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## **Closure Announcement / Q&A on the Solar Module Factory in Brno, Czech Republic**

**Dear Wagner Team**

For a more cost effective resource utilization and management, AUO has decided to centralize all R&D and manufacturing resources in Taiwan and close the Solar Module manufacturing facility in Brno, Czech Republic.

AUO will continue to support the Solar Industry in Europe with Sales and Engineering Services. AUO will continue the development of high efficiency and quality module solutions, as well as energy management services and maintain the commitment of long-term product warranties to all of our European customers.

Best regards,  
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[Possible Q&A]

**Q1: Why did AUO decide to close the Czech factory?**

The EU officially ended the MIP on solar module imports from China in September 2018, but there are still many raw materials or components subject to taxation when importing into the EU. This makes the manufacturers who insist on European-made modules face fierce price competition against Chinese-made modules. For a more sustainable business operation and services, AUO decided to close the Czech factory and centralize R&D and manufacturing resources in Taiwan. In the meantime, the EU sales and the engineering services teams will continue to provide local support.

**Q2: When did AUO Czech start production?**

The AUO Czech factory started operation in 2010, responsible for PV module assembling.

**Q3: How many AUO employees will be impacted? How does AUO minimize the impact?**

There are currently about 250 employees in the AUO Czech factory. All employees will be dismissed in accordance with local laws and regulations, including a severance package.

**Q4: What will be the impact for Solar customers of AUO?**

The Czech factory is responsible for the manufacturing/assembling of 5-busbar p-mono PERC modules, which will be delivered from Taiwan in the future after the Czech factory is closed. All customers' rights shall remain unaffected.

**Q5: What will happen to the warranty follow up on modules produced and sold from the Czech production plant in Brno.**

There will be no impact on product warranty; all product warranty remains AUO's commitment and responsibility. The contact for customer claims will continue to be managed in Europe.

**Q6: Will AUO continue in the Solar business for the long term?**

AUO will continue providing energy products & services in the world.

**Q7: What strategy will AUO follow on Distribution of Modules in Europe?**

AUO will continue our existing distribution strategy in Europe.

**Q8: When will be the last production in the Czech production plant?**

Last production and last shipments will be made in June, 2019.



Q9: Date of Factory closure?

The Brno factory will close by June 30th, 2019.

Q10: What will be the total capacity for PV modules for AUO? And what capacity is dedicated for Europe?

AUO capacity is planned between 400 – 500 MW/year for the coming years. The EU remains a key market for the AUO Solar business, with 35%- 40% of total Sales Revenue in 2019-2020.

Q11: What about the EU sales team contacts? Who will be the local contact person for each country?

All Solar Sales and Management team members will remain with AUO.

Q12: Will AUO showcase new products at the next Intersolar trade fair in Munich?

AUO will be exhibiting at the Novotel Hotel next to the Intersolar and show case the new 2020 product line up.

Q13: What about RMA and other services on modules?

Please refer to Q5.

Q14: Will it be possible to get insight into the AUO module production in Taiwan?

Please refer to Q10.

Q15: What about 5BB TW production for the EU market? (road map and volume)

AUO will continue Mono modules PM060MW2 310W/PM060MB2 300W from Taiwan.

Q16: What about the CRE market in France?

For new projects, warranty on old projects which were built with AUO modules and need replacement, AUO will honor commitments on projects that have been agreed on and will provide Module support.

Q17: Will AUO want to maintain the Tier 1 Bloomberg ranking about bankability guarantee and capacity?

AUO will endeavor to maintain the Tier 1 Bloomberg ranking.