



TWSE : 2409
OTC Markets : AUOTY

AU OPTRONICS CORP.

2022 Annual General Shareholders' Meeting

Meeting Agenda (Translation)

Date: June 17, 2022

NOTES TO SHAREHOLDERS:

1. For the Company's 2021 annual report, please refer to the Company's website at https://www.auo.com/en-global/Stock_Services/index
2. For the significant differences in the corporate governance between the practices of US and ROC, please refer to the above path of the Company's website.
3. Shareholders who wish to obtain the 2021 annual report may request a copy to be sent, free of charge, by contacting the Depositary at 1-888-301-6618 or <https://app.irdirect.net/company/49733/hotline/>
4. Minutes of the Company's 2022 Annual General Shareholders' Meeting will be available on the Company's website within 20 days after the Meeting at https://www.auo.com/en-global/Stock_Services/index



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-----Disclaimer-----

THIS IS A TRANSLATION OF THE AGENDA FOR THE 2022 ANNUAL GENERAL SHAREHOLDERS' MEETING OF AU OPTRONICS CORP. THE TRANSLATION IS FOR REFERENCE ONLY. IF THERE IS ANY DISCREPANCY BETWEEN THE ENGLISH VERSION AND CHINESE VERSION, THE CHINESE VERSION SHALL PREVAIL.



I. Meeting Procedure



AU Optronics Corp.

2022 Annual General Shareholders' Meeting Procedure

- Call Meeting to Order
- Chair's Address
- Report Items
- Election Item
- Recognition and Discussion Items
- Extraordinary Motions
- Meeting Adjourn



II. Meeting Agenda



AU Optronics Corp.

2022 Annual General Shareholders' Meeting Agenda

Method of Convening the Meeting: Hybrid Shareholders' Meeting

Time: 9:30 a.m., June 17, 2022, Friday

**Place: Meeting Room in AUO's Corporate Headquarters
(No. 1, Li-Hsin Rd. 2, East Dist., Hsinchu Science Park, Hsinchu City)**

**e-Meeting Platform : "E-Voting platform" by Taiwan Depository & Clearing Corporation
(<https://www.stockvote.com.tw>)**

Attendants: All shareholders or their proxy holders

Chair: Shuang-Lang (Paul) Peng, Chairman

1. Chair's Address

2. Report Items

- (1) To report the business of 2021
- (2) Audit Committee's Review Report and Communication between members of Audit Committee and head of Internal Audit
- (3) To report the cash dividend distribution of 2021
- (4) To report the distribution of employees' and directors' remuneration of 2021
- (5) To report the indirect investments in China in 2021
- (6) To report the issuance of securities in private placement

3. Election Item

To elect nine directors (including five independent directors) being the tenth-term directors

4. Recognition and Discussion Items

- (1) To recognize 2021 Business Report and Financial Statements
- (2) To recognize the proposal for the distribution of 2021 earnings
- (3) To approve the proposal of Capital Reduction in cash
- (4) To approve the amendments to Articles of Incorporation
- (5) To approve the amendments to Rules and Procedures for Shareholders' Meeting
- (6) To approve the amendment to Handling Procedures for Acquisition or Disposal of Assets
- (7) To lift non-competition restrictions on board members

5. Extraordinary Motions

6. Meeting Adjourn



Report Items

1. To report the business of 2021

Explanation: The 2021 Business Report is attached hereto as Attachment 1 (pages 12-15).

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

Explanation: The Audit Committee's Review Report is attached hereto as Attachment 2 (page 16). Please refer to page 27 in 2021 Annual Report for the communication between members of Audit Committee and head of Internal Audit.

3. To report the cash dividend distribution of 2021

Explanation:

- (1) The dividend distribution in the form of cash shall be approved by the Board of Directors (hereafter "Board") and a report of such distribution shall be submitted to the shareholders' meeting, in accordance with Article 15-1 of the Articles of Incorporation of the Company.
- (2) The available earnings for distribution was NT\$9,575,823,815 at the end of the 2021 period, and the Company distributed dividends of NT\$1 per common share, have been approved by the meeting of Board held on March 28, 2022, and proposed that the Chairman of the Board is authorized to determine the ex-dividend date and payment date for the cash dividend distribution and other related matters.
- (3) If the dividend distribution ratio is adjusted due to a change in the Company's total number of outstanding common shares it is proposed that the Chairman of the Board be authorized to adjust the ratio of dividend to be distributed to each common share based on the total amount approved by the 2022 Annual General Shareholders' Meeting to be distributed and the actual number of common shares outstanding on the record date for distribution.

4. To report the distribution of employees' and directors' remuneration of 2021

Explanation: Distribution of NT\$6,339,434,696 and NT\$206,945,638 in cash as remunerations to employees and directors, respectively, have been approved by the meeting of the Board of Directors held on March 28, 2022.



5. To report the indirect investments in China in 2021

Explanation: Below please see the Company's indirect investments in China as of December 31, 2021:

Investee	Accumulated investment amount from R.O.C. (Note 1)	Method of investment	Caps for total investment amount in China (Note 2)
AU Optronics (Suzhou) Corp., Ltd.	NT\$5,537,600 thousand	Indirect investment through offshore entities	NT\$142,779,883 thousand
AU Optronics (Shanghai) Co., Ltd.	NT\$27,688 thousand		
AU Optronics (Xiamen) Corp.	NT\$6,922,000 thousand		
AU Optronics Manufacturing (Shanghai) Corp.	NT\$2,215,040 thousand		
AUO (Kunshan) Co., Ltd.	NT\$30,875,166 thousand		
AUO Digitech (Suzhou) Co., Ltd.	NT\$249,192 thousand		

Note 1: The amount of New Taiwan dollars ("NT\$") is calculated based on the exchange rate on the Company's balance sheet date.

Note 2: The cap shall be 60% of NT\$237,966,471 thousand (i.e., the Company's net worth as shown in the Company's balance sheet as of December 31, 2021).

6. To report the issuance of securities in private placement

Explanation:

- (1) It has been approved by the Annual General Shareholders' Meeting held on August 19, 2021 to authorize the Board of Directors (hereafter "Board"), within the limit of 945 million common shares, depending on the market conditions and the Company's capital needs, to choose appropriate timing and one or more fund raising instruments to issue new common shares for cash to sponsor issuance of the overseas depositary shares and/or new common shares for cash in public offering and/or new common shares for cash in private placement and/or overseas or domestic convertible bonds in private placement in accordance with the applicable laws and regulations.
- (2) In accordance with paragraph 7 of Article 43-6 of the Securities and Exchange Act, the private placement may be carried out within one year of the date of the resolution of the shareholders' meeting.
- (3) In case the amount of the aforementioned fundraising has not been completed prior to the 2022 Annual General Shareholders' Meeting, the remaining amount will be canceled from the date of the 2022 Annual General Shareholders' Meeting.



Election Item

To elect nine directors (including five independent directors) being the tenth-term directors. (proposed by the Board of Directors)

Explanation:

1. The term of office for the ninth-term directors expired on June 13, 2022. Thus, it is proposed to elect nine directors (including five independent directors) at the 2022 Annual General Shareholders' Meeting. The term of office for the new directors (including independent directors) is three years from the date for the completion of the 2022 Annual General Shareholders' Meeting. The ninth-term directors will leave their office on the date the new directors are elected.
2. According to the Company's Articles of Incorporation, directors shall be elected by adopting candidate nomination system and nomination and election of the directors shall be conducted in accordance with the applicable laws and regulations. Shareholders shall elect the directors from the nominated candidates. The academic background, experience, reason of continuing nomination and relevant information of the nominated candidates are attached hereto as Attachment 3 (pages 17-19).

Result:

Recognition and Discussion Items

- 1. To recognize 2021 Business Report and Financial Statements (proposed by the Board)**

Explanation:

- (1) The 2021 Financial Statements were audited by the independent auditors, Yu, Chi-Lung and Yu, Wan-Yuan of KPMG.
- (2) For the 2021 Business Report, Independent Auditors' Report, and the 2021 Financial Statements, please refer to Attachments 1 and 4-5 (pages 12-15 and pages 20-37).

Resolution:

- 2. To recognize the proposal for the distribution of 2021 earnings (proposed by the Board)**

Explanation: For the Proposal for 2021 Earnings Distribution, please refer to Attachment 6 (page 38).

Resolution:



3. To approve the proposal of Capital Reduction in cash (proposed by the Board)

Explanation:

- (1) In order to adjust the capital structure for corporate transformation, the Board of the Company resolved to reduce capital and refund cash to shareholders.
- (2) Amount of capital reduction is NT\$ 19,248,490,230 and shares to be cancelled are 1,924,849,023. According to the total shares 9,624,245,115 issued, capital reduction percentage is 20%. After capital reduction, share capital will be NT\$ 76,993,960,920 and shareholders will be refunded NT\$ 2 per holding share (rounded up to the nearest integer) in cash. Paid-in capital after capital reduction and capital reduction percentage are calculated in accordance with the total shares issued at the record date of the capital reduction and share transfer.
- (3) According to the total shares issued in the preceding paragraph, 800 new shares were issued for each thousand shares. After capital reduction, shareholders may combine shares of common stock less than 1 share with the stock transfer agency of the Company between 5 days prior to the record date and the day before the record date of the capital reduction and share transfer. For fractional shares of common stock that are still less than 1 share after combination, cash deducted book-entry transfer and dematerialized registration fees will be distributed at the closing price (rounded up to the nearest integer) on the last trading date at the stock exchange market before the record date for stock conversion; Chairperson is authorized to appoint a specific party to subscribe to such fractional shares at the closing price.
- (4) The new shares to be issued under the capital reduction will be issued without any entity, and the rights and obligations of the new shares will be the same as those of the original shares.
- (5) After the approval of this capital reduction from the shareholders' meeting and the authorities, the chairperson will be authorized to determine the record date of the capital reduction and replacement of shares.
- (6) If any matters relevant to the capital reduction need to be amended due to the cancellation of the Company's treasury shares, the change of the R.O.C. laws or regulations, market conditions, and other factors before the record date for capital reduction, the Chairperson of the Company is authorized to deal with relative matters in accordance with the approval from the shareholders' meeting.

Resolution:

4. To approve the amendment to Articles of Incorporation (proposed by the Board)

Explanation: To meet the operational needs and to comply with the amendment to the Company Act in 2021, it is proposed to amend the Articles of Incorporation. A comparison table for the Articles of Incorporation before and after the amendments is attached hereto as Attachment 7 (pages 39).

Resolution:



5. To approve the amendments to Rules and Procedures for Shareholders' Meeting (proposed by the Board)

Explanation:

- (1) To comply with the amendment of the Sample Template for Co., Ltd. Rules of Procedure for Shareholders Meetings, it is proposed to amend the Company's Rules and Procedures for Shareholders' Meeting.
- (2) Comparison table for before and after the amendment is attached hereto as Attachment 8 (page 40).

Resolution:

6. To approve the amendment to Handling Procedures for Acquisition or Disposal of Assets (proposed by the Board)

Explanation:

- (1) To comply with Regulations Governing the Acquisition and Disposal of Assets by Public Companies, it is proposed to amend Handling Procedures for Acquisition or Disposal of Assets.
- (2) Comparison tables for before and after the amendments are attached hereto as Attachment 9 (pages 41-49).

Resolution:

7. To lift non-competition restrictions on board members (proposed by the Board)

Explanation:

- (1) According to Article 209 of the Company Act, any Director conducting business for himself/herself/itself or on behalf of other people that is within the Company's business scope, shall provide explanation for the essential contents of such conduct at the Shareholders' Meeting, and obtain approval therefrom.
- (2) List of non-competition restrictions proposed to be lifted in the 2022 annual shareholders' meeting is as Attachment 10 (pages 50).

Resolution:

Extraordinary Motions

Meeting Adjourn



III. Attachments



Attachment I

2021 Business Report

Looking back on 2021, the COVID-19 pandemic repeatedly ravaged economic activity while producing market turmoil. In terms of supply chain, additional factors such as component shortages and port congestions brought forth many variables and challenges for AUO's business. In the first half of the year, the pandemic generated sustained demand in the stay-at-home economy, leading in turn to strong demand for consumer products. With the pandemic gradually easing in the second half, demand shifted to commercial models and products centering on commercial applications. Confronting these rapid market changes, the Company fully leveraged our team spirit and adaptability in adjusting its business strategies. Furthermore, our Company-wide efforts created total annual revenues of NTD 370.7 billion, achieving a significant increase of nearly NTD 100 billion compared with the prior year. Meanwhile, net profit attributable to the parent company attained a record high of NTD 61.33 billion. These results have also fully demonstrated the outcome of the Company's value transformation strategy, bringing forth a year of abundance for AUO.

On our path toward value transformation under the concept of AUO NEXT, we continue to strengthen our research and development of forward-looking display technology while launching high-end product applications ahead of the market. Furthermore, the Company is extending into selected fields and teaming up with ecosystem partners to actively create smart field applications and value-added innovations. Looking back on 2021, AUO's achievements include the following:

- Grasping the trend of panels for gaming displays, AUO is taking the lead in extending gaming display technologies to gaming applications of different sizes, from monitors to TV panels, in order to meet the needs of customers in multiple entertainment scenarios.
 - AUO has launched the world's highest refresh rate 360Hz gaming notebook panel and ultra-high refresh rate 240Hz gaming monitor panel to display clear and smooth moving images, and combined with Mini LED backlight technology, it clearly shows all the details of the dark scenes, allowing players to master speed, the crux skill for victory in racing and shooting games.
 - AUO was the first to launch an 85-inch 4K gaming TV panel with the highest 240Hz variable refresh rate in the world, using special processes and material for panel pixels combined with panel circuit design technology to create ultra-high screen refresh rates to effectively eliminate screen lag and image disruption. This makes animated images clearer and more realistic, presenting game visual effects in their entirety along with ultra-high image contrast to create a new game immersion experience.
 - AUO uses sophisticated and innovative technology in all aspects of the green cycle. In addition to being the first panel manufacturer in the world to receive the UL 3600 Circularity Certification, we have also launched environmentally friendly concept notebook panels with customers and have used more diversified material application methods to create differentiated brand value for customers.
 - AUO holds the leading position in LTPS notebook panels. Brands favor the advantages of LTPS including low power consumption and a narrow bezel, and it can be widely used in high-end notebook products. In order to meet market demand, AUO further expanded its production capacity of LTPS panels at the Kunshan plant in 2021. We shall continue to use existing technologies and fabs to increase overall notebook panel production capacity to meet the strong demand for IT panels in the post-pandemic era, consolidating AUO's global market share in high-end notebook panels.

- Given the accelerating digital transformation of global industries, there is an increasing reliance on human-machine interfaces. Long-distance, non-contact communication has given rise to a strong desire for high-end monitors. AUO continues to pursue the evolution of cutting-edge display technology, showing how displays can respond to changing demands and making them the best facilitator of smooth communications between humans and machines.
 - As the COVID-19 pandemic continues, a large portion of person-to-person communication has been transferred online. There are thus more opportunities for people to stare at their screens for long periods of time, which in turn further increases the burden on their eyes. For this reason, AUO has exclusively developed A.R.T. (Advanced Reflectionless Technology) eye protection technology with anti-glare and anti-reflection features. Focusing on the needs of content creators, graphic producers, and other types of workers, AUO launched the world's first 32-inch 8K professional editing monitor panel that allows users to see image details without being disturbed by ambient light reflections when drawing, making videos, or viewing photos. In addition, we have created different innovative values in different field applications in our A.R.T. eye protection technology. In the medical field, for example, AUO has also launched the world's first 21.3-inch A.R.T. panel for medical devices.
 - With the popularization of electric vehicles, cabin space is being freed up with the elimination of fuel engines and this in turn is accelerating the development of smart cockpits. As an integration expert and leading manufacturer of automotive display interfaces, AUO has insight into the trends of next-generation automotive applications. These include product specs calling for high brightness, high contrast, wide color gamut, fast response speed, and a high degree of reliability. At the same time, cutting-edge display technologies are being introduced into various automotive display devices, such as large-size lamination integrated with in-screen fingerprint recognition and Mini LED backlight, in order to comprehensively upgrade the driving experience.
 - Demand is flourishing for advanced medical imaging and highly integrated medical information in the smart healthcare field. AUO has cooperated with ecosystem partners to launch an operating room imaging integration solution and took the lead in launching high-end 3D surgical display solutions that allow surgeons to view stereoscopic images with in-depth information during surgery. Moreover, a 4K naked-eye 3D display panel used in the operating room that is equipped with an eye tracking system exclusively developed by AUO allows doctors to view clear 3D images from all angles without the need to wear glasses during surgery.
 - In the field of smart transportation, TARTAN products can be customized into various sizes without space constraints. In addition to being installed in long and narrow or leftover spaces in a train carriage, these displays also provide a variety of options for different train models and can be applied to flexible space configurations that are centered on passenger needs and are convenient for office work and carrying bicycles.

Looking forward to 2022, the structure of the industry will continue to change. From the supply side, the growth rate of production capacity has slowed down. In addition, there are still problems with supply chains and shortages in materials, hence effective production capacity is limited. From the demand side, demand for consumer products is weak and momentum has shifted to commercial and niche market products. Overall, demand is expected to return to the normal seasonality that was seen before the pandemic. Since the Russian-Ukrainian war began, however, rising component prices and rising inflation have impacted the global industrial economy as well as supply chains. The Company will carefully assess the corresponding impact on operations in 2022.



AUO has been promoting a biaxial transformation strategy over the past few years, and its results can now gradually be seen:

I. Go Premium:

- The Company has continued to invest in premium and high-value production capacities in recent years, adjusting our product mix and increasing the proportion of high value-added products. At present, high value-added products contribute 50% of revenues.
- Such products are relatively stable in terms of demand and profitability in comparison with commodity products. Because of this, the recent market volatility has had relatively minor impact on the Company's operations, and in turn has allowed AUO to hand in an outstanding report card for 2021.

II. Go Vertical:

- The Company will continue to focus on display technology while devoting attention to diversified applications in five fields, namely: smart healthcare, smart manufacturing, smart education and entertainment, smart retail, and smart transportation. Starting from panels and combining hardware systems, software, and solutions, and by applying field management, this approach is expected to create several times the value as compared to the pure panel business.
- Field operations of the non-pure panel business do not currently contribute substantially to revenues, but they should grow rapidly and become AUO's growth engine in the future. The associated mid- and long-term revenue contribution targets are more than 20%.

Becoming an outstanding sustainable enterprise has always been the Company's core goal. In order to be in line with international trends, AUO has linked SDGs to 2025 CSR targets, thereby allowing ESG to develop in a balanced way. Taiwan faced severe drought conditions in 2021, and the Company optimized its water usage efficiency through continuous improvements in smart manufacturing. Our overall process water recovery rate increased to nearly 95%, and we obtained the first ISO 46001 water resource efficiency management system certification in Taiwan. In this way, we have balanced both our competitiveness and the environment. Addressing global trends toward carbon reduction, AUO has engaged in active deployment in this area and passed a review by the Science Based Targets (SBT) initiative. Furthermore, we have moved along the path of reducing total carbon emissions year by year. This year, we also officially became a member of RE100, a global renewable energy initiative, and pledged to use 100% renewable energy by 2050 and work towards the goal of net zero. At the same time, on the basis of experience accumulated along the way, AUO will continue to strengthen its operational resilience and seek new business opportunities in coordination with the value chain. Elsewhere, in regard to the promotion of corporate sustainability in 2021, AUO has been selected as a constituent company of the Dow Jones Sustainability World Index for the 12th consecutive year and has earned an MSCI ESG Rating of "A." Furthermore, the Company continues to place in the top 5% of corporate governance evaluations by the Taiwan Stock Exchange. In terms of ESG appraisal, AUO has also demonstrated many outstanding performances and won several honors including recognition among "The Most Prestigious Sustainability Awards-Top Ten Domestic Corporate" by the Taiwan Corporate Sustainability Awards; earning a National Enterprise Environmental Protection Award; and joining the Bloomberg Gender-Equality Index.

The Company's financial health has tended to be stronger as this strategy has gradually shown results. Moreover, the Company continues to focus on its operations to bring stable cash flows as it plans and promotes a stable shareholder return policy in the medium and long term. Total shareholder return to be distributed from 2022 to 2024 is expected to be approximately NT\$55.77 billion (Note 1). The Company will enhance shareholder rights and corporate value in order to give back to the shareholders who have supported AUO for so long.



A handwritten signature in black ink, appearing to read 'Paul Peng'.

Shuang-Lang (Paul) Peng,
Chairman

A handwritten signature in black ink, appearing to read 'Frank Ko'.

Frank Ko,
President

A handwritten signature in black ink, appearing to read 'Benjamin Tseng'.

Benjamin Tseng,
Chief Financial Officer and
Chief Accounting Officer

(Note 1) Methods of shareholder compensation are to include dividends, capital reductions, and returns of capital reserves with one or a combination of these methods being paid in cash. Actual amounts and methods of distribution will be submitted to the Board of Directors or Shareholders' Meeting for resolution in accordance with relevant laws and regulations. In 2022, a cash dividend of NT\$9.58 billion will be issued as well as a cash capital reduction of NT\$19.25 billion. A total of NT\$28.82 billion will thus be distributed in 2022, with the remainder to be distributed in 2023 and 2024. Actual distribution amount per share is to be calculated according to the amount of each shareholder's compensation and the number of shares eligible to participate at the time of distribution.



Attachment 2:

Audit Committee's Review Report

The Board of Directors has prepared the Company's Business Report, Financial Statements, and Earnings Distribution Proposal for the year of 2021. Yu, Chi-Lung and Yu, Wan-Yuan, Certified Public Accountants of KPMG, have audited the Financial Statements. The 2021 Business Report, Financial Statements, and Earnings Distribution Proposal have been reviewed and determined to be correct and accurate by the Audit Committee of AU Optronics Corp. I, as the Chair of the Audit Committee, hereby submit this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

AU Optronics Corp.

Chair of the Audit Committee

A handwritten signature in black ink, appearing to be 'Philip Peng' in Chinese characters, enclosed within a large, stylized bracket.

Chin-Bing (Philip) Peng

March 28, 2022



Attachment 3:

List of Director Candidates
(Nominated by the Company's Board of Directors)

No.	Types of Nominee	Name	Gender	Shareholding (Note)	Major Education & Experience	Major Current Positions
1	Director	Shuang-Lang (Paul) Peng	Male	7,443,213 shares	M.B.A., Heriot-Watt University, U.K. President, AU Optronics Corp.	Chairman and Chief Executive Officer, AU Optronics Corp. Director, Ennostar Inc. Director, Qisda Corp.
2	Director	Frank Ko, Representative of AUO Foundation	Male	312,000 Shares	Ph.D. in Optoelectronics (Science), National Chiao Tung University Chairman and CEO, E Ink Holdings Inc. Vice President, Strategic Development Office, AU Optronics Corp. Vice President, TV Display Business Group, AU Optronics Corp.	Director, AU Optronics Corp. Director, Darwin Precisions Corp. Director, ADLINK Technology Inc.
3	Director	Han-Chou (Joe) Huang, Representative of Qisda Corporation	Male	663,598,620 shares	EMBA, Tsing Hua University in Beijing MBA, Greenwich University GM of Global Supply Chain, Qisda COO, BenQ China	President, Qisda Corp. Director, Qisda Corp. Director, Topview Optronics Corp. Chairman, Data Image Corp. Chairman, Diva Laboratories, Ltd. Chairman, Simula Technology Inc. Chairman, Action Star Technology Co., Ltd. Chairman, Qisda Optronics Corp. Director, Qisda America Corp. Director, BenQ Foundation
4	Director	Chuang-Chuang Tsai, Representative of Ming Hua Investment Company Limited	Female	9,968,986 shares	Ph.D. in Physics, University of Chicago President, E Ink Holdings Inc. CTO, E Ink Holdings Inc. Independent Director, Bank Sinopac Professor, Department of Photonics and Display Institute, National Yang Ming Chiao Tung University Senior Vice President, Quanta Display Inc.	Director, E Ink Holdings Inc.
5	Independent Director	Chin-Bing (Philip) Peng	Male	96,670 shares	M.B.A, National Chengchi University Senior Vice President and CFO, ACER Incorporated.	Independent Director and Member of Audit Committee and Corporation Governance Committee, AU Optronics Corp. Independent Director and Member of Audit Committee and Remuneration Committee, Apacer Technology Inc. Director, Wistron Corporation Director, Wistron NeWeb Corporation. Director, Wistron Information Technology & Services Corporation Chairman, Smart Capital Corporation Supervisors, Allxon Inc. Director, Zigong Art Sharing Co., Ltd.

No.	Types of Nominee	Name	Gender	Shareholding (Note)	Major Education & Experience	Major Current Positions
6	Independent Director	Yen-Hsueh Su	Female	0 share	<ul style="list-style-type: none"> - Master in Industrial Administration of Carnegie Mellon University, U.S.A - Chief Investment Officer, Pegatron Corporation. - Chief Investment Officer, ASUSTEK Computer Inc. - Managing Director, and Head of Asia Technology Hardware Research, UBS 	<ul style="list-style-type: none"> - Independent Director and Member of Audit Committee, Remuneration Committee and Corporation Governance Committee, AU Optronics Corp. - Independent Director and Member of Audit Committee, Remuneration Committee and Investment Review Committee, TXC Corporation - Director, SPOTFILMS CO., LTD. - Independent Director and Member of Audit Committee and Remuneration Committee, The Eslite spectrum Corp. - Independent Non-executive Director, Cowell E Holdings Inc.
7	Independent Director	Jang-Lin (John) Chen	Male	0 share	<ul style="list-style-type: none"> - Stanford Executive Program, Stanford University, Graduate School of Business - Ph.D. in Polymer Material, NYU/Polytechnic University, U.S.A - ITRI Fellow, Electronics & Optoelectronics System Research Lab - VP and DTC General Director, Display Technology Center, ITRI - Adjunct Professor, Department of Photonics, National Yang Ming Chiao Tung University - CTO, Kodak LCD Polarizer Films Business - Research Fellow, Eastman Kodak Company 	<ul style="list-style-type: none"> - Independent Director and Member of Audit Committee and Corporation Governance Committee, AU Optronics Corp. - ITRI Research Fellow, Electronics & Optoelectronics System Research Lab and Industry, Science and Technology International Strategy Center - Executive Supervisor, SID Taipei Chapter - Managing Director, Taiwan Display Material & Devices Association - Vice Chairman, Taiwan Display Union Association - Chair Professor, National Yang Ming Chiao Tung University - Honorary Professor, Department of Engineering and System Science, National Tsing Hua University
8	Independent Director	Chiu-ling Lu	Female	0 share	<ul style="list-style-type: none"> - Ph.D in Finance, University of Connecticut - Master in Finance, Louisiana State University - Master in Quantitative Business Analysis, Louisiana State University - Associate Dean, College of Management, National Taiwan University - Department Chair, Department of International Business, National Taiwan University - Professor, Department of Financial, National Chengchi University 	<ul style="list-style-type: none"> - President, Takming University of Science and Technology - Professor, Department of Finance, Takming University of Science and Technology - Professor, Department of International Business, National Taiwan University - Member of Remuneration Committee, Chen Full International Co., Ltd.
9	Independent Director	Cathy Han	Female	0 share	<ul style="list-style-type: none"> - MBA, University of Connecticut - Executive Vice President, Business Development Department, CDIB Capital Group - Executive Vice President, Corporate Strategy and Planning Department, 	<ul style="list-style-type: none"> - Independent Director and Member of Audit Committee, Remuneration Committee and Corporate Sustainability Committee, Wiyynn Corporation - Independent Director and Member



No.	Types of Nominee	Name	Gender	Shareholding (Note)	Major Education & Experience	Major Current Positions
					China Development Industrial Bank Senior Vice President of Principal Investment Department, China Development Industrial Bank	of Audit Committee and Remuneration Committee, Apacer Technology Inc. Independent Director and Member of Audit Committee and Remuneration Committee, Macroblock, Inc.

Note : The collective shareholdings were shown as of April 19, 2022, the first date of local book-close period for the 2022 Annual Shareholders' Meeting.

Reason of continuing to nominate Mr. Chin-Bing (Philip) Peng who has served consecutively as independent director for three consecutive terms as independent director of the Company:

In response to the panel industry cycle, the challenges of the rapidly changing of new applications and long-term development strategy, the members of the Board of Directors need to have both experience and appropriate rotation. The Company evaluates that under the Board structure with the independent directors exceeding one-half of the total director seats, the turnover of the independent directors of each term should not exceed half the seats.

Mr. Chin-Bing (Philip) Peng has rich experience in financial accounting, financial investment, business management and technology industry, which will fully contribute to the Company's strategy, planning and post-investment management of two-axis transformational investments. In order to meet the Company's strategic transformation, long-term development needs and the overall diversification of the members of the Board of Directors, it is proposed to nominate Mr. Peng as an independent director to continue to provide supervision and professional advice to the Board of Directors.

At the same time, the Company will review the independence of independent directors each year, regularly conduct internal and external director performance evaluation and plan director training to enhance the independence, professionalism and effectiveness of the overall Board of Directors.



Attachment 4

Independent Auditors' Report

To the Board of Directors of AU Optronics Corp.:

Opinion

We have audited the parent company only financial statements of AU Optronics Corp. ("the Company"), which comprise the balance sheets as of December 31, 2021 and 2020, the statements of comprehensive income, statements of changes in equity, and statements of cash flows for the years ended December 31, 2021 and 2020, and notes to the parent company only financial statements including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, 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 audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of 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(16) "Impairment – non-financial assets", Note 5(1) and Note 5(2) "Critical accounting judgments and key sources of estimation and assumption uncertainty", Note 6(8) "Property, plant and equipment", Note 6(9) "Lease arrangements" and Note 6(11) "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(19) "Revenue from contracts with customers" and Note 6(18) "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 auditors' 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 auditing standards generally accepted in 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 auditing standards generally accepted in the Republic of China, we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

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



6. Obtained sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG

Hsinchu, Taiwan (Republic of China)
February 10, 2022

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. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.



AU OPTRONICS CORP.
Balance Sheets
December 31, 2021 and 2020
(Expressed in thousands of New Taiwan dollars)

Assets		December 31, 2021		December 31, 2020		Liabilities and Equity		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents	\$ 35,620,938	9	54,969,325	15	2120	Financial liabilities at fair value through profit or loss—current	39,294	-	135,420	-
1110	Financial assets at fair value through profit or loss—current	130,434	-	21,361	-	2170	Accounts payable	25,563,063	7	24,457,428	7
1136	Financial assets at amortized cost—current	10,000,000	3	-	-	2180	Accounts payable to related parties	33,402,582	9	29,923,778	8
1170	Accounts receivable, net	48,983,659	13	41,585,707	11	2213	Equipment and construction payable	2,037,379	1	2,201,328	1
1180	Accounts receivable from related parties, net	7,475,344	2	2,258,704	1	2220	Other payables to related parties	285,903	-	645,371	-
1210	Other receivables from related parties	2,071,262	1	1,021,418	-	2230	Current tax liabilities	62,580	-	-	-
1220	Current tax assets	28,430	-	43,395	-	2250	Provisions—current	777,282	-	662,250	-
130X	Inventories	21,691,552	6	18,984,776	5	2280	Lease liabilities—current	378,273	-	390,595	-
1476	Other current financial assets	1,771,363	-	221,461	-	2399	Other current liabilities	28,097,647	7	14,523,627	4
1479	Other current assets	1,881,797	-	1,938,708	1	2322	Current installments of long-term borrowings	12,267,653	3	11,184,508	3
		<u>129,654,779</u>	<u>34</u>	<u>121,044,855</u>	<u>33</u>			<u>102,911,656</u>	<u>27</u>	<u>84,124,305</u>	<u>23</u>
Noncurrent assets:						Noncurrent liabilities:					
1517	Financial assets at fair value through other comprehensive income—noncurrent	65,989	-	-	-	2527	Contract liabilities—noncurrent	8,739,846	2	-	-
1550	Investments in equity-accounted investees	110,187,644	29	85,868,028	24	2540	Long-term borrowings, excluding current installments	28,379,592	8	84,455,010	23
1600	Property, plant and equipment	117,565,260	30	129,554,205	36	2550	Provisions—noncurrent	679,907	-	779,500	-
1755	Right-of-use assets	8,325,689	2	8,790,075	2	2570	Deferred tax liabilities	3,331,803	1	2,334,898	1
1760	Investment property	465,868	-	465,868	-	2580	Lease liabilities—noncurrent	8,153,713	2	8,542,357	3
1780	Intangible assets	10,688,986	3	11,806,450	3	2600	Other noncurrent liabilities	1,619,978	-	959,815	-
1840	Deferred tax assets	5,528,979	1	5,250,159	2			<u>50,904,839</u>	<u>13</u>	<u>97,071,580</u>	<u>27</u>
1900	Other noncurrent assets	3,120,341	1	1,220,936	-			<u>153,816,495</u>	<u>40</u>	<u>181,195,885</u>	<u>50</u>
		<u>255,948,756</u>	<u>66</u>	<u>242,955,721</u>	<u>67</u>		Total liabilities				
							Equity:				
						3100	Common stock	96,242,451	25	96,242,451	26
						3200	Capital surplus	60,057,001	15	60,587,684	17
						3300	Retained earnings	80,669,998	21	30,258,282	8
						3400	Other components of equity	(4,743,182)	(1)	(3,270,303)	(1)
						3500	Treasury shares	(439,228)	-	(1,013,423)	-
							Total equity	<u>231,787,040</u>	<u>60</u>	<u>182,804,691</u>	<u>50</u>
Total Assets		<u>\$ 385,603,535</u>	<u>100</u>	<u>364,000,576</u>	<u>100</u>		Total Liabilities and Equity	<u>\$ 385,603,535</u>	<u>100</u>	<u>364,000,576</u>	<u>100</u>



AU OPTRONICS CORP.
Statements of Comprehensive Income
For the years ended December 31, 2021 and 2020
(Expressed in thousands of New Taiwan dollars, except for Earnings per share)

		2021		2020	
		Amount	%	Amount	%
4110	Revenue	\$ 333,453,625	101	256,851,362	100
4190	Less: sales return and discount	2,223,070	1	762,017	-
	Net revenue	331,230,555	100	256,089,345	100
5000	Cost of sales	260,307,149	79	240,070,378	94
	Gross profit	70,923,406	21	16,018,967	6
	Operating expenses:				
6100	Selling and distribution expenses	3,540,549	1	2,702,022	1
6200	General and administrative expenses	6,357,095	2	4,139,655	2
6300	Research and development expenses	10,093,084	3	8,054,215	3
	Total operating expenses	19,990,728	6	14,895,892	6
	Profit from operations	50,932,678	15	1,123,075	-
	Non-operating income and expenses:				
7100	Interest income	159,594	-	158,965	-
7010	Other income	565,952	-	895,740	-
7020	Other gains and losses	(206,835)	-	(182,115)	-
7050	Finance costs	(1,447,159)	-	(1,771,273)	-
7060	Share of profit of equity-accounted investees	12,431,269	4	2,272,193	1
	Total non-operating income and expenses	11,502,821	4	1,373,510	1
7900	Profit before income tax	62,435,499	19	2,496,585	1
7950	Less: income tax expense (benefit)	1,104,871	-	(879,739)	-
8200	Profit for the year	61,330,628	19	3,376,324	1
8300	Other comprehensive income:				
8310	Items that will never be reclassified to profit or loss				
8311	Remeasurement of defined benefit obligations	21,693	-	140,218	-
8316	Unrealized gain on equity investments at fair value through other comprehensive income (loss)	(25,518)	-	2,564,513	1
8330	Equity-accounted investees – share of other comprehensive income	236,236	-	113,167	-
8349	Related tax	(4,664)	-	(28,043)	-
		227,747	-	2,789,855	1
8360	Items that are or may be reclassified subsequently to profit or loss				
8361	Foreign operations – foreign currency translation differences	(1,765,440)	(1)	(3,049,722)	(1)
8380	Equity-accounted investees – share of other comprehensive income	523,293	-	2,961,666	1
8399	Related tax	328,538	-	11,518	-
		(913,609)	(1)	(76,538)	-
8300	Other comprehensive income (loss), net of tax	(685,862)	(1)	2,713,317	1
8500	Total comprehensive income for the year	\$ 60,644,766	18	6,089,641	2
	Earnings per share (NT\$)				
9750	Basic earnings per share	\$ 6.44		0.36	
9850	Diluted earnings per share	\$ 6.26		0.35	



AU OPTRONICS CORP.
Statements of Changes in Equity
For the years ended December 31, 2021 and 2020
(Expressed in thousands of New Taiwan dollars)

							Other Components of Equity				
	Capital Stock			Retained Earnings			Cumulative Translation Differences	Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income		Treasury Shares	Total Equity
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Subtotal			Subtotal		
Balance at January 1, 2020	\$ 96,242,451	60,544,474	7,691,688	847,770	14,364,264	22,903,722	(3,129,982)	1,124,598	(2,005,384)	(1,013,423)	176,671,840
Appropriation of earnings:											
Special reserve	-	-	-	1,157,614	(1,157,614)	-	-	-	-	-	-
Profit for the year	-	-	-	-	3,376,324	3,376,324	-	-	-	-	3,376,324
Other comprehensive income (loss), net of tax	-	-	-	-	113,073	113,073	(76,538)	2,676,782	2,600,244	-	2,713,317
Total comprehensive income (loss) for the year	-	-	-	-	3,489,397	3,489,397	(76,538)	2,676,782	2,600,244	-	6,089,641
Changes in deemed contributions from shareholders	-	1,073	-	-	-	-	-	-	-	-	1,073
Adjustments for changes in investees' equity	-	42,137	-	-	-	-	-	-	-	-	42,137
Disposal of equity investments measured at fair value through other comprehensive income	-	-	-	-	3,865,163	3,865,163	-	(3,865,163)	(3,865,163)	-	-
Balance at December 31, 2020	96,242,451	60,587,684	7,691,688	2,005,384	20,561,210	30,258,282	(3,206,520)	(63,783)	(3,270,303)	(1,013,423)	182,804,691
Appropriation of earnings:											
Legal reserve	-	-	735,456	-	(735,456)	-	-	-	-	-	-
Special reserve	-	-	-	1,264,919	(1,264,919)	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(2,850,967)	(2,850,967)	-	-	-	-	(2,850,967)
Profit for the year	-	-	-	-	61,330,628	61,330,628	-	-	-	-	61,330,628
Other comprehensive income (loss), net of tax	-	-	-	-	8,223	8,223	(913,609)	219,524	(694,085)	-	(685,862)
Total comprehensive income (loss) for the year	-	-	-	-	61,338,851	61,338,851	(913,609)	219,524	(694,085)	-	60,644,766
Changes in deemed contributions from shareholders	-	449	-	-	-	-	-	-	-	-	449
Adjustments for changes in investees' equity	-	(1,356,246)	-	-	(8,101,518)	(8,101,518)	(753,444)	-	(753,444)	-	(10,211,208)
Share-based payments	-	825,114	-	-	-	-	-	-	-	574,195	1,399,309
Disposal of equity investments measured at fair value through other comprehensive income	-	-	-	-	25,350	25,350	-	(25,350)	(25,350)	-	-
Balance at December 31, 2021	\$ 96,242,451	60,057,001	8,427,144	3,270,303	68,972,551	80,669,998	(4,873,573)	130,391	(4,743,182)	(439,228)	231,787,040



AU OPTRONICS CORP.
Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(Expressed in thousands of New Taiwan dollars)

	2021	2020
Cash flows from operating activities:		
Profit before income tax	\$ 62,435,499	2,496,585
Adjustments for:		
- depreciation	22,394,148	23,787,296
- amortization	170,775	245,311
- losses (gains) on financial instruments at fair value through profit or loss	(205,199)	125,758
- interest expense	1,371,931	1,699,576
- interest income	(159,594)	(158,965)
- dividend income	(2,598)	(251,423)
- compensation costs of share-based payments	793,463	-
- share of profit of equity-accounted investees	(12,431,269)	(2,272,193)
- gains on disposals of property, plant and equipment, net	(782,257)	(21,322)
- gains on disposals of investments, net	(496,461)	-
- impairment losses on assets	1,017,725	36,788
- unrealized foreign currency exchange losses (gains)	(7,139)	119,736
- others	75,227	39,307
Changes in operating assets and liabilities:		
- accounts receivable	(11,734,364)	(14,422,629)
- receivables from related parties	(399,806)	(329,567)
- inventories	(2,973,563)	(1,728,515)
- net defined benefit assets	(12,299)	(549,716)
- other operating assets	(2,308,415)	1,265,569
- contract liabilities	11,503,416	187,100
- accounts payable	1,041,259	(94,420)
- payables to related parties	3,119,336	4,838,219
- provisions	72,305	(21,862)
- other operating liabilities	11,802,579	468,077
Cash generated from operations	84,284,699	15,458,710
Interest received	159,574	158,679
Dividends received	813,819	371,371
Interest paid	(1,416,424)	(1,702,459)
Income taxes refunded (paid)	14,958	(15,087)
Net cash provided by operating activities	83,856,626	14,271,214

(Continued)



AU OPTRONICS CORP.
Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(Expressed in thousands of New Taiwan dollars)

	2021	2020
Cash flows from investing activities:		
Acquisitions of financial assets at amortized cost	(20,000,000)	-
Disposals of financial assets at amortized cost	10,000,000	-
Acquisitions of financial assets at fair value through other comprehensive income	(91,507)	-
Acquisitions of equity-accounted investees	(23,104,090)	(3,758,797)
Proceeds from return of capital deduction	90,212	-
Acquisitions of property, plant and equipment	(10,221,675)	(11,137,182)
Disposals of property, plant and equipment	311,229	25,695
Decrease (increase) in refundable deposits	(572,337)	160,169
Decrease (increase) in other receivables from related parties	(510,000)	200,000
Net cash outflow arising from spin-off	(1,316,465)	-
Net cash used in investing activities	(45,414,633)	(14,510,115)
Cash flows from financing activities:		
Proceeds from long-term borrowings	10,770,000	14,519,350
Repayments of long-term borrowings	(65,837,500)	(4,912,500)
Payment of lease liabilities	(390,835)	(390,812)
Guarantee deposits received (refunded)	(51,290)	51,000
Cash dividends	(2,850,967)	-
Treasury shares sold to employees	572,472	-
Others	449	1,073
Net cash provided by (used in) financing activities	(57,787,671)	9,268,111
Effect of exchange rate change on cash and cash equivalents	(2,709)	12,045
Net increase (decrease) in cash and cash equivalents	(19,348,387)	9,041,255
Cash and cash equivalents at January 1	54,969,325	45,928,070
Cash and cash equivalents at December 31	\$ 35,620,938	54,969,325



Attachment 5

Independent Auditors' Report

To the Board of Directors of AU Optronics Corp.:

Opinion

We have audited the consolidated financial statements of AU Optronics Corp. and its subsidiaries ("the Company"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the years ended December 31, 2021 and 2020, and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for each of the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

Refer to Note 4(15) "Impairment – non-financial assets", Note 5(1) and Note 5(2) "Critical accounting judgments and key sources of estimation and assumption uncertainty", Note 6(10) "Property, plant and equipment", Note 6(11) "Lease arrangements" and Note 6(13) "Intangible assets" to the consolidated financial statements.



Description of key audit matter:

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

How the matter was addressed in our audit:

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

2. Revenue recognition

Refer to Note 4(18) "Revenue from contracts with customers" and Note 6(21) "Revenue from contracts with customers" to the consolidated financial statements.

Description of key audit matter:

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

How the matter was addressed in our audit:

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



Other Matters

AU Optronics Corp. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unmodified audit opinion and an unmodified audit opinion with the paragraph on emphasis of matter, respectively.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

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



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

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

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

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

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

KPMG

Hsinchu, Taiwan (Republic of China)

February 10, 2022

Notes to Readers

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



AU OPTRONICS CORP. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2021 and 2020
(Expressed in thousands of New Taiwan dollars)

Assets		December 31, 2021		December 31, 2020				Liabilities and Equity		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%					Amount	%	Amount	%
Current assets:								Current liabilities:					
1100	Cash and cash equivalents	\$ 79,944,686	19	90,274,687	22	2100	Short-term borrowings		\$ 45,324	-		200,000	-
1110	Financial assets at fair value through profit or loss—current	159,270	-	668,058	-	2120	Financial liabilities at fair value through profit or loss—current		132,797	-		170,956	-
1136	Financial assets at amortized cost—current	10,000,000	2	-	-	2170	Notes and accounts payable		54,574,143	13		47,508,933	12
1170	Notes and accounts receivable, net	59,093,573	14	44,718,800	11	2180	Accounts payable to related parties		8,825,361	2		7,302,792	2
1180	Accounts receivable from related parties, net	2,479,395	1	2,076,156	-	2213	Equipment and construction payable		4,317,199	1		3,706,652	1
1210	Other receivables from related parties	20,699	-	21,929	-	2220	Other payables to related parties		72,411	-		22,101	-
1220	Current tax assets	60,802	-	60,541	-	2230	Current tax liabilities		2,607,235	1		1,325,068	-
130X	Inventories	34,489,088	8	26,753,401	7	2250	Provisions—current		942,290	-		744,654	-
1460	Noncurrent assets held for sale	-	-	3,931	-	2280	Lease liabilities—current		534,706	-		553,120	-
1476	Other current financial assets	2,186,682	-	564,222	-	2399	Other current liabilities		34,869,439	8		20,032,462	5
1479	Other current assets	<u>3,592,203</u>	<u>1</u>	<u>3,175,948</u>	<u>1</u>	2322	Current installments of long-term borrowings		<u>16,833,597</u>	<u>4</u>		<u>16,771,441</u>	<u>4</u>
		<u>192,026,398</u>	<u>45</u>	<u>168,317,673</u>	<u>41</u>				<u>123,754,502</u>	<u>29</u>		<u>98,338,179</u>	<u>24</u>
Noncurrent assets:								Noncurrent liabilities:					
1517	Financial assets at fair value through other comprehensive income—noncurrent	1,308,157	-	622,824	-	2527	Contract liabilities—noncurrent		8,739,846	2		-	-
1550	Investments in equity-accounted investees	25,447,133	6	19,464,078	5	2540	Long-term borrowings, excluding current installments		37,821,267	9		99,823,528	25
1600	Property, plant and equipment	171,222,045	40	185,480,116	46	2550	Provisions—noncurrent		946,018	-		1,041,102	-
1755	Right-of-use assets	10,638,373	3	11,277,353	3	2570	Deferred tax liabilities		4,224,720	1		3,213,326	1
1760	Investment property	1,437,692	-	1,522,391	-	2580	Lease liabilities—noncurrent		9,190,535	2		9,744,152	2
1780	Intangible assets	11,756,955	3	12,801,358	3	2600	Other noncurrent liabilities		<u>2,167,687</u>	<u>1</u>		<u>1,319,643</u>	<u>-</u>
1840	Deferred tax assets	6,466,588	2	6,005,346	2				<u>63,090,073</u>	<u>15</u>		<u>115,141,751</u>	<u>28</u>
1900	Other noncurrent assets	<u>4,507,705</u>	<u>1</u>	<u>1,779,156</u>	<u>-</u>		Total liabilities		<u>186,844,575</u>	<u>44</u>		<u>213,479,930</u>	<u>52</u>
		<u>232,784,648</u>	<u>55</u>	<u>238,952,622</u>	<u>59</u>		Equity:						
							Equity attributable to shareholders of AU Optronics Corp.:						
						3100	Common stock		96,242,451	23		96,242,451	24
						3200	Capital surplus		60,057,001	14		60,587,684	15
						3300	Retained earnings		80,669,998	19		30,258,282	7
						3400	Other components of equity		(4,743,182)	(1)		(3,270,303)	(1)
						3500	Treasury shares		<u>(439,228)</u>	<u>-</u>		<u>(1,013,423)</u>	<u>-</u>
									<u>231,787,040</u>	<u>55</u>		<u>182,804,691</u>	<u>45</u>
							Non-controlling interests						
						36XX	Non-controlling interests		<u>6,179,431</u>	<u>1</u>		<u>10,985,674</u>	<u>3</u>
							Total equity		<u>237,966,471</u>	<u>56</u>		<u>193,790,365</u>	<u>48</u>
Total Assets		\$ 424,811,046	100	407,270,295	100		Total Liabilities and Equity		\$ 424,811,046	100		407,270,295	100



AU OPTRONICS CORP. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2021 and 2020

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

		2021		2020	
		Amount	%	Amount	%
4110	Revenue	\$ 373,670,560	101	271,821,226	100
4190	Less: sales return and discount	2,985,419	1	865,845	-
	Net revenue	370,685,141	100	270,955,381	100
5000	Cost of sales	279,917,384	76	248,190,042	92
	Gross profit	90,767,757	24	22,765,339	8
	Operating expenses:				
6100	Selling and distribution expenses	5,095,946	1	3,499,116	1
6200	General and administrative expenses	9,526,519	3	6,897,103	2
6300	Research and development expenses	13,069,676	3	10,286,078	4
	Total operating expenses	27,692,141	7	20,682,297	7
	Profit from operations	63,075,616	17	2,083,042	1
	Non-operating income and expenses:				
7100	Interest income	495,332	-	533,052	-
7010	Other income	1,389,680	-	3,758,856	1
7020	Other gains and losses	1,037,458	-	(761,143)	-
7050	Finance costs	(2,217,565)	-	(2,943,872)	(1)
7060	Share of profit of equity-accounted investees	2,626,274	1	117,736	-
	Total non-operating income and expenses	3,331,179	1	704,629	-
7900	Profit before income tax	66,406,795	18	2,787,671	1
7950	Less: income tax expense (benefit)	2,947,697	1	(119,756)	-
8200	Profit for the year	63,459,098	17	2,907,427	1
8300	Other comprehensive income:				
8310	Items that will never be reclassified to profit or loss				
8311	Remeasurement of defined benefit obligations	21,260	-	140,218	-
8316	Unrealized gain on equity investments at fair value through other comprehensive income	(33,560)	-	2,676,706	1
8320	Equity-accounted investees – share of other comprehensive income	244,624	-	3,686	-
8349	Related tax	(4,577)	-	(28,043)	-
		227,747	-	2,792,567	1
8360	Items that are or may be reclassified subsequently to profit or loss				
8361	Foreign operations – foreign currency translation differences	(1,277,481)	-	137,051	-
8370	Equity-accounted investees – share of other comprehensive income	(59,103)	-	(49,783)	-
8399	Related tax	345,815	-	(16,855)	-
		(990,769)	-	70,413	-
8300	Other comprehensive income (loss), net of tax	(763,022)	-	2,862,980	1
8500	Total comprehensive income for the year	\$ 62,696,076	17	5,770,407	2
	Profit (loss) attributable to:				
8610	Shareholders of AU Optonics Corp.	\$ 61,330,628	16	3,376,324	1
8620	Non-controlling interests	2,128,470	1	(468,897)	-
		\$ 63,459,098	17	2,907,427	1
	Total comprehensive income (loss) attributable to:				
8710	Shareholders of AU Optonics Corp.	\$ 60,644,766	16	6,089,641	2
8720	Non-controlling interests	2,051,310	1	(319,234)	-
		\$ 62,696,076	17	5,770,407	2
	Earnings per share (NT\$)				
9750	Basic earnings per share	\$ 6.44		0.36	
9850	Diluted earnings per share	\$ 6.26		0.35	



AU OPTRONICS CORP. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2021 and 2020
(Expressed in thousands of New Taiwan dollars)

Equity Attributable to Shareholders of AU Optronics Corp.

	Other Components of Equity												
	Capital Stock	Capital Surplus	Legal Reserve	Retained Earnings		Cumulative Translation Differences	Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income	Subtotal	Treasury Shares	Equity Attributable to Shareholders of AU Optronics Corp.	Non-controlling Interests	Total Equity	
	Common Stock			Special Reserve	Unappropriated Earnings		Subtotal						
Balance at January 1, 2020	\$ 96,242,451	60,544,474	7,691,688	847,770	14,364,264	22,903,722	(3,129,982)	1,124,598	(2,005,384)	(1,013,423)	176,671,840	11,304,909	187,976,749
Appropriation of earnings:													
Special reserve	-	-	-	1,157,614	(1,157,614)	-	-	-	-	-	-	-	-
Profit (loss) for the year	-	-	-	-	3,376,324	3,376,324	-	-	-	-	3,376,324	(468,897)	2,907,427
Other comprehensive income (loss), net of tax	-	-	-	-	113,073	113,073	(76,538)	2,676,782	2,600,244	-	2,713,317	149,663	2,862,980
Total comprehensive income (loss) for the year	-	-	-	-	3,489,397	3,489,397	(76,538)	2,676,782	2,600,244	-	6,089,641	(319,234)	5,770,407
Changes in deemed contributions from shareholders	-	1,073	-	-	-	-	-	-	-	-	1,073	-	1,073
Adjustments for changes in investees' equity	-	42,137	-	-	-	-	-	-	-	-	42,137	-	42,137
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Disposal of equity investments measured at fair value through other comprehensive income	-	-	-	-	3,865,163	3,865,163	-	(3,865,163)	(3,865,163)	-	-	-	-
Balance at December 31, 2020	96,242,451	60,587,684	7,691,688	2,005,384	20,561,210	30,258,282	(3,206,520)	(63,783)	(3,270,303)	(1,013,423)	182,804,691	10,985,674	193,790,365
Appropriation of earnings:													
Legal reserve	-	-	735,456	-	(735,456)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	1,264,919	(1,264,919)	-	-	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(2,850,967)	(2,850,967)	-	-	-	-	(2,850,967)	-	(2,850,967)
Profit for the year	-	-	-	-	61,330,628	61,330,628	-	-	-	-	61,330,628	2,128,470	63,459,098
Other comprehensive income (loss), net of tax	-	-	-	-	8,223	8,223	(913,609)	219,524	(694,085)	-	(685,862)	(77,160)	(763,022)
Total comprehensive income (loss) for the year	-	-	-	-	61,338,851	61,338,851	(913,609)	219,524	(694,085)	-	60,644,766	2,051,310	62,696,076
Changes in deemed contributions from shareholders	-	449	-	-	-	-	-	-	-	-	449	-	449
Adjustments for changes in investees' equity	-	(22,599)	-	-	(401,507)	(401,507)	-	-	-	-	(424,106)	-	(424,106)
Share-based payments	-	825,114	-	-	-	-	-	-	-	574,195	1,399,309	4,418	1,403,727
Disposal of equity investments measured at fair value through other comprehensive income	-	-	-	-	25,350	25,350	-	(25,350)	(25,350)	-	-	-	-
Acquisition of interest in subsidiary from non-controlling interests	-	(1,333,647)	-	-	(7,700,011)	(7,700,011)	(753,444)	-	(753,444)	-	(9,787,102)	(7,530,685)	(17,317,787)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	668,714	668,714
Balance at December 31, 2021	\$ 96,242,451	60,057,001	8,427,144	3,270,303	68,972,551	80,669,998	(4,873,573)	130,391	(4,743,182)	(439,228)	231,787,040	6,179,431	237,966,471



AU OPTRONICS CORP. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(Expressed in thousands of New Taiwan dollars)

	2021	2020
Cash flows from operating activities:		
Profit before income tax	\$ 66,406,795	2,787,671
Adjustments for:		
- depreciation	33,457,081	35,130,348
- amortization	207,519	267,182
- losses (gains) on financial instruments at fair value through profit or loss	(86,083)	41,899
- interest expense	2,135,444	2,866,787
- interest income	(495,332)	(533,052)
- dividend income	(8,090)	(261,382)
- compensation costs of share-based payments	831,251	-
- share of profit of equity-accounted investees	(2,626,274)	(117,736)
- gains on disposals of property, plant and equipment, net	(1,841,771)	(58,558)
- gains on disposals of right-of-use assets	(8,294)	-
- gains on disposals of investments and financial assets	(890,046)	(159)
- impairment losses on assets	1,046,693	396,339
- unrealized foreign currency exchange losses (gains)	413,858	(18,470)
- others	203,557	74,020
Changes in operating assets and liabilities:		
- notes and accounts receivable	(13,601,272)	(14,799,026)
- receivables from related parties	(401,129)	(315,630)
- inventories	(7,754,868)	(3,403,782)
- net defined benefit assets	(16,711)	(548,058)
- other operating assets	(1,913,817)	1,818,984
- contract liabilities	11,610,060	(97,242)
- notes and accounts payable	6,265,160	3,568,142
- payables to related parties	1,564,223	333,481
- provisions	103,273	46,388
- other operating liabilities	11,690,743	1,175,852
Cash generated from operations	106,291,970	28,353,998
Interest received	462,503	567,081
Dividends received	920,439	603,621
Interest paid	(2,143,663)	(2,829,307)
Income taxes paid	(810,013)	(948,435)
Net cash provided by operating activities	104,721,236	25,746,958

(Continued)



AU OPTRONICS CORP. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(Expressed in thousands of New Taiwan dollars)

	2021	2020
Cash flows from investing activities:		
Acquisitions of financial assets at fair value through profit or loss	-	(2,428,945)
Disposals of financial assets at fair value through profit or loss	551,841	3,360,324
Acquisitions of financial assets at fair value through other comprehensive income	(962,762)	(659,826)
Disposals of financial assets at fair value through other comprehensive income	-	24,119
Acquisitions of financial assets at amortized cost	(20,695,648)	-
Disposals of financial assets at amortized cost	10,000,000	-
Acquisitions of equity-accounted investees	(3,890,105)	(3,453,288)
Disposals of equity-accounted investees	66,117	937,411
Net cash inflow arising from disposal of subsidiaries	5,303	-
Acquisitions of property, plant and equipment	(17,037,742)	(15,600,564)
Disposals of property, plant and equipment	2,009,445	123,383
Disposals of right-of-use assets	12,752	-
Decrease (increase) in refundable deposits	(579,745)	230,007
Acquisitions of intangible assets	(38,000)	-
Decrease (increase) in other financial assets	(19,465)	6,189
Net cash inflow arising from acquisition of subsidiaries	227,701	-
Net cash outflow arising from acquisition of business	-	(246,956)
Net cash used in investing activities	(30,350,308)	(17,708,146)
Cash flows from financing activities:		
Proceeds from short-term borrowings	1,568,737	3,931,161
Repayments of short-term borrowings	(1,723,311)	(5,475,763)
Proceeds from long-term borrowings	12,987,993	18,139,350
Repayments of long-term borrowings	(75,917,873)	(13,348,277)
Payment of lease liabilities	(551,367)	(597,221)
Guarantee deposits received (refunded)	(20,409)	53,268
Cash dividends	(2,850,967)	-
Treasury shares sold to employees	572,472	-
Acquisition of interest in subsidiary	(17,317,787)	-
Net change of non-controlling interests	(218,415)	(1)
Others	449	1,073
Net cash provided by (used in) financing activities	(83,470,478)	2,703,590
Effect of exchange rate change on cash and cash equivalents	(1,230,451)	(917,487)
Net increase (decrease) in cash and cash equivalents	(10,330,001)	9,824,915
Cash and cash equivalents at January 1	90,274,687	80,449,772
Cash and cash equivalents at December 31	\$ 79,944,686	90,274,687

2021 Earnings Distribution Proposal

Amount in NT\$	
Items	Amount
Net income of 2021	61,330,627,788
Add: Change in remeasurement of defined benefit plan in 2021	8,222,833
Disposal of equity investments at fair value through other comprehensive income	25,350,087
Less: Adjustments for changes in investees' equity	(8,101,518,896)
Provisioned as legal reserve(Note 1)	(5,326,268,181)
Appropriation of special reserve(Note 2)	(1,472,878,224)
Retained earnings in 2021 available for distribution	46,463,535,407
Plus: Unappropriated retained earnings from previous years	15,709,868,621
Retained earnings available for distribution as of December 31, 2021	62,173,404,028
Distribution item:	
Cash dividends to common shareholders (NT\$1 per common share, i.e., NT\$ 1,000 for every 1,000 common shares)	9,575,823,815
Unappropriated retained earnings, ending balance	52,597,580,213

Note1: According to Article 237 of the Company Act and the letter issued by the Ministry of Economic Affairs (Jing Shang-Tze No. 10802432410) on January 9, 2020.

Note2: The special reserve is set aside based on the balance of the other components of equity deducting the special reserve as of December 31, 2021.



Attachment 7

Comparison Table for the Articles of Incorporation Before and After the Amendment

Before amendment	After amendment	Reason of amendment
<p>Article 1:</p> <p>The Company is incorporated, registered and organized as a company limited by shares and permanently existing in accordance with the Company Law of the Republic of China (the "Company Law") and the Company's English name is AU Optronics Corp.</p>	<p>Article 1:</p> <p>The Company is incorporated, registered and organized as a company limited by shares and permanently existing in accordance with the Company Law of the Republic of China (the "Company Law") and the Company's English name is <u>AUO Corporation</u>.</p>	To comply with the Company's operation needs
<p>Article 8:</p> <p>Shareholders' meetings shall be of two types, ordinary meetings and extraordinary meetings. Ordinary meetings shall be convened annually by the Board within six months of the end of each fiscal year. Extraordinary meetings shall be convened in accordance with the relevant laws, whenever necessary.</p>	<p>Article 8:</p> <p>Shareholders' meetings shall be of two types, ordinary meetings and extraordinary meetings. Ordinary meetings shall be convened annually by the Board within six months of the end of each fiscal year. Extraordinary meetings shall be convened in accordance with the relevant laws, whenever necessary. <u>The Company's shareholders meeting may be held by video conference or other methods announced by the competent authority.</u></p>	To comply with the amendments to related regulations
<p>Article 17:</p> <p>These Articles of Incorporation were enacted by the incorporators in the incorporators meeting held on July 18, 1996 and were effectively approved by the competent authority. The first amendment was made on September 18, 1996.....The twenty-first amendment was made on June 14, 2019. The twenty-second amendment was made on June 17, 2020.</p>	<p>Article 17:</p> <p>These Articles of Incorporation were enacted by the incorporators in the incorporators meeting held on July 18, 1996 and were effectively approved by the competent authority. The first amendment was made on September 18, 1996.....The twenty-second amendment was made on June 17, 2020. <u>The twenty-third amendment was made on June 17, 2022.</u></p>	To add the amendment date



Attachment 8

Comparison table for the Rules and Procedures for Shareholders' Meeting before and after the amendment

Before amendment	After amendment	Reason of amendment
4. The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.	4. The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m. <u>The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.</u>	To comply with the amendment of related regulations
11. Unless otherwise permitted by the chair, each shareholder shall not, for each discussion item, speak more than two times or longer than 5 minutes each time. In case the speech of any shareholder violates this provision or exceeds the scope of the discussion item, the chair may stop the speech of such shareholder.	11. Unless otherwise permitted by the chair, each shareholder shall not, for each discussion item, speak more than two times or longer than 5 minutes each time. In case the speech of any shareholder violates this provision or exceeds the scope of the discussion item, the chair may stop the speech of such shareholder. <u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words.</u>	To comply with the amendment of related regulations
22. These Rules were enacted on April 17, 1997; the first amendment was made on April 23, 1999; the second amendment was made on June 6, 2014; the third amendment was made on June 17, 2020.	22. These Rules were enacted on April 17, 1997; the first amendment was made on April 23, 1999; the second amendment was made on June 6, 2014; the third amendment was made on June 17, 2020; <u>the fourth amendment was made on June 17, 2022.</u>	To add the amendment date

Attachment 9

Comparison Table for the Handling Procedures for Acquisition or Disposal of Assets Before and After Amendment

Before amendment	After amendment	Reason of amendment
<p><u>Article 4 Information Disclosure</u></p> <p>(I) If the Company or the Company's subsidiary acquires or disposes of the following assets, the Company shall make a public announcement and file the necessary report(s) in the format prescribed by the FSC within two days from occurrence of the relevant event: (i)~(iv) (omitted)</p> <p>(v) except for any of those referred to in the preceding four subparagraphs or investing in Mainland China, the transaction amount reaches 20 % or more of the Company's paid-in capital or NT\$300 million or more; provided, this shall not apply to the following circumstances: (a) trading in domestic government bonds; (b) bond trading with repurchase and/or reverse purchase arrangement, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p>	<p><u>Article 6 Related Party Transactions</u></p> <p>(I) If the Company or the Company's subsidiary acquires or disposes of the following assets, the Company shall make a public announcement and file the necessary report(s) in the format prescribed by the FSC within two days from occurrence of the relevant event: (i)~(iv) (omitted)</p> <p>(v) except for any of those referred to in the preceding four subparagraphs or investing in Mainland China, the transaction amount reaches 20 % or more of the Company's paid-in capital or NT\$300 million or more; provided, this shall not apply to the following circumstances: (a) trading in domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan</u>; (b) bond trading with repurchase and/or reverse purchase arrangement, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p>	To comply with the amendments to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies
<p><u>Article 5 Evaluation Procedures</u></p> <p>(I) Except for the assets which are dealing with a domestic government authority or by ways of mandating others to build on the Company's own land or on the land rented by the Company or equipments or right-of-use assets thereof which are to be acquired for business use, any acquisition or disposal of real property, equipment or right-of-use assets thereof the transaction amount of which reaches 20% of the Company's paid-in capital or NT\$300,000,000 or more, shall be subject to obtaining the evaluation report issued by the professional appraisers prior to occurrence of the event and compliance with the following provisions: i)~ii) (omitted)</p>	<p><u>Article 5 Evaluation Procedures</u></p> <p>(I) Except for the assets which are dealing with a domestic government authority or by ways of mandating others to build on the Company's own land or on the land rented by the Company or equipments or right-of-use assets thereof which are to be acquired for business use, any acquisition or disposal of real property, equipment or right-of-use assets thereof the transaction amount of which reaches 20% of the Company's paid-in capital or NT\$300,000,000 or more, shall be subject to obtaining the evaluation report issued by the professional appraisers prior to occurrence of the event and compliance with the following provisions: i)~ii) (omitted)</p>	To comply with the amendments to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies

Before amendment	After amendment	Reason of amendment
<p>iii) If the appraisal made by professional appraiser indicates any of the following, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be retained to handle such situation in accordance with the Statements of Auditing Standards No. 20 issued by the ROC Accounting Research and Development Foundation (ARDF) and render the specific opinion on (i) the reason for difference between the actual transaction amount and the appraisal result and (ii) the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> 1. the difference between the appraisal result and actual transaction amount is 20% or more of the actual transaction amount; or 2. the difference between the respective appraisal results of two or more appraisers is more than 10% of the actual transaction amount. <p>iv)~v) (omitted)</p> <p>(2) The latest financial statements of the target company audited or reviewed by the certified public accountants shall be obtained prior to occurrence of the event for use as a reference to determine the transaction price of any acquisition or disposal of the securities. A certified public accountant shall be retained to issue a fairness opinion on the transaction price prior to occurrence of such event, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300,000,000 or more. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation of the Republic of China. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by the FSC.</p> <p>(3) If the transaction amount of any acquisition or disposal of intangible asset</p>	<p>iii) If the appraisal made by professional appraiser indicates any of the following, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be retained to handle such situation in accordance with the Statements of Auditing Standards No. 20 issued by the ROC Accounting Research and Development Foundation (ARDF) and render the specific opinion on (i) the reason for difference between the actual transaction amount and the appraisal result and (ii) the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> 1. the difference between the appraisal result and actual transaction amount is 20% or more of the actual transaction amount; or 2. the difference between the respective appraisal results of two or more appraisers is more than 10% of the actual transaction amount. <p>iv)~v) (omitted)</p> <p>(2) The latest financial statements of the target company audited or reviewed by the certified public accountants shall be obtained prior to occurrence of the event for use as a reference to determine the transaction price of any acquisition or disposal of the securities. A certified public accountant shall be retained to issue a fairness opinion on the transaction price prior to occurrence of such event, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300,000,000 or more. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation of the Republic of China. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by the FSC.</p> <p>(3) If the transaction amount of any acquisition or disposal of intangible asset</p>	

Before amendment	After amendment	Reason of amendment
<p>or right-of-use assets thereof or certificate of membership reaches 20% of the Company's paid-in capital or NT\$300,000,000 or more, except for the assets which are dealing with a domestic government authority, a certificated public accountant shall be retained to issue a fairness opinion on the transaction price prior to occurrence of the event. The certificated public accountant shall issue such fairness opinion in accordance with the Statements of Auditing Standards No. 20 issued by Accounting Research and Development Foundation of the Republic of China.</p> <p>(4)~(5) (omitted)</p> <p>(6) When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>i) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>ii) When examining a case, they shall appropriately plan and execute adequate operation procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related operation procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>iii) They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>iv) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</p>	<p>or right-of-use assets thereof or certificate of membership reaches 20% of the Company's paid-in capital or NT\$300,000,000 or more, except for the assets which are dealing with a domestic government authority, a certificated public accountant shall be retained to issue a fairness opinion on the transaction price prior to occurrence of the event. The certificated public accountant shall issue such fairness opinion in accordance with the Statements of Auditing Standards No. 20 issued by Accounting Research and Development Foundation of the Republic of China.</p> <p>(4)~(5) (omitted)</p> <p>(6) When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the <u>self-regulatory rules of the industry associations to which they belong and with the following provisions:</u></p> <p>i) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>ii) When <u>conducting</u> examining a case, they shall appropriately plan and execute adequate operation procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related operation procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>iii) They shall undertake an item-by-item evaluation of the <u>appropriateness</u> comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>iv) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the</p>	

Before amendment	After amendment	Reason of amendment
	information used is <u>appropriate and</u> reasonable and accurate , and that they have complied with applicable laws and regulations.	
<p><u>Article 6 Related Party Transactions</u></p> <p>(omitted)</p> <p>(2) When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except for trading in domestic government bonds, bond trading with repurchase and/or reverse purchase arrangement, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract and make a payment until the following matters have been approved by the audit committee and the board of directors:</p> <ul style="list-style-type: none"> i) the purpose and necessity of such acquisition or disposal of assets and the estimated effect thereon; ii) the reason to choose such related party as the transaction counterparty; iii) with respect to the acquisition of real property or right-of-use assets thereof from a related party, the relevant information required for evaluation of the reasonableness of the proposed transaction terms in accordance with Paragraph (3), Paragraph (4), and Paragraph (5) of this Article; iv) the date, price and transaction counterparty of the acquisition by the related party of such real property, and the relationship between the related party and such counterparty and the relationship between the Company and such counterparty; v) the forecast of cash flow for each month of the coming year from the month during which the acquisition contract is to be executed and the evaluation of the transaction necessity, and the evaluation 	<p><u>Article 6 Related Party Transactions</u></p> <p>(omitted)</p> <p>(2) When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more, except for trading in domestic government bonds, bond trading with repurchase and/or reverse purchase arrangement, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract and make a payment until the following matters have been approved by the audit committee and the board of directors:</p> <ul style="list-style-type: none"> i) the purpose and necessity of such acquisition or disposal of assets and the estimated effect thereon; ii) the reason to choose such related party as the transaction counterparty; iii) with respect to the acquisition of real property or right-of-use assets thereof from a related party, the relevant information required for evaluation of the reasonableness of the proposed transaction terms in accordance with Paragraph (3), Paragraph (4), and Paragraph (5) of this Article; iv) the date, price and transaction counterparty of the acquisition by the related party of such real property, and the relationship between the related party and such counterparty and the relationship between the Company and such counterparty; v) the forecast of cash flow for each month of the coming year from the month during which the acquisition contract is to be executed and the evaluation of the transaction necessity, and the evaluation 	

Before amendment	After amendment	Reason of amendment
<p>of reasonableness of the use of proceeds; and</p> <p>vi) an appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding item</p> <p>vii) the restrictive terms and conditions and other material terms of such subject transaction.</p> <p>The calculation of the transaction amount shall be made in accordance with Article 4, paragraph (11) herein and "within one year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the audit committee and the board of directors need not be counted toward the transaction amount.</p> <p>(3) Acquisition of real property or right-of-use assets thereof from related party shall be subject to the evaluation of reasonableness of the transaction costs in accordance with the following methods and shall retain a certified public accountant to (i) check the reasonableness of the transaction costs made by the Company and (ii) issue the specific opinion thereon:</p> <p>i) the reasonableness of the transaction costs may be evaluated based on (i) the transaction price of the subject real property acquired by the related party plus interest required for funding and (ii) the costs to be borne by the buyer in accordance with the applicable law (the "interest required for funding" shall be calculated based on the weighted average interest rate of the funds borrowed by the Company in the year during which the subject assets are acquired by the Company, provided that such interest rate shall not exceed the interest rate ceiling for non-financial institutions published by the Ministry of Finance); or</p> <p>ii) if the subject assets have been mortgaged to the relevant financial institution as collateral for borrowing, the total value for such assets evaluated by such financial institution for the purpose of extending a loan ("evaluated value for loan purpose") may be used as a reference to evaluate the reasonableness of the transaction costs, provided that the actual aggregate amount of the loans extended by such financial institution with respect to the subject assets must reach 70% or more</p>	<p>of reasonableness of the use of proceeds; and</p> <p>vi) an appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding item</p> <p>vii) the restrictive terms and conditions and other material terms of such subject transaction.</p> <p><u>(3) With respect to the types of transactions listed below, when conducted between the Company and subsidiaries, or between subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Board of Directors may delegate the Board Chairman to decide such matters when the transaction is within NT\$1 billion and have the decisions subsequently submitted to and ratified at the next Board of Directors meeting:</u></p> <p><u>i) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</u></p> <p><u>ii) Acquisition or disposal of real property right-of-use assets held for business use.</u></p> <p><u>(4) If the Company or subsidiaries thereof that is not a domestic public company will have a transaction set out in paragraph (2) and the transaction amount will reach 10 percent or more of the Company's total assets, the Company shall submit the materials in all the subparagraphs of paragraph (2) to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and subsidiaries or between subsidiaries.</u></p> <p><u>(5) The calculation of the transaction amount shall be made in accordance with Article 4, paragraph (2) herein and "within one year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the audit committee and the board of directors need not be counted toward the transaction amount.</u></p> <p>(3) Acquisition of real property or right-of-use assets thereof from related party shall be subject to the evaluation of reasonableness of the transaction costs in accordance with the following methods</p>	

Before amendment	After amendment	Reason of amendment
<p>of the evaluated value for loan purpose and the loan period must be more than one year. The above provision shall not apply, if the financial institution is the related party of either party of the subject transaction.</p> <p>If the Company is to acquire or to rent both land and building, the transaction costs for such land and building may be evaluated, respectively, in accordance with any of the above methods</p> <p>(4) Under any of the following circumstances, acquisition of real property or right-of-use assets thereof from related party shall be conducted in accordance with Paragraph (2) of this Article, and Paragraph (3) of this Article shall not apply:</p> <ul style="list-style-type: none"> i) the subject real property or right-of-use assets thereof was acquired by related party by way of inheritance or gift; ii) the execution date of the relevant contract for the related party to acquire the subject real property or right-of-use assets thereof is more than five years prior to the contract execution date of the subject transaction; or iii) the real property is acquired by entering into a joint construction contract with the related party, or through engaging the related party to build real property, either on the Company's land or on rented land. iv) The real property right-of-use assets for business use are acquired by the Company with parent or subsidiaries, or by subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital. <p>(5) If the transaction cost evaluated under all the methods provided for in Paragraph (3) of this Article is less than the transaction price, acquisition of real property from related parties shall be handled in accordance with Paragraph (6) of this Article; provided, that, if in any of the following circumstances, objective evidence is provided and the Company obtains reasonable opinion on the transaction price from a real property professional appraiser and the certified public accountant, such acquisition of real property from a related party will not be subject to Paragraph (6) of this Article:</p> <ul style="list-style-type: none"> i) if the related party purchased or rented a piece of undeveloped land for 	<p>and shall retain a certified public accountant to (i) check the reasonableness of the transaction costs made by the Company and (ii) issue the specific opinion thereon:</p> <ul style="list-style-type: none"> i) the reasonableness of the transaction costs may be evaluated based on (i) the transaction price of the subject real property acquired by the related party plus interest required for funding and (ii) the costs to be borne by the buyer in accordance with the applicable law (the "interest required for funding" shall be calculated based on the weighted average interest rate of the funds borrowed by the Company in the year during which the subject assets are acquired by the Company, provided that such interest rate shall not exceed the interest rate ceiling for non-financial institutions published by the Ministry of Finance); or ii) if the subject assets have been mortgaged to the relevant financial institution as collateral for borrowing, the total value for such assets evaluated by such financial institution for the purpose of extending a loan ("evaluated value for loan purpose") may be used as a reference to evaluate the reasonableness of the transaction costs, provided that the actual aggregate amount of the loans extended by such financial institution with respect to the subject assets must reach 70% or more of the evaluated value for loan purpose and the loan period must be more than one year. The above provision shall not apply, if the financial institution is the related party of either party of the subject transaction. <p>If the Company is to acquire or to rent both land and building, the transaction costs for such land and building may be evaluated, respectively, in accordance with any of the above methods</p> <p>(4) Under any of the following circumstances, acquisition of real property or right-of-use assets thereof from related party shall be conducted in accordance with Paragraph (2) of this Article, and Paragraph (3) of this Article shall not apply:</p> <ul style="list-style-type: none"> i) the subject real property or right-of-use assets thereof was acquired by related party by way of inheritance or gift; ii) the execution date of the relevant 	

Before amendment	After amendment	Reason of amendment
<p>construction and the related party provides evidence to prove any of the following conditions:</p> <p>(a) the aggregate value of the undeveloped land evaluated in accordance with the methods provided for in this Article and of the building calculated based on the related party's construction cost plus reasonable construction profit is more than the actual transaction price (the term "reasonable construction profit" shall mean the lower of the average operating gross margin percentage of the related party's construction department for the most recent 3 years or the most recent gross margin percentage for the construction industry published by the Ministry of Finance);</p> <p>(b) if, for a purchase transaction, based on an evaluation of the price difference done in accordance with general real estate purchase/sale/leasing business practice, the terms of the target floor or area are similar to the terms of a similar transaction by an unrelated party transaction within the previous one year for similar size property in the same building or the neighborhood area where the target property is located;</p> <p>ii) the Company may provides evidence to prove that the terms of the target real property or obtaining real property right-of-use assets through leasing are similar to the terms of a similar transaction by an unrelated party transaction within the previous one year for similar size property in the neighborhood where the target property is located.</p> <p>The term "similar transaction for the property in the neighborhood" used in the above Paragraph means in principle the property which is the subject matter of such transactions ("Reference Property") and the subject real property are on the same street or a nearby block within a distance of less than 500 meters; or the Government Announced Current Value of the subject property is similar to the Government Announced Current Value of the Reference Property. The term "similar size" means in principle that size of</p>	<p>contract for the related party to acquire the subject real property or right-of-use assets thereof is more than five years prior to the contract execution date of the subject transaction; or</p> <p>iii) the real property is acquired by entering into a joint construction contract with the related party, or through engaging the related party to build real property, either on the Company's land or on rented land.</p> <p>iv) The real property right-of-use assets for business use are acquired by the Company with parent or subsidiaries, or by subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</p> <p>(59) If the transaction cost evaluated under all the methods provided for in Paragraph (3) of this Article is less than the transaction price, acquisition of real property from related parties shall be handled in accordance with Paragraph (6) of this Article; provided, that, if in any of the following circumstances, objective evidence is provided and the Company obtains reasonable opinion on the transaction price from a real property professional appraiser and the certified public accountant, such acquisition of real property from a related party will not be subject to Paragraph (6) of this Article:</p> <p>i) if the related party purchased or rented a piece of undeveloped land for construction and the related party provides evidence to prove any of the following conditions:</p> <p>(a) the aggregate value of the undeveloped land evaluated in accordance with the methods provided for in this Article and of the building calculated based on the related party's construction cost plus reasonable construction profit is more than the actual transaction price (the term "reasonable construction profit" shall mean the lower of the average operating gross margin percentage of the related party's construction department for the most recent 3 years or the most recent gross margin percentage for the construction industry published by the Ministry of Finance);</p> <p>(b) if, for a purchase transaction, based on an evaluation of the price</p>	

Before amendment	After amendment	Reason of amendment
<p>the target property for such transaction by non-related party transaction is not less than 50% of the size of the subject real property. The term "within the previous one year" means within the one-year period prior to the date on which acquisition of the subject real property or right-of-use assets thereof occurs.</p> <p>(6) If the transaction cost evaluated under all the methods provided for in this Article is less than the transaction price, the Company shall conduct the following for acquisition of real property or right-of-use assets thereof from the related party:</p> <p>i) allocate the difference between the transaction price of the subject real property or right-of-use assets thereof and the evaluated transaction costs as special reserves in accordance with Paragraph 1, Article 41 of the Securities and Exchange Law which special reserves are not permitted to be distributed as dividend or recapitalized; In addition, if any shareholder's investment in the Company shall be evaluated by equity method and such shareholder is a public company, such shareholder shall set aside a corresponding amount in proportion to its holding in the Company as special reserves in accordance with Paragraph 1, Article 41 of the Securities and Exchange Law;</p> <p>ii) Audit Committee shall handle the subject matter pursuant to Article 218 of the Company Law;</p> <p>iii) the Company shall report how it handle the preceding two Items to the shareholders' meeting and disclose the details of the subject transaction in the annual report and prospectus.</p> <p>If a special reserve is required to be set aside under this Article, such special reserve may not be utilized until the Company has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has grant its consent. When the Company acquires real property or right-of-use assets thereof from a related party, it shall also comply with the preceding</p>	<p>difference done in accordance with general real estate purchase/sale/leasing business practice, the terms of the target floor or area are similar to the terms of a similar transaction by an unrelated party transaction within the previous one year for similar size property in the same building or the neighborhood area where the target property is located;</p> <p>ii) the Company may provides evidence to prove that the terms of the target real property or obtaining real property right-of-use assets through leasing are similar to the terms of a similar transaction by an unrelated party transaction within the previous one year for similar size property in the neighborhood where the target property is located.</p> <p>The term "similar transaction for the property in the neighborhood" used in the above Paragraph means in principle the property which is the subject matter of such transactions ("Reference Property") and the subject real property are on the same street or a nearby block within a distance of less than 500 meters; or the Government Announced Current Value of the subject property is similar to the Government Announced Current Value of the Reference Property. The term "similar size" means in principle that size of the target property for such transaction by non-related party transaction is not less than 50% of the size of the subject real property. The term "within the previous one year" means within the one-year period prior to the date on which acquisition of the subject real property or right-of-use assets thereof occurs.</p> <p>(6) If the transaction cost evaluated under all the methods provided for in this Article is less than the transaction price, the Company shall conduct the following for acquisition of real property or right-of-use assets thereof from the related party:</p> <p>i) allocate the difference between the transaction price of the subject real property or right-of-use assets thereof and the evaluated transaction costs as special reserves in accordance with Paragraph 1, Article 41 of the Securities and Exchange Law which special reserves are not permitted to be</p>	

Before amendment	After amendment	Reason of amendment
<p>two paragraphs, if there is other evidence indicating that the acquisition was not an arms length transaction.</p>	<p>distributed as dividend or recapitalized; In addition, if any shareholder's investment in the Company shall be evaluated by equity method and such shareholder is a public company, such shareholder shall set aside a corresponding amount in proportion to its holding in the Company as special reserves in accordance with Paragraph 1, Article 41 of the Securities and Exchange Law;</p> <p>ii) Audit Committee shall handle the subject matter pursuant to Article 218 of the Company Law;</p> <p>iii) the Company shall report how it handle the preceding two Items to the shareholders' meeting and disclose the details of the subject transaction in the annual report and prospectus.</p> <p>If a special reserve is required to be set aside under this Article, such special reserve may not be utilized until the Company has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo has been restored, or there is other evidence confirming that there was noting unreasonable about the transaction, and the FSC has grant its consent. When the Company acquires real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs, if there is other evidence indicating that the acquisition was not an arms length transaction.</p>	
<p>Article 14</p> <p>The Handling Procedures were enacted on October 9, 1998; the first amendment was made on November 10, 1999; ...(omitted)..., and the seventh amendment was made on June 15, 2017, and the eighth amendment was made on June 14, 2019, and the ninth amendment was made on August 19, 2021.</p>	<p>Article 14</p> <p>The Handling Procedures were enacted on October 9, 1998; the first amendment was made on November 10, 1999; ...(omitted)..., and the seventh amendment was made on June 15, 2017, and the eighth amendment was made on June 14, 2019, <u>and the ninth amendment was made on August 19, 2021, and the tenth amendment was made on June 17, 2022.</u></p>	<p>To add the amendment date</p>



Attachment 10

List of non-competition restrictions proposed to be lifted

Name	Released restriction items
Shuang-Lang (Paul) Peng	- Director, Ennostar Inc. - Director, Qisda Corp.
Frank Ko	- Director, Darwin Precisions Corp. - Director, ADLINK Technology Inc
Qisda Corporation	- Director, Darfon Electronics Corp. - Chairman, Alpha Networks Inc. - Chairman, DFI Inc. - Chairman, Sysage Technology Co., Ltd. - Chairman, BenQ Materials Corp. - Director, Topview Optronics Corp. - Chairman, Simula Technology Inc. - Chairman, Partner Tech Corp. - Chairman, Data Image Corporation - Director, Apex Technology Inc. - Director, Q.S. Control Corp. - Chairman, K2 International Medical Inc. - Chairman, BenQ corporation - Chairman, Golden Spirit Co., Ltd. - Chairman, Darly Venture Inc. - Chairman, BenQ Dialysis Technology Corp. - Chairman, Qisda Optronics Corp. - Chairman, BenQ Biotech (Shanghai) Co.,Ltd - Chairman, Qisda Vietnam Co.,Ltd
Han-Chou (Joe) Huang	- Director, Qisda Corporation - Director, Topview Optronics Corp. - Chairman, Data Image Corporation - Chairman, DIVA Laboratories, Ltd. - Chairman, Simula Technology Inc. - Chairman, Action Star Technology Co., Ltd. - Chairman, Qisda Optronics Corp. - Director, Qisda America Corp.
Chuang-Chuang Tsai	- Director, E Ink Holdings Inc.
Chin-Bing (Philip) Peng	- Independent Director, Apacer Technology Inc. - Director, Wistron Corporation - Director, Wistron NeWeb Corporation - Director, Wistron Information Technology & Services Corporation - Supervisors, Allxon Inc. - Director, Zigong Art Sharing Co., Ltd. - Chairman, Smart Capital Corporation
Yen-Hsueh Su	- Independent Director, TXC Corporation - Director, Spotfilms Co., Ltd. - Independent Director, The Eslite spectrum Corp. - Independent Non-executive Director, Cowell E Holdings Inc.
Chiu-ling Lu	- Independent Director, Chen Full International Co., Ltd.
Cathy Han	- Independent Director, Wiwynn Corporation - Independent Director, Apacer Technology Inc. - Independent Director, Macroblock, Inc.



IV. Appendices



Appendix I: Shareholding of Directors

- (1) As of April 19, 2022 the first date of local book-close period for the 2022 Annual Shareholders' Meeting, the issued capital of the Company is NT\$96,242,451,150 representing 9,624,245,115 common shares. The independent directors of the Company exceed one-half of the total director seats, and the audit committee has been established. Therefore, the provision in Article 26 of the Securities and Exchange Act that the total shares held by all directors and supervisors shall not be less than a specified percentage of its total issued shares, shall not apply.
- (2) As of April 19, 2022, the actual collective shareholdings of directors were shown as below:

Title	Name	Shareholders Represented	No. of Shareholding	Shareholding %
Chairman	Shuang-Lang (Paul) Peng		7,443,213	0.08
Director	Kuen-Yao (K.Y.) Lee		10,512,153	0.11
Director	Frank Ko	AUO Foundation	312,000	0.00
Independent Director	Chin-Bing (Philip) Peng		96,670	0.00
Independent Director	Mei-Yueh Ho		0	-
Independent Director	Yen-Shiang Shih		0	-
Independent Director	Yen-Hsueh Su		0	-
Independent Director	Jang-Lin (John) Chen		0	-
Total			18,364,036	0.19



Appendix 2: AUO Rules and Procedures for Shareholders' Meeting (Before the amendments)

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

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

During the Meeting, the chair may, at his/her discretion, set time for intermission. Unless otherwise resolved at the Meeting, the chair cannot announce adjournment of the Meeting before all the discussion items listed in the agenda are resolved. The shareholders cannot designated any other person as chair and continue the Meeting in the same or other place after the Meeting is adjourned.

10. When a shareholder present at the Meeting wishes to speak, a speech note should be filled out with summary of the speech, the shareholder's number, and the name of the shareholder. The sequence of speeches by



shareholders should be decided by the chair. If any shareholder presenting the Meeting submits a speech note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the speech note, the contents of actual speech shall prevail. Unless otherwise permitted by the chair and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholder, otherwise the chair shall stop such interruption.

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



Appendix 3: Articles of Incorporation (Before the amendments)

Chapter I: General Provisions

Article 1

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

Article 2

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

1. CC01080 Electronic parts and components manufacturing business
2. FI19010 Electronic material wholesale business (for operations outside the Science Park only)
3. CC01030 Electronic appliances and AV electronics products manufacturing business
4. CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing
5. CC01090 Batteries Manufacturing
6. IG03010 Energy Technical Services
7. CA02990 Other Fabricated Metal Products Manufacturing
8. C801990 Other Chemical Materials Manufacturing

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

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

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

Article 3

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



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

Article 4

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

Chapter 2: Shares

Article 5

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

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

Article 6

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

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

Article 7

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

Chapter 3: Shareholders' Meetings

Article 8

Shareholders' meetings shall be of two types, ordinary meetings and extraordinary meetings. Ordinary meetings shall be convened annually by the Board within six months of the end of each fiscal year. Extraordinary meetings shall be convened in accordance with the relevant laws, whenever necessary.

Article 9

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



Chapter 4: Board of Directors and Audit Committee

Article 10

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

The Board is authorized to determine the compensation for the directors, taking into account the extent and value of the services provided for the Company's operation and with reference to the standards of local and overseas industry.

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

Article 10-1

Pursuant to Article 14-4 of the Securities and Exchange Act, the Company shall have the audit committee which shall be composed of all independent directors.

Article 11

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

Article 12

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

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

Chapter 5: President & Vice Presidents

Article 13

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

Chapter 6: Accounting

Article 14

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

Article 15

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

Article 15-1

Where the Company has a profit at the end of each fiscal year, the Company shall first allocate the profit to pay taxes and cover accumulated losses, and then 10% of the remaining net earnings shall be allocated as the Company's legal reserve unless and until the accumulated legal reserve reaches the paid in capital. Certain amount shall be further allocated as special reserve or the special reserve shall be reversed in accordance with applicable laws and regulations or as requested by the competent authority. The balance (if any) together with accumulated unappropriated retained earnings can be distributed after the distribution plan proposed and approved. Dividend distribution in the form of shares (in whole or in part) shall be approved by the shareholders' meeting. Dividend distribution in the form of cash shall be approved by the Board and a report of such distribution shall be submitted to the shareholders' meeting.

The Company's dividend policy is to pay dividends from surplus considering factors such as the Company's current and future investment environment, cash requirements, domestic and overseas competitive conditions and capital budget requirements, and taking into account the shareholders' interest, maintenance of a balanced dividend and the Company's long term financial plan. If the retained earnings available for distribution of the current year reaches 2% of the paid in capital of the Company, no less than 20% of the retained earnings available for distribution of the current year shall be distributed as dividend. If the retained earnings available for distribution of the current year does not reach 2% of the paid in capital of the Company, the Company may distribute no dividend. The cash portion of the dividend shall not be less than 10% of the total dividend in the form of cash and stock.

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

Article 15-2

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

Article 15-3

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



Chapter 7: Supplementary Articles

Article 16

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

Article 17

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

The first amendment was made on September 18, 1996.
The second amendment was made on September 15, 1997.
The third amendment was made on April 23, 1998.
The fourth amendment was made on April 23, 1999.
The fifth amendment was made on March 9, 2000.
The sixth amendment was made on May 10, 2001.
The seventh amendment was made on May 10, 2001.
The eighth amendment was made on October 17, 2001.
The ninth amendment was made on May 21, 2002.
The tenth amendment was made on May 29, 2003.
The eleventh amendment was made on April 29, 2004.
The twelfth amendment was made on June 14, 2005.
The thirteenth amendment was made on June 15, 2006.
The fourteenth amendment was made on June 13, 2007.
The fifteenth amendment was made on June 19, 2009.
The sixteenth amendment was made on June 10, 2011.
The seventeen amendment was made on June 13, 2012.
The eighteenth amendment was made on June 19, 2013.
The nineteenth amendment was made on June 16, 2016.
The twentieth amendment was made on June 15, 2017.
The twenty-first amendment was made on June 14, 2019.
The twenty-second amendment was made on June 17, 2020.



Appendix 4: Rules for the Election of Directors (the “Rules”)

Approved by the Shareholders’ Meeting on April 17, 1997

Amended by the Shareholders’ Meeting on May 21, 2002

Amended by the Shareholders’ Meeting on June 15, 2006

Amended by the Shareholders’ Meeting on June 19, 2008

Amended by the Shareholders’ Meeting on June 19, 2009

Article 1

Unless otherwise provided in applicable laws and regulations or the Articles of Incorporation of the Company, the Rules specified herein shall govern the election of the Company’s directors.

Article 2

The Company’s directors shall be elected at the Shareholders’ Meeting.

Article 3

The Company’s directors should be elected through single-named cumulative voting.

Article 4

In election of the Company’s directors, each share is entitled to the voting rights equivalent to the number of directors to be elected. The voting rights may be concentrated to one candidate or be allocated among several candidates. The independent and non-independent directors shall be elected at the same time, but votes received shall be ranked respectively to determine the Director-Elect.

Article 5

The candidates who receive the most votes for the position of director shall win the election, and such number shall be in compliance with the number of positions for director set forth in the Articles of Incorporation. If two or more candidates receive the same number of votes beyond a quota, the winner shall be determined through lot-drawing. The lot may be drawn by the Chairman on behalf of the absentees.

Article 6

The Board of Directors shall, upon preparing the ballots, enter the voting rights on each ballot. The ballot box shall be prepared by the Board of Directors and shall be checked in public by the inspector before voting.

Article 7

At the beginning of the election, the chairman shall appoint the inspector and counter to take charge of monitoring and counting of the votes.

Article 8

The Company adopts the Nomination System for the nomination of candidates to serve as directors. The Board or the shareholders holding 1% or more of the Company’s total issued and outstanding shares are entitled to submit a slate of candidates for consideration as directors in pursuant to the Company Act and other applicable rules.

The Company shall announce publicly the nomination submission period, the number of director to be elected, the place for eligible shareholders to submit their nomination, and other relevant information prior to the commencement of the book closed period prior to the Shareholders’ meeting.



The qualifications of the candidates for consideration as independent directors shall be in compliance with applicable laws and regulations.

Article 9

If the candidate is a shareholder of the Company, voters shall fill the candidate's name and shareholder's number in the "candidate" column of the ballot; if the candidate is not a shareholder of the Company, voters shall fill the candidate's name and ID number in the "candidate" column. If the candidate is a government agency or a legal entity, voters shall fill the name of the government agency or the legal entity or the name of their representative in the column. In the event that several candidates represent a government agency or a legal entity, the names of the representatives shall be filled separately in the column.

Article 10

A ballot shall be deemed void if such a ballot:

1. is not a ballot provided under the Rules;
2. is placed into the ballot box blank;
3. contains illegible words or corrections;
4. contains a name or shareholder's number in the "candidate" column which is inconsistent with the shareholder's register if the candidate is a shareholder of the Company; Contains a name or ID number in the "candidate" column which is incorrect if the candidate is not a shareholder of the Company;
5. contains any words or marks other than those specified in Article 9;
6. is not filled out in accordance with Article 9 or is filled incompletely; or
7. contains two or more candidates.

Article 11

The ballots should be counted during the meeting right after the vote casting and the results of the election should be announced by the Chairman at the meeting.

Article 12

The Rules and any amendment thereof shall become effective after approval by the Shareholders' Meeting.



Appendix 5 Influence of Proposed Stock Dividend Distribution upon 2021 Operating Performance, Earnings Per Share, and Return on Investment

Not applicable because the Company's Board of Directors did not propose stock dividend distribution for the year of 2021.