



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 mix shifted significantly. The combined share from panel solution, mobility and vertical solutions was 62% compared to 56% in 2024. The gross margin improved from 36% to 32% 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

Demerger of Energy Business

AUO has been investing in the energy sector for many years, spanning solar power plant investments, energy management, and related services. As the global energy transition moves toward large-scale deployment and system integration, this restructuring enables the energy business to operate independently with greater capital flexibility and operational efficiency.

The demerger of the energy business is subject to approval by the Board of Directors.

The demerger of the energy business to Star Shining Enetek Corp. has been reported to the Shareholders' Meeting for approval. The demerger will be completed after the Shareholders' Meeting.

It is proposed to transfer 100% 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 R2E (Equity Interests in R2E Energy Co., Ltd.

The expected disposal amount for Star Shining Enetek is based on an enterprise value of NT\$780 million, while the aggregate disposal amount for the remaining transaction targets will be no less than NT\$80 million.

Execution of the above-mentioned resolutions relating to the demerger and disposal of the energy business is subject to approval by AUO's shareholders' meeting.

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Following the restructuring, Star Shining Enetek will assume all existing operations and contractual relationships of AUO's energy business. Customer services, supply arrangements, and partnership rights will remain unaffected, including ongoing international collaborations.

resources and cross-domain capabilities to support the long-term development of the energy business and sustainable value creation in line with net-zero and green energy trends.

Discuss Item 3: To amend the Articles of Incorporation (proposed by the Board)

To strengthen the Company's expansion into vertical solutions, it is proposed to add new business items -medical-related business to the Articles of Incorporation. Additionally, in accordance with applicable provisions of the Company Act, certain articles of the Articles of Incorporation will be amended concurrently.

Discuss Item 4: To amend the Handling Procedures for Acquisition or Disposal of Assets (proposed by the Board)



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 remains unchanged. This change is intended to support the Company's strategic transformation by providing a more consistent and simplified framework for investment decisions. The Board believes this change will enhance the Company's ability to allocate capital effectively and support its long-term growth strategy. The Board also notes that the proposed changes are consistent with the Company's risk management framework and are designed to ensure that the Company's investment activities remain within its risk appetite. The Board will continue to monitor the impact of these changes and may make further adjustments as needed.

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Amendment to the Company Act, the Company Act施行細則, the Handling Procedures, and the Articles of Incorporation

The Board of Directors has proposed to amend the Company Act, the Company Act施行細則, the Handling Procedures, and the Articles of Incorporation to lift the non-competition restrictions on board members. The proposed amendments are intended to align the company's internal governance framework with the requirements of the Company Act and to enhance the company's flexibility in business operations. The proposed amendments are summarized as follows:

The proposed amendments will lift the non-competition restrictions on board members, allowing them to engage in other businesses or activities. The proposed amendments will also lift the restrictions on board members' employment with other companies. The proposed amendments will also lift the restrictions on board members' employment with other companies.

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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 set out in Article 3 of the Handling Procedures. Transactions at or above NT\$300 million continue to require Audit Committee and Board of Directors approval before execution. Pre-transaction independent valuation requirements under Article 5 — including the requirement for two or more independent appraisers for transactions exceeding NT\$1 billion — remain fully intact.

No Material Change to Balance of Power

This amendment does not alter the balance of power among shareholders, the Board, and management. Internal approval thresholds are unchanged — management cannot bypass Board-level oversight on the basis of higher disclosure thresholds, as these are two independent parallel mechanisms. Any transactions requiring shareholder authorization under the Company Act or AUO's Articles of Incorporation continue to be submitted for shareholder resolution. The scope of management discretion is not expanded by this amendment.

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

