ 6,843,361	(3,064,167)
Weighted-average number of common shares outstanding during the years	7,571,197	7,667,881
Basic earnings (loss) per share (NT\$)	\$ 0.90	(0.40)
Diluted earnings (loss) per share		
Profit (loss) attributable to common shareholders	6,843,361	(3,064,167)
Weighted-average number of common shares outstanding during the years	7,571,197	7,667,881
Effect of employee remuneration in stock	49,761	-
	7,620,958	7,667,881
Diluted earnings (loss) per share (NT\$)	0.90	(0.40)

Since the Company incurred net loss for the year ended December 31, 2024, there were no potential common shares with dilutive effect for the year.

(23) Non-cash Transactions of Investing and Financing Activities

Except as otherwise disclosed in other notes to the parent company only financial statements, the reconciliation of liabilities to cash flows arising from financing activities for the years ended December 31, 2025 and 2024, was as follows:

	Short-term borrowings	Long-term borrowings (including current installments)	Guarantee deposits	Lease liabilities	Total liabilities from financing activities
Balance at January 1, 2025	\$ 2,800,000	101,226,658	55,168	7,435,941	111,517,767
Cash flows	5,098,200	(14,481,000)	-	(420,540)	(9,803,340)
Non-cash changes:					
Additions	-	-	-	31,434	31,434
Deductions	-	-	-	(279,308)	(279,308)
Changes in exchange rate and others	1,800	65,916	-	-	67,716
Balance at December 31, 2025	\$ 7,900,000	86,811,574	55,168	6,767,527	101,534,269

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AUO CORPORATION
Notes to the Parent Company Only Financial Statements

	Long-term borrowings (including current installments)	Short-term borrowings	Guarantee deposits	Lease liabilities	Total liabilities from financing activities
Balance at January 1, 2024	\$ -	98,307,344	733,748	7,643,869	106,684,961
Cash flows	2,800,000	2,826,934	840	(430,395)	5,197,379
Non-cash changes:					
Additions	-	-	-	231,263	231,263
Deductions	-	-	-	(8,796)	(8,796)
Changes in exchange rate and others	-	92,380	(679,420)	-	(587,040)
Balance at December 31, 2024	<u>\$ 2,800,000</u>	<u>101,226,658</u>	<u>55,168</u>	<u>7,435,941</u>	<u>111,517,767</u>

(24) Financial Instruments

a. Categories of financial instruments

(i) Financial assets

	December 31, 2025	December 31, 2024
Financial assets at FVTPL – current	\$ 882	3,129
Financial assets at FVTOCI – noncurrent:		
Listed and unlisted stocks	4,532,892	-
Accounts receivables at FVTOCI	11,255,703	8,668,660
Subtotal	<u>15,788,595</u>	<u>8,668,660</u>
Financial assets at amortized cost:		
Cash and cash equivalents	19,539,331	28,299,659
Accounts receivable and other receivables (Including related parties)	25,692,496	21,491,525
Other current financial assets	5,229,674	3,546,030
Refundable deposits (recorded in other current assets and other noncurrent assets)	1,557,316	2,438,189
Subtotal	<u>52,018,817</u>	<u>55,775,403</u>
Total	<u>\$ 67,808,294</u>	<u>64,447,192</u>

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(ii) Financial liabilities

	December 31, 2025	December 31, 2024
Financial liabilities at FVTPL	\$ 64,063	79,123
Financial liabilities at amortized cost		
Short-term borrowings	7,900,000	2,800,000
Accounts payable and other payable (Including related parties)	55,449,529	51,504,937
Equipment and construction payable	2,081,903	2,827,752
Lease liabilities, including current and noncurrent	6,767,527	7,435,941
Long-term borrowings (including current installments)	86,811,574	101,226,658
Guarantee deposit (recorded in other current liabilities)	55,168	55,168
Subtotal	<u>159,065,701</u>	<u>165,850,456</u>
Total	<u>\$ 159,129,764</u>	<u>165,929,579</u>

b. Valuation techniques and assumptions applied in fair value measurement

The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to quoted market prices. The fair values of other financial assets and financial liabilities without quoted market prices are estimated using valuation approach. The estimates and assumptions used are the same as those used by market participants in the pricing of financial instruments.

Fair value of foreign currency forward contract is measured based on the maturity date of each contract with quoted spot rate and quoted swap points from Reuters quote system.

c. Fair value measurements recognized in the balance sheets

The Company determines fair value based on assumptions that market participants would use in pricing an asset or a liability in the principal market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- (i) Level 1 inputs: Unadjusted quoted prices for identical assets or liabilities in active markets.
- (ii) Level 2 inputs: Other than quoted prices included within Level 1, inputs are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(Continued)

AUO CORPORATION
Notes to the Parent Company Only Financial Statements

- (iii) Level 3 inputs: Derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value measurement level of an asset or a liability within their fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2025				
Financial assets at FVTPL:				
Foreign currency forward contracts	\$ -	882	-	882
Financial assets at FVTOCI:				
Listed stocks	4,532,892	-	-	4,532,892
Accounts receivables	-	11,255,703	-	11,255,703
Financial liabilities at FVTPL:				
Foreign currency forward contracts	-	64,063	-	64,063
December 31, 2024				
Financial assets at FVTPL:				
Foreign currency forward contracts	\$ -	3,129	-	3,129
Financial assets at FVTOCI				
Accounts receivables	-	8,668,660	-	8,668,660
Financial liabilities at FVTPL:				
Foreign currency forward contracts	-	79,123	-	79,123

There were no transfers between Level 1 and 2 for the years ended December 31, 2025 and 2024.

(25) Financial Risk Management

a. Risk management framework

The managerial officers of related divisions are appointed to review, control, trace and monitor the strategic risks, financial risks and operational risks faced by the Company. The managerial officers report to executive officers the progress of risk controls from time to time and, if necessary, report to the Board of Directors, depending on the extent of impact of risks.

b. Financial risk information

Hereinafter discloses information about the Company's exposure to variable risks, and the goals, policies and procedures of the Company's risk measurement and risk management.

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AUO CORPORATION
Notes to the Parent Company Only Financial Statements

The Company is exposed to the following risks due to usage of financial instruments:

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposures to credit risk are mainly from:

- (a) The carrying amount of financial assets recognized in the balance sheets.
- (b) The amount of contingent liabilities as a result from the Company providing financial guarantee to its customers.

The Company's potential credit risk is derived primarily from cash in bank, cash equivalents and trade receivables. The Company deposits its cash with various reputable financial institutions of high credit quality. Management performs periodic evaluations of the relative credit standing of these financial institutions and limits the amount of credit exposure with any one institution. Management believes that there is a limited concentration of credit risk in cash and cash equivalent investments.

The majority of the Company's customers are in high technology industries. Management continuously evaluates and controls the credit quality, credit limit and financial strength of its customers to ensure any overdue receivables are taken necessary procedures. The Company also flexibly makes use of advance receipts, accounts receivable factoring and credit insurance as credit enhancement instruments. If necessary, the Company will request collaterals or assurance from its customers in order to reduce the credit risk from particular customers.

Additionally, on the reporting date, the Company reviews the recoverability of its receivables to provide appropriate valuation allowances. Consequently, management believes there is a limited concentration of its credit risk.

For the years ended December 31, 2025 and 2024, the Company's five largest customers accounted for 47.35% and 44.63%, respectively, of the Company's net revenue. There is no other significant concentration of credit risk.

Refer to Note 6(4) for expected credit loss analysis of accounts receivable and the movement in the loss allowance of accounts receivable.

For credit of guarantee, the Company's policy is to provide financial guarantees only to subsidiaries. Refer to Note 13(1). for information about endorsements or guarantees provided by the Company to its subsidiaries as of December 31, 2025.

(ii) Liquidity risk

Liquidity risk is the risk that the Company has no sufficient working capital and unused credit facilities to meet its obligations associated with matured financial liabilities, that may resulting from an economic downturn or uneven demand and supply in the market and cause a significant decrease in product selling prices and market demands.

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Liquidity risk of the Company is monitored through its corporate treasury department which tracks the development of the actual cash flow position for the Company and uses input from a number of sources in order to forecast the overall liquidity position both on a short and long term basis. Corporate treasury invests surplus cash in money market deposits with appropriate maturities to ensure sufficient liquidity is available to meet liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation.

The following, except for payables (including related parties) and equipment and construction payable, are the contractual maturities of other financial liabilities. The amounts include estimated interest payments but exclude the impact of netting agreements.

	<u>Contractual cash flows</u>	<u>2026.1.1~ 2026.12.31</u>	<u>2027.1.1~ 2028.12.31</u>	<u>2029.1.1~ 2030.12.31</u>	<u>2031 and thereafter</u>
December 31, 2025					
Non-derivative financial liabilities					
Short term borrowings	\$ 7,900,000	7,900,000	-	-	-
Long term borrowings (including current installments)	92,921,248	23,723,496	45,236,233	23,961,519	-
Guarantee deposits	55,168	-	-	-	55,168
Derivative financial instruments					
Foreign currency forward contracts – inflows	(11,745,158)	(11,745,158)	-	-	-
Foreign currency forward contracts – outflows	11,807,673	11,807,673	-	-	-
	<u>\$ 100,938,931</u>	<u>31,686,011</u>	<u>45,236,233</u>	<u>23,961,519</u>	<u>55,168</u>
	<u>Contractual cash flows</u>	<u>2025.1.1~ 2025.12.31</u>	<u>2026.1.1~ 2027.12.31</u>	<u>2028.1.1~ 2029.12.31</u>	<u>2030 and thereafter</u>
December 31, 2024					
Non-derivative financial liabilities					
Short-term borrowings	\$ 2,800,000	2,800,000	-	-	-
Long-term borrowings (including current installments)	108,740,773	14,221,896	57,214,825	36,833,839	470,213
Long-term payables (including current installments)	312,510	312,510	-	-	-
Guarantee deposits	55,168	-	-	-	55,168
Derivative financial instruments					
Foreign currency forward contracts – inflows	(4,458,616)	(4,458,616)	-	-	-
Foreign currency forward contracts – outflows	4,549,129	4,549,129	-	-	-
	<u>\$ 111,998,964</u>	<u>17,424,919</u>	<u>57,214,825</u>	<u>36,833,839</u>	<u>525,381</u>

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AUO CORPORATION
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The Company is not expecting that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

As at December 31, 2025, the management believes the Company's existing unused credit facilities under its existing loan agreements, together with net cash flows expected to be generated from its operating activities, will be sufficient for the Company to fulfill its payment obligations. Therefore, management believes that the Company does not have significant liquidity risk.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable range.

The Company buys and sells derivatives, and also incurs financial assets and liabilities, in order to manage market risks. All such transactions are executed in accordance with the Company's handling procedures for conducting derivative transactions, and also monitored by internal audit department.

(a) Currency risk

The Company is exposed to currency risk on foreign currency denominated financial assets and liabilities arising from operating, financing and investing activities such that the Company uses forward exchange contracts to hedge its currency risk. Gains and losses derived from the foreign currency fluctuations on underlying assets and liabilities are likely to offset. However, transactions of derivative financial instruments help minimize the impact of foreign currency fluctuations, but the risk cannot be fully eliminated.

The Company periodically examines portions exposed to currency risks for individual asset and liability denominated in foreign currency and uses forward contracts as hedging instruments to hedge positions exposed to risks. The contracts have maturity dates that do not exceed one year, and do not meet the criteria for hedge accounting.

I. Exposure of currency risk

The Company's significant exposure to foreign currency risk was as follows:

	December 31, 2025			December 31, 2024		
	Foreign currency amounts	Exchange rate	NTD	Foreign currency amounts	Exchange rate	NTD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 1,038,100	31.4380	32,635,788	971,036	32.7170	31,769,385
JPY	10,565,531	0.2008	2,121,559	6,925,743	0.2086	1,444,710
EUR	9,994	36.8956	368,735	20,514	34.0486	698,473

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	December 31, 2025			December 31, 2024		
	Foreign currency amounts	Exchange rate	NTD	Foreign currency amounts	Exchange rate	NTD
<u>Non-monetary items</u>						
USD	2,228,513	31.4380	70,059,992	2,110,107	32.7170	69,036,371
EUR	272,468	36.8956	10,052,870	175,001	34.0486	5,958,539
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	1,448,981	31.4380	45,553,065	1,285,405	32.7170	42,054,595
JPY	20,533,856	0.2008	4,123,198	20,433,985	0.2086	4,262,529
EUR	2,176	36.8956	80,285	1,754	34.0486	59,721

II. Sensitivity analysis

The Company's exposure to foreign currency risk arises mainly from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade receivables, and trade payables that are denominated in foreign currency. Depreciation or appreciation of the NTD by 1% against the USD, EUR and JPY at December 31, 2025 and 2024, while all other variables were remained constant, would have increased or decreased the net profit before tax for the years ended December 31, 2025 and 2024 as follows:

	For the years ended	
	December 31,	
	2025	2024
1% of depreciation	\$ (146,305)	(124,643)
1% of appreciation	146,305	124,643

III. Foreign exchange gain (loss) on monetary items

With varieties of transaction currencies within the Company, the Company disclosed foreign exchange gain (loss) on monetary items in aggregate. The aggregate of realized and unrealized foreign exchange gains (losses) for the years ended December 31, 2025 and 2024, were \$(87,161) thousand and \$506,292 thousand, respectively.

(b) Interest rate risk

The Company's exposure to changes in interest rates is mainly from floating-rate long-term debt obligations. Any change in interest rates will cause the effective interest rates of long-term borrowings to change and thus cause the future cash flows to fluctuate over time. The Company will, depending on the market condition, enter into and designate interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

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Assuming the amount of floating-rate debts at the end of the reporting period had been outstanding for the entire year and all other variables were remained constant, an increase or a decrease in the interest rate by 0.25% would have resulted in a decrease or an increase in the net profit before tax for the years ended December 31, 2025 and 2024 by \$217,622 thousand and \$253,825 thousand, respectively.

(c) See Note 6(3) for disclosure of equity price risk analysis.

(26) Capital Management

Through clear understanding and managing of significant changes in external environment, related industry characteristics, and corporate growth plan, the Company manages its capital structure to ensure it has sufficient financial resources to sustain proper liquidity, to invest in capital expenditures and research and development expenses, to repay debts and to distribute dividends in accordance to its plan. The management pursues the most suitable capital structure by monitoring and maintaining proper financial ratios as below. The Company aims to enhance the returns of its shareholders through achieving an optimized debt-to-equity ratio from time to time.

	December 31,	
	2025	2024
Short-term borrowings	\$ 7,900,000	2,800,000
Long-term borrowings (including current installments)	86,811,574	101,226,658
Total liabilities	183,241,039	194,627,040
Total equity	151,999,444	153,297,720
Debt-to-equity ratio	121 %	127 %
Net debt-to-equity ratio ⁽ⁱ⁾	49 %	49 %

⁽ⁱ⁾ Net debt-to-equity ratio is defined as short term borrowings plus long-term borrowings less cash and cash equivalents and divided by total equity.

7. Related-party Transactions

(1) Name and relationship of related parties

The following is a summary of subsidiaries and related parties that have had transactions with the Company during the periods presented in the parent company only financial statements.

<u>Name of related party</u>	<u>Relationship with the Company</u>
Konly Venture Corp. (“Konly”)	Subsidiary
Ronly Venture Corp. (“Ronly”)	Subsidiary
Darwin Precisions Corporation (“DPTW”)	Subsidiary
AUO Crystal Corp. (“ACTW”)	Subsidiary
AUO Display Plus Corporation (“ADP”)	Subsidiary
AUO Digttech Taiwan Inc. (“ADTTW”)	Subsidiary
Jector Digital Corporation (“Jector”)	Subsidiary

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<u>Name of related party</u>	<u>Relationship with the Company</u>
Space Money Inc. (“S4M”)	Subsidiary
Da Ping Green Energy Corporation (“DPGE”)	Subsidiary
AUO Health Corporation (“AHTW”)	Subsidiary
AET Corporation (“AETTW”, formerly AUO Envirotech Inc.)	Subsidiary
AUO Care Inc. (“ACTTW”)	Subsidiary
AUO Education Service Corp. (“AUES”)	Subsidiary
Yo-Pei Water Corporation (“AET-YP”)	Subsidiary
Star River Energy Corp. (“SREC”)	Subsidiary
Evergen Power Corporation (“EGPC”)	Subsidiary
Sungen Power Corporation (“SGPC”)	Subsidiary
Zheng Yao Power Corporation (“ZYPC”)	Subsidiary
Feng Yao Power Corporation (“FYPC”)	Subsidiary
AUO Power Corporation (“AUOPC”)	Subsidiary
AUO Mobility Solutions Corporation America (AMSCUS, formerly AUO Corporation America)	Subsidiary
AUO Mobility Solutions Corporation Japan (AMSCJP, formerly AUO Corporation Japan)	Subsidiary
AUO Europe B.V. (“AUONL”)	Subsidiary
AUO Singapore Pte. Ltd. (“AUOSG”)	Subsidiary
AUO (Shanghai) Co., Ltd. (“AUOSH”)	Subsidiary
AUO (Xiamen) Corp. (“AUOXM”)	Subsidiary
AUO (Suzhou) Corp., Ltd. (“AUOSZ”)	Subsidiary
AUO (Slovakia) s.r.o. (“AUOSK”)	Subsidiary
AFPD Pte., Ltd. (“AUST”)	Subsidiary
AUO (Kunshan) Co., Ltd. (“AUOKS”)	Subsidiary
a.u.Vista Inc. (“AUVI”)	Subsidiary
AUO Green Energy America Corp. (AEUS)	Subsidiary
Fortech Electronics (Suzhou) Co., Ltd. (“FTWJ”)	Subsidiary
Darwin Precisions (Xiamen) Corp. (“DPXM”)	Subsidiary
OneSmart Solution Corporation (“DPOS”)	Subsidiary
AUO Display Plus Japan Corp. (“ADPJP”)	Subsidiary
AUO Korea Ltd. (“AUOKR”)	Subsidiary
AUO Display Plus Netherlands B.V. (“ADPNL”)	Subsidiary
DentLabX Company Limited (“DentLabX”)	Subsidiary
Heilongjiang Talenda Smart Display Technology Co., Ltd. (“Talenda”)	Subsidiary
Avocor Limited (AVOCOR UK)	Subsidiary

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<u>Name of related party</u>	<u>Relationship with the Company</u>
AET SustainTek (Singapore) Pte. Ltd. (AETSG, formerly AUO Digitech Pte. Ltd)	Subsidiary
AUO (Vietnam) Company Limited.(“AUOVN”)	Subsidiary
AUO Display Plus America Corp.(“ADPUS”)	Subsidiary
AUO Mobility Solutions Corporation (“AMSCTW”)	Subsidiary
AUO Mobility Solutions Germany GmbH (AMSCDE, formerly BHTC GmbH)	Subsidiary
AUO Mobility Solutions Bulgaria EOOD (AMSCBG, formerly BHTC Bulgaria EOOD)	Subsidiary
ComQi Holdings Limited (“CQHLD”)	Subsidiary
ComQi Inc.(“CQUS”)	Subsidiary
Yenrich Technology Corporation (“Yenrich”)	Subsidiary
Ennostar Inc. (“Ennostar”)	Associate
Ennostar Corporation (“EnnostarCorp”)	Subsidiary of Ennostar
Lextar Electronics Corporation (“Lextar”)	Subsidiary of Ennostar
Trendylite Corporation (“Trendylite”)	Subsidiary of Ennostar
Zhao Feng Energy Co., Ltd. (“ZFE”)	Associate
Mega Green Energy Corporation (“MGE”)	Subsidiary of ZFE
Raydium Semiconductor Corporation (“Raydium”)	Associate
Star Shining Energy Holdings Corporation (“SSEH”)	Associate
Star Shining Energy Corporation (“SSEC”)	Subsidiary of SSEH
Fargen Power Corporation (“FGPC”)	Subsidiary of SSEH
Sheng Li Energy Corporation (“SLEC”)	Subsidiary of SSEH
ChampionGen Power Corporation (“CGPC”)	Subsidiary of SSEH
TronGen Power Corporation (“TGPC”)	Subsidiary of SSEH
Ri Ji Power Corporation (“RJPC”)	Subsidiary of SSEH
Ri Jing Power Corporation (“RGPC”)	Subsidiary of SSEH
Mao Zheng Energy Corporation (“MZEC”)	Subsidiary of SSEH
Mao Xin Energy Corporation (“MXEC”)	Subsidiary of SSEH
Sheng Feng Power Corporation (“SFPC”)	Subsidiary of SSEH
Sheng Da Power Corporation (“SDPC”)	Subsidiary of SSEH
Sheng Yao Power Corporation (“SYPC”)	Subsidiary of SSEH
He Shuo Agricultural Biotech Corporation (“HSNC”)	Subsidiary of SSEH
Shin Sheng Feng Investment Corp. (“SSFI”)	Subsidiary of SSEH
YTTEK Technology Corp. (“YTTEK”)	Associate
Daxin Materials Corp. (“Daxin”)	Associate
ADLINK Technology Inc. (“ADLINKHQ”)	Subsidiary ⁽ⁱⁱ⁾

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<u>Name of related party</u>	<u>Relationship with the Company</u>
Qisda Corporation (“Qisda”)	AUO represented as a director of Qisda ⁽ⁱⁱⁱ⁾
Qisda (Suzhou) Co., Ltd. (“QCSZ”)	Subsidiary of Qisda
Qisda Electronics (Suzhou) Co., Ltd. (“QCES”)	Subsidiary of Qisda
Qisda Optronics (Suzhou) Co., Ltd. (“QCOS”)	Subsidiary of Qisda
BenQ Corporation (“BenQ”)	Subsidiary of Qisda
BenQ Materials Corp. (“BMC”)	Subsidiary of Qisda
DFI Inc. (“DFI”)	Subsidiary of Qisda
Data Image (Suzhou) Corporation (“DICSZ”)	Subsidiary of Qisda
ACE Pillar Co., Ltd. (“ACE”)	Subsidiary of Qisda
Qisda Vietnam Co., Ltd (“QVN”)	Subsidiary of Qisda
Qisda Electronics Corp. (“QTE”)	Subsidiary of Qisda
Golden Spirit Co., Ltd. (“GSC”)	Subsidiary of Qisda
AdvancedTEK International Corp. (“AdvancedTEK”)	Subsidiary of Qisda
Metaage Corporation (“MTG”)	Subsidiary of Qisda
Global Intelligence Network Co., Ltd. (“GINNET”)	Subsidiary of Qisda
Standard Technology Corp. (“STC”)	Subsidiary of Qisda
Metaguru Corporation (“Metaguru”)	Subsidiary of Qisda
Web-Pro Materials Corporation (“WPC”)	Subsidiary of Qisda
ACE Energy Co., Ltd. (“AEG”)	Subsidiary of Qisda
SINTRONES Technology Corp. (“SINTRONES”)	Associate
AUO Foundation	Substantive related party
Imedtac Co., Ltd. (“Imedtac”)	ADP represented as a director of Imedtac
Play Nitride Inc. (“PlayNitride”)	Konly represented as a director of PlayNitride
Carota Corporation (“Carota”)	Konly represented as a director of Carota
PlayNitride Display Co., Ltd. (“PND”)	Subsidiary of PlayNitride
Profet AI Technology Co., Ltd. (“PFTW”)	PFTW and PFSH are members of the same Group

- (i) For the information in respect of the Company’s subsidiaries and related parties, please refer to the consolidated financial statements for the years ended December 31, 2025 and 2024.
- (ii) The Company has control over ADLINKHQ starting from June 2025, and therefore, from that date onward, it is considered a subsidiary.
- (iii) The Company ceased to apply the equity method over Qisda from January 2025; therefore, Qisda was changed from associate to other related party.

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(2) Compensation to key management personnel

Key management personnel's compensation comprised:

	For the years ended December 31,	
	2025	2024
	Short-term employee benefits	\$ 435,676
Post-employment benefits	1,306	1,471
	\$ 436,982	452,284

(3) Except for otherwise disclosed in other notes to the parent company only financial statements, the Company's significant related party transactions and balances were as follows:

a. Sales

	Sales		Accounts receivable from related parties	
	For the years ended December 31,		December 31, 2025	December 31, 2024
	2025	2024		
Subsidiaries				
ADP	\$ 23,749,437	21,262,671	3,459,444	3,189,854
Others	3,304,508	3,385,954	156,832	176,612
Associates	267,948	5,426,604	20,818	645,049
Others	3,993,878	42	207,338	-
	\$ 31,315,771	30,075,271	3,844,432	4,011,515

The collection terms for sales to related parties were on a monthly settlement basis, with payment terms ranging from 25 to 55 days. The pricing for sales to related parties were not materially different from those with third parties.

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AUO CORPORATION
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b. Purchases

	<u>Purchases</u>		<u>Accounts payable to related parties</u>	
	<u>For the years ended</u>		<u>December</u>	<u>December</u>
	<u>December 31,</u>			
	<u>2025</u>	<u>2024</u>	<u>31, 2025</u>	<u>31, 2024</u>
Subsidiaries				
AUOSZ	\$ 44,453,228	44,406,260	18,659,679	16,516,507
AUOXM	34,272,316	40,626,608	15,070,832	12,565,912
Others	14,685,131	16,680,350	3,062,728	2,767,582
Associates	2,688,771	8,670,821	972,379	2,344,600
Others	<u>5,970,940</u>	<u>286,282</u>	<u>1,456,056</u>	<u>63,216</u>
	<u>\$ 102,070,386</u>	<u>110,670,321</u>	<u>39,221,674</u>	<u>34,257,817</u>

The payment terms for purchases from related parties were 30 to 120 days. The pricing and payment terms with related parties were not materially different from those with third parties.

c. Acquisition of property, plant and equipment

	<u>Acquisition prices</u>	
	<u>For the years ended</u>	
	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Subsidiaries	\$ 234,743	760,166
Associates	2,905	57,437
Others	<u>164,356</u>	<u>450,000</u>
	<u>\$ 402,004</u>	<u>1,267,603</u>

d. Disposal of property, plant and equipment

	<u>Proceeds from disposal</u>		<u>Gains on disposal</u>	
	<u>For the years ended</u>		<u>For the years ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Subsidiaries	<u>\$ 1,150</u>	<u>30,769</u>	<u>1,150</u>	<u>10,082</u>

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e. Other related party transactions

<u>Transaction type</u>	<u>Type of related party</u>	For the years ended December 31,	
		2025	2024
Rental income	Subsidiaries	\$ 83,942	62,431
	Associates		
	BMC	-	101,812
	Others	34,301	36,762
	Others	-	-
	BMC	102,047	-
	Others	5,125	-
		\$ 225,415	201,005
		For the years ended December 31,	
<u>Transaction type</u>	<u>Type of related party</u>	2025	2024
Interest and other income	Subsidiaries	\$ 63,022	144,988
	Associates	9,183	38,976
	Others	5,565	2
		\$ 77,770	183,966
Cost of sales and operating expenses	Subsidiaries		
	AMSCUS	359,772	402,169
	AUOSH	225,974	251,371
	Others	703,135	825,021
	Associates		
	MZEC	746,845	-
	Others	348,365	263,662
	Others	69,575	201,856
		\$ 2,453,666	1,944,079

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<u>Transaction type</u>	<u>Type of related party</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other receivables from related parties ^{(i) (ii)}	Subsidiaries		
	ADP	\$ 743,562	1,201,531
	ACTW	1,280	601,798
	Other	276,856	116,027
	Associates	3,664	16,457
	Others	<u>16,702</u>	<u>-</u>
		<u>\$ 1,042,064</u>	<u>1,935,813</u>
Other payables to related parties, and equipment and construction payable	Subsidiaries	\$ 355,077	674,522
	Associates	91,102	29,942
	Others	<u>15,962</u>	<u>33,531</u>
		<u>\$ 462,141</u>	<u>737,995</u>

- (i) The Company's receivables from related parties arising from the consolidated settlement with its subsidiary ADP have filed a combined business income tax return at December 31, 2025 and 2024 were \$560,911 thousand and \$1,063,861 thousand, respectively.
- (ii) The Company provided financings to its subsidiaries in the aggregate of \$0 thousand and \$670,000 thousand, respectively, as of December 31, 2025 and 2024.
- (iii) The Company's outstanding receivable was \$252,209 thousand as of December 31, 2025, related to a capital reduction conducted by a related party.

The Company leased portion of its offices and plants to related parties. The collection term was receipts in advance, and the pricing was not materially different from that with third parties.

The Company paid deposits to related parties for the purchase of renewable energy. As of December 31, 2025 and 2024, the amounts recorded under other noncurrent assets were \$185,672 thousand and \$152,847 thousand, respectively.

The Company participated in cash capital increases of related parties amounting to \$5,269,574 thousand and \$2,803,791 thousand, respectively, for the years ended December 31, 2025 and 2024. In addition, for the years ended December 31, 2025 and 2024, the Company entitled for cash dividends declared by related parties of \$5,506,474 thousand and \$3,945,549 thousand, respectively. As of December 31, 2025 and 2024, the aforementioned dividends were all received. The capital reduction amounts of the investees for the years ended December 31, 2025 and 2024 were \$5,750,225 thousand and \$15,419,943 thousand, respectively. As of December 31 of 2025 and 2024, outstanding receivables were \$252,209 thousand and \$0 thousand, respectively.

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The rooftop of the Tainan plant was originally leased to EGPC and FGPC for the installation of rooftop solar panels and subsequent power generation. Due to the sale of the Tainan plant by the Company in 2024, the lease agreement was terminated early. The Company paid compensation of \$206,000 thousand and \$32,000 thousand to EGPC and FGPC, respectively, and the aforementioned compensation was recorded under gains (losses) on disposal.

8. Pledged Assets

The carrying amounts of the assets which the Company pledged as collateral were as follows:

<u>Pledged assets</u>	<u>Pledged to secure</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Restricted cash in banks ⁽ⁱ⁾	Guarantee for warranties	\$ 2,412	2,412
Land and buildings	Long-term borrowings limit	52,049,678	53,510,796
Machinery and equipment	Long-term borrowings limit	29,435,814	19,284,723
		<u>\$ 81,487,904</u>	<u>72,797,931</u>

⁽ⁱ⁾ Classified as other noncurrent assets.

9. Significant Contingent Liabilities and Unrecognized Commitments

The significant commitments and contingencies of the Company as of December 31, 2025, in addition to those disclosed in other notes to the parent company only financial statements, were as follows:

(1) Outstanding letters of credit

As at December 31, 2025, the Company had the following outstanding letters of credit for the purpose of purchasing machinery and equipment and materials:

<u>Currency</u>	<u>December 31, 2025 (in thousands)</u>
NTD	129,207
USD	6,163
JPY	34,240

(2) Technology licensing agreements

AUO has entered into technical collaboration, patent licensing, and/or patent cross licensing agreements with Fujitsu Display Technologies Corp. (subsequently assumed by Fujitsu Limited), Toppan Printing Co., Ltd. ("Toppan Printing"), Semiconductor Energy Laboratory Co., Ltd., Japan Display Inc. (formerly Japan Display East Inc./Hitachi Displays, Ltd.), Panasonic Holdings Corporation, LG Display Co., Ltd., Sharp Corporation, Samsung Display Co., Ltd., Sanyo Electric Co., Ltd., Seiko Epson Corporation, Idemitsu Kosan Co., Ltd., Japan Science and Technology Agency and others. AUO believes that it is in compliance with the terms and conditions of the aforementioned agreements.

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(3) Purchase commitments

- a. In 2021, AUO entered into a long-term materials supply agreement with a supplier, under which, AUO and the supplier agreed on the supply of certain IC chip at agreed prices and quantities.
- b. As at December 31, 2025, significant outstanding purchase commitments for construction in progress, property, plant and equipment totaled \$4,208,767 thousand.
- c. The Company entered into renewable energy power purchase agreements with several energy companies in 2023. Under these agreements, both parties are required to purchase and supply green electricity based on the agreed installed capacity, the green energy generated therefrom, and the contracted electricity price.

(4) Litigation

In May 2014, LG Electronics Nanjing Display Co., Ltd. and seven of its affiliates (collectively, the “Plaintiffs”) filed a lawsuit in Seoul Central District Court against certain LCD manufacturers including AUO, alleging overcharge and claiming damages. In November 2023, the court of first instance in Korea has found AUO liable to the Plaintiffs for a total amount of KRW 29,099 million plus interest. This antitrust civil case has been ongoing for many years since the Plaintiffs filed their lawsuit in 2014 which resulted from the LCD antitrust meetings that ended in 2006. AUO filed an appeal in December 2023 and made a security deposit of the aforementioned KRW 29,099 million plus interest at the Korean court in January 2024. The Plaintiffs also filed an appeal in March 2024. In January 2026, the appeal court has ruled that the principal amounts AUO was ordered to pay under the lower court judgment is reduced from KRW 29,099 million to KRW 24,944 million. The judgment has now become final since both sides have waived their right to appeal.

In October 2023, Phenix Longhorn LLC (“Phenix”) filed a lawsuit in the United States District Court for the Eastern District of Texas against two companies including AUO, claiming infringement of certain of Phenix’s patents in the United States relating to the manufacturing of LCD panels. In the complaint, Phenix seeks, among other things, unspecified monetary damages and injunctive relief. In January, 2026, a jury in the Marshall Division of the United States District Court for the Eastern District of Texas has returned a verdict in favor of AUO. The jury found that AUO did not infringe any patents asserted by Phenix, and further decided that one of Phenix’s asserted patents is invalid.

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AUO CORPORATION
Notes to the Parent Company Only Financial Statements

As of February 10, 2026, the Company has made certain provisions with respect to certain of the above lawsuits as the management deems appropriate, considering factors such as the nature of the litigation or claims, the materiality of the amount of possible loss, the progress of the cases and the opinions or views of legal counsel and other advisors. Management will reassess all litigation and claims at each reporting date based on the facts and circumstances that exist at that time, and will make additional provisions or adjustments to previous provisions. The ultimate amount cannot be ascertained until the relevant cases are closed. The ultimate resolution of the legal proceedings and/or lawsuits cannot be predicted with certainty. While management intends to defend certain of the lawsuits described above vigorously, there is a possibility that one or more legal proceedings or lawsuits may result in an unfavorable outcome to the Company. In addition to the matters described above, the Company is also a party to other litigations or proceedings that arise during the ordinary course of business. Except as mentioned above, the Company, to its knowledge, is not involved as a defendant in any material litigation or proceeding which could be expected to have a material adverse effect on the Company's business or results of operations.

10. Significant Disaster Losses: None

11. Subsequent Event: Except for those disclosed in other notes to the parent company only financial statements, there are no significant subsequent events after the reporting period.

12. Others

Since 2010, there have been environmental proceedings relating to the development project of the Central Taiwan Science Park in Houli, Taichung, which AUO's second 8.5 generation fab is located at (the "Project"). The Environmental Protection Administration ("EPA") of the Executive Yuan of Taiwan issued the environmental assessment and development approval on November 6, 2018. On October 24, 2019, the Appeal Review Committee of the Executive Yuan rejected the administrative appeal filed by five local residents. On December 24, 2019, the residents filed an administrative action for invalidating the environmental assessment again and the Appeal Review Committee of the Executive Yuan ruled in the residents' favor on July 21, 2022 and invalidated the environmental assessment approval. The EPA filed an appeal in the Supreme Administrative Court on August 17, 2022. The Company will continue to monitor the development of this event.

13. Additional Disclosures

(1) Information on significant transactions:

Following are the additional disclosures required by the Regulations for the Company for the year ended December 31, 2025.

- a. Financings provided: Please see Table 1 attached.
- b. Endorsements/guarantees provided: Please see Table 2 attached.
- c. Significant marketable securities held (excluding investment in subsidiaries, associates and joint ventures): Please see Table 3 attached.

(Continued)

AUO CORPORATION
Notes to the Parent Company Only Financial Statements

- d. Purchases from or sales to related parties with amounts exceeding NT\$100 million or 20% of the paid-in capital: Please see Table 4 attached.
 - e. Receivables from related parties with amounts exceeding NT\$100 million or 20% of the paid-in capital: Please see Table 5 attached.
- (2) Information on investees (excluding information on investment in Mainland China): Please see Table 6 attached.
- (3) Information on investment in Mainland China:
- a. The related information on investment in Mainland China: Please see Table 7.1 and 7.2 attached.
 - b. Upper limit on investment in Mainland China: Please see Table 7.1 and 7.2 attached.
 - c. Significant transactions:

Significant direct or indirect transactions with the investees in Mainland China for the year ended December 31, 2025, are disclosed in Note 13(1) “Information on significant transactions”.

14. Segment Information

The Company has provided the operating segments disclosure in the consolidated financial statements. Disclosure of the segment information in the parent company only financial statements is waived.

(Continued)

AUO CORPORATION AND SUBSIDIARIES
Financings Provided
For the year ended December 31, 2025
(Amount in thousands of New Taiwan Dollars)

Table 1

No.	Financing Company	Borrowing Company	Financial Statement Account (Note 5)	Related Party	Maximum Balance for the Period (Note 3)	Ending Balance (Notes 1 and 2)	Amount Actually Drawn Down (Notes 1 and 4)	Interest Rate	Nature of Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Notes 1 and 6)	Limits on Financing Company's Total Financing Amount (Notes 1 and 6)
													Item	Value		
0	AUO	ACTW	Other receivables from related parties	Yes	800,000	-	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	15,199,944	60,799,778
0	AUO	AET-YP	Other receivables from related parties	Yes	300,000	50,000	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	15,199,944	60,799,778
0	AUO	AETTW	Other receivables from related parties	Yes	200,000	200,000	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	15,199,944	60,799,778
0	AUO	AUOKS	Other receivables from related parties	Yes	1,827,000	-	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	15,199,944	60,799,778
0	AUO	AUOSZ	Other receivables from related parties	Yes	1,827,000	-	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	15,199,944	60,799,778
0	AUO	AUOXM	Other receivables from related parties	Yes	1,827,000	-	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	15,199,944	60,799,778

No.	Financing Company	Borrowing Company	Financial Statement Account (Note 5)	Related Party	Maximum Balance for the Period (Note 3)	Ending Balance (Notes 1 and 2)	Amount Actually Drawn Down (Notes 1 and 4)	Interest Rate	Nature of Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Notes 1 and 6)	Limits on Financing Company's Total Financing Amount (Notes 1 and 6)
													Item	Value		
0	AUO	S4M	Other receivables from related parties	Yes	50,000	50,000	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	15,199,944	60,799,778
0	AUO	AMSCW	Other receivables from related parties	Yes	4,000,000	4,000,000	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	15,199,944	60,799,778
0	AUO	AHTW	Other receivables from related parties	Yes	10,000	10,000	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	15,199,944	60,799,778
0	AUO	ADPHQ	Other receivables from related parties	Yes	2,000,000	2,000,000	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	15,199,944	60,799,778
1	AUOLB	ADTHLD	Other receivables from related parties	Yes	580,122	565,884	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	69,785,794	69,785,794
1	AUOLB	AUOKS	Other receivables from related parties	Yes	913,500	-	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	69,785,794	69,785,794
1	AUOLB	AUOSZ	Other receivables from related parties	Yes	913,500	-	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	69,785,794	69,785,794
1	AUOLB	AUOXM	Other receivables from related parties	Yes	913,500	-	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	69,785,794	69,785,794
2	AMSCDE	AMSCBG	Other receivables from related parties	Yes	574,288	-	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	9,996,536	9,996,536

No.	Financing Company	Borrowing Company	Financial Statement Account (Note 5)	Related Party	Maximum Balance for the Period (Note 3)	Ending Balance (Notes 1 and 2)	Amount Actually Drawn Down (Notes 1 and 4)	Interest Rate	Nature of Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Notes 1 and 6)	Limits on Financing Company's Total Financing Amount (Notes 1 and 6)
													Item	Value		
2	AMSCDE	AMSCIN	Other receivables from related parties	Yes	138,359	27,672	27,672	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	9,996,536	9,996,536
3	Konly	AUO	Other receivables from related parties	Yes	3,000,000	-	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	7,742,330	7,742,330
4	Ronly	AUO	Other receivables from related parties	Yes	2,000,000	-	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	3,504,692	3,504,692
5	AUOKS	AUOXM	Other receivables from related parties	Yes	2,698,320	2,698,320	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	27,598,074	27,598,074
5	AUOKS	BHTCSH	Other receivables from related parties	Yes	456,750	-	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	27,598,074	27,598,074
5	AUOKS	AUO	Other receivables from related parties	Yes	1,827,000	-	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	27,598,074	27,598,074
5	AUOKS	AUOSZ	Other receivables from related parties	Yes	2,698,320	2,698,320	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	27,598,074	27,598,074
5	AUOKS	AMSCXM	Other receivables from related parties	Yes	2,698,320	2,698,320	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	27,598,074	27,598,074
6	AUOXM	BHTCSH	Other receivables from related parties	Yes	1,141,875	-	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	16,953,780	16,953,780

No.	Financing Company	Borrowing Company	Financial Statement Account (Note 5)	Related Party	Maximum Balance for the Period (Note 3)	Ending Balance (Notes 1 and 2)	Amount Actually Drawn Down (Notes 1 and 4)	Interest Rate	Nature of Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Notes 1 and 6)	Limits on Financing Company's Total Financing Amount (Notes 1 and 6)
													Item	Value		
6	AUOXM	AUOKS	Other receivables from related parties	Yes	2,698,320	2,698,320	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	16,953,780	16,953,780
6	AUOXM	AUO	Other receivables from related parties	Yes	1,827,000	-	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	16,953,780	16,953,780
6	AUOXM	AUOSZ	Other receivables from related parties	Yes	1,827,000	-	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	16,953,780	16,953,780
6	AUOXM	AMSCXM	Other receivables from related parties	Yes	6,565,912	6,565,912	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	16,953,780	16,953,780
7	BVXM	AUOKS	Other receivables from related parties	Yes	1,349,160	1,349,160	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	1,458,787	1,458,787
8	AUOSJ	AUOSZ	Other receivables from related parties	Yes	1,108,650	-	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	4,643,095	4,643,095
8	AUOSJ	BHTCSH	Other receivables from related parties	Yes	1,827,000	1,798,880	1,798,880	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	4,643,095	4,643,095
8	AUOSJ	ATISZ	Other receivables from related parties	Yes	90,288	-	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	1,857,238	1,857,238
8	AUOSJ	AMISZ	Other receivables from related parties	Yes	68,513	-	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	1,857,238	1,857,238

No.	Financing Company	Borrowing Company	Financial Statement Account (Note 5)	Related Party	Maximum Balance for the Period (Note 3)	Ending Balance (Notes 1 and 2)	Amount Actually Drawn Down (Notes 1 and 4)	Interest Rate	Nature of Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Notes 1 and 6)	Limits on Financing Company's Total Financing Amount (Notes 1 and 6)
													Item	Value		
8	AUOSJ	AETSZ	Other receivables from related parties	Yes	798,228	134,916	112,430	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	4,643,095	4,643,095
8	AUOSJ	ADTSZ	Other receivables from related parties	Yes	411,075	292,318	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	1,857,238	1,857,238
8	AUOSJ	AUOKS	Other receivables from related parties	Yes	1,805,760	1,349,160	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	4,643,095	4,643,095
8	AUOSJ	AUOSH	Other receivables from related parties	Yes	112,430	112,430	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	4,643,095	4,643,095
9	AUOSZ	AUO	Other receivables from related parties	Yes	1,827,000	-	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	18,785,614	18,785,614
9	AUOSZ	AUOXM	Other receivables from related parties	Yes	1,827,000	-	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	18,785,614	18,785,614
9	AUOSZ	BHTCSH	Other receivables from related parties	Yes	1,598,625	-	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	18,785,614	18,785,614
9	AUOSZ	AUOKS	Other receivables from related parties	Yes	3,197,250	2,698,320	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	18,785,614	18,785,614
10	AUOSK	AMSCDE	Other receivables from related parties	Yes	276,717	276,717	276,717	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	792,321	792,321
11	ADLINKHQ	ADLINK_CN	Other receivables from related parties	Yes	199,230	188,628	-	2%	For short-term financing purposes g	-	Operating capital	-	-	-	560,473	2,241,892

No.	Financing Company	Borrowing Company	Financial Statement Account (Note 5)	Related Party	Maximum Balance for the Period (Note 3)	Ending Balance (Notes 1 and 2)	Amount Actually Drawn Down (Notes 1 and 4)	Interest Rate	Nature of Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Notes 1 and 6)	Limits on Financing Company's Total Financing Amount (Notes 1 and 6)
													Item	Value		
12	ADLINK_SA	ADLINK_CN	Other receivables from related parties	Yes	99,615	94,314	-	2%	For short-term financing purposes	-	Operating capital	-	-	-	1,478,628	1,478,628
13	AMPRO	ATG	Other receivables from related parties	Yes	66,410	62,876	62,876	4%	For short-term financing purposes	-	Operating capital	-	-	-	639,954	639,954
14	ADP	AUO	Other receivables from related parties	Yes	400,000	400,000	-	In accordance with the contractual terms	For short-term financing purposes	-	Operating capital	-	-	-	540,367	2,161,469

Note 1: Amounts denominated in foreign currencies are translated into New Taiwan Dollars using the exchange rates at the reporting date.

Note 2: The amounts represent the limits approved by the Board of Directors.

Note 3: The maximum balance for the period represents the highest outstanding amount in New Taiwan Dollars during the period.

Note 4: All inter-company transactions among AUO and its subsidiaries have been eliminated in the consolidated financial statements.

Note 5: According to the maturity date of individual contracts, financings provided are classified under current or non-current items based on their liquidity.

Note 6: The policy for the limit on total financing amount and the financing limit for any individual entity are prescribed as follows:

- (1) AUO: The amount available for lending to an investee or a company with needs for short-term financing shall not exceed 10% of AUO's net worth as stated in its latest financial statement. The aggregate amount available for lending to borrowers shall not exceed 40% of AUO's net worth as stated in its latest financial statement.
- (2) AUOXM, AUOSZ, AUOSJ, AUOKS, AUOLB, AUOSK, AMSCDE, BVXM, Konly, Ronly and ADP: The amount available for lending to an investee or a company with needs for short-term financing and the aggregate amount available for lending to borrowers both shall not exceed 40% of the net worth of the lending company as stated in its latest financial statement.
- (3) In the event that financings are provided among foreign subsidiaries whose voting shares are 100% owned, directly or indirectly, by AUO, or between such subsidiaries and AUO, the amount lendable to each borrower and the aggregate amount available for lending shall not exceed the net worth of the lending company as stated in its latest financial statement.
- (4) In the event that financings are provided by AUOSK to foreign subsidiaries whose voting shares are 100% owned, directly or indirectly, by AUO, the amount lendable to each borrower and the aggregate amount available for lending shall not exceed 200% of the net worth of the lending company as stated in its latest financial statement.
- (5) ADLINKHQ:
The amount available for lending to an individual borrower shall not exceed 10% of ADLINKHQ's net worth as stated in its latest financial statement. The aggregate amount available for lending to borrowers shall not exceed 40% of ADLINKHQ's net worth as stated in its latest financial statement.
- (6) Financings provided among ADLINKHQ's subsidiaries:
The amount lendable to each borrower and the aggregate amount available for lending shall not exceed 70% of the net worth of the lending company as stated in its latest financial statement.

AUO CORPORATION AND SUBSIDIARIES
Endorsements/Guarantees Provided
For the year ended December 31, 2025
(Amount in thousands of New Taiwan Dollars)

Table 2

No	Endorser/ Guarantor	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided for Each Party (Notes 4 and 5)	Maximum Endorsement/ Guarantee Balance for the Period (Note 2)	Ending Balance (Notes 3 and 4)	Amount Actually Drawn Down (Note 4)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Worth per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Notes 4 and 5)	Endorsement/ Guarantee Provided by Parent Company to Subsidiary	Endorsement/ Guarantee Provided by Subsidiary to Parent Company	Endorsement/ Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 1)										
0	AUO	AUOKS	4	75,999,722	13,702,500	-	-	-	-	151,999,444	Yes	No	Yes
1	AUOXM	AUO	3	16,953,780	9,135,000	8,994,400	3,148,040	-	53.05%	16,953,780	No	Yes	No
2	SREC	EGPC	4	950,750	1,000	1,000	602	-	0.11%	950,750	No	No	No
2	SREC	SGPC	4	950,750	1,000	1,000	-	-	0.11%	950,750	No	No	No
3	AMSCDE	AMSCIN	4	9,996,536	13,591	12,243	52	-	0.12%	19,993,072	No	No	No
3	AMSCDE	AMSCMX	4	9,996,536	1,227,734	-	-	-	-	19,993,072	No	No	No
3	AMSCDE	AMSCBG	4	9,996,536	308,078	308,078	-	-	3.08%	19,993,072	No	No	No
4	ADP	AVOCOR	4	2,701,837	193,374	188,628	62,876	-	3.49%	5,403,673	No	No	No
5	ADLINKHQ	ATG	1、2	2,802,365	996,182	996,182	568,192	-	17.77%	2,802,365	No	No	No
5	ADLINKHQ	ADLINK_CN	1、2	2,802,365	66,410	31,438	-	-	0.56%	2,802,365	No	No	Yes

Note 1: The relationship between the endorser/guarantor and the guaranteed party:

- (1) A company with which it does business.
- (2) A company in which the Company directly and indirectly holds more than 50% of the voting shares.
- (3) A company that directly and indirectly holds more than 50% of the voting shares in the Company.
- (4) Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares.
- (5) A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- (6) A company that all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
- (7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 2: The maximum endorsement/guarantee balance for the period represents the highest outstanding amount in New Taiwan Dollars during the period.

Note 3: The amounts represent the limits approved by the Board of Directors.

Note 4: Amounts denominated in foreign currencies are translated into New Taiwan Dollars using the exchange rates at the reporting date.

Note 5: The policy for the limit of total endorsement/guarantee amount and the limit on endorsement/guarantee amount provided to each party are prescribed as follows:

- (1) AUO and ADP: The total endorsement/guarantee amount provided shall not exceed the net worth of AUO as stated in its latest financial statement. The aggregate amount of endorsement/guarantee provided to each guaranteed party shall not exceed 50% of AUO's net worth as stated in its latest financial statement.
- (2) AUOXM and SREC: The total endorsement/guarantee amount provided and the aggregate amount of endorsement/guarantee provided to each guaranteed party both shall not exceed the net worth of AUOXM as stated in its latest financial statement.
- (3) AMSCDE: The total endorsement/guarantee amount provided shall not exceed 200% of AMSCDE's net worth as stated in its latest financial statement. The aggregate amount of endorsement/guarantee provided to each guaranteed party shall not exceed the net worth of AMSCDE as stated in its latest financial statement.
- (4) ADLINKHQ: The total endorsement/guarantee amount shall not exceed 50% of ADLINKHQ's net worth as stated in its latest financial statement. For each individual company, the endorsement/guarantee amount shall not exceed this limit.
 - a. The subsidiaries of ADLINKHQ in which ADLINKHQ directly or indirectly holds 100% of shares shall be capped at 50% of the net worth of the Company's latest financial statements.
 - b. Other companies shall be capped at 20% of the net worth of ADLINKHQ's latest financial statements.

AUO CORPORATION AND SUBSIDIARIES
Significant Marketable Securities Held (Excluding Investment in Subsidiaries, Associates and Joint Ventures)
December 31, 2025
(Amount in thousands of New Taiwan Dollars and foreign currencies indicated, and shares in thousands)

Table 3

Name of Holder	Type and Name of Marketable Securities	Relationship with the Securities Issuer	Financial Statement Account	December 31, 2025				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
AUO	Qisda's stock	Related party	Financial assets at FVTOCI—noncurrent	192,889	4,532,892	12.20%	4,532,892	
Konly	Carota's stock	Related party	Financial assets at FVTOCI—noncurrent	3,216	247,038	7.39%	247,038	
Konly	PlayNitride's stock	Related party	Financial assets at FVTOCI—noncurrent	7,535	1,013,407	6.44%	1,013,407	
Konly	Qisda's stock	Related party	Financial assets at FVTOCI—noncurrent	41,119	966,296	2.60%	966,296	
ADP	Imedtac Co., Ltd.'s stock	Related party	Financial assets at FVTOCI—noncurrent	3,500	125,000	13.68%	125,000	
DPTW	Chengdu Topway High-Tech Photoelectric Technology Co., Ltd.'s equity	Related party	Financial assets at FVTOCI—noncurrent	-	494,087	7.38%	494,087	
Ronly	PlayNitride's stock	Related party	Financial assets at FVTOCI—noncurrent	2,011	270,423	1.72%	270,423	

AUO CORPORATION AND SUBSIDIARIES
Purchases from or Sales to Related Parties with Amounts Exceeding NT\$100 Million or 20% of the Paid-in Capital
For the year ended December 31, 2025
(Amount in thousands of New Taiwan Dollars and foreign currencies indicated)

Table 4

Company Name	Counterparty	Relationship	Transaction Details				Transactions with Terms Different from Others		Notes/Accounts Receivable (Payable)		Note
			Purchases /Sales	Amount (Note 2)	Percentage of Total Purchases /Sales	Credit Terms	Unit Price (Note 1)	Credit Terms (Note 1)	Ending Balance (Note 2)	Percentage of Total Notes /Accounts Receivable (Payable)	
AUO	AUOKS	Subsidiary of AUO	Purchases	11,759,603	8%	EOM 60days	-	-	(2,413,199)	(4)%	
AUO	AUOSK	Subsidiary of AUO	Purchases	115,583	-	EOM 45days	-	-	(16,399)	-	
AUO	AUOSZ	Subsidiary of AUO	Purchases	44,453,228	28%	EOM 75days	-	-	(18,659,679)	(34)%	
AUO	AUOVN	Subsidiary of AUO	Purchases	862,799	1%	EOM 45days	-	-	(151,170)	-	
AUO	AUOXM	Subsidiary of AUO	Purchases	34,272,316	22%	EOM 75days	-	-	(15,070,832)	(27)%	
AUO	Qisda	AUO and Qisda serve as each other's corporate directors.	Purchases	2,194,960	1%	EOM 45days	-	-	(542,680)	(1)%	
AUO	BMC	Subsidiary of Qisda	Purchases	3,412,489	2%	EOM 90days	-	-	(854,945)	(2)%	
AUO	Raydium	Associate	Purchases	628,916	-	EOM 120days	-	-	(253,703)	-	
AUO	Daxin	Associate	Purchases	2,035,447	1%	EOM 120days	-	-	(698,637)	(1)%	
AUO	DPTW	Subsidiary of AUO	Purchases	1,919,000	1%	EOM 60days	-	-	(478,125)	(1)%	
AUO	PlayNitrideDisplay	Subsidiary of PlayNitride	Purchases	303,636	-	EOM 30days	-	-	(39,925)	-	
AUO	AMSCDE	Subsidiary of AUO	Sales	(380,716)	-	OA45days	-	-	74,230	-	
AUO	AUOSZ	Subsidiary of AUO	Sales	(122,530)	-	EOM 45days	-	-	-	-	
AUO	AUOXM	Subsidiary of AUO	Sales	(1,781,296)	(1)%	EOM 45days	-	-	-	-	
AUO	QCSZ	Subsidiary of Qisda	Sales	(431,084)	-	EOM 55days	-	-	(73,579)	-	
AUO	QVN	Subsidiary of Qisda	Sales	(175,781)	-	EOM 55days	-	-	3,842	-	

Company Name	Counterparty	Relationship	Transaction Details				Transactions with Terms Different from Others		Notes/Accounts Receivable (Payable)		Note
			Purchases /Sales	Amount (Note 2)	Percentage of Total Purchases /Sales	Credit Terms	Unit Price (Note 1)	Credit Terms (Note 1)	Ending Balance (Note 2)	Percentage of Total Notes /Accounts Receivable (Payable)	
AUO	Qisda	AUO and Qisda serve as each other's corporate directors.	Sales	(471,939)	-	EOM 55days	-	-	888	-	
AUO	AETTW	Subsidiary of AUO	Sales	(459,459)	-	EOM 25days	-	-	-	-	
AUO	BenQ	Subsidiary of Qisda	Sales	(2,833,771)	(1)%	EOM 55days	-	-	254,947	1%	
AUO	SGPC	Subsidiary of AUO	Sales	(129,124)	-	EOM 25days	-	-	27,972	-	
AUO	DPGE	Subsidiary of AUO	Sales	(258,716)	-	EOM 25days	-	-	-	-	
AUO	ADP	Subsidiary of AUO	Sales	(23,749,437)	(11)%	EOM 45days	-	-	3,459,444	14%	
ADPNL	ADP	Subsidiary of AUO	Purchases	USD 37,736	100%	EOM 45days	-	-	USD (3,729)	(100)%	
ADPSZ	AUOSZ	Subsidiary of AUO	Purchases	CNY 33,559	31%	EOM 45days	-	-	CNY (3,384)	(9)%	
ADPSZ	AUOXM	Subsidiary of AUO	Purchases	CNY 27,665	25%	EOM 45days	-	-	CNY (20,545)	(57)%	
ADPSZ	ADP	Subsidiary of AUO	Purchases	CNY 36,621	34%	EOM 45days	-	-	CNY (7,605)	(21)%	
ADPSZ	ADP	Subsidiary of AUO	Sales	CNY (42,067)	(28)%	EOM 45days	-	-	-	-	
ADPUS	ADP	Subsidiary of AUO	Sales	USD (8,173)	(78)%	EOM 45days	-	-	USD 5	2%	
AETSZ	AUOKS	Subsidiary of AUO	Sales	CNY (55,676)	(97)%	EOM 30days	-	-	-	-	
AMSCDE	AUO	Ultimate parent company	Purchases	EUR 10,432	7%	OA45days	-	-	EUR (1,128)	(3)%	
AMSCBG	BHTCSH	Subsidiary of AUO	Purchases	BGN 48,550	33%	EOM 30-60days	-	-	BGN (22,109)	(35)%	
AMSCDE	AMSCBG	Subsidiary of AUO	Sales	EUR (21,248)	(7)%	EOM 30-60days	-	-	EUR 6,158	18%	
AMSCDE	BHTCSH	Subsidiary of AUO	Sales	EUR (14,600)	(5)%	EOM 30-60days	-	-	EUR 11,548	33%	
AMSCDE	AMSCMX	Subsidiary of AUO	Sales	EUR (10,297)	(3)%	EOM 30-60days	-	-	EUR 2,607	8%	
BHTCSH	AMSCDE	Subsidiary of AUO	Sales	CNY (47,956)	(4)%	EOM 30-60days	-	-	CNY 42,356	8%	
BHTCSH	AMSCBG	Subsidiary of AUO	Sales	CNY (419,259)	(31)%	EOM 30-60days	-	-	CNY 92,741	18%	
BHTCSH	AUOXM	Subsidiary of AUO	Sales	CNY (84,436)	(6)%	EOM 30-60days	-	-	CNY 24,204	-	
AMSCIN	AMSCDE	Subsidiary of AUO	Sales	INR (1,174,680)	(24)%	EOM 30-60days	-	-	INR 127,110	11%	
AMSCFI	AMSCDE	Subsidiary of AUO	Sales	EUR (5,714)	(100)%	EOM 30-60days	-	-	EUR 591	100%	
AMSCJP	AUO	Ultimate parent company	Sales	JPY (658,104)	(100)%	EOM 30days	-	-	-	-	
AMSCUS	AUO	Ultimate parent company	Sales	USD (11,321)	(100)%	EOM 30days	-	-	-	-	

Company Name	Counterparty	Relationship	Transaction Details				Transactions with Terms Different from Others		Notes/Accounts Receivable (Payable)		Note
			Purchases /Sales	Amount (Note 2)	Percentage of Total Purchases /Sales	Credit Terms	Unit Price (Note 1)	Credit Terms (Note 1)	Ending Balance (Note 2)	Percentage of Total Notes /Accounts Receivable (Payable)	
AUOKS	AUOSZ	Subsidiary of AUO	Purchases	CNY 190,828	9%	EOM 60days	-	CNY (36,899)	(6)%		
AUOKS	Qisda	AUO and Qisda serve as each other's corporate directors.	Purchases	CNY 27,350	1%	EOM 120days	-	CNY (6,824)	(1)%		
AUOKS	Raydium	Associate	Purchases	CNY 43,376	2%	EOM 120days	-	CNY (14,635)	(2)%		
AUOKS	DPTW	Subsidiary of AUO	Purchases	CNY 78,831	4%	EOM 120days	-	CNY (28,395)	(4)%		
AUOKS	AUO	Ultimate parent company	Sales	CNY (2,706,390)	(59)%	EOM 60days	-	CNY 543,527	67%		
AUOKS	AUOXM	Subsidiary of AUO	Sales	CNY (1,789,466)	(39)%	EOM 30days	-	CNY 271,041	33%		
AUONL	AUO	Ultimate parent company	Sales	EUR (5,081)	(100)%	EOM 30days	-	-	-		
AUOSH	AUO	Ultimate parent company	Sales	CNY (49,288)	(73)%	EOM 25days	-	-	-		
AUOSK	AUO	Ultimate parent company	Sales	EUR (3,600)	(79)%	EOM 45days	-	EUR 800	65%		
AUOSZ	AUO	Ultimate parent company	Purchases	CNY 38,328	1%	EOM 45days	-	-	-		
AUOSZ	RaydiumKS	Subsidiary of Raydium	Purchases	CNY 30,201	-	EOM 120days	-	CNY (14,523)	(1)%		
AUOSZ	Qisda	AUO and Qisda serve as each other's corporate directors.	Purchases	CNY 291,783	4%	EOM 120days	-	CNY (105,042)	(4)%		
AUOSZ	BMS	Subsidiary of Qisda	Purchases	CNY 213,412	3%	EOM 90days	-	CNY (57,910)	(2)%		
AUOSZ	Raydium	Associate	Purchases	CNY 431,078	6%	EOM 120days	-	CNY (165,053)	(6)%		
AUOSZ	DPTW	Subsidiary of AUO	Purchases	CNY 280,427	4%	EOM 120days	-	CNY (92,979)	(4)%		
AUOSZ	Lextar	Subsidiary of Ennostar	Purchases	CNY 54,521	1%	EOM 120days	-	CNY (18,861)	(1)%		
AUOSZ	AUO	Ultimate parent company	Sales	CNY (10,143,898)	(98)%	EOM 75days	-	CNY 4,176,174	99%		
AUOSZ	ADPSZ	Subsidiary of AUO	Sales	CNY (33,559)	-	EOM 45days	-	CNY 3,384	-		
AUOSZ	AUOKS	Subsidiary of AUO	Sales	CNY (190,828)	(2)%	EOM 60days	-	CNY 36,899	1%		
AUOVN	AUO	Ultimate parent company	Sales	USD (27,660)	(99)%	EOM 45days	-	USD 4,809	100%		
AUOXM	AUO	Ultimate parent company	Purchases	CNY 405,898	4%	EOM 45days	-	-	-		
AUOXM	AUOKS	Subsidiary of AUO	Purchases	CNY 1,789,439	19%	EOM 30days	-	CNY (271,041)	(9)%		
AUOXM	BHTCSH	Subsidiary of AUO	Purchases	CNY 81,892	1%	EOM 45days	-	CNY (21,103)	(1)%		
AUOXM	QCSZ	Subsidiary of Qisda	Purchases	CNY 83,858	1%	EOM 120days	-	CNY (29,247)	(1)%		

Company Name	Counterparty	Relationship	Transaction Details				Transactions with Terms Different from Others		Notes/Accounts Receivable (Payable)		Note
			Purchases /Sales	Amount (Note 2)	Percentage of Total Purchases /Sales	Credit Terms	Unit Price (Note 1)	Credit Terms (Note 1)	Ending Balance (Note 2)	Percentage of Total Notes /Accounts Receivable (Payable)	
AUOXM	Qisda	AUO and Qisda serve as each other's corporate directors.	Purchases	CNY 52,182	1%	EOM 120days	-	CNY (12,043)	-		
AUOXM	BMS	Subsidiary of Qisda	Purchases	CNY 100,896	1%	EOM 90days	-	CNY (27,636)	(1)%		
AUOXM	Raydium	Associate	Purchases	CNY 292,796	3%	EOM 120days	-	CNY (122,898)	(4)%		
AUOXM	DPTW	Subsidiary of AUO	Purchases	CNY 406,535	4%	EOM 120days	-	CNY (158,100)	(5)%		
AUOXM	AUO	Ultimate parent company	Sales	CNY (7,841,457)	(72)%	EOM 75days	-	CNY 3,372,305	86%		
AUOXM	ADPSZ	Subsidiary of AUO	Sales	CNY (27,665)	-	EOM 45days	-	CNY 27,156	1%		
AUOXM	TYW	Corporate director of Talenda	Sales	CNY (46,305)	-	Advance payment	-	-	-		
AVOCOR	ADP	Subsidiary of AUO	Purchases	USD 4,109	98%	OA90days	-	USD (13,631)	(96)%		
DPXM	Lextar	Subsidiary of Ennostar	Purchases	CNY 30,592	1%	EOM 120days	-	CNY (19,336)	(4)%		
DPXM	DPTW	Subsidiary of AUO	Sales	CNY (446,146)	(15)%	EOM 90days	-	CNY 153,152	36%		
FTWJ	Lextar	Subsidiary of Ennostar	Purchases	CNY 43,042	9%	EOM 120days	-	CNY (17,684)	(3)%		
FTWJ	DPTW	Subsidiary of AUO	Sales	CNY (796,032)	(100)%	EOM 90days	-	CNY 271,416	99%		
M.Setek	ACTW	Subsidiary of AUO	Sales	JPY (3,606,491)	(86)%	EOM 45days	-	JPY 937,582	95%		
AET-YP	AETTW	Subsidiary of AUO	Purchases	294,417	96%	EOM 30days	-	(3,292)	(24)%		
ACTW	M.Setek	Subsidiary of AUO	Purchases	751,181	66%	EOM 45days	-	(188,271)	(88)%		
AETTW	AUO	Ultimate parent company	Sales	(198,093)	(20)%	EOM 60days	-	42,771	33%		
AETTW	AET-YP	Subsidiary of AUO	Sales	(327,576)	(32)%	EOM 30days	-	3,376	3%		
ADP	AUO	Ultimate parent company	Purchases	23,689,205	96%	EOM 45days	-	(3,452,626)	(97)%		
ADP	ADPNL	Subsidiary of AUO	Sales	(1,164,601)	(4)%	EOM 45days	-	118,023	3%		
ADP	ADPSZ	Subsidiary of AUO	Sales	(157,185)	(1)%	EOM 45days	-	34,211	1%		
ADP	AVOCOR	Subsidiary of AUO	Sales	(132,362)	-	OA90days	-	428,520	13%		
ADP	QCES	Subsidiary of Qisda	Sales	(365,626)	(1)%	EOM 45days	-	46,660	1%		
DPTW	DPXM	Subsidiary of AUO	Purchases	1,942,988	33%	EOM 90days	-	(684,511)	(34)%		
DPTW	FTWJ	Subsidiary of AUO	Purchases	3,462,310	59%	EOM 90days	-	(1,213,840)	(61)%		
DPTW	AUO	Ultimate parent company	Sales	(1,953,253)	(32)%	EOM 60days	-	386,394	21%		

Company Name	Counterparty	Relationship	Transaction Details				Transactions with Terms Different from Others		Notes/Accounts Receivable (Payable)		Note
			Purchases /Sales	Amount (Note 2)	Percentage of Total Purchases /Sales	Credit Terms	Unit Price (Note 1)	Credit Terms (Note 1)	Ending Balance (Note 2)	Percentage of Total Notes /Accounts Receivable (Payable)	
DPTW	AUOKS	Subsidiary of AUO	Sales	(343,602)	(6)%	EOM 120days	-	-	127,002	7%	
DPTW	AUOSZ	Subsidiary of AUO	Sales	(1,211,960)	(20)%	EOM 120days	-	-	412,964	23%	
DPTW	AUOXM	Subsidiary of AUO	Sales	(1,733,708)	(29)%	EOM 120days	-	-	698,842	39%	
ADLINKHQ	ADLINK_JP	Subsidiary of AUO	Sales	(540,334)	(6.64)%	EOM 120days	-	-	137,715	5.99%	
ADLINK_JP	ADLINKHQ	Subsidiary of AUO	Purchases	540,334	97.60%	EOM 120days	-	-	(137,715)	(100)%	
ADLINKHQ	AMPRO	Subsidiary of AUO	Sales	(2,427,194)	(29.82)%	EOM 60days	-	-	526,499	22.91%	
AMPRO	ADLINKHQ	Subsidiary of AUO	Purchases	2,427,194	90.97%	EOM 60days	-	-	(526,499)	(98.73)%	
ADLINKHQ	ATG	Subsidiary of AUO	Sales	(1,412,639)	(17.36)%	EOM 150days	-	-	809,326	35.21%	
ATG	ADLINKHQ	Subsidiary of AUO	Purchases	1,412,639	89.36%	EOM 150days	-	-	(809,326)	(99.38)%	
ADLINKHQ	ADLINK_CN	Subsidiary of AUO	Sales	(127,781)	(1.57)%	EOM 30days	-	-	87,369	3.80%	
ADLINK_CN	ADLINKHQ	Subsidiary of AUO	Purchases	127,781	6.16%	EOM 30days	-	-	(87,369)	(18.19)%	
ADLINKHQ	ADLINK_SH	Subsidiary of AUO	Sales	(167,353)	(2.06)%	EOM 30days	-	-	65,032	2.83%	
ADLINK_SH	ADLINKHQ	Subsidiary of AUO	Purchases	167,353	16.89%	EOM 30days	-	-	(65,032)	(14.31)%	
ADLINKHQ	ADLINK_SG	Subsidiary of AUO	Sales	(120,276)	(1.48)%	EOM 60days	-	-	30,916	1.35%	
ADLINK_SG	ADLINKHQ	Subsidiary of AUO	Purchases	120,276	26.55%	EOM 60days	-	-	(30,916)	(40.14)%	
ADLINKHQ	ADLINK_KR	Subsidiary of AUO	Sales	(114,400)	(1.41)%	EOM 60days	-	-	37,508	1.63%	
ADLINK_KR	ADLINKHQ	Subsidiary of AUO	Purchases	114,400	87.86%	EOM 60days	-	-	(37,508)	(97.98)%	
ADLINK_CN	ADLINKHQ	Subsidiary of AUO	Sales	(1,053,823)	(40.57)%	EOM 30days	-	-	296,953	36.67%	
ADLINKHQ	ADLINK_CN	Subsidiary of AUO	Purchases	1,053,823	18.20%	EOM 30days	-	-	(296,953)	(22.62)%	
ADLINK_CN	ADLINK_SH	Subsidiary of AUO	Sales	(740,413)	(28.51)%	EOM 90days	-	-	377,143	46.58%	
ADLINK_SH	ADLINK_CN	Subsidiary of AUO	Purchases	740,413	74.74%	EOM 90days	-	-	(377,143)	(83.00)%	

Note 1: Transaction terms with related parties were similar to those with third parties, except for particular transactions with no similar transactions to compare with. For those transactions, transaction terms were determined in accordance with mutual agreements.

Note 2: All inter-company transactions among AUO and its subsidiaries have been eliminated in the consolidated financial statements.

AUO CORPORATION AND SUBSIDIARIES
Receivables from Related Parties with Amounts Exceeding NT\$100 Million or 20% of the Paid-in Capital
December 31, 2025
(Amount in thousands of New Taiwan Dollars and foreign currencies indicated)

Table 5

Company Name	Counterparty	Relationship	Ending Balance of Receivables (Note 3)	Turnover Rate	Overdue Receivables		Amounts Received in Subsequent Period (Note 1)	Allowance for Bad Debts
					Amount	Action Taken		
AUO	CQHLD	Subsidiary of AUO	252,209	(Note 2)	-		-	
AUO	BenQ	Subsidiary of Qisda	254,947	7.02	(7,829)	Will be collected in next period	-	
AUO	ADP	Subsidiary of AUO	4,203,006	(Note 2)	89,810	Will be collected in next period	-	
BHTCSH	AUOXM	Subsidiary of AUO	CNY 24,204	3.49	-		-	
AUOKS	AUO	Ultimate parent company	CNY 543,527	5.28	CNY 18,417	Collected in subsequent period	CNY 226,863	
AUOKS	AUOXM	Subsidiary of AUO	CNY 271,041	6.40	CNY 7,343	Collected in subsequent period	CNY 169,604	
AUOSJ	AETSZ	Subsidiary of AUO	CNY 25,510	(Note 2)	-		-	
AUOSJ	BHTCSH	Subsidiary of AUO	CNY 406,333	(Note 2)	-		-	
AUOSK	AMSCDE	Subsidiary of AUO	EUR 7,817	(Note 2)	-		-	
AUOSZ	AUO	Ultimate parent company	CNY 4,176,174	2.59	CNY 21,184	Collected in subsequent period	CNY 623,403	
AUOSZ	AUOKS	Subsidiary of AUO	CNY 37,049	(Note 2)	CNY 3,202	Collected in subsequent period	CNY 7,382	
AUOVN	AUO	Ultimate parent company	USD 4,809	4.57	USD 2	Will be collected in next period	-	
AUOXM	AUO	Ultimate parent company	CNY 3,372,305	2.55	CNY 9,474	Will be collected in next period	-	
AUOXM	ADPSZ	Subsidiary of AUO	CNY 27,164	(Note 2)	CNY 8,638	Will be collected in next period	-	
DPXM	DPTW	Subsidiary of AUO	CNY 159,674	(Note 2)	-		-	
FTWJ	DPTW	Subsidiary of AUO	CNY 928,477	(Note 2)	-	Collected in subsequent period	CNY 69,906	
M.Setek	ACTW	Subsidiary of AUO	JPY 937,582	5.54	JPY 260,641	Will be collected in next period	-	
ADP	ADPNL	Subsidiary of AUO	118,023	9.43	-		-	
ADP	AVOCOR	Subsidiary of AUO	428,520	0.33	400,495	Will be collected in next period	-	

Company Name	Counterparty	Relationship	Ending Balance of Receivables (Note 3)	Turnover Rate	Overdue Receivables		Amounts Received in Subsequent Period (Note 1)	Allowance for Bad Debts
					Amount	Action Taken		
DPTW	AUO	Ultimate parent company	386,394	5.91	-		-	
DPTW	AUOKS	Subsidiary of AUO	127,002	2.18	-		-	
DPTW	AUOSZ	Subsidiary of AUO	412,964	2.34	-		-	
DPTW	AUOXM	Subsidiary of AUO	698,842	2.64	140	Will be collected in next period	-	
DPTW	FTWJ	Subsidiary of AUO	2,699,973	(Note 2)	-	Collected in subsequent period	301,930	
ADLINKHQ	AMPRO	Subsidiary of AUO	526,499	5.76	-	Collected in subsequent period	157,190	
ADLINKHQ	ATG	Subsidiary of AUO	809,607	1.85	-	-	-	
ADLINKHQ	ADLINK_JP	Subsidiary of AUO	137,742	4.63	-	-	-	
ADLINK_CN	ADLINKHQ	Subsidiary of AUO	297,832	2.69	-	-	-	
ADLINK_CN	ADLINK_SH	Subsidiary of AUO	377,143	2.09	-	Collected in subsequent period	45,378	

Note 1: Until the mid of January 2026.

Note 2: The ending balance includes other receivables from transactions not related to ordinary sales.

Note 3: All inter-company transactions among AUO and its subsidiaries have been eliminated in the consolidated financial statements.

AUO CORPORATION AND SUBSIDIARIES
Information on Investees (Excluding Information on Investment in Mainland China)
For the year ended December 31, 2025

(Amount in thousands of New Taiwan Dollars and foreign currencies indicated, and shares in thousands)

Table 6

Investor Compan	Investee Company	Location	Main Activities	Original Investment Amount		December 31, 2025			Net Income (Loss) of Investee	Investor's Share of Profit (Loss) of Investee (Notes 1 and 2)	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Amount (Notes 1 and 2)			
AUO	AUOLB	Malaysia	Investment holding	59,916,321	62,100,814	1,980,386	100.00%	69,653,614	3,220,601	3,219,701	Subsidiary
AUO	AUONL	Netherlands	After-sales services for TFT-LCD panels	24,275	24,275	50	100.00%	56,317	8,459	8,459	Subsidiary
AUO	Konly	Taiwan ROC	Investment	5,762,604	7,262,604	282,432	100.00%	7,742,330	778,667	778,667	Subsidiary
AUO	Ronly	Taiwan ROC	Investment	3,878,047	5,078,047	287,950	100.00%	3,504,692	(62,584)	(62,584)	Subsidiary
AUO	DPTW	Taiwan ROC	Design, manufacturing, and sales of TFT-LCD modules, backlight modules, TV set and related parts	3,212,240	3,569,155	171,097	28.56%	2,516,531	(120,689)	(34,473)	Subsidiary
AUO	ACTW	Taiwan ROC	Manufacturing and sale of ingots and solar wafers	15,687,921	15,687,921	242,565	100.00%	3,871,795	1,313,059	1,313,059	Subsidiary
AUO	AETTW	Taiwan ROC	Planning and design of water treatment technology and EPC project, energy saving equipment and energy efficiency project, facility intelligent management and environmental sustainability solution, management consulting and software services relating to carbon emission.	1,669,050	1,119,050	166,905	100.00%	880,681	(151,817)	(154,170)	Subsidiary (Note 9)
AUO	SSEC	Taiwan ROC	Investment	-	2,480,000	-	-	-	439,643	136,289	(Note 13)
AUO	CQIL	Israel	Investment holding	400,442	1,182,621	39,974	100.00%	(1,364)	(16,540)	(16,540)	Subsidiary
AUO	DPGE	Taiwan ROC	Solar power generation	1,689,934	1,689,934	48,700	100.00%	1,634,224	12,282	(654)	Subsidiary
AUO	ADTHLD	Cayman Islands	Investment holding	645,623	635,429	24,000	100.00%	274,183	(117,096)	(114,581)	Subsidiary
AUO	ADTCM	Cayman Islands	Investment holding	-	60,300	-	-	-	(3,374)	(3,374)	(Note 10)
AUO	AHTW	Taiwan ROC	Manufacturing, development and sales of medical equipments	5,000	5,000	500	100.00%	2,629	939	939	Subsidiary

Investor Compan	Investee Company	Location	Main Activities	Original Investment Amount		December 31, 2025			Net Income (Loss) of Investee	Investor's Share of Profit (Loss) of Investee (Notes 1 and 2)	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Amount (Notes 1 and 2)			
AUO	ADP	Taiwan ROC	Research, development and sales of display	369,555	369,555	200,000	100.00%	5,403,673	2,148,510	2,148,510	Subsidiary
AUO	SREC	Taiwan ROC	Investment	252,109	252,109	25,211	32.01%	304,368	70,355	434	Subsidiary
AUO	Ennostar	Taiwan ROC	Investment holding	4,764,942	4,764,942	93,569	12.70%	5,262,204	(2,714,954)	(411,181)	Associate
AUO	ACTTW	Taiwan ROC	Design, development and sales of software and hardware for health care industry	-	30,000	-	-	-	(4,812)	(4,812)	(Note 6)
AUO	AET-YP	Taiwan ROC	Investment in public construction, and wastewater (sewage) treatment	30,000	30,000	301	0.62%	2,043	(156,364)	(3,195)	Subsidiary
AUO	SINTRONES	Taiwan ROC	R&D, manufacturing and sales of in-vehicle computers and peripherals and other applications	91,507	91,507	1,617	6.77%	81,850	(6,793)	(3,836)	Associate
AUO	AUOPC	Taiwan ROC	Retailing of renewable energy power	10,000	10,000	1,000	100.00%	9,554	(376)	(376)	Subsidiary
AUO	AMSCDE	Germany	Holding; research and development, project management, purchasing, manufacturing, supply chain management, sales, administration, support services of HMI and automotive climate control systems	18,556,253	14,613,202	-	100.00%	17,975,144	(187,025)	(712,821)	Subsidiary (Note 15)
AUO	Yenrich	Taiwan ROC	Research, development and sales of i-pixel LED	118,140	118,140	10,211	53.32%	74,608	14,229	3,069	Subsidiary
AUO	AMSCTW	Taiwan ROC	Smart mobility solutions provider	765,523	1,000	7,745	100.00%	763,517	(20,309)	(20,309)	Subsidiary
AUO	ADLINKHQ	Taiwan ROC	Manufacturing and sales of hardware, software and peripheral devices of industrial computers	2,542,855	2,411,693	42,310	19.44%	2,637,057	511,507	58,308	Subsidiary (Note 7)
AUO	CQHLD	United Kingdom	Investment holding	-	-	-	100.00%	(22,086)	17,979	17,979	Subsidiary
AUO	SS2C	Taiwan ROC	Investment	280,500	-	28,050	33.00%	281,316	2,474	816	Associate
AUO	SSEH	Taiwan ROC	Investment	2,480,000	-	24,800	31.00%	2,653,276	(25,414)	(7,878)	Associate (Note 13)
Konly	DPTW	Taiwan ROC	Design, manufacturing, and sales of TFT-LCD modules, backlight modules, TV set and related parts	633,415	703,795	38,338	6.40%	563,887	(120,689)	(7,725)	Subsidiary
Konly	Raydium	Taiwan ROC	IC Design	175,857	175,857	11,454	15.10%	1,739,542	1,383,386	208,897	Associate

Investor Company	Investee Company	Location	Main Activities	Original Investment Amount		December 31, 2025			Net Income (Loss) of Investee	Investor's Share of Profit (Loss) of Investee (Notes 1 and 2)	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Amount (Notes 1 and 2)			
Konly	Daxin	Taiwan ROC	Research, development, manufacturing and sales of display and semiconductor related fine chemicals	154,748	154,748	19,114	18.61%	656,412	756,955	140,857	Associate
Konly	SSEC	Taiwan ROC	Investment	-	160,000	-	-	-	439,643	8,793	(Note 13)
Konly	AUES	Taiwan ROC	Services related to educational activities and site rental	4,000	4,000	400	100.00%	17,089	10,797	10,797	Subsidiary
Konly	SREC	Taiwan ROC	Investment	11,813	11,813	1,181	1.50%	14,261	70,355	1,055	Subsidiary
Konly	Ennostar	Taiwan ROC	Investment holding	1,180,491	1,180,491	16,413	2.23%	923,129	(2,714,954)	(88,904)	Associate
Konly	SINTRONES	Taiwan ROC	R&D, manufacturing and sales of in-vehicle computers and peripherals and other applications	155,233	155,233	3,001	12.55%	152,411	(6,793)	(7,118)	Associate
Konly	ADLINKHQ	Taiwan ROC	Manufacturing and sales of hardware, software and peripheral devices of industrial computers	958,234	988,837	15,944	7.32%	993,784	511,507	22,024	Subsidiary (Note 7)
Konly	SS2C	Taiwan ROC	Investment	8,500	-	850	1.00%	8,525	2,474	25	Associate
Konly	SSEH	Taiwan ROC	Investment	168,251	-	1,600	2.00%	171,179	(25,414)	(508)	Associate (Note 13)
DPTW	DPLB	Malaysia	Investment holding	3,877,666	3,877,666	76,846	100.00%	5,554,648	190,606	206,843	Subsidiary
DPTW	FHVI	BVI	Investment holding	2,362,321	2,362,321	22,006	100.00%	2,279,249	72,547	68,789	Subsidiary
DPTW	FFMI	Mauritius	Investment holding	274,700	274,700	653	100.00%	147,000	7,383	7,856	Subsidiary
DPTW	Darwin Summit Corporation Ltd.	Thailand	International trade	3,740	3,740	40	40.00%	13,305	(175)	(70)	Associate
DPTW	Shine Biomedical	Taiwan ROC	Development, design, manufacturing and sales of facial masks and cosmetics	92,760	53,051	9,276	37.40%	74,920	(29,419)	(10,359)	Associate
DPTW	DPVT	Taiwan ROC	Manufacturing, trading of electronic components and computer peripherals.	23,000	5,000	2,300	100.00%	22,889	(117)	(117)	Subsidiary
DPTW	DPMB	Taiwan ROC	Wholesale and retail of cosmetics	25,000	5,000	2,500	100.00%	21,157	(3,877)	(3,877)	Subsidiary
DPTW	DPOS	Taiwan ROC	Services for information software, data processing, and electronic information supply	29,000	5,000	2,900	100.00%	27,291	(1,720)	(1,720)	Subsidiary
DPTW	DPUS	United States	Services of sales, technical support and business development	10,085	-	34	100.00%	1,793	(8,813)	(8,813)	Subsidiary (Note 8)

Investor Compan	Investee Company	Location	Main Activities	Original Investment Amount		December 31, 2025			Net Income (Loss) of Investee	Investor's Share of Profit (Loss) of Investee (Notes 1 and 2)	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Amount (Notes 1 and 2)			
ACTW	SDMC	Taiwan ROC	Investment holding	1,352,488	1,700,488	103,616	100.00%	1,024,309	(99,895)	(190,545)	Subsidiary
SDMC	M.Setek	Japan	Manufacturing and sale of ingots	22,882,283	23,103,840	11,404,184	99.9991%	1,071,777	(83,819)	(83,818)	Subsidiary
ADP	S4M	Taiwan ROC	Sales and leasing of content management system and hardware, and design of digital signage content and field curation	193,834	-	22,000	100.00%	200,299	27,533	3,499	Subsidiary (Note 14)
ADP	ADPNL	Netherlands	Sales and sales support for display and holding company	3,289,433	2,377,671	-	100.00%	2,821,089	(343,000)	(343,000)	Subsidiary
ADP	Jector	Taiwan ROC	Introduction of smart field construction and other related software and hardware solutions	141,816	120,000	15,600	100.00%	97,184	(23,847)	(16,238)	Subsidiary
ADP	DentLabX	Taiwan ROC	Sales of management platform and solutions relating to dental digital information	17,000	17,000	1,700	85.00%	8,140	(4,149)	(3,526)	Subsidiary
SREC	SGPC	Taiwan ROC	Solar power generation	730,000	730,000	47,811	100.00%	662,026	62,536	58,461	Subsidiary
SREC	EGPC	Taiwan ROC	Solar power generation	255,300	255,300	22,030	100.00%	284,887	18,137	13,032	Subsidiary
AETTW	AETSG	Singapore	Holding company, and sales of software and hardware integration system relating to intelligent manufacturing and software development	95,805	95,805	4,300	100.00%	101,848	(82,728)	3,403	Subsidiary (Note 5 and 11)
AETTW	ADTTW	Taiwan ROC	Design and sales of software and hardware integration systems and equipment related to intelligent manufacturing, software development, and consulting services	-	-	-	-	-	10,100	6,730	(Note 5 and 12)
AETTW	AET-YP	Taiwan ROC	Investment and construction in public construction, and wastewater (sewage) treatment	939,050	539,050	48,324	99.38%	327,848	(156,364)	(153,163)	Subsidiary
Ronly	DPTW	Taiwan ROC	Design, manufacturing, and sales of TFT-LCD modules, backlight modules, TV set and related parts	760,959	845,510	36,458	6.09%	536,234	(120,689)	(7,346)	Subsidiary
Ronly	Raydium	Taiwan ROC	IC Design	240,647	240,647	669	0.88%	117,064	1,383,386	(24,916)	Associate
Ronly	Daxin	Taiwan ROC	Research, development, manufacturing and sales of display and semiconductor related fine chemicals	70,021	70,021	6,312	6.15%	216,772	756,955	46,516	Associate

Investor Company	Investee Company	Location	Main Activities	Original Investment Amount		December 31, 2025			Net Income (Loss) of Investee	Investor's Share of Profit (Loss) of Investee (Notes 1 and 2)	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Amount (Notes 1 and 2)			
Ronly	Ennostar	Taiwan ROC	Investment holding	1,245,456	1,245,456	20,686	2.81%	1,166,983	(2,714,954)	(117,501)	Associate
Ronly	Zhao Feng Energy Co., Ltd.	Taiwan ROC	Energy technical service	52,200	160,000	5,220	20.00%	48,164	(19,302)	(3,860)	Associate
Ronly	RP	Taiwan ROC	Production/visual effects/LED virtual production	50,000	50,000	383	21.39%	31,596	(9,096)	(8,892)	Associate
Ronly	YTTEK	Taiwan ROC	5G SDR platform-a pure software platform, 5G non-signaling tester, 5G mm wave FEM, 28GHz 2-way up/down converter, beam calibration solution	146,812	146,812	6,673	23.93%	59,132	(44,033)	(30,268)	Associate
Ronly	FYPC	Taiwan ROC	Renewable energy power generation	11,000	11,000	1,100	100.00%	10,833	(58)	(58)	Subsidiary
Ronly	ZYPC	Taiwan ROC	Renewable energy power generation	3,000	3,000	300	100.00%	2,653	(102)	(102)	Subsidiary
Ronly	ADLINKHQ	Taiwan ROC	Manufacturing and sales of hardware, software and peripheral devices of industrial computers	791,818	809,508	13,175	6.05%	821,193	511,507	18,199	Subsidiary
ADLINKHQ	ADLINK_SA	Samoa	Investment holding	USD 61,872	USD 61,872	61,872	100.00%	2,028,617	(17,048)	(17,048)	Subsidiary
ADLINKHQ	ADLINK_SG	Singapore	Sales of industrial automatic control cards, industrial motherboards, etc.	SGD 659	SGD 659	7,659	100.00%	348,336	35,604	35,604	Subsidiary
ADLINKHQ	ADLINK_JP	Japan	Sales of industrial automatic control cards, industrial motherboards, etc.	USD 4,200	USD 4,200						
ADLINKHQ	ADLINK_KR	Korea	Sales of industrial automatic control cards, industrial motherboards, etc.	JPY 98,000	JPY 98,000	2	100.00%	108,271	7,372	7,372	Subsidiary
ADLINKHQ	ZTL_KY	Cayman Islands	Investment holding	USD 300	USD 300	-	100.00%	34,301	3,621	3,621	Subsidiary
ADLINKHQ	AEC	United Kingdom	Software development, licensing and services	GBP 9,050	GBP 9,050	61,155	100.00%	39,427	(27,518)	(27,518)	Subsidiary
ADLINKHQ	JYTEK_KR	Korea	Sales of industrial automatic control cards, industrial motherboards, computers and peripherals, etc.	GBP 500	GBP 500	500	100.00%	6,038	(2,734)	(2,734)	Subsidiary
ADLINKHQ	FAROBOT_KY	Cayman Islands	Investment	-	USD 300	-	-	-	(16,415)	(2,098)	(Note 17)
ADLINKHQ	FAROBOT_KY	Cayman Islands	Investment	USD 6,249	USD 5,858	6,249	49.00%	23,041	(65,069)	(31,884)	Associate

Investor Compan	Investee Company	Location	Main Activities	Original Investment Amount		December 31, 2025			Net Income (Loss) of Investee	Investor's Share of Profit (Loss) of Investee (Notes 1 and 2)	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Amount (Notes 1 and 2)			
FAROBOT_KY	FAROBOT	Taiwan ROC	Manufacturing, development, and sales of autonomous mobile robot software.	475,882	451,741	47,588	100.00%	131,624	(65,069)	-	Associate
ADLINK_SA	ADLINK_HK	Hong Kong	Investment holding	USD 24,255	USD 24,255	24,255	100.00%	USD 51,966	USD 143	-	Subsidiary
ADLINK_SA	AMPRO	United States	Manufacturing, research and development and sales of industrial computers	USD 20,789	USD 20,789	39,743	100.00%	USD 37,535	USD 1,358	-	Subsidiary
ADLINK_SA	ADLINK_DE	Germany	Investment holding	EUR 12,609	EUR 12,609	12,609	100.00%	USD (26,072)	USD (2,160)	-	Subsidiary
ADLINK_SG	ADLINK_IN	India	Sales of industrial automatic control cards, industrial motherboards, etc.	INR 8,000	INR 8,000	800	100.00%	SGD 146	SGD 105	-	Subsidiary
ADLINK_SG	ADLINK_IT	Hong Kong	Investment holding	USD 4,200	USD 4,200	4,200	100.00%	SGD 5,046	SGD 1,891	-	Subsidiary
ZTL KY	ZTL	United Kingdom	Software development, licensing and services	GBP 22,209	GBP 22,209	577,982	69.50%	GBP 932	GBP (964)	-	Subsidiary
ADLINK_DE	ATG	Germany	Manufacturing, research and development and sales of industrial computers	EUR 12,409	EUR 12,409	750	100.00%	EUR (22,306)	EUR (1,909)	-	Subsidiary
AMPRO	ATC	United States	Software sales and licensing	USD 12,701	USD 12,701	1	100.00%	USD (601)	USD 66	-	Subsidiary
ZTL	ZT_SARL	France	Software development, licensing and services	EUR 221	EUR 221	-	100.00%	EUR (667)	EUR (1,216)	-	Subsidiary
ZTL	ZT_BV	Netherlands	Software development	EUR 18	EUR 18	-	100.00%	EUR 13	EUR 2	-	Subsidiary
AUOLB	AMSCUS	United States	Sales and after-sales services for TFT-LCD panels	USD 1,000	USD 1,000	1,000	100.00%	USD 4,518	USD 292	USD 292	Subsidiary (Note 15)
AUOLB	AMSCJP	Japan	After-sales services for TFT-LCD panels	USD 898	USD 898	3	100.00%	USD 1,338	USD 118	USD 118	Subsidiary (Note 15)
AUOLB	AUOKR	South Korea	After-sales services for TFT-LCD panels	USD 155	USD 155	-	100.00%	USD 1,576	USD 58	USD 58	Subsidiary
AUOLB	AUOSK	Slovakia Republic	Repairing of TFT-LCD modules	USD 6,787	USD 6,787	-	100.00%	USD 12,601	USD 521	USD 521	Subsidiary
AUOLB	AUST	Singapore	Manufacturing TFT-LCD panels based on low temperature polysilicon technology	USD 222,365	USD 222,365	907,114	100.00%	USD 12,718	USD (7,369)	USD (7,369)	Subsidiary
AUOLB	AUVI	United States	Research and development and IP related business	USD 5,000	USD 5,000	5,000	100.00%	USD 6,485	USD (99)	USD (99)	Subsidiary

Investor Company	Investee Company	Location	Main Activities	Original Investment Amount		December 31, 2025			Net Income (Loss) of Investee	Investor's Share of Profit (Loss) of Investee (Notes 1 and 2)	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Amount (Notes 1 and 2)			
AUOLB	AUOSG	Singapore	Holding and after-sales services for TFT-LCD panels	USD 1,840,928	USD 1,840,928	2,777,106	100.00%	USD 2,177,700	USD 108,360	USD 108,360	Subsidiary
AUOSG	AEUS	United States	After-sales services for solar-related products	USD 1,694	USD 1,194	1,694	100.00%	USD 931	USD (143)	USD (143)	Subsidiary
AUOSG	AUOVN	Vietnam	Manufacturing and sales	USD 32,000	USD 32,000	-	100.00%	USD 28,907	USD (3,800)	USD (3,800)	Subsidiary
DPLB	DPHK	Hong Kong	Investment holding	USD 87,785	USD 87,785	10	100.00%	USD 177,407	USD 6,120	USD 6,120	Subsidiary (Note 4)
FHVI	FTMI	Mauritius	Investment holding	USD 6,503	USD 6,503	6,503	100.00%	USD 57,267	USD 2,128	USD 2,128	Subsidiary
FHVI	FWSA	Samoa	Investment holding	USD 19,000	USD 19,000	19,000	100.00%	USD 16,916	USD 201	USD 201	Subsidiary
ADPNL	ADPJP	Japan	Sales and after-sales services for display	USD 508	USD 508	1	100.00%	USD 477	USD 50	USD 50	Subsidiary
ADPNL	ADPSG	Singapore	Sales of AIoT and advanced smart display solutions	USD 1,000	USD 1,000	1,340	100.00%	USD 1,088	USD 91	USD 91	Subsidiary
ADPNL	ADPUSD	United States	Investment holding	USD 98,096	-	10	100.00%	USD 84,990	USD (12,928)	USD (12,928)	Subsidiary (Note 5)
RVU	RVI	Canada	Design, sales and sales support of digital signage content management system	USD 29,454	-	29,564	100.00%	USD 26,197	USD 1,009	USD (270)	Subsidiary (Note 5)
ADPUSD	CQUS	United States	Sales of content management system and hardware	USD 27,869	-	13	100.00%	USD 27,257	USD (686)	USD (704)	Subsidiary (Note 5)
ADPUSD	ADPUS	United States	Sales and after-sales services for display	USD 1,500	-	1	100.00%	USD 1,829	USD (213)	USD (213)	Subsidiary (Note 5)
ADPUSD	RVU	United States	Design and sales support of digital signage content management system	USD 26,665	-	50	100.00%	USD 26,844	USD (58)	USD (58)	Subsidiary (Note 5)
ADPUSD	AVOCOR	United States	Design, sales and after-sales services for digital signage content management system	USD 45,786	-	8,291	100.00%	USD 28,061	USD (9,246)	USD (11,953)	Subsidiary (Note 5)
AVOCOR	AVOCOR UK	United Kingdom	Design, sales and after-sales services for interactive display	USD 18,112	USD 18,112	1,000	100.00%	USD (1,261)	USD (3,922)	USD (3,922)	Subsidiary
M.Setek	Ichijo Seisakusyo Co., Ltd.	Japan	Manufacturing of automatic machinery and equipment and related parts	JPY 5,000	JPY 5,000	-	38.46%	-	-	-	Associate (Note 3)

Investor Compan	Investee Company	Location	Main Activities	Original Investment Amount		December 31, 2025			Net Income (Loss) of Investee	Investor's Share of Profit (Loss) of Investee (Notes 1 and 2)	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership	Carrying Amount (Notes 1 and 2)			
CQUS	JRUK	United Kingdom	Development and sales of content management system and sales of the related hardware	USD 1,500	USD 1,500	1	100.00%	USD 1,876	USD 320	USD 320	Subsidiary
CQUS	JRUS	United States	Development and sales of content management system and sales of the related hardware	USD 8,000	USD 8,000	18	100.00%	USD 5,057	USD (1,044)	USD (1,044)	Subsidiary
CQUS	CQCA	Canada	Research and development of content management system	USD 1,234	-	-	100.00%	USD 1,457	USD 170	USD 170	Subsidiary (Note 5)
AMSCDE	AMSCMX	Mexico	Purchasing, manufacturing, supply chain management, sales, administration, support services of HMI and automotive climate control systems	EUR 47,812	EUR 20,590	410	100.00%	EUR 35,592	EUR 558	EUR 558	Subsidiary (Note 15)
AMSCDE	AMSCBG	Bulgaria	Purchasing, manufacturing, supply chain management, sales, administration, support services of HMI and automotive climate control systems	EUR 15,063	EUR 15,063	-	100.00%	EUR 51,777	EUR 2,594	EUR 2,594	Subsidiary (Note 15)
AMSCDE	AMSCFI	Finland	Research and development of HMI and automotive climate control systems	EUR 103	EUR 103	-	100.00%	EUR 636	EUR 231	EUR 231	Subsidiary (Note 15)
AMSCDE	AMSCIN	India	Research and development, project management, purchasing, manufacturing, supply chain management, sales, administration, support services of HMI and automotive climate control systems	EUR 2,720	EUR 2,720	16,000	100.00%	EUR 16,913	EUR 6,195	EUR 6,195	Subsidiary (Note 15)
AMSCDE	BHTCJP	Japan	Research and development, project management, sales of HMI and automotive climate control systems	EUR 126	EUR 126	-	100.00%	EUR 477	EUR 28	EUR 28	Subsidiary
AMSCDE	BHTCUS	United States	Research and development, project management, sales of HMI and automotive climate control systems	EUR 871	EUR 871	1	100.00%	EUR 1,666	EUR 142	EUR 142	Subsidiary
AMSCDE	BHTCZB	Taiwan ROC	HMI peripheral equipment procurement	10,000	-	1,000	100.00%	10,000	1	1	Subsidiary (Note 16)

Note 1: All inter-company transactions among AUO and its subsidiaries have been eliminated in the consolidated financial statements.

Note 2: Inclusive of the amortization of differences between the investment cost and the entity's share of the net value of investee, and the effect of upstream and sidestream transactions.

Note 3: The carrying amount includes accumulated impairment loss.

Note 4: The registration of the alteration of DPHK's common stock has not been completed.

Note 5: (1) As part of a business restructuring in 2025. See Note (3) Basis of consolidation.

(2) The original investment amount is calculated based on the transaction price during the organizational restructuring in the 2025.

Note 6: Disposed in May 2025.

Note 7: Effective June 2025, ADLINKHQ and its subsidiaries have been included in the consolidated financial statements as consolidated entities. See Note (6).

Note 8: DPUS is a new subsidiary incorporated in June 2025.

Note 9: DPUT changed its short name to DPVT in September 2025.

Note 10: Disposed in August 2025.

Note 11: ADTSG changed its short name to AETSG in August 2025.

Note 12: ADTTW merged into AETTW in September 2025.

Note 13: SSEC converted its shares into SSEH shares in December 2025 in accordance with the share-exchange ratio. See Note (6).

Note 14: S4M adjusted its organizational structure in November 2025, with its ownership transferred from being wholly owned by AUO to being held by ADP.

Note 15: The short names were changed in December 2025 as follows: BHTCIN to AMSCIN; AMSUS to AMSCUS; AMSJP to AMSCJP; AMSDE to AMSCDE; BHTCBG to AMSCBG; BHTCFI to AMSCFI; BHTCCN to BHTCSH; BHTCMX to AMSCMX.

Note 16: BHTCZB is a new subsidiary incorporated in December 2025.

Note 17: Disposed in December 2025.

AUO CORPORATION AND SUBSIDIARIES
Information on Investment in Mainland China
For the year ended December 31, 2025
(Amount in thousands of New Taiwan Dollars and foreign currencies indicated)

Table 7

1. AUO :

(1) Related information on investment in Mainland China

Investee Company	Main Activities	Total Amount of Paid-in Capital (Note 2)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2025 (Note 2)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2025 (Note 2)	Net Income (Loss) of Investee (Notes 4 and 5)	% Ownership through Direct or Indirect Investment	Investor's Share of Profit (Loss) of Investee (Notes 4 and 5)	Carrying Amount of the Investment as of December 31, 2025 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2025	Note
					Outflow	Inflow							
ACTSZ	Design, development and sales of software and hardware for health care industry	-	(Note 5)	-	-	-	-	(22,803)	-	(22,803)	-	-	
ADTSZ	Business management consulting, services of technology promotion and application, and platform services of industrial cloud	937,332	(Note 1)	565,884	-	-	565,884	(126,280)	87%	(25,517)	177,357	-	
AETSZ	Planning, design and development of construction project for environmental protection and related project management	53,966	(Note 1)	-	-	-	-	38,175	100%	38,175	(63,361)	-	
AMISZ	Development, sales and licensing of software and hardware relating to intelligent manufacturing, and related consulting services	256,340	(Note 1)	-	-	-	-	21,061	100%	21,061	44,771	-	
AMIXM	Sales of software and hardware relating to intelligent manufacturing, and related consulting services	53,966	(Note 1)	-	-	-	-	1,285	100%	1,285	14,455	-	
ATISZ	Design and sales of software and hardware integration system and equipment relating to intelligent manufacturing	157,402	(Note 1)	-	-	-	-	10,697	100%	10,697	40,523	-	

Investee Company	Main Activities	Total Amount of Paid-in Capital (Note 2)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2025 (Note 2)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2025 (Note 2)	Net Income (Loss) of Investee (Notes 4 and 5)	% Ownership through Direct or Indirect Investment	Investor's Share of Profit (Loss) of Investee (Notes 4 and 5)	Carrying Amount of the Investment as of December 31, 2025 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2025	Note
					Outflow	Inflow							
AUOKS	Manufacturing and sales of TFT-LCD panels	37,442,658	(Note 1)	35,056,828	-	-	35,056,828	960,485	100%	1,097,545	27,406,827	-	(Note 6)
AUOSH	Sales support for TFT-LCD panels	471,570	(Note 1)	31,438	-	-	31,438	41,176	100%	41,176	176,357	-	
AUOSJ	Leasing	3,395,304	(Note 1)	2,515,040	-	-	2,515,040	95,465	100%	95,465	4,087,248	-	
AUOSZ	Manufacturing, assembly and sales of TFT-LCD modules	14,650,108	(Note 1)	6,287,600	-	-	6,287,600	1,298,893	100%	1,298,893	18,694,170	-	
AUOXM	Manufacturing, assembly and sales of TFT-LCD modules	14,272,852	(Note 1)	7,859,500	-	628,760	7,859,500	985,280	100%	985,280	16,953,780	628,760	
BVXM	Sales of liquid crystal products and related parts; leasing	2,698,320	(Note 1)	-	-	-	-	16,655	100%	16,655	1,458,787	-	
PFSZ	Sales and consulting services of virtual data scientist platform for manufacturing	-	(Note 9)	-	-	-	-	(2,943)	-	(1,501)	-	-	
BHTCSH	Research and development, purchasing, manufacturing, supply chain management, sales, administration, support services of HMI and automotive climate control systems	314,380	(Note 1)	4,787,628	-	-	4,079,441	49,855	100%	49,855	1,158,485	-	(Note 7)
CXZD	Engaging in investment activities with one's own funds (except for projects that require approval by law, conducting business activities independently based on the business license in accordance with the law)	263,394	(Note 1)	-	-	-	-	4,647	99.99%	4,647	57,502	-	

(2) Upper limit on investment in Mainland China

Accumulated Investment in Mainland China as of September 30, 2025 (Note 2)	Investment Amounts Authorized by Investment Commission, MOEA (Note 2)	Upper Limit on Investment Stipulated by Investment Commission, MOEA (Note 3)
57,103,918 (EUR129,761 and USD1,664,110)	96,303,787 (USD1,963,143 and HKD60,000 and EUR129,761 and CNY6,572,210)	98,304,330

Note 1: Indirect investments in Mainland China through companies registered in a third region.

Note 2: Amounts denominated in foreign currencies are translated into New Taiwan Dollars using the exchange rates at the reporting date.

Note 3: Pursuant to the Regulations Governing Permission for Investment and Technical Cooperation in the Mainland Area, AUO's accumulated investments in Mainland China did not exceed the upper limit on investment amount or ratio stipulated by the Investment Commission, Ministry of Economic Affairs ("MOEA").

Note 4: Amounts were recognized based on the investees' reviewed financial statements.

Note 5: Disposed in April 2025.

Note 6: Inclusive of the amortization of differences between the investment cost and the entity's share of the net value of investee, and the effect of upstream and sidestream transactions.

Note 7: The amount of accumulated outflow of investment from Taiwan was calculated based on the acquisition amount in 2024 as the proportion of BHTCSH to the consolidated net worth of AMSCDE Company.

Note 8: All inter-company transactions among AUO and its subsidiaries have been eliminated in the consolidated financial statements.

Note 9: Deregistered in November 2025.

2. AMSCTW,DPTW,ADP and ADLINKHQ:

(1) Related information on investment in Mainland China

Investee Company	Main Activities	Total Amount of Paid-in Capital (Note 4)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2025 (Note 4)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2025 (Note 4)	Net Income (Loss) of Investee (Notes 2 and 5)	% Ownership through Direct or Indirect Investment	Investor's Share of Profit (Loss) of Investee (Notes 2,5 and 12)	Carrying Amount of the Investment as of September 30, 2025 (Note 4 and 12)	Accumulated Inward Remittance of Earnings as of September 30, 2025 (Note 4)	Note
					Outflow	Inflow							
AMSCXM	Manufacturing and sales of smart mobility, research and development and manufacturing of automotive components	628,760	(Note 1(1))	-	628,760	-	628,760	(1,850)	100%	(1,850)	635,602		
ADPSZ	Sales and sales support for display	157,190	(Note 1(1))	157,190	-	-	157,190	6,272	100%	6,272	215,773	-	
DPXM	Manufacturing and sales of liquid crystal products, backlight modules and related parts	2,200,660	(Note 1(2))	2,200,660	-	-	2,200,660	190,606	100%	190,606	5,577,315	1,977,266	
FTWJ	Manufacturing and sale of backlight modules and related parts	1,100,330	(Note 1(2))	204,347	-	-	204,347	62,969	100%	62,969	1,537,166	442,475	
FPWJ	Manufacturing, sales and trading of precision plastic parts	911,702	(Note 1(2))	597,322	-	-	597,322	9,577	100%	9,577	794,973	-	
FHWJ	Manufacturing and sale of backlight modules and related parts	204,347	(Note 1(2))	257,792	-	-	257,792	7,383	100%	7,383	96,929	-	(Note 5)
Talenda	Manufacturing of electronic components	134,916	(Note 1(1))	-	-	-	-	(36,433)	51%	(18,581)	41,256	-	(Note 6)
ADLINK_SH	Sales of industrial automatic control cards, industrial motherboards, etc.	132,048	(Note 1(2))	132,048	-	-	132,048	45,080	100%	45,080	123,395	-	
ADLINK_CN	Manufacturing and sales of industrial automatic control cards, industrial motherboards, etc.	838,505	(Note 1(2))	742,200	-	-	742,200		100%	7,993	1,628,469	-	
LYDG	Sales of electronic parts	9,000	(Note 1(3))	(Note 9)	-	-	(Note 10)	9,223	100%	9,223	58,671	-	
JYTEK_SH	Sales of industrial automatic control cards, industrial motherboards, etc.	224,514	(Note 1(3))	(Note 9)	-	-	(Note 9)	(19,293)	-	(3,623)	-	-	(Note 11)

(2) Upper limit on investment in Mainland China

Entity	Accumulated Investment in Mainland China as of December 31, 2025 (Note 4 and 8)	Investment Amounts Authorized by the Investment Commission, MOEA (Note 4 and 7)	Upper Limit on Investment Stipulated by the Investment Commission, MOEA (Note 3)
AMSCTW	628,760 (USD20,000)	628,760 (USD20,000)	458,110
DPTW	3,260,121 (USD103,700)	5,645,309 (USD167,410 and CNY 85,000)	5,286,123
ADP	157,190(USD5,000)	157,190 (USD5,000)	3,266,848
ADLINKHQ	874,248(HKD7,283 and USD26,871)	967,022(HKD7,305 and USD29,819)	3,362,837

Note 1: (1) Direct investments in Mainland China.

(2) Indirect investments in Mainland China through companies registered in a third region.

(3) Other direct investment in subsidiaries of Mainland China.

Note 2: Amounts were recognized based on the investees' audited financial statements.

Note 3: Pursuant to the Regulations Governing Permission for Investment and Technical Cooperation in the Mainland Area, the accumulated investments in Mainland China made by DPTW, ADP, ADLINK, and AMSCTW after the formal assumption of the spun-off operations on January 1, 2026, did not exceed the upper limit on investment amount or ratio stipulated by the Investment Commission, Ministry of Economic Affairs ("MOEA").

Note 4: Amounts denominated in foreign currencies are translated into New Taiwan Dollars using the exchange rates at the reporting date.

Note 5: The amount of paid-in capital includes the capitalization of retained earnings amounting to USD28,500 thousand for the years from 2005 to 2007.

Note 6: The amount of paid-in capital includes the capital injection of USD10,000 thousand from the offshore holding company, which was originally from FTWJ's appropriation of earnings.

Note 7: The accumulated approved amount over the years amounted to USD248,526 thousand and CNY85,000 thousand (including the capitalization of retained earnings of USD81,116 thousand). In addition, the surplus repatriated amounted to USD194,050 thousand, which can be used to deduct the accumulated amount of investment.

Note 8: Excluding capital increase in Chengdu Topway High-Tech Photoelectric Technology Co., Ltd. in the amount of CNY 85,000 thousand which is recorded as Financial assets at FVTOCI, See Table 1.

Note 9: Excluded ADLINK_CN's investment amount, CNY2,000 thousand in LYDG and CNY15,000 thousand in JYTEK_SH, respectively.

Note 10: ADLINK Technology (Shenzhen) Co., Ltd. was liquidated in November 2020. ADLINK_HK withdrew the inward investment of USD2,850 thousand, which included the amounts of accumulated outward remittance of investment from Taiwan of HK7,283 thousand and USD298 thousand. The Company indirectly invested in ADLINK_CN through ADLINK_HK.

Note 11: The Group reclassified JYTEK_SH from investments accounted for using the equity method to FVTOCI in March 2025.

Note 12: All inter-company transactions among AUO and its subsidiaries have been eliminated in the consolidated financial statements.

AUO CORPORATION
Statement of Cash and Cash Equivalents
December 31, 2025
(Expressed in thousands of New Taiwan Dollars,
unless otherwise indicated)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Cash on hand		\$ 10
Cash in banks	Checking accounts	6,618
	Demand deposits	8,491,301
	Foreign currency deposits (note)	11,041,402
	USD: 277,834 thousand	
	JPY: 10,565,531 thousand	
	EUR: 4,758 thousand	
	CNY: 71 thousand	
	HKD: 2,336 thousand	
		<u>\$ 19,539,331</u>

Note: Exchange rate at balance sheet date was as follows:

USD: 31.4380

JPY: 0.2008

EUR: 36.8956

CNY: 4.4972

HKD: 4.0390

AUO CORPORATION
Statement of Financial Assets Measured at FVTPL-
Current
December 31, 2025

Please refer to Note 6(2) to this parent company only financial statements for the details.

Statement of Financial Assets Measured at FVOCI Noncurrent
(Expressed in thousands of New Taiwan Dollars and
share in thousands)

Name of financial instrument	Beginning balance		Additions (Deductions)		Gains (losses) on valuation	Ending balance	
	Shares	Fair value	Shares	Amount	Amount	Shares	Fair value
Qisda	-	\$ -	192,889	<u>7,409,762</u>	<u>(2,876,870)</u>	192,889	<u>4,532,892</u>

Including refund of capital reduction, amounting to 42,341 thousand shares at \$10 per share, totaling \$423,415 thousand.

AUO CORPORATION
Statement of Trade Receivables
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Customer Name</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
Customer A	From operating activities	\$ 2,806,021	
Customer B	From operating activities	2,392,378	
Customer C	From operating activities	2,126,555	
Customer D	From operating activities	1,925,361	
Customer E	From operating activities	1,835,588	
Customer F	From operating activities	1,341,083	
Others (less than 5% for each customer)	From operating activities	8,379,758	
Less: loss allowance		<u>(744)</u>	
		<u>\$ 20,806,000</u>	

AUO CORPORATION

Statement of Inventories

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Amount</u>		<u>Remark</u>
	<u>Book value (note)</u>	<u>Net realizable value</u>	
Finished goods	\$ 6,873,686	7,585,546	For the determination of net realizable value, please refer to Note 4(7) to this parent company only financial statements.
Work-in-progress	8,863,554	10,537,334	
Raw materials	<u>2,064,225</u>	<u>2,069,670</u>	
	<u>\$ 17,801,465</u>	<u>20,192,550</u>	

Note: Provision of inventory obsolescence has been deducted.

Statement of Other Noncurrent Assets

Please refer to Note 6(11) to this parent company only financial statements for the details.

AUO CORPORATION

Statement of Changes in Investments in Equity-accounted Investees

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars unless otherwise indicated, and share in thousands)

Investee Name	Beginning balance (Note (a))		Additions (Deductions) (Note (b))		Reclassification (Note (c))		Share of profit (loss)	Cash dividend	Capital surplus	Cumulative translation differences	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Other adjustments (Note (d))	Ending balance (Note (a))			Market value or net asset value		Guarantee or pledged	
	Shares	Amount	Shares	Amount	Shares	Amount							Shares	Amount	% of Ownership	Unit price	Total price		
Subsidiaries:																			
AUOLB	2,051,189	\$ 68,504,082	(70,803)	(2,184,493)	-	-	3,219,701	-	(210,717)	325,041	-	-	1,980,386	69,653,614	100.00	-	69,785,794	None	
Konly	432,432	10,089,998	(150,000)	(1,500,000)	-	-	778,667	(469,436)	62,179	(64,430)	(1,158,709)	4,061	282,432	7,742,330	100.00	-	7,742,330	None	
ADP	200,000	7,171,615	-	-	-	-	2,148,510	(3,815,477)	1,290	(103,402)	-	1,137	200,000	5,403,673	100.00	-	5,403,673	None	
DPTW	190,108	2,746,450	(19,011)	(190,108)	-	-	(34,473)	(47,527)	(387)	11,986	30,590	-	171,097	2,516,531	28.56	12.15	2,078,831	None	
ACTW	242,565	2,603,157	-	-	-	-	1,313,059	-	-	(44,421)	-	-	242,565	3,871,795	100.00	-	3,871,795	None	
Ronly	422,432	5,132,154	(134,482)	(1,200,000)	-	-	(62,584)	-	(42,065)	10,359	(335,036)	1,864	287,950	3,504,692	100.00	-	3,504,692	None	
ADLINKHQ	-	-	-	-	42,310	2,542,855	58,308	-	5,526	30,548	(571)	391	42,310	2,637,057	19.44	63.20	2,674,018	None	
ComQi Ltd	39,974	888,709	-	-	-	-	(16,540)	-	(852,680)	(20,852)	-	1,363	39,974	-	100.00	-	(1,363)	None	
ADTHLD	21,300	89,856	2,700	10,194	-	-	(114,581)	-	283,485	5,229	-	-	24,000	274,183	100.00	-	274,183	None	
AETTW	111,905	484,441	55,000	550,000	-	-	(154,170)	-	(4,524)	4,934	-	-	166,905	880,681	100.00	-	902,892	None	
AUONL	50	43,790	-	-	-	-	8,459	-	-	4,068	-	-	50	56,317	100.00	-	56,317	None	
ACTTW	3,000	-	(3,000)	8,807	-	-	(4,812)	-	-	-	-	(3,995)	-	-	-	-	-	-	
ADTCM	2,700	11,391	(2,700)	(8,655)	-	-	(3,374)	-	1,539	(901)	-	-	-	-	-	-	-	-	
S4M	22,000	198,045	(22,000)	(193,834)	-	-	(1,244)	-	(2,967)	-	-	-	-	-	-	-	-	-	
DPGE	48,700	1,638,759	-	-	-	-	(654)	(3,881)	-	-	-	-	48,700	1,634,224	100.00	-	1,702,951	None	
AHTW	500	1,690	-	-	-	-	939	-	-	-	-	-	500	2,629	100.00	-	2,629	None	
SREC	25,211	336,552	-	-	-	-	434	(32,618)	-	-	-	-	25,211	304,368	32.01	-	304,368	None	
AET-YP	1,502	3,011	(1,201)	-	-	-	(3,195)	-	2,227	-	-	-	301	2,043	0.62	-	2,043	None	
AUOPC	1,000	9,930	-	-	-	-	(376)	-	-	-	-	-	1,000	9,554	100.00	-	9,554	None	
AMSCDE	-	14,419,149	-	3,943,051	-	-	(712,821)	-	-	322,231	-	3,534	-	17,975,144	100.00	-	9,996,536	None	
Yenrich	10,211	71,459	-	-	-	-	3,069	-	80	-	-	-	10,211	74,608	53.32	-	59,169	None	
AMSCTW	100	1,001	7,645	764,523	-	-	(20,309)	-	-	18,302	-	-	7,745	763,517	100.00	-	763,517	None	
CQHLD	-	-	-	(252,209)	-	-	17,979	(664,791)	852,861	24,074	-	22,086	-	-	-	-	-	(22,086)	None
		<u>114,445,239</u>		<u>(252,724)</u>		<u>2,542,855</u>	<u>6,419,992</u>	<u>(5,033,730)</u>	<u>95,847</u>	<u>522,766</u>	<u>(1,463,726)</u>	<u>30,441</u>		<u>117,306,960</u>			<u>109,111,843</u>		
Associates:																			
Qisda	235,231	6,662,133	-	-	(235,231)	(7,833,176)	2,732	-	1,471	(3,645)	(9,552)	1,180,037	-	-	-	-	-	-	
Ennostar	93,569	5,934,064	-	-	-	-	(411,181)	(84,212)	(77,530)	(14,915)	(92,738)	8,716	93,569	5,262,204	12.70	35.75	3,345,088	None	
ADLINKHQ	42,310	2,128,093	-	-	(42,310)	(2,005,841)	(31,638)	(39,466)	86	(51,637)	1,453	(1,050)	-	-	-	-	-	-	
SSEC	248,000	2,607,894	-	-	(248,000)	(2,661,154)	136,289	(83,029)	-	-	-	-	-	-	-	-	-	-	
SINTRONES	1,617	89,576	-	-	-	-	(3,836)	(4,931)	1,078	(37)	-	-	1,617	81,850	6.77	59.00	95,426	None	
SSEH	-	-	-	-	24,800	2,661,154	(7,878)	-	-	-	-	-	24,800	2,653,276	31.00	-	2,653,276	None	
SS2C	-	-	28,050	280,500	-	-	816	-	-	-	-	-	28,050	281,316	33.00	-	281,316	None	
		<u>17,421,760</u>		<u>280,500</u>		<u>(9,839,017)</u>	<u>(314,696)</u>	<u>(211,638)</u>	<u>(74,895)</u>	<u>(70,234)</u>	<u>(100,837)</u>	<u>1,187,703</u>		<u>8,278,646</u>			<u>6,375,106</u>		
		<u>\$ 131,866,999</u>		<u>27,776</u>		<u>(7,296,162)</u>	<u>6,105,296</u>	<u>(5,245,368)</u>	<u>20,952</u>	<u>452,532</u>	<u>(1,564,563)</u>	<u>1,218,144</u>		<u>125,585,606</u>					

Note (a): The amount is net of accumulated impairment.

Note (b): Additions (deductions) include (1) The Company participated in the capital increase of SS2C. (2) The Company acquired the remaining 11.25% of ADTHLD's shares from ADTCM. (3) The Company participated in the capital increase of AETTW, ACTTW, AMSCDE and AMSCTW. (4) AUOLB, Konly, Ronly, DPTW and CQHLD returned a total of \$5,326,810 thousand due to capital reduction. (5) The Company disposed of its shares in ACTTW in May 2025. (6) The Company disposed of its shares in ACTTW to ADP in November 2025, regarded as an organizational restructuring. (7) ADTCM completed liquidation in August 2025. (8) Due to the ongoing liquidation of ComQi Ltd., the CQHLD previously owned by it is now directly held by the Company.

Note (c): (1) The Company evaluated that it no longer has significant influence over Qisda in January 2025. It is considered a sale and the Company reclassified to financial assets at FVTOCI. Please refer to Note 6(3) for further details. (2) The Company assessed that it has substantial control over ADLINKHQ; therefore, ADLINKHQ was changed from an associate to a subsidiary. Please refer to Note 6(6) for further details. (3) The Company converted its holdings of SSEC shares into SSEH ordinary shares in December 31, 2025. Please refer to Note 6(6) for further details.

Note (d): Including share of (1) remeasurement of defined benefit obligation; (2) credit balance of investments in equity-accounted investees is reclassified to other noncurrent liabilities and the investment previously classified as other noncurrent liabilities in prior years is classified to investments in equity-accounted investees. (3) deemed disposal gains or losses.

AUO CORPORATION

Statement of Changes in Property, Plant and Equipment

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Please refer to Note 6(7) to this parent company only financial statements for the details.

Statement of Changes in Right-of-use Assets

Item	Beginning balance	Additions	Deductions	Ending balance
Cost:				
Land	\$ 9,510,123	-	(422,886)	9,087,237
Buildings	194,320	30,453	(55,455)	169,318
Other equipment	1,383	981	(807)	1,557
	9,705,826	31,434	(479,148)	9,258,112
Accumulated Depreciation:				
Land	2,498,745	420,116	(158,374)	2,760,487
Buildings	75,526	55,279	(55,455)	75,350
Other equipment	762	619	(807)	574
	2,575,033	476,014	(214,636)	2,836,411
Net carrying amounts	\$ 7,130,793	(444,580)	(264,512)	6,421,701

AUO CORPORATION
Statement of Changes in Intangible Assets
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

Please refer to Note 6(10) to this parent company only financial statements for the details.

Statement of Accounts Payables

<u>Vendor name</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
Company H	From Operating activities	\$ 2,114,768	
Company I	From Operating activities	1,202,764	
Company J	From Operating activities	1,047,856	
Company K	From Operating activities	850,846	
Others (less than 5% for each vendor)	From Operating activities	<u>10,640,260</u>	
		<u>\$ 15,856,494</u>	

AUO CORPORATION
Statement of Other Current Liabilities
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
Contract liabilities		\$ 4,544,997	
Accrued payroll and bonus		3,890,793	
Refund liabilities		3,215,783	
Accrued Expenses		2,305,925	
Others (less than 5% for each item)		<u>5,078,181</u>	
		<u><u>\$ 19,035,679</u></u>	

Statement of Equipment and Construction Payable

<u>Vendor name</u>	<u>Amount</u>
Company V	\$ 177,053
Company W	143,049
Company X	130,408
Company Y	109,915
Company Z	106,243
Others (less than 5% for each vendor)	<u>1,415,235</u>
	<u><u>\$ 2,081,903</u></u>

AUO Corporation
Statement of Short-term Borrowings
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Financial institution</u>	<u>Limit of credit facility</u>	<u>Amount</u>	<u>Duration and repayment terms</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>Remark</u>
Taishin International Bank	2,000,000	\$ 2,000,000	From Dec. 2025 to Mar. 2026	1.950%	None	
ING Bank	1,000,000	1,000,000	From Nov. 2025 to Jan. 2026	2.0825%	None	
ING Bank	500,000	500,000	From Dec. 2025 to Jan. 2026	2.0825%	None	
Bank of Taiwan	1,000,000	1,000,000	From Dec. 2025 to May. 2026	1.880%	None	
TCB Bank	2,500,000	2,500,000	From Dec. 2025 to Dec. 2026	1.950%	None	
Mega International Commercial Bank	400,000	400,000	From Dec. 2025 to Jan. 2026	1.880%	None	
CTBC Bank	500,000	<u>500,000</u>	From Dec. 2025 to Mar. 2026	2.050%	None	
		<u>\$ 7,900,000</u>				

AUO CORPORATION
Statement of Long-term Borrowings
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Financial institution</u>	<u>Limit of credit facility</u>	<u>Amount</u>	<u>Duration and repayment terms</u>	<u>Interest rate</u>	<u>Collateral</u>
Bank of Taiwan and First Bank (agent bank of Syndicated loan)	50,000,000	\$ 31,770,000	From Apr. 2022 to Apr. 2029		Note 8
Bank of Taiwan (agent bank of Syndicated loan)	25,000,000	10,000,000	From Nov. 2024 to Jan. 2029		Note 8
Bank of Taiwan and First Bank (agent bank of Syndicated loan)	40,000,000	10,000,000	From Feb. 2025 to Jan. 2030		Note 8
CTBC Bank	3,000,000	3,000,000	From Mar. 2023 to Mar. 2026		Unsecured loans
CTBC Bank	1,000,000	1,000,000	From Dec. 2023 to Dec. 2026		Unsecured loans
Taishin International Bank	2,500,000	2,500,000	From Aug. 2025 to Dec. 2028		Unsecured loans
Taishin International Bank	1,500,000	750,000	From Dec. 2023 to Sep. 2029		Unsecured loans
Taipei Fubon Bank	750,000	750,000	From Dec. 2023 to Dec. 2026		Unsecured loans
Taipei Fubon Bank	1,500,000	1,500,000	From Mar. 2024 to Mar. 2027		Unsecured loans
Taipei Fubon Bank	3,150,000	3,150,000	From Mar. 2024 to Mar. 2027		Note 8
Taipei Fubon Bank	1,200,000	1,200,000	From Dec. 2024 to Dec. 2027		Note 8
DBS Bank	2,000,000	2,000,000	From Mar. 2023 to Dec. 2026		Unsecured loans
DBS Bank	1,000,000	1,000,000	From Mar. 2024 to Mar. 2027		Unsecured loans
First Bank	3,200,000	1,900,000	From Sep. 2024 to Dec. 2026		Unsecured loans
First Bank	862,000	862,000	From Dec. 2019 to Dec. 2026		Note 8
Shin Kong Bank	1,000,000	1,000,000	From July. 2025 to July. 2028		Unsecured loans
KGI Bank	1,000,000	1,000,000	From Jan. 2025 to Jan. 2028		Unsecured loans
KGI Bank	1,500,000	275,000	From Mar. 2023 to Mar. 2026		Unsecured loans
TCB Bank	1,500,000	1,500,000	From Dec. 2023 to Dec. 2030		Unsecured loans
TCB Bank	2,000,000	1,754,000	From Aug. 2022 to July. 2029		Note 8
FEIB	1,000,000	1,000,000	From Jun. 2024 to Jun. 2027		Unsecured loans
FEIB	550,000	550,000	From Mar. 2023 to Mar. 2026		Unsecured loans
The Export-Import Bank of China	1,100,000	1,100,000	From Dec. 2024 to Dec. 2029		Unsecured loans
The Export-Import Bank of China	800,000	800,000	From July. 2024 to July. 2029		Unsecured loans
Taiwan Business Bank	1,500,000	1,500,000	From Mar. 2023 to Mar. 2028		Note 8
Taiwan Business Bank	988,000	988,000	From Aug. 2022 to July. 2027		Note 8
Land Bank of Taiwan	1,500,000	1,050,000	From Aug. 2022 to Jun. 2029		Note 8
Land Bank of Taiwan	3,000,000	550,000	From Nov. 2019 to Nov. 2026		Note 8
Chang Hwa Bank	2,000,000	1,339,934	From Oct. 2023 to Oct. 2028		Unsecured loans
Hua Nan Bank	760,000	760,000	From Aug. 2022 to July. 2027		Note 8
Bank of Kaohsiung	500,000	<u>500,000</u>	From Oct. 2025 to Mar. 2028		Unsecured loans
Subtotal		87,048,934		1.8780% ~ 2.640%	
Less: transaction costs		(237,360)			
Less: current installments of long-term borrowings		<u>(21,649,000)</u>			
		<u>\$ 65,162,574</u>			

AUO CORPORATION
Statement of Lease Liabilities
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Durations</u>	<u>Discount Rate</u>	<u>Amount</u>
Land	From Sep. 2001 to Dec. 2045	1.5453~1.8853%	\$ 6,673,379
Buildings	From Apr. 2022 to Nov. 2030	1.5005%~2.6036%	93,152
Other equipment	From Jun. 2024 to Apr. 2028	2.5564%~ 2.5709%	996
			<u>\$ 6,767,527</u>

Statement of Operating Revenue

<u>Item</u>	<u>Quantity (Panels in thousands)</u>	<u>Amount</u>	<u>Remark</u>
TFT-LCD Panels ten inches and above in diagonal length	101,763	\$ 195,454,929	
TFT-LCD Panels under ten inches in diagonal length	26,369	12,994,426	
Sales of raw material and others		<u>8,418,341</u>	
Total		<u>\$ 216,867,696</u>	

AUO CORPORATION
Statement of Operating Costs
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Raw materials used	
Raw materials, beginning of year (Note)	\$ 2,987,612
Add: Purchases	55,798,388
Less: Raw materials, end of year (Note)	(3,213,130)
Sale of raw materials	(1,797,768)
Transferred to other expenses and others	<u>(16,425,047)</u>
Raw materials used	37,350,055
Direct labor	9,306,582
Manufacturing expenses	<u>66,433,790</u>
Manufacturing cost	113,090,427
Work in process, beginning of year (Note)	9,392,347
Add: Purchases	91,238,241
Less: Work in process, end of year (Note)	(9,438,105)
Transferred to other expenses and others	<u>(3,162,283)</u>
Cost of finished goods	201,120,627
Finished goods, beginning of year (Note)	8,093,698
Add: Purchases	659,616
Less: Finished goods, end of year (Note)	(7,603,685)
Transferred to other expenses and others	<u>(5,041,913)</u>
Cost of goods sold	197,228,343
Add: Cost of raw materials sold	1,797,768
Other operating cost	4,699,888
Cost of idle capacity	1,284,030
Inventories write down (increased)	<u>(280,059)</u>
Cost of Sales	<u><u>\$ 204,729,970</u></u>

Note: The amounts were stated at cost.

AUO CORPORATION
Statement of Selling Expenses
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
Salary expenses		\$ 1,209,480	
Warranty expenses		997,686	
Freight expenses		496,566	
Nomination fee		277,717	
Others (less than 5% for each item)		<u>435,633</u>	
		<u><u>\$ 3,417,082</u></u>	

Statement of General and Administrative Expenses

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
Salary expenses		\$ 1,856,516	
Professional service fees		745,013	
Depreciation expenses		449,648	
Others (less than 5% for each item)		<u>2,019,152</u>	
		<u><u>\$ 5,070,329</u></u>	

AUO CORPORATION
Statement of Research and Development Expenses
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
Salary expenses		\$ 4,391,931	
Depreciation expenses		2,159,371	
Indirect material expenses		1,041,006	
Professional service fees		554,993	
Others (less than 5% for each item)		<u>1,738,268</u>	
		<u><u>\$ 9,885,569</u></u>	