



TWSE : 2409  
OTC Markets : AUOTY

# AUO Corporation

## Meeting Minutes Of 2024 Annual General Shareholders' Meeting

(Translation)

**Time and date of the Meeting: May 30, 2024 at 9:30 A.M. (Local time)**

**Venue of the Meeting: Meeting Room in AUO's Headquarters (No. 1, Gongye E. 3rd Rd., East Dist., Hsinchu Science Park, Hsinchu City )**

**Total shares represented by shareholders present: 5,526,643,216 shares (including 3,893,498,872 shares casted electronically and 109,239 shares casted by video conferencing)**

**Percentage of shares held by shareholders present: 72.08% of total outstanding shares**

*(The translated document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)*



## Resolution Notice

Dear Shareholders:

We are pleased to inform you that the following items were approved or acted as proposed at our 2024 Annual General Shareholders' Meeting held on May 30, 2024.

Truly yours,

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

Shuang-Lang (Paul) Peng,  
Chair



**AUO Corporation**  
**2024 Annual General Shareholders' Meeting Minutes**

**Method of Convening the Meeting:** Hybrid Shareholders' Meeting

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

**Place:** Meeting Room in AUO's Headquarter

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

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

**Attendants:**

Total AUO outstanding shares: 7,667,880,972 shares.

Total shares represented by shareholders present in person or by proxy: 5,526,643,216 shares (including 3,893,498,872 shares casted electronically and 109,239 shares represented by video conferencing).

Percentage of shares held by shareholders present in person or by proxy: 72.08%.

**Directors present:**

**Shuang-Lang (Paul) Peng**, Chairman, Chief Strategy Officer and convener of the Corporate Governance and Nomination Committee and convener of the Sustainability and ERM Committee

**Frank Ko**, Director, Chief Executive Officer and President

**Chuang- Chuang Tsai**, Director

**Chin-Bing (Philip) Peng**, Independent Director, convener of the Audit Committee and convener of the Remuneration Committee and member of the Corporate Governance and Nomination Committee

**Jang-Lin (John) Chen**, Independent Director, member of the Audit Committee, member of the Remuneration Committee and member of the Corporate Governance and Nomination Committee

**Chiu-Ling Lu**, Independent Director, member of the Audit Committee and member of the Corporate Governance and Nomination Committee and member of the Sustainability and ERM Committee

**Cathy Han**, Independent Director, member of the Audit Committee and member of the Corporate Governance and Nomination Committee and member of the Sustainability and ERM Committee

**Attendees:** Wan-Yuan Yu, Certified Public Accountant

Bo-Sen Von, Attorney

**Chair:** Shuang-Lang (Paul) Peng, Chairman

**Recorder:** Benjamin Tseng, Chief Financial Officer, Corporate Governance Officer and Secretary of the Board

I. **Commencement (The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chair called the meeting to order.)**

II. **Chair's Address (omitted)**

III. **Report Items**

I. To report the business of 2023

Explanation:

The 2023 Business Report is attached hereto as Attachment I (pages 8-10)



Summary of Shareholders' Statements (No. 00070030)

Please describe the Company's profit situation for the second quarter and the second half of 2024.

Summary of Chair's Statements:

Due to legal regulations, we cannot comment further on unpublished information. However, from the second half of 2023, AUO has been facing an inventory liquidation issue, but the supply chain condition remained healthy. Although the financial report for the first quarter of 2024 showed a loss, the range of loss has significantly reduced. Currently, the overall performance is showing steady growth, including the revenue and profit performance in the automotive sector and various vertical fields business, which will improve quarter by quarter.

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 11). Please refer to Page 29 in 2023 Annual Report for the communication between members of Audit Committee and head of Internal Audit.

3. To report the cash distribution from capital surplus

Explanation:

- (1) It is proposed to distribute NT\$6,901,092,875 from capital surplus of the issuing premium of the par value of the common share pursuant to Article 241 of the Company Act (NT\$0.9 for every common share, i.e. NT\$900 for every 1,000 common shares held).
- (2) It is proposed that the Chair of Board of Directors shall be authorized to determine the record date for the distribution. In the event that changes in the Company's share capital affect the number of shares outstanding, resulting in adjustments to the cash distribution ratio for shareholders, the Chair of Board of Directors is authorized to adjust the distribution ratio based on the actual number of shares outstanding on the distribution base date.

Summary of Shareholders' Statements (No. 000798604 and No.0075461):

The three-year shareholder return plan submitted in 2022 has not been executed as expected. The management should properly consider the factors that hinder the implementation of the plan, and formulate responsive measures or explanations. The remuneration distribution for senior managers needs to be clearly checked. While taking care of employees, the Company should also balance the rights and interests of shareholders to ensure the Company's operational performance and credibility.

Summary of Chair's Statements:

- The Company submitted a proposal for long-term and stable shareholder returns in March 2022, aiming at enhancing the long-term interests of shareholders and expertise value. As stated in the disclosure "Each actual distribution method and amount will be implemented in accordance with relevant laws and the Company's articles of incorporation, pending approval by the board of directors or the shareholders' meeting." Starting from 2023, unfavorable factors such as war, inflation, and interest rate hikes continued to affect the global economy last year, posing significant challenges for panel manufacturers and leading to a substantial decline in operations. With the overall economic and industry uncertainties remaining high, AUO is committed to sustainable operations and maintaining industry competitiveness, striving to achieve stable long-term returns for shareholders.



- The remuneration distribution to senior management shall be reviewed by the Remuneration Committee on an annual basis and submitted to the Board of Directors for resolution. It is considered to reasonably reflect the efforts of the senior management.
- To maintain competitiveness, AUO completed the cash acquisition of BHTC, a German Tier I automotive supplier, in April of this year, accelerating AUO's goal of becoming a provider of smart cockpit solutions in the automotive sector. AUO also continues to invest in the mass production of Micro-LED and various high-value display applications. The automotive sector and other vertical businesses will be crucial growth drivers for AUO's future performance.

4. To report 2023 directors' remuneration

Explanation:

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

The Chair explained and responded to the above statements made by the said shareholders.

#### IV. Recognition Items

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

Explanation:

- (1) The 2023 Financial Statements were audited by the independent auditors, Yu, Chi-Lung and Yu, Wan-Yuan of KPMG.
- (2) For the 2023 Business Report, Independent Auditors' Report, and the 2023 Financial Statements, please refer to Attachment 1 (pages 8-10) and 3-4 (pages 12-29).

Voting Results:

5,526,643,216 shares were represented at the time of voting (including 3,893,498,872 shares casted electronically and 109,239 shares casted by video conferencing)

Voting Result	Voting rights	% of the total represented at the time of voting
Votes in favor	5,103,405,692	92.34%
Votes against	7,649,540	0.14%
Votes invalid	0	0.00%
Votes abstained	415,587,984	7.52%

RESOLVED, that the above proposal be and hereby was accepted as proposed.

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

Explanation:

- (1) The beginning balance of Unappropriated Retained Earnings was NT\$32,705,034,866, after adding Change in Remeasurement of Defined Benefit Plan deducting Disposal of Equity Instruments at Fair Value through, Net Loss after tax of 2023 and Allowance for Special Reserve, the retained earnings in 2023 available for distribution is NT\$13,661,429,290.
- (2) Not to distribute cash dividends for 2023.
- (3) The proposal for 2023 earnings distribution, please refer to Attachment 5 (Page 30).



Voting Results:

5,526,643,216 shares were represented at the time of voting (including 3,893,498,872 shares casted electronically and 109,239 shares casted by video conferencing)

Voting Result	Voting rights	% of the total represented at the time of voting
Votes in favor	5,102,167,152	92.32%
Votes against	17,007,055	0.31%
Votes invalid	0	0.00%
Votes abstained	407,469,009	7.37%

RESOLVED, that the above proposal be and hereby was accepted as proposed.

**V. Discussion Items**

**I. To amendment the Rules for the Election of Directors (proposed by the Board)**

Explanation:

- (1) The Company has adopted the candidate nomination system for the election of directors. Shareholders are required to elect directors from the list of nominees provided in the roast of candidates. From the roast of candidates, shareholders will obtain relevant information of each candidate. Therefore, it is proposed to delete relevant requirements for identifying candidates by shareholders' account number or ID number.
- (2) Comparison table for before and after the amendment is attached hereto as Attachment 6 (Pages 31&32).

Voting Results:

5,526,643,216 shares were represented at the time of voting (including 3,893,498,872 shares casted electronically and 109,239 shares casted by video conferencing)

Voting Result	Voting rights	% of the total represented at the time of voting
Votes in favor	5,112,002,059	92.50%
Votes against	6,928,338	0.13%
Votes invalid	0	0.00%
Votes abstained	407,712,819	7.38%

RESOLVED, that the above proposal be and hereby was accepted as proposed.

**VI. Extraordinary Motions: None.**

**VII. Other recorded matters**

Shareholder No. D0000001 who attended the meeting by video conferencing:

In the post-pandemic era, sustainable development is one of the corporate social responsibilities. The Company has performed well in corporate governance evaluation in recent years, ranking among the top 5% of companies. Please explain the effectiveness of promoting sustainable development in 2023 and how to achieve the goal of net-zero carbon emissions.

Summary of Shareholders' Statements (No. 00070030):

Please explain how AUO Corporation is no longer just a panel company. Are there clear performance indicators, measurement standards, or a timeline?



Summary of Shareholders' Statements (No. 00077546):

The biggest threat to Micro LED is OLED, could you please explain what the Company's business strategy for Micro LED is?

Summary of Shareholders' Statements (No. 01792746):

Please describe the operation of the ESG organization structure, including the ratio of full-time or part-time personnel, and whether more sustainable-related personnel will be hired.

Summary of Chair's Statements:

- Since 2008, AUO has been dedicated to energy conservation, carbon reduction, and water resource recycling. In 2013, the Sustainability Committee (formerly known as the CSR Committee) was established to review goals and achievements quarterly. In 2015, significant results in wastewater recovery were achieved in Longtan. In 2018, AUO became the first manufacturer in Taiwan to establish a Sustainability Headquarters, appointing a Chief Sustainability Officer to oversee all issues and progress related to sustainable development. In March 2024, the CSR Committee was renamed the Sustainability and ERM Committee, which set clear goals for quarterly reviews and link them appropriately to the remuneration of senior executives. In terms of energy efficiency, we exceeded the government's mandatory 1% energy-saving target, achieving a 3.4% reduction. We have also integrated our own advanced manufacturing technologies, such as AI and IoT, to enhance the effects of energy conservation and carbon reduction. AUO has joined the global renewable energy initiative RE100, pledging to achieve net zero emissions at the corporate operational boundary by 2050 and use 100% green electricity. In addition, AUO has created green business opportunities in response to green development, resource recovery, and the challenges of achieving RE100 goals, including positioning AUO Digitech Taiwan Inc. and AUO Envirotech Inc. as providers of external green solutions. AUO considers sustainable development essential to its competitiveness and is determined to achieve all of its objectives, using various methods to fulfill its commitment to ESG.
- By 2025, AUO Corporation will no longer be just a panel company. The primary goal set by AUO is to move away from the panel industry cycle, with the target of reducing the sale ratio of pure panels to below 70% by 2024. Moreover, AUO will shift from using PB (Price-to-Book Ratio) to using PE (Price-to-Earnings) as the evaluation standard.
- AUO values the automotive market and mitigates cyclical impacts on the panel industry by increasing its share in automotive. One issue with OLED is its short lifecycle. However, AUO has planned a comprehensive plan for the ecosystem. It is estimated that by 2029 to 2030, the cost of Micro LED will be close to that of OLED. The lifespan issue of OLED affects its performance, thus the wearable and automotive markets have great potential. Since 2012, AUO has been researching Micro LED and has invested substantial resources in R&D. It has successfully integrated all the advantages of LCD and OLED while eliminating their drawbacks. The main current challenge is how to reduce costs and accelerate the reduction of costs.
- Taking sustainable manufacturing as an example, it is promoted and reviewed by the first-level supervisor of the manufacturing department. The Chief Sustainability Officer leads a dedicated team to coordinate cross-project in the group, ensuring that quarterly and annual targets are met. They are also responsible for cultivating sustainability staffs, practical operations, and education and promotion to enhance all employees' expertise. In addition, communication with the nine major stakeholders should be performed, as well as professional exchange through campuses and association.

The Chair explained and responded to the above statements made by the said shareholders.



**VIII. Meeting Adjourn:** The meeting was adjourned at 11:06 a.m.

(The content of the statement recorded in this meeting minutes is only a summary. The actual speech shall be subject to on-site video and audio recording.)

(Because the percentage of approval votes, disapproval votes, invalid votes, abstention votes and no votes held by total votes is calculated rounded to the second decimal place, the total percentage might not be exactly equal to 100.00 %.)





## Attachment I

# AUO Corporation 2023 Business Report

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

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

- Next-generation display technology

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

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



- Mobility solution business

Benefiting from the booming trend of electrical vehicles and autonomous driving, displays are expected to play a crucial role as the human-machine interface in the next-generation smart cockpits. AUO has been deeply committed to the automotive display market for years, and ranked top three among global automotive display suppliers. With cutting-edge display technology as the core and in-depth cooperation with ecosystem partners, we strive to develop the Company into a “Smart Cockpit Display Solution Provider.” In 2023, our revenue from mobility solution business exceeded NT\$43 billion, demonstrating strong momentum with an annual growth rate exceeding 25%. In our journey towards transformation, this sector is expected to become one of AUO's important growth engines.

- In October 2023, AUO's Board of Directors approved the acquisition of Behr-Hella Thermocontrol GmbH (BHTC) in Germany.

BHTC specializes in human-machine interfaces and climate control systems for the automotive industry. It possesses world-leading resources and R&D capabilities, with Tier I supplier abilities, and maintains deep collaborations with global automotive OEMs. The merger is expected to be completed in the first half of 2024. AUO will leverage BHTC's Tier I abilities, track records with automotive OEMs, and global sales channel and production bases to accelerate the goal to transform into a “Smart Cockpit Display Solution Provider.”

- AUO debuts at the US Consumer Electronics Show (CES) in January 2024

The year 2024 marks AUO's first-ever participation in CES as a Smart Cockpit Display Solution Provider and its first entry into the main exhibition hall. The Company was proud of earning two innovation awards recognizing our breakthroughs in transparent and rollable Micro LED displays for automotive applications. Among them, the "Interactive Transparent Window" integrates a highly transparent Micro LED display into vehicle side windows, equipped with touch functionality. This exhibit won the Best of Innovation Honoree award. This also means that the market recognizes AUO team's strong R&D capabilities and the ability to meet automotive customers' various needs in smart cockpits.

- Vertical business

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

In the healthcare sector, AUO has been a critical player in the professional medical display market for over a decade. We are positioned as the world's leading professional medical display supplier. With a positive outlook on the smart healthcare sector, AUO Group saw its first-ever participation in the “2023 Healthcare+ Expo Taiwan”. Together with several industry partners, this endeavor brought together our subsidiaries AUO Display Plus<sup>1</sup>, AUO Health<sup>2</sup>, and AUO Care<sup>3</sup> to jointly showcase

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<sup>1</sup> AUO Display Plus Corporation

<sup>2</sup> AUO Health Inc.

<sup>3</sup> AUO Care Inc.



products, technologies, and solutions launched by the Group in smart healthcare. These include products and services across five domains, including 3D surgical imaging, dental digitization, traditional Chinese medicine digital detection, medical information integration and management, and elderly care. AUO will leverage its current market dominance and panel technology as a starting point to develop vertically and provides solutions that address users' needs and solve the pain points.

Regarding the intelligent services, and with smart manufacturing as its starting point, AUO is responding to global climate change and the trend toward global net-zero carbon emissions by investing in digital transformation. This transformation aims to implement ESG sustainable development practices and apply successful transformation experiences to develop smart sustainable service solutions for external clients. The "AUO Smart Expo 2023" brought together our subsidiaries AUO Digitech<sup>4</sup>, AUO Envirotech<sup>5</sup>, and AUO Energy Business Headquarters<sup>6</sup> to demonstrate the Group's smart sustainable solutions in smart manufacturing, net-zero carbon emissions, and green energy to the public for the first time. These efforts align with our corporate digital and net-zero transformation goals, aiming to create sustainable business opportunities and enhance AUO's competitiveness through ESG-driven value creation.

Looking forward to 2024, the global macro environment remains uncertain. Despite facing a highly challenging operating environment, the Company remains cautiously optimistic, continues to closely monitor the market dynamics, and remains cautious about the pace of demand recovery for various applications. At this stage, the panel business still consumes majority of the Company's capacity, capital deployment, and human resources. Our primary goal for the panel business will be to optimize its product portfolios and technology platforms to ensure stable positive cash flow. On the other hand, mobility solution and vertical businesses stand as key growth engines in the longer-term. The Company plans to allocate more resources to accelerate the development in these two businesses, aiming to be recognized as not just a panel maker, but a "Display-centric Solution Provider" by 2025, moving toward for becoming a comprehensive sustainable enterprise.

Shuang-Lang (Paul) Peng,  
Chairman and Group CSO

Frank Ko,  
President and CEO

Benjamin Tseng,  
Chief Financial Officer and  
Chief Accounting Officer

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<sup>4</sup> AUO Digitech Taiwan Inc.

<sup>5</sup> AUO Envirotech Inc.

<sup>6</sup> AUO Energy Business Headquarters.



Attachment 2

Audit Committee's Review Report

The Board of Directors has prepared the Company's Business Report, Financial Statements, and Earnings Distribution Proposal for the year of 2023. Yu, Chi-Lung and Yu, Wan-Yuan, Certified Public Accountants of KPMG, have audited the Financial Statements and issued an audit report relating to the Financial Statements. The 2023 Business Report, Financial Statements, and Earnings Distribution Proposal have been reviewed and determined to be correct and accurate by the Audit Committee of AUO Corporation. I, as the Chair of the Audit Committee, hereby submit this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

AUO Corporation

Chair of the Audit Committee

Chin-Bing (Philip) Peng

A handwritten signature in blue ink, appearing to be '彭斌' (Peng Bing), enclosed in a large right-facing curly bracket.

March 11, 2024



## Attachment 3

### Independent Auditors' Report

To the Board of Directors of AUO Corporation:

#### Opinion

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

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

#### Basis for Opinion

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

#### Key Audit Matters

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

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

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



Description of key audit matter:

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

How the matter was addressed in our audit:

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

## 2. Revenue recognition

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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



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

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

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

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

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

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

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

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



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

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

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

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

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

KPMG

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

#### Notes to Readers

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





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

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



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

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



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

	Capital Stock		Retained Earnings				Cumulative Translation Differences	Other Components of Equity		Treasury Shares	Total Equity
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Subtotal		Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income	Subtotal		
<b>Balance at January 1, 2022</b>	\$ 96,242,451	60,057,001	8,427,144	3,270,303	68,972,551	80,669,998	(4,873,573)	130,391	(4,743,182)	(439,228)	231,787,040
Appropriation of earnings:											
Legal reserve	-	-	5,326,268	-	(5,326,268)	-	-	-	-	-	-
Special reserve	-	-	-	1,472,878	(1,472,878)	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(9,575,824)	(9,575,824)	-	-	-	-	(9,575,824)
Loss for the year	-	-	-	-	(21,101,374)	(21,101,374)	-	-	-	-	(21,101,374)
Other comprehensive income (loss), net of tax	-	-	-	-	44,298	44,298	2,467,083	(1,302,552)	1,164,531	-	1,208,829
Total comprehensive income (loss) for the year	-	-	-	-	(21,057,076)	(21,057,076)	2,467,083	(1,302,552)	1,164,531	-	(19,892,545)
Donations from shareholders	-	1,095	-	-	-	-	-	-	-	-	1,095
Adjustments for changes in investees' equity	-	1,812,907	-	-	-	-	-	-	-	-	1,812,907
Capital reduction	(19,248,490)	-	-	-	-	-	-	-	-	96,842	(19,151,648)
Share-based payments	-	71,207	-	-	-	-	-	-	-	46,859	118,066
Disposal of equity investments measured at fair value through other comprehensive income	-	-	-	-	41,654	41,654	-	(41,654)	(41,654)	-	-
<b>Balance at December 31, 2022</b>	<b>76,993,961</b>	<b>61,942,210</b>	<b>13,753,412</b>	<b>4,743,181</b>	<b>31,582,159</b>	<b>50,078,752</b>	<b>(2,406,490)</b>	<b>(1,213,815)</b>	<b>(3,620,305)</b>	<b>(295,527)</b>	<b>185,099,091</b>
Appropriation of earnings:											
Reversal of special reserve	-	-	-	(1,122,876)	1,122,876	-	-	-	-	-	-
Loss for the year	-	-	-	-	(18,203,274)	(18,203,274)	-	-	-	-	(18,203,274)
Other comprehensive income (loss), net of tax	-	-	-	-	44,759	44,759	(1,245,272)	360,181	(885,091)	-	(840,332)
Total comprehensive income (loss) for the year	-	-	-	-	(18,158,515)	(18,158,515)	(1,245,272)	360,181	(885,091)	-	(19,043,606)
Cash distribution from capital surplus	-	(6,134,305)	-	-	-	-	-	-	-	-	(6,134,305)
Donations from shareholders	-	3,712	-	-	-	-	-	-	-	-	3,712
Differences between consideration and carrying amount arising from acquisition or disposal of interest in subsidiary	-	(16,137)	-	-	-	-	-	-	-	-	(16,137)
Adjustments for changes in investees' equity	-	(874,755)	-	-	-	-	-	-	-	-	(874,755)
Share-based payments	-	78,104	-	-	-	-	-	-	-	55,103	133,207
Disposal of equity investments measured at fair value through other comprehensive income	-	-	-	-	(20,497)	(20,497)	-	20,497	20,497	-	-
<b>Balance at December 31, 2023</b>	<b>\$ 76,993,961</b>	<b>54,998,829</b>	<b>13,753,412</b>	<b>3,620,305</b>	<b>14,526,023</b>	<b>31,899,740</b>	<b>(3,651,762)</b>	<b>(833,137)</b>	<b>(4,484,899)</b>	<b>(240,424)</b>	<b>159,167,207</b>



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

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

(Continued)



	2023	2022
<b>Cash flows from investing activities:</b>		
Disposals of financial assets at fair value through profit or loss	-	5,440
Disposals of financial assets at amortized cost	-	10,000,000
Acquisitions of equity-accounted investees	(2,565,902)	(5,993,878)
Proceeds from capital reduction of equity-accounted investees	764,000	-
Acquisitions of property, plant and equipment	(18,294,568)	(18,135,881)
Disposals of property, plant and equipment	25,880	516,127
Decrease (increase) in refundable deposits	(86,731)	95,645
Decrease (increase) in other receivables from related party	505,000	(140,000)
Decrease in other financial assets	6,035	-
<b>Net cash used in investing activities</b>	<u>(19,646,286)</u>	<u>(13,652,547)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from short-term borrowings	2,800,000	-
Repayments of short-term borrowings	(2,800,000)	-
Proceeds from long-term borrowings	50,723,300	59,583,475
Repayments of long-term borrowings	(31,043,000)	(21,814,000)
Payment of lease liabilities	(405,769)	(401,791)
Increase in received guarantee deposits	1,375	-
Cash dividends and cash distribution from capital surplus	(6,134,305)	(9,575,824)
Capital reduction payments to shareholders	-	(19,151,648)
Treasury shares sold to employees	73,011	46,718
Others	3,712	1,095
<b>Net cash provided by financing activities</b>	<u>13,218,324</u>	<u>8,688,025</u>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<u>(18,447)</u>	<u>20,586</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(11,859,759)	6,820,780
<b>Cash and cash equivalents at January 1</b>	<u>42,441,718</u>	<u>35,620,938</u>
<b>Cash and cash equivalents at December 31</b>	<u><b>\$ 30,581,959</b></u>	<u><b>42,441,718</b></u>



## Attachment 4

# Independent Auditors' Report

To the Board of Directors of AUO Corporation:

### Opinion

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

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

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of 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.

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

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



Description of key audit matter:

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

How the matter was addressed in our audit:

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

## 2. Revenue recognition

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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





## Other Matters

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

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

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

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

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

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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





report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

KPMG

Hsinchu, Taiwan (Republic of China)

January 31, 2024

#### Notes to Readers

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



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

Assets		December 31, 2023		December 31, 2022		Liabilities and Equity		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents	\$ 83,969,463	22	80,613,120	21	2100	Short-term borrowings	\$ 263,000	-	128,487	-
1110	Financial assets at fair value through profit or loss—current	176,492	-	365,037	-	2120	Financial liabilities at fair value through profit or loss—current	11,143	-	351,825	-
1136	Financial assets at amortized cost—current	584,217	-	-	-	2170	Notes and accounts payable	43,433,269	11	41,479,524	11
1170	Notes and accounts receivable, net	22,798,408	6	18,620,248	5	2180	Accounts payable to related parties	5,203,290	1	5,890,185	2
1180	Accounts receivable from related parties, net	1,244,546	-	1,255,503	-	2213	Equipment and construction payable	6,135,421	2	7,882,627	2
1210	Other receivables from related parties	15,305	-	6,139	-	2220	Other payables to related parties	48,281	-	27,853	-
1220	Current tax assets	307,874	-	41,186	-	2230	Current tax liabilities	1,083,671	-	1,567,623	-
130X	Inventories	29,003,121	8	30,263,713	8	2250	Provisions—current	2,399,306	1	559,654	-
1410	Prepayments	2,654,523	1	3,440,926	1	2280	Lease liabilities—current	644,259	-	583,251	-
1460	Noncurrent assets held for sale	-	-	586,406	-	2399	Other current liabilities	25,291,133	7	24,812,498	6
1476	Other current financial	3,130,373	1	4,593,094	1	2322	Current installments of long-term borrowings	10,062,194	3	13,884,634	4
1479	Other current assets	326,391	-	391,435	-			94,574,967	25	97,168,161	25
		<u>144,210,713</u>	<u>38</u>	<u>140,176,807</u>	<u>36</u>						
<b>Noncurrent assets:</b>						2527	Contract liabilities—noncurrent	6,239,558	2	8,739,846	3
1510	Financial assets at fair value through profit or loss—noncurrent	139,170	-	-	-	2540	Long-term borrowings, excluding current installments	101,524,840	26	72,930,817	19
1517	Financial assets at fair value through other comprehensive income—noncurrent	1,832,068	-	1,900,581	1	2550	Provisions—noncurrent	881,394	-	909,405	-
1535	Financial assets at amortized cost—noncurrent	680,107	-	1,142,218	-	2570	Deferred tax liabilities	3,936,644	1	5,101,186	1
1550	Investments in equity-accounted investees	29,383,580	8	31,743,902	8	2580	Lease liabilities—noncurrent	8,684,270	2	8,661,640	2
1600	Property, plant and equipment	171,172,804	45	178,833,837	46	2600	Other noncurrent liabilities	2,271,528	1	1,918,971	1
1755	Right-of-use assets	9,770,626	2	9,800,458	3			<u>123,538,234</u>	<u>32</u>	<u>98,261,865</u>	<u>26</u>
1760	Investment property	1,320,901	-	1,393,244	-		<b>Total liabilities</b>	<u>218,113,201</u>	<u>57</u>	<u>195,430,026</u>	<u>51</u>
1780	Intangible assets	11,268,867	3	11,396,241	3		<b>Equity:</b>				
1840	Deferred tax assets	10,201,660	3	6,649,457	2		<b>Equity attributable to shareholders of AUO Corporation:</b>				
1920	Refundable deposits	1,102,087	-	925,517	-	3100	Common stock	76,993,961	20	76,993,961	20
1990	Other noncurrent assets	2,388,154	1	2,878,412	1	3200	Capital surplus	54,998,829	14	61,942,210	16
		<u>239,260,024</u>	<u>62</u>	<u>246,663,867</u>	<u>64</u>	3300	Retained earnings	31,899,740	8	50,078,752	13
						3400	Other components of equity	(4,484,899)	(1)	(3,620,305)	(1)
						3500	Treasury shares	(240,424)	-	(295,527)	-
								<u>159,167,207</u>	<u>41</u>	<u>185,099,091</u>	<u>48</u>
							<b>Non-controlling interests</b>				
						36XX	Non-controlling interests	6,190,329	2	6,311,557	1
							<b>Total equity</b>	<u>165,357,536</u>	<u>43</u>	<u>191,410,648</u>	<u>49</u>
<b>Total Assets</b>		<b>\$ 383,470,737</b>	<b>100</b>	<b>386,840,674</b>	<b>100</b>		<b>Total Liabilities and Equity</b>	<b>\$ 383,470,737</b>	<b>100</b>	<b>386,840,674</b>	<b>100</b>



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

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

		2023		2022	
		Amount	%	Amount	%
4110	Revenue	\$ 250,048,326	101	249,956,539	101
4190	Less: sales return and discount	2,083,889	1	3,163,865	1
	<b>Net revenue</b>	<b>247,964,437</b>	<b>100</b>	<b>246,792,674</b>	<b>100</b>
5000	<b>Cost of sales</b>	<b>243,354,069</b>	<b>98</b>	<b>245,225,166</b>	<b>99</b>
	<b>Gross profit (loss)</b>	<b>4,610,368</b>	<b>2</b>	<b>1,567,508</b>	<b>1</b>
	<b>Operating expenses :</b>				
6100	Selling and distribution expenses	5,019,739	2	4,817,426	2
6200	General and administrative expenses	8,321,194	4	7,852,697	3
6300	Research and development expenses	13,231,450	5	12,867,781	5
	<b>Total operating expenses</b>	<b>26,572,383</b>	<b>11</b>	<b>25,537,904</b>	<b>10</b>
	<b>Loss from operations</b>	<b>(21,962,015)</b>	<b>(9)</b>	<b>(23,970,396)</b>	<b>(9)</b>
	<b>Non-operating income and expenses:</b>				
7100	Interest income	1,915,078	1	878,975	-
7010	Other income	1,999,172	1	3,211,169	1
7020	Other gains and losses	(391,363)	-	(121,274)	-
7050	Finance costs	(2,724,883)	(1)	(1,507,963)	-
7060	Share of profit of equity-accounted investees	(518,049)	-	2,003,297	1
	<b>Total non-operating income and expenses</b>	<b>279,955</b>	<b>1</b>	<b>4,464,204</b>	<b>2</b>
7900	<b>Loss before income tax</b>	<b>(21,682,060)</b>	<b>(8)</b>	<b>(19,506,192)</b>	<b>(7)</b>
7950	<b>Less: income tax expense (benefit)</b>	<b>(3,530,906)</b>	<b>(1)</b>	<b>1,466,988</b>	<b>1</b>
8200	<b>Loss for the year</b>	<b>(18,151,154)</b>	<b>(7)</b>	<b>(20,973,180)</b>	<b>(8)</b>
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that will never be reclassified to profit or loss</b>				
8311	Remeasurement of defined benefit obligations	4,074	-	58,455	-
8316	Unrealized loss on equity investments at fair value through other comprehensive income	(36,180)	-	57,359	-
8320	Equity-accounted investees – share of other comprehensive income	446,924	-	(1,362,377)	(1)
8349	Related tax	(1,725)	-	(11,691)	-
		<b>413,093</b>	<b>-</b>	<b>(1,258,254)</b>	<b>(1)</b>
8360	<b>Items that are or may be reclassified subsequently to profit or loss</b>				
8361	Foreign operations – foreign currency translation differences	(1,540,996)	(1)	2,388,106	1
8370	Equity-accounted investees – share of other comprehensive income	(73,173)	-	562,474	-
8399	Related tax	290,245	-	(490,056)	-
		<b>(1,323,924)</b>	<b>(1)</b>	<b>2,460,524</b>	<b>1</b>
8300	<b>Other comprehensive income, net of tax</b>	<b>(910,831)</b>	<b>(1)</b>	<b>1,202,270</b>	<b>-</b>
8500	<b>Total comprehensive income (loss) for the year</b>	<b>\$ (19,061,985)</b>	<b>(8)</b>	<b>(19,770,910)</b>	<b>(8)</b>
	<b>Profit (loss) attributable to:</b>				
8610	Shareholders of AUO Corporation	\$ (18,203,274)	(7)	(21,101,374)	(8)
8620	Non-controlling interests	52,120	-	128,194	-
		<b>\$ (18,151,154)</b>	<b>(7)</b>	<b>(20,973,180)</b>	<b>(8)</b>
	<b>Total comprehensive income (loss) attributable to:</b>				
8710	Shareholders of AUO Corporation	\$ (19,043,606)	(8)	(19,892,545)	(8)
8720	Non-controlling interests	(18,379)	-	121,635	-
		<b>\$ (19,061,985)</b>	<b>(8)</b>	<b>(19,770,910)</b>	<b>(8)</b>
	<b>Earnings (loss) per share (NT\$)</b>				
9750	Basic earnings (loss) per share	<b>\$ (2.37)</b>		<b>(2.39)</b>	
9850	Diluted earnings (loss) per share	<b>\$ (2.37)</b>		<b>(2.39)</b>	



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

Equity Attributable to Shareholders of AUO Corporation

	Equity Attributable to Shareholders of AUO Corporation						Other Components of Equity			Equity Attributable to Shareholders of AUO Corporation	Non-controlling Interests	Total Equity	
	Capital Stock Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Subtotal	Cumulative Translation Differences	Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income	Subtotal				Treasury Shares
<b>Balance at January 1, 2022</b>	\$ 96,242,451	60,057,001	8,427,144	3,270,303	68,972,551	80,669,998	(4,873,573)	130,391	(4,743,182)	(439,228)	231,787,040	6,179,431	237,966,471
Appropriation of earnings:													
Legal reserve	-	-	5,326,268	-	(5,326,268)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	1,472,878	(1,472,878)	-	-	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(9,575,824)	(9,575,824)	-	-	-	-	(9,575,824)	-	(9,575,824)
Profit (loss) for the year	-	-	-	-	(21,101,374)	(21,101,374)	-	-	-	-	(21,101,374)	128,194	(20,973,180)
Other comprehensive income (loss), net of tax	-	-	-	-	44,298	44,298	2,467,083	(1,302,552)	1,164,531	-	1,208,829	(6,559)	1,202,270
Total comprehensive income (loss) for the year	-	-	-	-	(21,057,076)	(21,057,076)	2,467,083	(1,302,552)	1,164,531	-	(19,892,545)	121,635	(19,770,910)
Donations from shareholders	-	1,095	-	-	-	-	-	-	-	-	1,095	-	1,095
Adjustments for changes in investees' equity	-	1,812,907	-	-	-	-	-	-	-	-	1,812,907	604	1,813,511
Capital reduction	(19,248,490)	-	-	-	-	-	-	-	-	96,842	(19,151,648)	-	(19,151,648)
Share-based payments	-	71,207	-	-	-	-	-	-	-	46,859	118,066	12,699	130,765
Disposal of equity investments measured at fair value through other comprehensive income	-	-	-	-	41,654	41,654	-	(41,654)	(41,654)	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(2,812)	(2,812)
<b>Balance at December 31, 2022</b>	76,993,961	61,942,210	13,753,412	4,743,181	31,582,159	50,078,752	(2,406,490)	(1,213,815)	(3,620,305)	(295,527)	185,099,091	6,311,557	191,410,648
Appropriation of earnings:													
Reversal of special reserve	-	-	-	(1,122,876)	1,122,876	-	-	-	-	-	-	-	-
Profit (loss) for the year	-	-	-	-	(18,203,274)	(18,203,274)	-	-	-	-	(18,203,274)	52,120	(18,151,154)
Other comprehensive income (loss), net of tax	-	-	-	-	44,759	44,759	(1,245,272)	360,181	(885,091)	-	(840,332)	(70,499)	(910,831)
Total comprehensive income (loss) for the year	-	-	-	-	(18,158,515)	(18,158,515)	(1,245,272)	360,181	(885,091)	-	(19,043,606)	(18,379)	(19,061,985)
Cash distribution from capital surplus	-	(6,134,305)	-	-	-	-	-	-	-	-	(6,134,305)	-	(6,134,305)
Donations from shareholders	-	3,712	-	-	-	-	-	-	-	-	3,712	-	3,712
Differences between consideration and carrying amount arising from acquisition or disposal of interest in subsidiary	-	(16,137)	-	-	-	-	-	-	-	-	(16,137)	16,137	-
Adjustments for changes in investees' equity	-	(874,755)	-	-	-	-	-	-	-	-	(874,755)	(25,675)	(900,430)
Share-based payments	-	78,104	-	-	-	-	-	-	-	55,103	133,207	867	134,074
Disposal of equity investments measured at fair value through other comprehensive income	-	-	-	-	(20,497)	(20,497)	-	20,497	20,497	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(94,178)	(94,178)
<b>Balance at December 31, 2023</b>	\$ 76,993,961	54,998,829	13,753,412	3,620,305	14,526,023	31,899,740	(3,651,762)	(833,137)	(4,484,899)	(240,424)	159,167,207	6,190,329	165,357,536



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

	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
<b>Loss before income tax</b>	\$ (21,682,060)	(19,506,192)
<b>Adjustments for:</b>		
- depreciation	32,379,064	31,281,587
- amortization	126,480	184,766
- net gains on financial instruments at fair value through profit or loss	(53,869)	(85,959)
- interest expense	2,660,885	1,349,724
- interest income	(1,915,078)	(878,975)
- dividend income	(2,585)	(6,571)
- compensation costs of share-based payments	61,066	84,085
- share of loss (profit) of equity-accounted investees	518,049	(2,003,297)
- gains on disposal of property, plant and equipment	(53,350)	(1,024,832)
- gains on disposal of noncurrent assets held for sale	(1,069,530)	-
- gains on disposal of investments	(116)	-
- impairment losses on assets	210,771	1,179,565
- unrealized foreign currency exchange losses (gains)	(364,148)	158,438
- others	101,025	82,019
<b>Changes in operating assets and liabilities:</b>		
- notes and accounts receivable	(4,844,979)	39,381,310
- receivables from related parties	1,791	1,238,452
- inventories	1,266,186	4,214,575
- other operating assets	385,546	(48,157)
- contract liabilities	(440,614)	(1,507,156)
- notes and accounts payable	2,755,404	(12,705,469)
- payables to related parties	(666,467)	(2,979,734)
- provisions	1,832,878	(489,391)
- other operating liabilities	(395,560)	(9,677,630)
Cash inflow generated from operations	10,810,789	28,241,158
Interest received	1,855,266	782,513
Dividends received	1,599,601	1,827,279
Interest paid	(2,632,179)	(1,522,704)
Income taxes paid	(1,639,914)	(2,357,288)
<b>Net cash provided by operating activities</b>	<b>9,993,563</b>	<b>26,970,958</b>

(Continued)



	2023	2022
<b>Cash flows from investing activities:</b>		
Acquisitions of financial assets at fair value through other comprehensive income	(217,183)	(544,218)
Disposals of financial assets at fair value through other comprehensive income	74,799	10,002
Acquisitions of financial assets at amortized cost	(878,405)	(660,262)
Disposals of financial assets at amortized cost	770,824	10,000,000
Acquisitions of financial assets at fair value through profit or loss	(138,231)	-
Disposals of financial assets at fair value through profit or loss	-	5,440
Acquisitions of equity-accounted investees	(105,904)	(5,183,707)
Disposals of equity-accounted investees	-	83,152
Proceeds from disposal of noncurrent assets held for sale	808,694	-
Acquisitions of property, plant and equipment	(26,786,572)	(35,950,205)
Disposals of property, plant and equipment	2,293,768	845,768
Increase in receipts in advance due to disposal of assets	-	848,008
Decrease (increase) in refundable deposits	(106,096)	83,193
Acquisitions of intangible assets	-	(2,929)
Decrease (increase) in other financial assets	315,501	(743,153)
Net cash outflow arising from acquisition of subsidiaries	(85,579)	(704,049)
<b>Net cash used in investing activities</b>	<u>(24,054,384)</u>	<u>(31,912,960)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from short-term borrowings	3,241,000	539,963
Repayments of short-term borrowings	(3,104,249)	(457,499)
Proceeds from long-term borrowings	63,124,446	64,168,996
Repayments of long-term borrowings	(38,134,307)	(32,619,345)
Payment of lease liabilities	(606,200)	(574,590)
Decrease in received guarantee deposits	(2,403)	(20,819)
Cash dividends and cash distribution from capital surplus	(6,134,305)	(9,575,824)
Capital reduction	-	(19,151,648)
Treasury shares sold to employees	73,011	46,718
Net change of non-controlling interests	(94,178)	(2,812)
Others	3,712	1,095
<b>Net cash provided by financing activities</b>	<u>18,366,527</u>	<u>2,354,235</u>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<u>(949,363)</u>	<u>3,256,201</u>
<b>Net increase in cash and cash equivalents</b>	3,356,343	668,434
<b>Cash and cash equivalents at January 1</b>	<u>80,613,120</u>	<u>79,944,686</u>
<b>Cash and cash equivalents at December 31</b>	<u><b>\$ 83,969,463</b></u>	<u><b>80,613,120</b></u>



Attachment 5

2023 Earnings Distribution Proposal

Amount in NT\$	
Items	Amount
<b>Unappropriated Retained Earnings, Beginning Balance</b>	<b>32,705,034,866</b>
Add: Change in Remeasurement of Defined Benefit Plan <small>(Note 1)</small>	44,759,356
Less: Disposal of Equity Instruments at Fair Value through	(20,497,389)
Net Loss after Tax of 2023	(18,203,273,882)
Less: Allowance for Special Reserve <small>(Note 2)</small>	(864,593,661)
<b>Unappropriated Retained Earnings, Ending Balance</b>	<b>13,661,429,290</b>

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

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



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

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





Before amendment	After amendment	Reason of amendment
<p>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;</p> <p>5. contains any words or marks other than those specified in Article 9;</p> <p>6. is not filled out in accordance with Article 9 or is filled incompletely; or</p> <p>7. contains two or more candidates.</p>	<p><del>4. contains a name or shareholder's number in the "candidate" column which is inconsistent with the shareholder's register if the candidate is incorrect with a shareholder of the Company; Contains a name or ID number in the "candidate" column</del> <b>directors' candidate list</b> <del>which is incorrect if the candidate is not a shareholder of the Company;</del></p> <p><b>5. Except to filling in the number of allocated voting rights,</b> the ballot is altered any words or marks other than allowed is placed on it. <del>contains those specified in Article 9;</del></p> <p><del>6. is not filled out in accordance with Article 9 or is filled incompletely; or</del></p> <p><del>7.</del> <b>6.</b> contains two or more candidates.</p>	
<p>Article 11</p> <p>The ballots should be counted during the meeting right after the vote casting and the results of the election should be announced by the Chairman at the meeting.</p>	<p>Article 10</p> <p>The ballots should be counted during the meeting right after the vote casting and the results of the election should be announced by the Chairman at the meeting.</p>	<p>In accordance with Article 9, deletion is to be made and revise Article number.</p>
<p>Article 12</p> <p>The Rules and any amendment thereof shall become effective after approval by the Shareholders' Meeting.</p>	<p>Article 11</p> <p>The Rules and any amendment thereof shall become effective after approval by the Shareholders' Meeting.</p>	<p>In accordance with Article 9, deletion is to be made and revise Article number.</p>