



April 22, 2026

Dear Shareholder,

AUO Corporation (AUO) will convene its Annual General Meeting (AGM) on May 28, 2026. To facilitate timely and convenient participation of shareholders in important corporate decisions, we will continue to employ a hybrid method for the meeting, thereby promoting shareholder engagement and activism. We trust that you have received all the necessary documentation to make independent and informed decisions regarding the agenda items proposed by the Board of Directors (the "Board") for this year's AGM. Below please find AUO's 2026 AGM agenda, along with brief explanations for any items you may wish to inquire about.

Recognition Item 1: To recognize 2025 Business Report and Financial Statements (proposed by the Board)

For the full year, AUO reported annual revenue of NT\$281.4 billion, representing a 0.4% increase compared to 2024. The Company also returned to profitability, posting a net profit of NT\$6.8 billion, compared with a net loss in the prior year.

In 2025, global political and economic volatility intensified, changes in U.S. tariff policies, along with fluctuations in the New Taiwan dollar against the U.S. dollar, had a pronounced impact on export-oriented technology industries. Despite weaker-than-usual seasonal demand, overall performance continued to demonstrate AUO's operational resilience.

AUO is no longer solely a panel supplier, but a display-centric solution provider operating across three core operating pillars of "Display", "Mobility Solutions", and "Vertical Solutions". This strategic adjustment reflects years of forward-looking planning and proactive management of cyclical volatility and industry restructuring risks. It also represents the Company's fundamental growth strategy as it enters the next phase of development.

Recognition Item 2: To recognize the proposal for the distribution of 2025 earnings (proposed by the Board)

2025 revenue of NT\$281.4 billion was roughly unchanged from last year, though the revenue structure shifted meaningfully. The combined share from higher margin Mobility and Vertical Solutions rose from 38% in 2024 to 43% in 2025. Meanwhile, the Display segment's share declined from 56% to 52% during the same period. This optimization in our business mix drove up our gross margin. In 2025, net profit attributable to owner of the company was approximately NT\$ 6.8 billion, with EPS of NT\$0.9.

AUO plans to distribute NT\$0.4 per common share in order to deliver stable shareholder returns. Going forward, our shareholder return policy will be characterized by an assessment of free cash flow, with a portion returned to shareholders. At the same time, we will continue to optimize our capital structure.



Discuss Item 1: To approve the demerger of the Company's energy business to the Company's wholly-owned subsidiary and the Demerger Proposal (proposed by the Board)

Discuss Item 2: To approve the sale of the equity of companies related to the energy business (proposed by the Board)

AUO's Board of Directors has approved a restructuring of the organizational and investment framework for its energy business. By integrating both internal and external energy-related resources and advancing the corporatization of the energy business, operations will be undertaken through a more professionally focused platform, with the aim of further enhancing operational efficiency and market competitiveness.

Key resolutions approved by the Board and to be submitted to the shareholders' meeting include:

1. AUO plans to transfer, via demerger to Star Shining Enetek Corp. (hereinafter referred to as "Star Shining Enetek"), a wholly owned subsidiary of AUO, the energy business. The record date of the demerger is tentatively scheduled for August 1, 2026.
2. Upon completion of the demerger, AUO plans to dispose of its equity interests in Star Shining Enetek and its related investee companies to Star Shining Energy Holdings Corporation (hereinafter referred to as "Star Shining Holdings"). The transaction scope includes 100% equity interests in: Star Shining Enetek, AUO Power Corporation, Zheng Yao Power Corporation, Feng Yao Power Corporation, AEUS (AUO Green Energy America Corp.) and 20% equity interests in Zhao Feng

and system integration and providing a more professional energy business platform, which will generate a more efficient and professional operation.

Following the restructuring, Star Shining Enetek will assume all existing operations and contracts

including international collaborations.

AUO will continue its participation in the energy sector as a green ecosystem partner of Star Shining Holdings. AUO will leverage its group resources and cross-domain capabilities to support the long-term



Explanations for Major Revisions to the Limits on Securities Investment:

(1) Simplification and Aggregate Exposure Reduction

The proposed amendment transforms previously fragmented investment categories into a unified structure with a single 100% aggregate ceiling and a 25% individual investment limit across all securities categories. Previously, each category carried separate aggregate and individual limits which, in theory, could have allowed for an aggregate exposure of up to 220% of the equity. The amended framework reduces this to a single 100% aggregate ceiling, representing a meaningful reduction in maximum permissible market exposure. At the same time, the standardized individual investment limit of 25% of equity provides a clear and consistent guardrail at the transaction level, replacing a range of category-specific limits that previously varied from 5% to 50%. The Board believes this consolidated structure enhances risk oversight, simplifies compliance monitoring, and provides the operational flexibility necessary to execute AUO's strategic transformation.

(2) Optimizing Capital Allocation for "3 Pillars Transformation"

To effectively execute AUO's long-term "3 Pillars Transformation" strategy, the Company is streamlining individual category sub-limits (previously ranging from 5% to 50%) into a standardized 25% individual investment limit. This alignment allows for agile capital deployment into strategic growth targets without expanding the Company's total risk appetite. The 100% aggregate ceiling



Explanations for Revision regarding the Relaxation of Public Announcement and Reporting Thresholds:

In accordance with the amendments to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies promulgated by the Financial Supervisory Commission (FSC) on July 24, 2025 (FSC Securities Issuing Letter No. 1140383333), AUO proposes to relax its public announcement and reporting thresholds under its Procedures for Acquisition or Disposal of Assets. Specifically, the disclosure threshold for equipment acquisitions and disposals for business use will be revised to 5% of the Company's paid-in capital, and the disclosure threshold for government bonds, ordinary corporate bonds, and general bank debentures without equity characteristics (excluding subordinated debt) traded on securities exchanges or OTC markets, where the counterparty is not a related party, will also be raised to 5% of the Company's paid-in capital. The major reasons for these amendments are as follows:

- **Why the Changes Are Necessary:**

AUO's annual revenue exceeds NT\$280 billion. Under the current Handling Procedures, the disclosure threshold for acquisitions or disposals of equipment used in business operations where the counterparty is not a related party is NT\$1 billion, while the general disclosure threshold for fixed income securities transactions is NT\$300 million. Relative to AUO's operational scale, these absolute thresholds represent a very small proportion of annual revenue — NT\$300 million represents approximately 0.1% of annual revenue, while NT\$1 billion represents approximately 0.35%. As a result, a significant volume of routine, non-material transactions are currently subject to mandatory public disclosure, creating unnecessary administrative burden and potentially diluting investor attention away from transactions of genuine strategic significance. The display panel industry is furthermore capital-intensive in nature, with facility construction and production line equipment transactions routinely involving several billion NT dollars as a core and recurring component of AUO's capital allocation. AUO also regularly deploys surplus funds into fixed income instruments to optimize cash yield, and the current NT\$300 million threshold results in repetitive disclosure of individually non-material treasury management activities.

- **Internal Controls and Board Oversight Remain Unchanged**

The adjustment of external disclosure thresholds operates entirely independently of AUO's internal governance framework and risk control mechanisms. All transactions continue to follow the structured internal review and approval process.

The proposed amendments are consistent with the spirit of the Securities and Exchange Act and the Company Act, and will not affect the Company's internal control system or the Board's oversight responsibilities.

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Discuss Item 5: To lift non-competition restrictions on board members (proposed by the Board)



According to Article 216 of the Company Act of the Republic of China, any Director conducting business for himself/herself/itself or on behalf of other people that is within AJO's business scope shall

disclose the nature and content of the business to the Board of Directors, and the Board of Directors shall

discuss and decide whether to allow the Director to conduct the business. If the Board of Directors allows the Director to conduct the business, the Board of Directors shall

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