



# Onyx Healthcare Inc.

## Annual General Shareholders Meeting for 2024 Meeting Handbook



May 27, 2024

Venue: 9F, No. 135, Lane 235, Baoqiao Road, Xindian District, New Taipei City

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**Meeting Procedure**

**Onyx Healthcare Inc.  
Procedure For the 2024 General Shareholders' Meeting**

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**I. Commencement of meeting**

**II. Chairperson's opening remarks**

**III. Report Items**

**IV. Acknowledgment Items**

**V. Discussion Items**

**VI. Special Motions**

**VII. Adjournment**

## **Meeting Agenda**

### **Onyx Healthcare Inc.**

#### Agenda of the Annual General Shareholders' Meeting for 2024

- I. Time: 9am, May 27 (Monday), 2024
- II. Venue: 9F, No. 135, Lane 235, Baoqiao Road, Xindian District, New Taipei City
- III. Meeting type: Physical shareholders meeting.
- IV. Commencement of meeting (announce the total number of shares represented in the meeting)
- V. Chairperson's opening remarks
- VI. Report Items:
  - (I) 2023 Business Report.
  - (II) 2023 Audit Committee's Report.
  - (III) 2023 Employee's and Directors' Remuneration Proposal.
- VII. Acknowledgment Items:
  - (I) 2023 Business Report and Financial Statements.
  - (II) The Proposal for Distribution of 2023 Profits.
- VIII. Discussion Items:
  - (I) Issuance of New Shares from Capital Increase by Earnings.
  - (II) The Company Plans to Issue Employee Share Options with Price lower than Fair Market Value.
- IX. Special Motions
- X. Adjournment

## Report Items

### I. 2023 Business Report.

Details: Please refer to Attachment I of this conference manual for the Company's 2023 Business Report on pages 8-11.

### II. 2023 Audit Committee's Report.

Details: Please refer to Attachment II of this conference manual for the Company's 2023 Audit Committee's Report on page 12.

### III. 2023 Employee's and Directors' Remuneration Proposal.

Details: I. According to Article 28-1 of the Company's Articles of Incorporation, any profit concluded from a financial year (i.e., pre-tax profit before employee's and directors' remuneration) shall be subject to employee's remuneration of no less than 5% and directors' remuneration of no more than 3%. However, profits shall first be taken to offset cumulative losses if any.

II. Employee's remuneration totaling NT\$22,500,000 (6.92%) and director remuneration totaling NT\$2,400,000 (0.74%) have been proposed for 2023; both are indifferent from the amounts initially estimated, and will be entirely paid in cash.

## Acknowledgment Items

Motion 1: Adoption of 2023 Business Report and Financial Statements.  
(Proposed by the board of directors)

Details: I. The Company's 2023 standalone financial statements and consolidated financial statements have been audited by CPA Chang, Shu-Chiung and CPA Lin, Chun - Yao of PriceWaterhouseCoopers Taiwan. The above documents have also been reviewed by the Audit Committee, for which the committee has issued its audit report.

II. Please refer to Attachment I on pages 8-11, Attachment III and Attachment IV on pages 13-41 of this conference manual for the Company's 2023 Business Report, standalone financial statements and consolidated financial statements with Independent Auditor's Report, respectively.

Resolution:

Motion 2: Adoption of the Proposal for Distribution of 2023 Profits. (Proposed by the board of directors)

Details: I. The Company generated NT\$255,262,317 of net income for 2023; deducting an adjustment of retained earnings for 2023 of NT\$4,845,000 and after providing for NT\$25,041,732 in legal reserve, and adding NT\$3,757,088 reversal in special reserve, and adding NT\$61,745,880 of undistributed earning carried from the beginning of the period. Therefore, a proposal was made to distribute cash dividends totaling NT\$167,581,500 (NT\$5.00 per share) and stock dividends totaling NT\$50,274,450 (NT\$1.50 per share) to shareholders. Please refer to the earnings appropriation chart below:

Onyx Healthcare Inc.  
Earnings Distribution Table  
2023

Unit: NTD

Item	Amount	Remarks
Beginning retained earnings	61,745,880	
Add: Net income for 2023	255,262,317	
Less: Adjustment of retained earnings for 2023	(4,845,000)	
Less: Provision of legal reserve (10%)	(25,041,732)	
Add: Reversal for special reserve	3,757,088	
Earnings available for distribution in the current period	290,878,553	
Less: Distributions		
Shareholders' dividends - cash	(167,581,500)	NT\$5.00 per share
Shareholders' dividends - Stock	(50,274,450)	NT\$1.50 per share

Closing undistributed earnings	73,022,603	
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**Note: Distribution to be paid out of 2023 earnings first.**

Chairman: Chuang, Yung-Shun    Manager: Chuang, Fu-Chung    Head of Accounting: Yang, Hsiang-Chih

II. The amount of cash dividend distribution shall be calculated and truncated to the nearest NT\$1. Fractions that do not amount to a full NT\$1 shall be summed and recognized by the Company as other income. Once the motion has been approved during the annual general meeting, a request shall be raised simultaneously to authorize the Chairman to set baseline date and payment date for dividends.

III. Proposal to seek approval during annual general meeting to authorize the Chairman for decisions involving adjustments to dividend allocation, should the Company encounter a change of share capital that changes the number of outstanding shares on a later date.

Resolution:

### **Discussion Items**

Discussion 1: Issuance of new shares from capital increase by earnings; the motion is open for discussion. (Proposed by the board of directors)

Details: I. Considering the Company's future business development, a proposal has been raised to capitalize NT\$50,274,450 of 2023 undistributed earnings and issue 5,027,445 new shares as stock dividends at a face value of NT\$10 per share.

II. Conditions for new share issuance

(I) For this earnings capitalization, new shares will be allocated to shareholders listed on the shareholder registry as of the stock dividend baseline date at the rate of 150 new shares per 1,000 shares held. Shareholders who are allocated fractions of a share may approach the stock transfer agent within 5 days after the stock dividend baseline date to combine available fractions into a full share. Fractions that remain past the due date shall have cash value calculated at face value to the nearest dollar according to Article 240 of The Company Act (to offset against TDCC transfer fees or book-entry registration fees). The Chairman shall be authorized to engage designated parties to subscribe at face value if necessary.

(II) New shares from capitalized earnings shall be issued in the non-physical form and carry the same rights and obligations as existing shares.

(III) Once the motion is passed during the annual general meeting and approved by the authority, a request shall be raised simultaneously to authorize the board of directors to set the stock dividend baseline date.

- (IV) Should the Company encounter a change of share capital that changes the number of outstanding shares on a later date, the board of directors shall be fully authorized to make necessary adjustments to the percentage of stock dividends allocated to shareholders.
- (V) Proposal to fully authorize the board of directors for making changes as instructed by the authority or regulated by law.

Resolution:

Discussion 2: The Company Plans to Issue Employee Share Options with Price lower than Fair Market Value. (Proposed by the board of directors)

Details: I. The company intends to have employee stock warrant issued at a price below market price in accordance with Article 28-3 of the Securities Exchange Act and the “regulations Governing the Offering and Issuance of Securities by Securities Issuers” published by the Securities and Futures Bureau, Financial Supervisory Commission, R.O.C.

II. According to Article 56-1 of “Regulations Governing the Offering and Issuance of Securities by Securities Issuers:” The Company will issue 1,000,000 shares of employee stock warrants at a price below market price, details referring to Attachment V on pages 42.

- (I) Total number of employee stock warrants issued, the number of shares to be subscribed for each unit of stock warrant, and the total number of stock shares to be issued for the stock option exercised:  
A total of 1,000 units of employee stock warrants are issued currently and each unit of stock warrant are entitled to the subscription of 1,000 stock shares. A total of 1,000,000 common stock shares are issued for the stock option exercised.
- (II) The reference and reasonability of stock price:  
Stock price is NT\$110 per share. Considering the effectiveness of talent retention, motivation, and shareholder interests, and in line with the employee stock option warrants, which can be exercised in installments based on the ratio defined by the rights period after two years from the date of issuance, setting the exercise price below the market price should be deemed reasonable.
- (III) Stock subscriber’s qualification and the number of subscriber Shares:
  - (1) Limited to full-time employees of the Company and domestic or foreign companies controlled by or affiliated to the Company who have made special contributions to the Company.
  - (2) The actual number of employees eligible to subscribe and the number of shares they receive will be determined after taking into account the seniority, grade, work performance, overall contribution or special merit of the employees, which have been approved by the chairman and approved by the board of directors. Executive: approval by the Compensation Committee must be obtained first for managerial officers. Non-executive: approval by the Audit Committee must be obtained first then reviewed by the Board of Director for approval for employees who are non-executive officers.



According to Paragraph 1, Article 56-1 of the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers,” the total number of employee stock options granted by the Company to one single subscriber plus the total number of restricted shares granted to the subscriber shall not exceed 0.3% of the total number of shares issued by the Company. According to Paragraph 1, Article 56 of the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers,” the total number of employee stock options granted by the Company to one single subscriber shall not exceed 1% of the total number of shares issued by the Company.

- (IV) The reasons for issuing current employee stock warrant:  
The Company aims to attract and retain talents that are needed by the company and to motivate employees and enhance employee’s loyalty in order to create common interests of the Company and shareholders.
- (V) The impacts on shareholder’s equity:
- (1) Possible dilution of equity in case of any additional share exchange, stock swap, or subscription:  
The Company will use the common stock final closing price to estimate the following cost sharing and Earnings Per Share for 2024 to 2029 Estimated Cost Sharing: NT\$21,717,859, NT\$28,825,522, NT\$16,395,541, NT\$8,695,487, NT\$4,319,527; and NT\$744,464, for a total of NT\$80,698,400.  
Estimated Earnings Per Share for the same time periods, 2024 to 2029, respectively: NT\$0.65, NT\$0.86, NT\$0.49, NT\$0.26, NT\$0.13, and NT\$0.02.
- (2) Please explain the Company’s financial burden resulted from those who have the contract performed with the outstanding stock shares:  
Not applicable.

Resolution:

**Special Motions**

**Adjournment**

## Onyx Healthcare Inc.

### Business report

Ladies and gentlemen:

The following is a report on the Company's business results for 2023 and its business plan and strategic development for 2024, respectively:

#### I. Business Performance in 2023

##### (I) Project Results in 2023

Consolidated operating revenues for 2023 were NT\$1,492,860 thousand, an decrease of 6.71% from NT\$1,600,265 thousand in 2022. Gross profit was NT\$556,144 thousand, an increase of 17.75% from NT\$472,306 thousand in 2022. Net income for the period was NT\$255,170 thousand, up 25.61% from NT\$203,138 thousand in 2022; resulting in earnings per share of NT\$7.65.

##### (II) Budget execution and analysis of revenues, expenses and profitability

1. Budget execution: The Company did not produce a financial forecast for 2023, and hence is not required to disclose its progress.
2. Revenues, expenses, and profitability analysis

Unit: NT\$ thousand

Item		Year	2023 Consolidated	2022 Consolidated
Profitability analysis	Return on assets (%)		12.86	11.23
	Return on shareholders' equity (%)		17.47	16.68
	Ratio of profit before tax to Paid-in capital (%)		91.00	72.77
	Net profit margin (%)		17.09	12.69
	Basic earnings per share (NT\$)		7.65	6.24
	Diluted earnings per share (NT\$)		7.59	6.20

##### (III) Research and development

1. Research and development expenses in the last 2 years

Unit: NT\$ thousand; %

Item		Year	2023	2022
	R&D expenses		79,362	86,671
	Net operating revenues		1,492,860	1,600,265
	As a percentage of net operating revenues		5.32	5.42

2. R&D progress in the last year

The Company's research and development dimensions include hardware, software, and components. Furthermore, the group's technology and industry-academia collaborations are integrated and applied to the development of new medical products, including physiological monitoring systems, medical controllers, long-term care systems, mobile medical devices, nursing care systems, medical-grade power systems, as well as the design and manufacturing of customized medical computers, etc. The products are marketed globally under the

Onyx brand.

In terms of hardware, we primarily focus on the development of 5G+AI computers and peripherals with medical certifications, and customized designs are conducted in conjunction with major medical equipment manufacturers. The software includes smart power diagnosis/management and AIoT solutions. We are currently involved in the research of AI-driven edge computing, smart power management, and telemedicine medical records system. The components include lightweight, reinforced, and medical-grade exterior/structural design. In terms of the R&D outcome, new functions will be incorporated into the new products in the future to constantly strengthen the products' uniqueness, maintain technology leadership, and increase market share.

New products launched in 2023 include JS1000/JS800/JS2000 for medical AI applications. MD116ELK, the brand-new generation of outdoor tablets, can be used on ambulances or outdoor emergency care systems. The second-generation all-in-one surgical computer MATE2 and ACCEL are now available in 22/24/32-inch configurations, and the new generation SMA series are available in sizes from 10 to 18.6 inches. In addition, the MedDP series of medical display products are now offered in 22-inch, and the MedPC series of medical controller devices have entered mass production. At the same time, the ODM project of the world's leading heart transplant brand has also officially commenced mass production.

Products developed in 2023, such as the AI surgical robot medical imaging computation platform (ACCEL-VM1000) received the 2023 Best Choice Award, the 32nd Taiwan Excellence Award and the 20th National Innovation Award - Business Innovation Award.

And Won the (GHP) Healthcare and Pharmaceutical Awards 2023: Best Medical AI Solutions Developer 2023.

## II. Business plan and strategic development for 2024

### (I) Operational policy

1. Continue to form strategic alliances with partners, including NVIDIA and Intel, to provide comprehensive medical AI computer and AI server equipment. Develop various medical assistance applications from Edge AI to high-end imaging AI systems with medical AI software developers, officially ushering in the era of medical AI computers.
2. Building on the medical-grade electronics design that Onyx Healthcare specializes in, combined with the global trend of home and remote medical care after the pandemic and the accelerated application of AI in medical assistance, we have incorporated AI applications into smart medical care services to provide comprehensive smart medical care solutions such as AI smart care, AI mobile nursing, AI surgical imaging assistance, and AI remote care.
3. Monitor medical AI market growth to generate continual growth in the Company's revenue and profit.
4. The core of our business comprises proprietary brand as well as bespoke design and production to materialize the win-win strategy of complementing each other's growth, thereby generating the Company's revenues and profit growth.

5. Coordinate with suppliers and execute procurement, production and sales practices in conformity with ethical and environmental standards for mutual benefit.
6. Promote the integration of ESG strategies into the company's operational activities and development direction to foster corporate sustainability

(II) Development strategy

1. In response to the popularization of smart medical equipment in hospitals after the pandemic and on the premises that steady development of the medical equipment OEM/ODM market will take place in America, we will vigorously develop the medical IT equipment market for hospitals.
2. In light of the increasing competition in America's medical equipment market, new market opportunities have emerged in the European OEM/ODM market, hence the Company will tap into the European medical devices OEM market by building on the foundation of years of steady development in the European medical IT market.
3. Expand the manpower for developing professional medical equipment in conjunction with diverse international medical certification designs to optimize medical computer specifications, upgrading them to medical computers similar to medical instruments, thereby generating advantages by expediting medical OEM/ODM market development.
4. Proactively invest in digital marketing to implement in-depth brand management. Focus on the "Onyx" brand and its highly customizable medical electronics equipment technology to tap into the smart medical IT equipment market in Europe, America, and Asia, as well as the customized OEM market of global medical device manufacturers.
5. Accelerate and bolster partnerships with system integrators and medical software developers and collaborate with global distribution partners to launch smart medical solutions based on different medical care procedures to capitalize on smart medicine-related business opportunities.
6. Provide GMP-certified medical instrument OEM services and vigorously obtain customized OEM service business opportunities from major European, American, and Asian medical device manufacturers to ensure stable and rapid performance growth.
7. Continue to develop medical AI and medical IoT. In the future, we will collect big data for analysis and provide business intelligence to the management for decision-making purposes. The Company will also consolidate cloud databases to enhance the efficiency of equipment use and achieve smart medical applications.

III. Impact of external competition, legal environment, and macro environment

(I) Impact of external competition

With the emergence of the medical AI market after the pandemic, major technology firms that have yet to engage in the medical industry have begun to do so through AI technology. Faced with a new wave of market competition, the Company will reinforce its strategic alliance with AI technology partners such as NVIDIA and Intel in an effort to become the market leader in the development of medical AI equipment that complies with medical safety regulations. In the future, Onyx Healthcare will strive to become the most competitive manufacturer of medical AI systems and equipment.

(II) Impact of the legal environment

Besides complying with the relevant regulations at home and abroad, we keep track of policy trends and regulatory changes at home and abroad

to provide a reference for management consideration and to take countermeasures. Currently, no unfavorable legal impact on operations has been detected. In response to the Net Zero policy, the Company will proactively implement energy-saving and carbon-reduction measures to demonstrate our resolve in combating global warming.

(III) Impact of the macro environment

The global economic outlook, geopolitics, and currency trends will still have an impact on economic recovery. In the face of the U.S. economic recession and interest rate cuts, the U.S. dollar continues to fluctuate, and the increase in exchange rate risks, the Company will maintain close contact with financial institutions to collect information on exchange rate changes regularly. In order to reduce the risk of foreign currency exchange rate fluctuations, the Company shall review the trend of exchange rate movements and adjust the proportion of foreign currency accounts appropriately to reduce the impact on business operations.

Lastly, we look forward to your continued support, encouragement, and advice.

Sincerely,

Onyx Healthcare Inc.

Chairman: Chuang, Yung-Shun

General Manager: Chuang, Fu-Chung

Head of Accounting: Yang, Hsiang-Chih

## **Audit Committee's Report**

We have reviewed the Company's 2023 business report, financial statements and earnings appropriation proposal prepared by the board of directors. The financial statements have been audited by CPA Chang, Shu-Chiung and CPA Lin, Chun - Yao of PriceWaterhouseCoopers Taiwan, to which the firm has issued an independent auditor's report. The Audit Committee found no misstatement in the above business report, financial statements or earnings appropriation, and hereby issues its report as presented above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of The Company Act.

For

**Onyx Healthcare Inc.**

2024 Annual General Shareholders Meeting

Audit Committee Convener: Liao, Hsiu-Mei

February 27, 2024

Independent Auditor's Report

(113)-Cai-Shen-Bao-Zi No. 23003011

To stakeholders of ONYX Healthcare Inc.:

**Audit opinion**

We have audited the accompanying standalone balance sheet of ONYX Healthcare Inc. (referred to as "ONYX Healthcare" below) as at December 31, 2023 and 2022, the standalone statement of comprehensive income, standalone statement of changes in equity, and standalone cash flow statement from January 1 to December 31, 2023 and 2022, and notes to standalone financial statements (including a summary of significant accounting policies).

In our opinion, based on our audit results and audit results of other auditors (please refer to the Other Issues paragraph), all material disclosures of the standalone financial statements mentioned above were prepared in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and presented a fair view of the standalone financial position of ONYX Healthcare as at December 31, 2023 and 2022, and standalone business performance and cash flow for the periods January 1 to December 31, 2023 and 2022.

**Basis of audit opinion**

We have conducted our audits in accordance with "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and the auditing standards of the Republic of China. Our responsibilities as an auditor under the abovementioned standards are explained in the Responsibilities paragraph. All relevant personnel of the accounting firm have followed CPA code of ethics of the Republic of China and maintained independence from ONYX Healthcare, and fulfilled other responsibilities under the code of ethics. We believe that the evidence obtained from audit and reports made by other auditors provide an adequate and appropriate basis for our opinion.

## **Key audit issues**

Key audit issues are matters that we considered to be the most important, based on professional judgment when auditing the 2023 standalone financial statements of ONYX Healthcare. These issues have already been addressed when we audited and formed our opinions on the standalone financial statements. Therefore we do not provide opinions separately for individual issues.

Key audit issues concerning the 2023 standalone financial statements of ONYX Healthcare are as follows:

### **Existence of sales revenue**

#### Description

Please refer to Note 4(27) for the accounting policy on revenue recognition. For a detailed description of revenue accounts, please refer to Note 6(21) of the standalone financial statements.

ONYX Healthcare and its subsidiaries' (recognized as investment under the equity method) main business is the design, manufacturing and sales of medical computers and peripheral equipment. Because product project orders are easily affected by the customer's product project cycle, it is necessary to strive to develop new markets and undertake new project orders. Therefore, the operating revenue of each period may be subject to change in market trend. According to industry reports and peer information, the overall market trend has declined for the current period, while the operating revenue of some products is growing, and the impact on the amount is significant. Therefore, we have listed the existence of the above-mentioned sales revenue as one of the most important audit matters for the current year.

#### Audit procedures

This issue concerned ONYX Healthcare and certain subsidiaries (presented as equity-accounted investments), and the following audit procedures were taken specifically in relation to the key audit issues described above:



1. Assessment and testing of internal control processes on sales transactions to determine whether transactions were carried out according to the Company's internal control system during the reporting period and to confirm the accuracy of the Company's product classification.
2. Obtain and verify the above-mentioned revenue, transaction, and related documents on a sample basis, and confirm that the customer has acquired control of the product and assumed the product risk before recognizing the revenue.

## **Accounting estimates for inventory valuation**

### Description

For accounting policies on inventory valuation, please refer to Note 4(13) of the standalone financial statements; for major accounting estimates, assumptions, and uncertainties on inventory valuation, please refer to Note 5(2) of the standalone financial statements; for detailed inventory accounts, please refer to Note 6(5) of the standalone financial statements.

ONYX Healthcare is mainly involved in the design, manufacturing, and sale of medical computers. Due to the long useful life of medical computers, ONYX Healthcare is required to maintain inventory of certain products and peripherals for longer periods of time in order to meet customers' needs for long-term supply and maintenance. Any change in customers' purchase order or under-performance of the market would cause fluctuation in product pricing or slow down the rate at which inventory is sold, therefore increasing risk of loss on devaluation or obsolescence. ONYX Healthcare accounts for normal inventory at the lower of cost and net realizable value; inventory that exceeds certain duration of time or has been individually identified as obsolete will have loss provisions made on an item-by-item basis according to the devaluation loss provisioning policy.

ONYX Healthcare makes timely adjustments to inventory level in response to changes in market demand and the Company's development strategies. The Company carries a wide variety of medical computers, which also makes up a substantial portion of the Company's product portfolio and a high amount of inventory. Furthermore, evaluation of net realizable value on obsolete inventory often involves subjective judgments, making the estimated amount prone to uncertainties, and was one of the key areas we had to verify as part of our audit. For this reason, we have identified the estimation of inventory valuation losses as one of the key audit issues for this year.

### Audit procedures

This issue concerned ONYX Healthcare and certain subsidiaries (presented as

equity-accounted investments), and the following audit procedures were taken specifically in relation to the key audit issues described above:

1. Evaluating the policy adopted by ONYX Healthcare to make provisions for inventory devaluation losses, based on our understanding of the company's operations and industry nature.
2. Examining details of individual inventory items that the management had considered to be obsolete, and verifying against supporting documents.
3. Testing the market prices based upon which net realizable values of individual inventory items were established, and making random checks to ensure that net realizable values were correctly calculated.

### **Other issues - audits by other auditors**

Amongst the equity-accounted business investments presented in the standalone financial statements of ONYX Healthcare, some of which had financial statements audited by other CPAs that we did not take part of. Therefore, opinions made in the standalone financial statements mentioned above in regards to such businesses were based on audited reports of other CPAs. As at December 31, 2023 and 2022, balances of the abovementioned equity-accounted investments totaled NT\$629,526, thousand and NT\$606,637 thousand, representing 31% and 32% of total assets, respectively. For the periods from January 1 to December 31, 2023 and 2022, comprehensive income recognized from the abovementioned companies totaled NT\$71,691 thousand and NT\$74,696 thousand, representing 28% and 34% of comprehensive income, respectively.

### **Responsibilities of the management and governing body to the standalone financial statements**

Responsibilities of the management were to prepare and ensure fair presentation of standalone financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and to exercise proper internal

control practices that are relevant to the preparation of standalone financial statements so that the standalone financial statements are free of material misstatements, whether caused by fraud or error.

The management's responsibilities when preparing financial statements also involved: assessing the ability of ONYX Healthcare to operate, disclose information, and account for transactions as a going concern unless the management intends to liquidate or cease business operations, or is compelled to do so with no alternative solution.

The governing body of ONYX Healthcare (including the Audit Committee) is responsible for supervising the financial reporting process.

### **Responsibilities of CPAs in Inspecting Individual Financial Statements**

The purposes of our audit were to obtain reasonable assurance of whether the financial statements were prone to material misstatements caused by fraud or error, and to issue a report of our audit opinions. Reasonable assurance provides a high degree of certainty. However, audit tasks conducted in accordance with auditing principles of the Republic of China do not necessarily guarantee detection of all material misstatements within the standalone financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if the individual amount or aggregate total is reasonably expected to affect economic decisions of the financial statement user.

When conducting audits in accordance with audit principles Republic of China, we exercised judgments and raised doubts as deemed professionally appropriate. We also performed the following tasks as an auditor:

1. Identifying and assessing risks of material misstatement due to fraud or error; designing and executing appropriate response measures for the identified risks; and obtaining adequate and appropriate audit evidence to support audit opinions. Fraud may involve conspiracy, forgery, intentional omission, untruthful declaration, or breach of internal control, and our audit did not find any material misstatement where the risk of fraud is greater than the risk of error.
2. Developing the required level of understanding on relevant internal controls and designing audit procedures that are appropriate under the prevailing circumstances, but without providing opinion on the effectiveness of internal control system of ONYX Healthcare.
3. Assessing the appropriateness of accounting policies adopted by the management, and the rationality of accounting estimates and related disclosures made.
4. Forming conclusions regarding the appropriateness of management's decision to account for the business as a going concern, and whether there are doubts or uncertainties about the ability of ONYX Healthcare to operate as a going concern, based on the audit evidence obtained. We are bound to remind users of standalone financial statements and make related disclosures if uncertainties exist in regards to the abovementioned events or circumstances, and amend audit opinions when the disclosures are no longer appropriate. Our conclusions are based on the audit evidence obtained up to the date of audit report. However, future events or circumstances may still render ONYX Healthcare no longer capable of operating as a going concern.
5. Assessing the overall presentation, structure, and contents of the standalone financial statements (including related footnotes), and whether certain transactions and events are presented appropriately in the financial statements.
6. Obtaining sufficient and appropriate audit evidence on financial information of equity-

accounted investments held by ONYX Healthcare, and expressing opinions on standalone financial statements. Our responsibilities as auditor are to instruct, supervise and execute audits and form audit opinions on the standalone financial statements.

We have communicated with the governing body about the scope, timing, and significant findings (including significant defects identified in the internal control) of our audit.

We have also provided the governing body with a declaration of independence stating that all relevant personnel of the accounting firm have complied with auditors' professional ethics of the Republic of China, and communicated with the governing body on all matters that may affect the auditor's independence (including protection measures).

We have identified the key audit issues after communicating with the governance body regarding the 2023 standalone financial statements of ONYX Healthcare. These issues have been addressed in our audit report except for: 1. Certain topics that are prohibited by law from disclosing to the public; or 2. Under extreme circumstances, topics that we decided not to communicate in the audit report because of higher negative impacts they may cause than the benefits they bring to public interest.

PwC Taiwan

CPA

Chang, Shu-Chiung

Lin, Chun-Yao

Former Financial Supervisory Commission, Executive Yuan  
Approval reference: Jin-Guan-Zheng-Shen-Zi No. 0990042602  
(Formerly known as) Securities and Futures Commission,  
Ministry of Finance  
Approval reference: (85)-Tai-Cai-Zheng-(VI) No. 68702

February 27, 2024

ONYX Healthcare Inc.  
Standalone Balance Sheet  
As at December 31, 2023 and 2022

Unit: NT\$ thousand

Assets	Note	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 271,068	13	\$ 265,189	14
1110	Financial assets at fair value through profit or loss - current	6(2)	11,389	-	7,211	-
1136	Financial assets at amortized cost - current	6(3) and 8	31,626	2	-	-
1150	Net notes receivable	6(4)	3	-	-	-
1170	Net accounts receivable	6(4)	119,987	6	141,074	7
1180	Accounts receivable - related parties, net	7	54,023	3	98,723	5
1200	Other receivables		1,716	-	3,625	-
130X	Inventory	6(5)	226,869	11	264,044	14
1410	Prepayments		13,908	1	11,717	1
1470	Other current assets	8	2,235	-	1,699	-
11XX	<b>Total current assets</b>		<u>732,824</u>	<u>36</u>	<u>793,282</u>	<u>41</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	34,637	2	26,956	2
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	68,756	3	27,536	2
1550	Equity-accounted investments	6(7)	786,564	39	710,670	37
1600	Property, plant and equipment	6(8), 7 and 8	347,832	17	293,776	15
1755	Right-of-use assets	6(9)	32,219	2	34,414	2
1780	Intangible assets		3,517	-	5,593	-
1840	Deferred income tax assets	6(26)	13,059	1	19,622	1
1900	Other non-current assets	8	952	-	2,367	-
15XX	<b>Total non-current assets</b>		<u>1,287,536</u>	<u>64</u>	<u>1,120,934</u>	<u>59</u>
1XXX	<b>Total assets</b>		<u>\$ 2,020,360</u>	<u>100</u>	<u>\$ 1,914,216</u>	<u>100</u>

(Continued next page)



ONYX Healthcare Inc.  
Standalone Balance Sheet  
As at December 31, 2023 and 2022

Unit: NT\$ thousand

Liabilities and equity		Note	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
<b>Current liabilities</b>						
2100	Short-term loans	6(12)	\$ 27,000	1	\$ -	-
2130	Contractual liabilities - current	6(21)	57,838	3	57,996	3
2170	Accounts payable		65,176	3	81,270	4
2180	Accounts payable - related parties	7	1,091	-	5,857	-
2200	Other payables	6(13)	72,561	4	55,285	3
2220	Other payables - related parties	7	2,214	-	3,414	-
2230	Current income tax liabilities		37,883	2	46,954	3
2250	Liability reserves - current	6(16)	7,585	-	7,367	-
2280	Lease liabilities - current		1,985	-	4,154	-
2320	Long-term liabilities due within 1 year or 1 business cycle	6(14)	10,476	1	10,376	1
2399	Other current liabilities - others		3,762	-	3,084	-
21XX	<b>Total current liabilities</b>		<u>287,571</u>	<u>14</u>	<u>275,757</u>	<u>14</u>
<b>Non-current liabilities</b>						
2527	Contractual liabilities - non-current	6(21)	53,301	3	67,860	3
2540	Long-term loans	6(14)	134,499	7	144,910	8
2550	Liability reserves - non-current	6(16)	2,364	-	2,327	-
2570	Deferred income tax liabilities	6(26)	423	-	-	-
2580	Lease liabilities - non-current		30,610	1	30,371	2
2645	Guarantee deposits received	7	-	-	1,148	-
25XX	<b>Total non-current liabilities</b>		<u>221,197</u>	<u>11</u>	<u>246,616</u>	<u>13</u>
2XXX	<b>Total liabilities</b>		<u>508,768</u>	<u>25</u>	<u>522,373</u>	<u>27</u>
<b>Equity</b>						
Share capital		6(18)				
3110	Common share capital		335,163	17	332,612	17
Capital reserves		6(17)(19)				
3200	Capital reserves		708,803	35	679,472	36
Retained earnings		6(20)				
3310	Legal reserves		151,706	7	131,410	7
3320	Special reserves		33,926	2	49,896	3
3350	Unappropriated earnings		312,163	15	232,379	12
Other equity items						
3400	Other equity items		(30,169)	(1)	(33,926)	(2)
3XXX	<b>Total equity</b>		<u>1,511,592</u>	<u>75</u>	<u>1,391,843</u>	<u>73</u>
Major post-balance sheet date events		11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 2,020,360</u>	<u>100</u>	<u>\$ 1,914,216</u>	<u>100</u>

The attached Notes to the standalone financial statements are part of this standalone financial statement and should be read in conjunction.

Chairman: Chuang, Yung-Shun

Manager: Chuang, Fu-Chun

Head of Accounting: Yang, Hsiang-Chih

ONYX Healthcare Inc.  
Standalone Statement of Comprehensive Income  
January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand  
(except earnings per share, which are presented in NTD)

Item	Note	2023		2022	
		Amount	%	Amount	%
4000 Operating revenues	6(21) and 7	\$ 1,248,403	100	\$ 1,329,319	100
5000 Operating costs	6(5)(24)(25) and 7	( 834,466)	( 67)	( 948,618)	( 71)
5900 Gross profit		413,937	33	380,701	29
5910 Unrealized gain on sales		( 20,722)	( 2)	( 20,752)	( 2)
5920 Realized gain on sales		20,752	2	14,016	1
5950 Net gross profit		413,967	33	373,965	28
Operating expenses	6(24)(25) and 7				
6100 Selling expenses		( 73,600)	( 6)	( 62,432)	( 5)
6200 Administrative expenses		( 50,725)	( 4)	( 47,908)	( 4)
6300 R&D expenses		( 79,347)	( 6)	( 86,018)	( 6)
6450 Expected credit impairment loss/reversal gain	12(2)	959	-	1,193	-
6000 Total operating expenses		( 202,713)	( 16)	( 195,165)	( 15)
6900 Operating profit		211,254	17	178,800	13
Non-operating income and expenses					
7100 Interest income		2,895	-	957	-
7010 Other income	6(22) and 7	6,518	1	19,210	2
7020 Other gains and losses	6(23) and 7	2,684	-	4,920	-
7050 Financial costs		( 3,513)	-	( 3,115)	-
7070 Share of profits/losses on equity-accounted subsidiaries, associated companies, and joint ventures	6(7)	80,546	6	41,061	3
7000 Total non-operating income and expenses		89,130	7	63,033	5
7900 Pre-tax profit		300,384	24	241,833	18
7950 Income tax expense	6(26)	( 45,122)	( 4)	( 38,870)	( 3)
8200 Current net income		\$ 255,262	20	\$ 202,963	15
<b>Other comprehensive income</b>					
<b>Items not reclassified into profit or loss</b>					
8316 Unrealized gain/loss on valuation of equity instruments at fair value through other comprehensive income	6(6)	( \$ 5,394)	-	( \$ 4,845)	( 1)
8330 Share of other comprehensive income from subsidiaries, equity-accounted associated companies, and joint ventures - not reclassified into profit or loss		3,853	-	11,164	1
8310 Items not reclassified into profit or loss - total		( 1,541)	-	6,319	-
<b>Items likely to be reclassified into profit or loss</b>					
8361 Financial statement translation differences arising from foreign operations		421	-	11,319	1
8380 Share of other comprehensive income from equity-accounted subsidiaries, associated companies, and joint ventures - likely to be reclassified into profit or loss		116	-	596	-
8399 Income tax on items that are likely to be reclassified into profit or loss	6(26)	( 84)	-	( 2,264)	-
8360 Items likely to be reclassified into profit or loss - total		453	-	9,651	1
8300 Other comprehensive income (net)		( \$ 1,088)	-	\$ 15,970	1
8500 Total comprehensive income for the current period		\$ 254,174	20	\$ 218,933	16
EPS					
9750 Basic earnings per share	6(27)	\$ 7.65		\$ 6.24	
9850 Diluted earnings per share		\$ 7.59		\$ 6.20	

The attached Notes to the standalone financial statements are part of this standalone financial statement and should be read in conjunction.

Chairman: Chuang, Yung-Shun

Manager: Chuang, Fu-Chun

Head of Accounting: Yang, Hsiang-Chih

ONYX Healthcare Inc.  
Standalone Statement of Changes in Equity  
January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand

	Note	Retained earnings					Other equity items		Total
		Common share capital	Capital reserves	Legal reserves	Special reserves	Unappropriated earnings	Financial statement translation differences arising from foreign operations	Unrealized gains/losses on financial assets at fair value through other comprehensive income	
<u>2022</u>									
Balance as at January 1, 2022		\$ 302,612	\$ 462,673	\$ 118,655	\$ 44,993	\$ 146,858	(\$ 12,500 )	(\$ 37,396 )	\$ 1,025,895
Current net income		-	-	-	-	202,963	-	-	202,963
Other current comprehensive income		-	-	-	-	-	9,651	6,319	15,970
Total comprehensive income for the current period		-	-	-	-	202,963	9,651	6,319	218,933
Appropriation and distribution of 2021 earnings:	6(20)								
Provision for legal reserves		-	-	12,755	-	( 12,755 )	-	-	-
Provision for special reserves		-	-	-	4,903	( 4,903 )	-	-	-
Cash dividends		-	-	-	-	( 99,784 )	-	-	( 99,784 )
Cash issue	6(18)(19)	30,000	233,100	-	-	-	-	-	263,100
Cost of cash issue reserved for subscription by employees as remuneration	6(17)(19)	-	8,174	-	-	-	-	-	8,174
Distribution of cash from capital reserves	6(19)(20)	-	( 33,261 )	-	-	-	-	-	( 33,261 )
Share-based payment	6(17)(19)	-	8,786	-	-	-	-	-	8,786
Balance as at December 31, 2022		<u>\$ 332,612</u>	<u>\$ 679,472</u>	<u>\$ 131,410</u>	<u>\$ 49,896</u>	<u>\$ 232,379</u>	<u>(\$ 2,849 )</u>	<u>(\$ 31,077 )</u>	<u>\$ 1,391,843</u>
<u>2023</u>									
Balance as at January 1, 2023		\$ 332,612	\$ 679,472	\$ 131,410	\$ 49,896	\$ 232,379	(\$ 2,849 )	(\$ 31,077 )	\$ 1,391,843
Current net income		-	-	-	-	255,262	-	-	255,262
Other current comprehensive income		-	-	-	-	-	453	( 1,541 )	( 1,088 )
Total comprehensive income for the current period		-	-	-	-	255,262	453	( 1,541 )	254,174
Appropriation and distribution of 2022 earnings:	6(20)								
Provision for legal reserves		-	-	20,296	-	( 20,296 )	-	-	-
Reversal for special reserve		-	-	-	( 15,970 )	15,970	-	-	-
Cash dividends		-	-	-	-	( 166,307 )	-	-	( 166,307 )
Share-based payment	6(17)(19)	-	3,590	-	-	-	-	-	3,590
Exercise of employee warrants	6(18)(19)	2,551	25,741	-	-	-	-	-	28,292
Reclassification of equity instruments at fair value through other comprehensive income	6(6)	-	-	-	-	( 4,845 )	-	4,845	-
Balance as at December 31, 2023		<u>\$ 335,163</u>	<u>\$ 708,803</u>	<u>\$ 151,706</u>	<u>\$ 33,926</u>	<u>\$ 312,163</u>	<u>(\$ 2,396 )</u>	<u>(\$ 27,773 )</u>	<u>\$ 1,511,592</u>

The attached Notes to the standalone financial statements are part of this standalone financial statement and should be read in conjunction.

Chairman: Chuang, Yung-Shun

Manager: Chuang, Fu-Chun

Head of Accounting: Yang, Hsiang-Chih

ONYX Healthcare Inc.  
Standalone Cash Flow Statement  
January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand

	Note	January 1 to December 31, 2023	January 1 to December 31, 2022
<u>Cash flow from operating activities</u>			
Pre-tax profit for the current period		\$ 300,384	\$ 241,833
Adjustments			
Income, expenses, and losses			
Depreciation	6(8)(9)(24)	18,465	18,532
Depreciation of investment properties (presented as other gains and losses)	6(11)(23)	-	1,627
Amortization	6(24)	2,476	2,095
Expected credit impairment loss/reversal gain	12(2)	( 959 )	( 1,193 )
Gain (loss) on financial assets at fair value through profit or loss	6(2)(23)	( 11,859 )	12,468
Interest expenses		3,513	3,115
Interest income		( 2,895 )	( 957 )
Dividend income	6(22)	( 408 )	( 3,709 )
Share-based payment - remuneration	6(17)	3,403	16,474
Share of gain from subsidiaries and associated companies accounted using the equity method	6(7)	-	-
Gain on disposal of property, plant, and equipment	6(23)	-	( 250 )
Gain on lease amendment	6(9)(23)	( 5 )	-
Gain on elimination of overdue contract liabilities	6(22)	-	( 3,986 )
Unrealized gains/losses among affiliates		( 30 )	6,736
Change in assets/liabilities related to operating activities			
Net change in assets related to operating activities			
Financial assets at fair value through profit or loss		-	( 19 )
Notes receivable		( 3 )	-
Accounts receivable		22,046	( 45,923 )
Accounts receivable - related parties		44,700	15,378
Other receivables		1,909	584
Inventory		37,175	( 24,672 )
Prepayments		( 2,191 )	( 1,034 )
Other current assets		( 540 )	( 179 )
Net change in liabilities related to operating activities			
Contractual liabilities		( 14,717 )	12,226
Accounts payable		( 16,094 )	( 5,415 )
Accounts payable - related parties		( 4,766 )	( 1,366 )
Other payables		16,271	1,074
Other payables - related parties		( 1,200 )	1,058
Liability reserves		255	1,423
Other current liabilities		678	( 2,712 )
Cash inflow from operating activities		315,062	202,147
Interests received		2,895	957
Dividends received		49,208	48,845
Interests paid		( 3,479 )	( 3,086 )
Income tax paid		( 47,289 )	( 18,389 )
Net cash inflow from operating activities		316,397	230,474
<u>Cash flow from investing activities</u>			
Acquisition of financial assets at fair value through profit or loss		-	( 5,335 )
Disposal of financial assets at fair value through profit or loss		-	5,250
Acquisition of financial assets at amortized cost		( 31,626 )	-
Acquisition of financial assets at fair value through other comprehensive income		( 71,769 )	-
Acquisition of equity-accounted investments		( 14,380 )	( 15,802 )
Acquisition of property, plant, and equipment	6(28)	( 67,335 )	( 10,816 )
Disposal of property, plant, and equipment		-	250
Acquisition of intangible assets		( 400 )	( 3,099 )
Decrease (increase) in guarantee deposits paid (presented as other non-current assets)		1,415	( 375 )
Net cash outflow from investing activities		( 184,095 )	( 29,927 )
<u>Cash flow from financing activities</u>			
Net increase (decrease) in short-term loans	6(29)	27,000	( 105,000 )
Repayment of long-term loan	6(29)	( 10,311 )	( 10,501 )
Repayment of lease principal	6(29)	( 3,949 )	( 4,894 )
Decrease in guarantee deposits received		( 1,148 )	-
Cash issue	6(18)	-	263,100
Cash dividends paid	6(20)	( 166,307 )	( 99,784 )
Exercise of employee warrants		28,292	-
Distribution of cash from capital reserves	6(20)	-	( 33,261 )
Net cash (outflow) inflow from financing activities		( 126,423 )	9,660
Increase in cash and cash equivalents for the current period		5,879	210,207
Opening cash and cash equivalents balance	6(1)	265,189	54,982
Closing cash and cash equivalents balance	6(1)	\$ 271,068	\$ 265,189

The attached Notes to the standalone financial statements are part of this standalone financial statement and should be read in conjunction.

Chairman: Chuang, Yung-Shun

Manager: Chuang, Fu-Chun

Head of Accounting: Yang, Hsiang-Chih

ONYX Healthcare Inc.

Declaration concerning consolidated financial statements of affiliated enterprises

Affiliated enterprises subject to the preparation of consolidated financial statements of affiliated enterprises under "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" were identical to the affiliated companies subject to the preparation of consolidated financial statements under International Financial Reporting Standards No. 10 (IFRS 10) for the 2023 financial year (from January 1 to December 31, 2023). All mandatory disclosures of the consolidated financial statements of affiliated enterprises have been disclosed in the consolidated financial statements. Therefore, no separate consolidated financial statements of affiliated enterprises were prepared.

This declaration is solemnly made by

Company name: Onyx Healthcare Inc.

Person-in-charge: Chuang, Yung-Shun

February 27, 2024

## Independent Auditor's Report

(113)-Cai-Shen-Bao-Zi No. 23003066

To stakeholders of ONYX Healthcare Inc.:

### **Audit opinion**

We have audited the accompanying consolidated balance sheet of ONYX Healthcare Inc. and subsidiaries (referred to as "ONYX Group" below) as at December 31, 2023 and 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated cash flow statement from January 1 to December 31, 2023 and 2022, and notes to consolidated financial statements (including a summary of significant accounting policies).

In our opinion, based on our audit results and the audit results of other auditors (please refer to the Other Issues paragraph), all material disclosures of the consolidated financial statements mentioned above were prepared in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the version of International Financial Reporting Standards, International Accounting Standards and interpretations thereof approved by the Financial Supervisory Commission, and presented a fair view of the consolidated financial position of ONYX Group as of December 31, 2023 and 2022, and consolidated business performance and cash flow for the periods January 1 to December 31, 2023 and 2022.

### **Basis of audit opinion**

We have conducted our audits in accordance with "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and the auditing standards of the Republic of China. Our responsibilities as an auditor under the abovementioned standards are further explained in the "Consolidated financial statement auditing responsibilities" paragraph below. All relevant personnel of the accounting firm have followed CPA code of ethics of the Republic of China and maintained independence from ONYX Group, and fulfilled other responsibilities under the code of ethics. We believe that the evidence obtained from audit and reports made by other auditors provide an adequate and appropriate basis for our opinion.

### **Key audit issues**

Key audit issues are matters that we considered to be the most important, based on professional judgment, when auditing the 2023 consolidated financial statements of ONYX Group. These issues have already been addressed when we audited and formed our opinions on the consolidated financial statements. Therefore we do not provide opinions separately for individual issues.

Key audit issues concerning the 2023 consolidated financial statements of ONYX Group are as follows:

### **Existence of sales revenue**

#### Description

Please refer to Note 4(28) for accounting policy on revenue recognition. For a detailed description of revenue accounts, please refer to Note 6(21) of the consolidated financial statements.

Onyx Healthcare Group's main business is the design, manufacturing and sales of medical computers and peripheral equipment. Because product project orders are easily affected by the customer's product project cycle, it is necessary to strive to develop new markets and undertake new project orders. Therefore, the operating revenue of each period may be subject to change in market trend. With reference to industry reports and peer information, the overall market trend has declined for the current period, while the operating revenue of some products is growing and the impact on the amount is significant. Therefore, we have listed the existence of the above-mentioned sales revenue as one of the most important audit matters for the current year.

#### Audit procedures

The following audit procedures were taken in relation to the audit issue described above:

1. Assessment and testing of internal control processes on sales transactions to determine whether transactions were carried out according to the group's internal control system during the reporting period and to confirm the accuracy of the Group's product classification.
2. Obtain and verify the above-mentioned operating revenue, transaction and related documents on a sample basis, and confirm that the customer has acquired the control of the product and assumed the product risk before recognizing the revenue.

## **Accounting estimates for inventory valuation**

### Description

For accounting policies on inventory valuation, please refer to Note 4(14) of the consolidated financial statements; for major accounting estimates, assumptions, and uncertainties on inventory valuation, please refer to Note 5(2) of the consolidated financial statements; for detailed inventory accounts, please refer to Note 6(5) of the consolidated financial statements.

ONYX Group is mainly involved in the design, manufacturing, and sale of medical computers. Due to the long useful life of medical computers, ONYX Group is required to maintain inventory of certain products and peripherals for longer periods of time in order to meet customers' needs for long-term supply and maintenance. Any change in customers' purchase order or under-performance of the market would cause fluctuation in product pricing or slow down the rate at which inventory is sold, therefore increasing risk of loss on devaluation or obsolescence. ONYX Group accounts for normal inventory at the lower of cost and net realizable value; inventory that exceeds certain duration of time or has been individually identified as obsolete will have loss provisions made on an item-by-item basis according to the devaluation loss provisioning policy.

ONYX Healthcare makes timely adjustments to inventory levels in response to changes in market demand and the Company's development strategies. The Company carries a wide variety of medical computers, which also makes up a substantial portion of the Company's product portfolio and a high amount of inventory. Furthermore, evaluation of net realizable value on obsolete inventory often involves subjective judgments, making the estimated amount prone to uncertainties, and was one of the key areas we had to verify as part of our audit. For this reason, we have identified the estimation of inventory valuation losses as one of the key audit issues for this year.

### Audit procedures

The following audit procedures were taken in relation to the audit issue described above:

1. Evaluating the policy adopted by ONYX Group to make provisions for inventory devaluation losses, based on our understanding of the group's operations and industry nature.
2. Examining details of individual inventory items that the management had considered to be obsolete, and verifying against supporting documents.
3. Testing the market prices based upon which net realizable values of individual inventory items were established, and making random checks to ensure that net realizable values were correctly calculated.



## **Other issues - audits by other auditors**

Amongst the equity-accounted business investments presented in the consolidated financial statements of ONYX Group, some of which had financial statements audited by other CPAs that we did not take part of. Therefore, opinions made in the consolidated financial statements mentioned above in regards to such businesses were based on audited reports of other CPAs. As at December 31, 2023 and 2022, balances of the abovementioned equity-accounted investments totaled NT\$629,526 thousand and NT\$606,637 thousand, respectively, both representing 31% of consolidated total assets. For the periods from January 1 to December 31, 2023 and 2022, comprehensive income recognized from the abovementioned companies totaled NT\$71,691 thousand and NT\$74,696 thousand, representing 28% and 34% of consolidated comprehensive income, respectively.

## **Other issues - standalone financial statements**

ONYX Healthcare Inc. has prepared standalone financial statements for 2023 and 2022, to which we have issued an independent auditor's report with unqualified opinion and made additional disclosures in the Other issues paragraph.

## **Responsibilities of the management and governing body to the consolidated financial statements**

Responsibilities of the management were to prepare and ensure fair presentation of consolidated financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the version of International Financial Reporting Standards, International Accounting Standards and interpretations thereof approved by the Financial Supervisory Commission, and to exercise proper internal control practices that are relevant to the preparation of consolidated financial statements so that the consolidated financial statements are free of material misstatements, whether due to fraud or error.

The management's responsibilities when preparing financial statements also involved: assessing the ability of ONYX Group to operate, disclose information, and account for transactions as a going concern unless the management intends to liquidate or cease business operations, or is compelled to do so with no alternative solution.

The governing body of ONYX Group (including the Audit Committee) is responsible for supervising the financial reporting process.

## **Auditor's responsibilities in the audit of consolidated financial statements**

The purposes of our audit were to obtain reasonable assurance of whether the consolidated financial statements were prone to material misstatements, whether caused by fraud or error, and to issue a report of our audit opinions. Reasonable assurance provides a high degree of certainty. However, audit tasks conducted in accordance with auditing principles of the Republic of China do not necessarily guarantee detection of all material misstatements within the consolidated financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if the individual amount or aggregate total is reasonably expected to affect economic decisions of the consolidated financial statement user.

When conducting audits in accordance with audit principles Republic of China, we exercised judgments and raised doubts as deemed professionally appropriate. We also performed the following tasks as an auditor:

1. Identifying and assessing risks of material misstatement due to fraud or error; designing and executing appropriate response measures for the identified risks; and obtaining adequate and appropriate audit evidence to support audit opinions. Fraud may involve conspiracy, forgery, intentional omission, untruthful declaration, or breach of internal control, and our audit did not find any material misstatement where the risk of fraud is greater than the risk of error.
2. Developing the required level of understanding on relevant internal controls and designing audit procedures that are appropriate under the prevailing circumstances, but without providing opinion on the effectiveness of internal control system of ONYX Group.
3. Assessing the appropriateness of accounting policies adopted by the management, and the rationality of accounting estimates and related disclosures made.
4. Forming conclusions regarding the appropriateness of management's decision to account for the business as a going concern, and whether there are doubts or uncertainties about the ability of ONYX Group to operate as a going concern, based on the audit evidence obtained. We are bound to remind consolidated financial statement users and make related disclosures if material uncertainties exist in regards to the abovementioned events or circumstances, and amend audit opinions when the disclosures are no longer appropriate. Our conclusions are based on the audit evidence obtained up to the date of audit report. However, future events or circumstances may still render ONYX Group no longer capable of operating as a going concern.
5. Assessing the overall presentation, structure, and contents of the consolidated financial statements (including related footnotes), and whether certain transactions and events are presented appropriately in the consolidated financial statements.

6. Obtaining sufficient and appropriate audit evidence on financial information of individual entities within the group, and expressing opinions on consolidated financial statements. Our responsibilities as auditor are to instruct, supervise and execute audits and form audit opinions on the group.

We have communicated with the governing body about the scope, timing, and significant findings (including significant defects identified in the internal control) of our audit.

We have also provided the governing body with a declaration of independence stating that all relevant personnel of the accounting firm have complied with auditors' professional ethics of the Republic of China, and communicated with the governing body on all matters that may affect the auditor's independence (including protection measures).

We have identified the key audit issues after communicating with the governance body regarding the 2023 consolidated financial statements of ONYX Group. These issues have been addressed in our audit report except for: 1. Certain topics that are prohibited by law from disclosing to the public; or 2. Under extreme circumstances, topics that we decided not to communicate in the audit report because of higher negative impacts they may cause than the benefits they bring to public interest.

PwC Taiwan

CPA

Chang, Shu-Chiung

Lin, Chun-Yao

Former Financial Supervisory Commission, Executive Yuan  
Approval reference: Jin-Guan-Zheng-Shen-Zi No. 0990042602  
(Formerly known as) Securities and Futures Commission,  
Ministry of Finance  
Approval reference: (85)-Tai-Cai-Zheng-(VI) No. 68702

February 27, 2024

ONYX Healthcare Inc. and Subsidiaries  
Consolidated balance sheet  
As at December 31, 2023 and 2022

Unit: NT\$ thousand

Assets	Note	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 366,767	18	\$ 328,886	17
1110	Financial assets at fair value through profit or loss - current	6(2)	11,389	1	7,211	-
1136	Financial assets at amortized cost - current	6(3) and 8	31,626	2	-	-
1150	Net notes receivable	6(4)	3	-	-	-
1170	Net accounts receivable	6(4)	191,375	9	264,279	14
1180	Accounts receivable - related parties, net	7	748	-	1,046	-
1200	Other receivables		2,144	-	4,120	-
1220	Current income tax asset		695	-	1,030	-
130X	Inventory	6(5)	245,689	12	311,527	16
1410	Prepayments		18,294	1	19,230	1
1470	Other current assets	8	2,235	-	1,699	-
11XX	<b>Total current assets</b>		<u>870,965</u>	<u>43</u>	<u>939,028</u>	<u>48</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	34,637	2	26,956	1
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	68,756	3	27,536	2
1550	Equity-accounted investments	6(7)	664,211	32	606,637	31
1600	Property, plant and equipment	6(8), 7 and 8	349,380	17	296,155	15
1755	Right-of-use assets	6(9)	34,331	2	36,421	2
1780	Intangible assets		3,517	-	5,593	-
1840	Deferred income tax assets	6(26)	20,244	1	25,015	1
1900	Other non-current assets	8	2,167	-	3,567	-
15XX	<b>Total non-current assets</b>		<u>1,177,243</u>	<u>57</u>	<u>1,027,880</u>	<u>52</u>
1XXX	<b>Total assets</b>		<u>\$ 2,048,208</u>	<u>100</u>	<u>\$ 1,966,908</u>	<u>100</u>
<b>Current liabilities</b>						
2100	Short-term loans	6(12)	\$ 27,000	1	\$ -	-
2130	Contractual liabilities - current	6(21)	61,847	3	64,733	3
2170	Accounts payable		67,160	3	83,348	4
2180	Accounts payable - related parties	7	1,395	-	23,009	1
2200	Other payables	6(13) and 7	79,704	4	74,270	4
2230	Current income tax liabilities		43,380	2	46,954	3
2250	Liability reserves - current	6(16)	7,585	1	7,367	-
2280	Lease liabilities - current		2,842	-	5,746	-
2320	Long-term liabilities due within 1 year or 1 business cycle	6(14)	10,476	1	10,376	1
2399	Other current liabilities - others		3,762	-	3,084	-
21XX	<b>Total current liabilities</b>		<u>305,151</u>	<u>15</u>	<u>318,887</u>	<u>16</u>

(Continued next page)

ONYX Healthcare Inc. and Subsidiaries  
Consolidated balance sheet  
As at December 31, 2023 and 2022

Unit: NT\$ thousand

Liabilities and equity		Note	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
<b>Non-current liabilities</b>						
2527	Contractual liabilities - non-current	6(21)	53,301	3	67,860	4
2540	Long-term loans	6(14)	134,499	7	144,910	7
2550	Liability reserves - non-current	6(16)	2,364	-	2,327	-
2570	Deferred income tax liabilities	6(26)	423	-	-	-
2580	Lease liabilities - non-current		31,924	1	30,887	2
2645	Guarantee deposits received	7	-	-	1,148	-
25XX	<b>Total non-current liabilities</b>		<u>222,511</u>	<u>11</u>	<u>247,132</u>	<u>13</u>
2XXX	<b>Total liabilities</b>		<u>527,662</u>	<u>26</u>	<u>566,019</u>	<u>29</u>
<b>Equity</b>						
<b>Equity attributable to parent company shareholders</b>						
	Share capital	6(18)				
3110	Common share capital		335,163	16	332,612	17
	Capital reserves	6(17)(19)				
3200	Capital reserves		708,803	35	679,472	35
	Retained earnings	6(20)				
3310	Legal reserves		151,706	7	131,410	7
3320	Special reserves		33,926	2	49,896	2
3350	Unappropriated earnings		312,163	15	232,379	12
	Other equity items					
3400	Other equity items		(30,169)	(1)	(33,926)	(2)
31XX	<b>Total equity attributable to parent company shareholders</b>		<u>1,511,592</u>	<u>74</u>	<u>1,391,843</u>	<u>71</u>
36XX	<b>Non-controlling equity</b>	4(3)	<u>8,954</u>	<u>-</u>	<u>9,046</u>	<u>-</u>
3XXX	<b>Total equity</b>		<u>1,520,546</u>	<u>74</u>	<u>1,400,889</u>	<u>71</u>
	Major post-balance sheet date events	11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 2,048,208</u>	<u>100</u>	<u>\$ 1,966,908</u>	<u>100</u>

The attached Notes to consolidated financial statements are part of this consolidated financial statement and should be read in conjunction.

Chairman: Chuang, Yung-Shun

Manager: Chuang, Fu-Chun

Head of Accounting: Yang, Hsiang-Chih

ONYX Healthcare Inc. and Subsidiaries  
Consolidated statement of comprehensive income  
January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand  
(except earnings per share, which are presented in NTD)

Item	Note	2023		2022	
		Amount	%	Amount	%
4000 Operating revenues	6(21) and 7	\$ 1,492,860	100	\$ 1,600,265	100
5000 Operating costs	6(5)(24)(25) and 7	( 936,716)	( 63)	( 1,127,959)	( 71)
5900 Gross profit		556,144	37	472,306	29
Operating expenses	6(24)(25) and 7				
6100 Selling expenses		( 181,659)	( 12)	( 162,364)	( 10)
6200 Administrative expenses		( 77,324)	( 5)	( 79,228)	( 5)
6300 R&D expenses		( 79,362)	( 6)	( 86,671)	( 5)
6450 Expected credit impairment loss/reversal gain	12(2)	323	-	1,349	-
6000 Total operating expenses		( 338,022)	( 23)	( 326,914)	( 20)
6900 Operating profit		218,122	14	145,392	9
Non-operating income and expenses					
7100 Interest income		2,985	-	981	-
7010 Other income	6(22) and 7	12,369	1	26,254	2
7020 Other gains and losses	6(23) and 7	12,336	1	10,028	-
7050 Financial costs		( 3,684)	-	( 3,557)	-
7060 Share of profits/losses on equity-accounted associated companies and joint ventures		62,872	4	62,936	4
7000 Total non-operating income and expenses		86,878	6	96,642	6
7900 <b>Pre-tax profit</b>		305,000	20	242,034	15
7950 Income tax expense	6(26)	( 49,830)	( 3)	( 38,896)	( 2)
8200 <b>Current net income</b>		\$ 255,170	17	\$ 203,138	13
<b>Other comprehensive income (net)</b>					
<b>Items not reclassified into profit or loss</b>					
8316 Unrealized gain/loss on valuation of equity instruments at fair value through other comprehensive income	6(6)	(\$ 5,394)	-	(\$ 4,845)	( 1)
8320 Share of other comprehensive income from equity-accounted associated companies and joint ventures - not reclassified into profit or loss		3,853	-	11,164	1
8310 Items not reclassified into profit or loss - total		( 1,541)	-	6,319	-

(Continued next page)

ONYX Healthcare Inc. and Subsidiaries  
Consolidated statement of comprehensive income  
January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand  
(except earnings per share, which are presented in NTD)

Item	Note	2023		2022	
		Amount	%	Amount	%
<b>Items likely to be reclassified into profit or loss</b>					
8361					
	Financial statement translation differences arising from foreign operations	421	-	11,319	1
8370					
	Share of other comprehensive income from equity-accounted associated companies and joint ventures - likely to be reclassified into profit or loss	116	-	596	-
8399	6(26)				
	Income tax on items that are likely to be reclassified into profit or loss	( 84)	-	( 2,264)	-
8360					
	Items likely to be reclassified into profit or loss - total	453	-	9,651	1
8300					
	<b>Other comprehensive income (net)</b>	(\$ 1,088)	-	\$ 15,970	1
8500					
	<b>Total comprehensive income for the current period</b>	\$ 254,082	17	\$ 219,108	14
	Net income (loss) attributable to:				
8610					
	Parent company shareholders	\$ 255,262	17	\$ 202,963	13
8620					
	Non-controlling equity	( 92)	-	175	-
	Total	\$ 255,170	17	\$ 203,138	13
	Comprehensive income attributable to:				
8710					
	Parent company shareholders	\$ 254,174	17	\$ 218,933	14
8720					
	Non-controlling equity	( 92)	-	175	-
	Total	\$ 254,082	17	\$ 219,108	14
	EPS				
9750	6(27)				
	Basic earnings per share	\$	7.65	\$	6.24
9850					
	Diluted earnings per share	\$	7.59	\$	6.20

The attached Notes to consolidated financial statements are part of this consolidated financial statement and should be read in conjunction.

Chairman: Chuang, Yung-Shun

Manager: Chuang, Fu-Chun

Head of Accounting: Yang, Hsiang-Chih



ONYX Healthcare Inc. and Subsidiaries  
Consolidated statement of changes in equity  
January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand

	Note	Equity attributable to parent company shareholders							Total	Non-controlling equity	Total
		Retained earnings					Other equity items				
		Common share capital	Capital reserves	Legal reserves	Special reserves	Unappropriated earnings	Financial statement translation differences arising from foreign operations	Unrealized gains/losses on financial assets at fair value through other comprehensive income			
<b>2022</b>											
Balance as at January 1, 2022		\$ 302,612	\$ 462,673	\$ 118,655	\$ 44,993	\$ 146,858	(\$ 12,500 )	(\$ 37,396 )	\$ 1,025,895	\$ 8,871	\$ 1,034,766
Current net income		-	-	-	-	202,963	-	-	202,963	175	203,138
Other current comprehensive income		-	-	-	-	-	9,651	6,319	15,970	-	15,970
Total comprehensive income for the current period		-	-	-	-	202,963	9,651	6,319	218,933	175	219,108
Appropriation and distribution of 2021 earnings:	6(20)										
Provision for legal reserves		-	-	12,755	-	( 12,755 )	-	-	-	-	-
Provision for special reserves		-	-	-	4,903	( 4,903 )	-	-	-	-	-
Cash dividends		-	-	-	-	( 99,784 )	-	-	( 99,784 )	-	( 99,784 )
Cash issue	6(18)(19)	30,000	233,100	-	-	-	-	-	263,100	-	263,100
Cost of cash issue reserved for subscription by employees as remuneration	6(17)(19)	-	8,174	-	-	-	-	-	8,174	-	8,174
Distribution of cash from capital reserves	6(19)(20)	-	( 33,261 )	-	-	-	-	-	( 33,261 )	-	( 33,261 )
Share-based payment	6(17)(19)	-	8,786	-	-	-	-	-	8,786	-	8,786
Balance as at December 31, 2022		\$ 332,612	\$ 679,472	\$ 131,410	\$ 49,896	\$ 232,379	(\$ 2,849 )	(\$ 31,077 )	\$ 1,391,843	\$ 9,046	\$ 1,400,889
<b>2023</b>											
Balance as at January 1, 2023		\$ 332,612	\$ 679,472	\$ 131,410	\$ 49,896	\$ 232,379	(\$ 2,849 )	(\$ 31,077 )	\$ 1,391,843	\$ 9,046	\$ 1,400,889
Current net income (loss)		-	-	-	-	255,262	-	-	255,262	( 92 )	255,170
Other current comprehensive income		-	-	-	-	-	453	( 1,541 )	( 1,088 )	-	( 1,088 )
Total comprehensive income for the current period		-	-	-	-	255,262	453	( 1,541 )	254,174	( 92 )	254,082
Appropriation and distribution of 2022 earnings:	6(20)										
Provision for legal reserves		-	-	20,296	-	( 20,296 )	-	-	-	-	-
Reversal for special reserve		-	-	-	( 15,970 )	15,970	-	-	-	-	-
Cash dividends		-	-	-	-	( 166,307 )	-	-	( 166,307 )	-	( 166,307 )
Share-based payment	6(17)(19)	-	3,590	-	-	-	-	-	3,590	-	3,590
Exercise of employee warrants	6(18)(19)	2,551	25,741	-	-	-	-	-	28,292	-	28,292
Reclassification of equity instruments at fair value through other comprehensive income	6(6)	-	-	-	-	( 4,845 )	-	4,845	-	-	-
Balance as at December 31, 2023		\$ 335,163	\$ 708,803	\$ 151,706	\$ 33,926	\$ 312,163	(\$ 2,396 )	(\$ 27,773 )	\$ 1,511,592	\$ 8,954	\$ 1,520,546

The attached Notes to consolidated financial statements are part of this consolidated financial statement and should be read in conjunction.

Chairman: Chuang, Yung-Shun

Manager: Chuang, Fu-Chun

Head of Accounting: Yang, Hsiang-Chih

ONYX Healthcare Inc. and Subsidiaries  
Consolidated cash flow statement  
January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand

	Note	January 1 to December 31, 2023	January 1 to December 31, 2022
<u>Cash flow from operating activities</u>			
Pre-tax profit for the current period		\$ 305,000	\$ 242,034
Adjustments			
Income, expenses, and losses			
Depreciation	6(8)(9) (24)	21,619	23,109
Depreciation of investment properties (presented as other gains and losses)	6(12) (23)	-	1,627
Amortization	6(24)	2,476	2,095
Expected credit impairment loss/reversal gain	12(2)	( 323 )	( 1,349 )
Gain (loss) on financial assets at fair value through profit or loss	6(2)(23)	( 11,859 )	12,468
Interest expenses		3,684	3,557
Interest income		( 2,985 )	( 981 )
Dividend income	6(22)	( 408 )	( 3,709 )
Share-based payment - remuneration	6(17)	3,590	16,960
Share of profit from equity-accounted associated companies		( 62,872 )	( 62,936 )
Gain on disposal of property, plant, and equipment	6(23)	-	( 250 )
Gain on lease amendment	6(9)(23)	( 5 )	( 91 )
Gain on elimination of overdue contract liabilities	6(22)	-	( 3,986 )
Change in assets/liabilities related to operating activities			
Net change in assets related to operating activities			
Financial assets at fair value through profit or loss		-	( 19 )
Notes receivable		( 3 )	-
Accounts receivable		73,435	( 60,049 )
Accounts receivable - related parties		299	1,627
Other receivables		1,976	444
Inventory		65,838	( 40,308 )
Prepayments		936	( 2,744 )
Other current assets		( 536 )	( 88 )
Net change in liabilities related to operating activities			
Contractual liabilities		( 17,445 )	18,596
Accounts payable		( 16,188 )	( 8,509 )
Accounts payable - related parties		( 21,614 )	( 9,664 )
Other payables		5,297	1,139
Other payables - related parties		( 834 )	1,125
Liability reserves		255	1,423
Other current liabilities		678	( 2,722 )
Cash inflow from operating activities		350,011	128,799
Interests received		2,985	981
Dividends received		49,208	48,845
Interests paid		( 3,680 )	( 3,580 )
Income tax refunded		-	5,906
Income tax paid		( 48,031 )	( 19,160 )
Net cash inflow from operating activities		350,493	161,791

(Continued next page)

ONYX Healthcare Inc. and Subsidiaries  
Consolidated cash flow statement  
January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand

	<u>Note</u>	<u>January 1 to December 31, 2023</u>	<u>January 1 to December 31, 2022</u>
<u>Cash flow from investing activities</u>			
Acquisition of financial assets at fair value through profit or loss		\$ -	(\$ 5,335 )
Disposal of financial assets at fair value through profit or loss		-	5,250
Acquisition of financial assets at amortized cost		( 31,626 )	-
Acquisition of financial assets at fair value through other comprehensive income		( 71,769 )	-
Acquisition of equity-accounted investments		( 14,380 )	( 15,802 )
Acquisition of property, plant, and equipment	6(28)	( 67,582 )	( 11,952 )
Disposal of property, plant, and equipment		-	250
Acquisition of intangible assets		( 400 )	( 3,099 )
Decrease (increase) in guarantee deposits paid (presented as other non-current assets)		1,400	( 344 )
Net cash outflow from investing activities		<u>( 184,357 )</u>	<u>( 31,032 )</u>
<u>Cash flow from financing activities</u>			
Net increase (decrease) in short-term loans	6(29)	27,000	( 105,000 )
Repayment of long-term loan	6(29)	( 10,311 )	( 10,501 )
Repayment of lease principal	6(29)	( 6,063 )	( 8,522 )
Decrease in guarantee deposits received		( 1,148 )	-
Cash issue	6(18)	-	263,100
Cash dividends paid	6(20)	( 166,307 )	( 99,784 )
Exercise of employee warrants		28,292	-
Distribution of cash from capital reserves	6(20)	-	( 33,261 )
Net cash (outflow) inflow from financing activities		<u>( 128,537 )</u>	<u>6,032</u>
Exchange rate impact		282	9,202
Increase in cash and cash equivalents for the current period		37,881	145,993
Opening cash and cash equivalents balance	6(1)	328,886	182,893
Closing cash and cash equivalents balance	6(1)	<u>\$ 366,767</u>	<u>\$ 328,886</u>

The attached Notes to consolidated financial statements are part of this consolidated financial statement and should be read in conjunction.

Chairman: Chuang, Yung-Shun

Manager: Chuang, Fu-Chun

Head of Accounting: Yang, Hsiang-Chih

## 2024 Employee Stock Option Plan

Date: April 01, 2024

### I. Purpose

In accordance with Article 28-3 of the “Securities and Exchange Act” and the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers” promulgated by the Securities and Futures Bureau, Financial Supervisory Commission, the Company hereby establishes the “Employee Stock Option Plan” (the Plan) to attract and retain talents needed by the Company and to motivate employees and enhance their sense of belonging to the Company, so as to create common interests of the Company and shareholders.

### II. Grant Period

Within two years from the date of receipt of the official notification of approval from the competent authority, the employee stock options may be granted in one lump sum or in installments as needed. The actual date of issue shall be determined by the authorized chairman.

### III. Qualifications and Conditions for Optionees

- (I) Limited to full-time employees of the Company and domestic or foreign companies controlled by or affiliated to the Company who have made special contributions to the Company. The definition of “domestic and foreign controlled or affiliated companies” must comply with the requirements defined in the Financial Supervisory Commission's December 27, 2018 Letter Jin-Guan-Zheng-Fa-Zi No. 1070121068.
- (II) The actual number of employees eligible to subscribe and the number of shares they receive will be determined after taking into account the seniority, grade, work performance, overall contribution or special merit of the employees, which have been approved by the chairman and approved by the board of directors. Executive: approval by the Compensation Committee must be obtained first for managerial officers. Non-executive: approval by the Audit Committee must be obtained first then reviewed by the Board of Director for approval for employees who are non-executive officers.

According to Paragraph 1, Article 56-1 of the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers,” the total number of employee stock options granted by the Company to one single subscriber plus the total number of restricted shares granted to the subscriber shall not exceed 0.3% of the total number of shares issued by the Company. According to Paragraph 1, Article 56 of the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers,” the total number of employee stock options granted by the

Company to one single subscriber shall not exceed 1% of the total number of shares issued by the Company.

#### IV. Total Number of Employee Stock Options to Be Granted

A total of 1,000 units of employee stock options are to be granted. Each unit of the employee stock option enables an optionee to subscribe 1,000 share. The total number of new common shares to be reserved for the employee stock options is 1,000,000.

#### V. Terms and Conditions

##### (I) Share subscription price:

The exercise price shall be NT\$110 per share, taking into account the effect of the Company's selection, retention and incentives, and considering shareholders' rights and interests, and the employee stock option may be exercised in installments at the ratio determined during the vesting period two years after the issuance date, so it is reasonable for the subscription price to be lower than the market price.

##### (II) Exercise Period

1. Employee stock options shall become exercisable pursuant to the following schedule after two years since the grant of the employee stock options. The employee stock options shall expire at the end of the sixth year from the date of grant thereof (the Term). Except by inheritance, the employee stock options and the rights and interests thereon shall not be transferred, pledged or donated to other persons or otherwise disposed of.

<u>Numbers of Years after Grant Date</u>	<u>Percentage of Exercisable Options</u>
--	--

<u>Accumulated</u>	
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Two years after expiration	40%
Three years after expiration	60%
Four years after expiration	80%
Five years after expiration	100%

2. The Company shall have the right to revoke and cancel the employee stock options not yet exercisable if an optionee violates the employment agreement or employee handbook after being granted the employee stock options.

##### (III) Type of Shares Underlying Employee Stock Options: Common shares of the Company.

##### (IV) If an optionee leaves his/her job for any reason, the following procedures shall be followed during the Term:

1. Resignation (including voluntary resignation, lay-off , leave of absence without pay or dismissal,)

The employee stock options with exercise rights may be exercised within one

month from the date of resignation. However, under the circumstances described in Paragraph 2 of Article 10, the stock option exercise period may be deferred sequentially based on the duration. Employee stock options that are not yet exercisable shall be deemed waived on the date of the optionee's resignation.

2. Retirement (retirement by law)

The warrants vested with exercise right may be exercised within one month from the retirement date. However, under the circumstance described in Paragraph 2 of Article 10, the warrants may be exercised in the following order based on the duration deferred. A person shall be deemed to have waived his/her stock subscription right on the day he retires, for which he/she has not exercised the right, but the Chairman or the authorized supervisor may specifically approve his/her stock subscription right and time limit to exercise the right within the scope of the time schedule stated under Paragraph 2 of Article 5.

3. Death

If an optionee dies, employee stock options that are already exercisable shall be exercised by the heir within one year from the date of the optionee's death or before the Term (whichever is earlier). Employee stock options that are not yet exercisable shall be deemed waived on the date of the optionee's death.

4. Transfer

If an optionee is transferred to an affiliate of the Company or another company, his/her employee stock options shall be handled by analogy with the procedures for job-leaving. If an optionee is transferred according to the Company's requirement, the Chairman or a supervisor authorized by the Chairman may within the scope of the exercise of employee stock options set forth in Paragraph 2 of Article 5 herein, approve the right and deadline regarding his/her exercise of employee stock options.

(V) If an optionee or his/her heir fails to exercise the employee stock options within the aforesaid periods, the optionee's right to exercise his/her employee stock options shall be deemed waived. The Company will cancel and will not re-grant the employee stock options waived by an optionee.

VI. Method of performance: The Company shall issue new common shares as underlying shares of the employee stock options. In accordance with the proviso set forth in Paragraph 1, Article 161 of the Company Act, the Company may issue shares first and register the change in capital afterwards.

VII. Adjustment of Exercise Price

(I) After employee stock options are granted, except the Company issues all kinds of securities which are convertible or subscription to common shares or newly issued shares through capitalization of employee compensation, in case of any change in the number of the Company's common shares (e.g., private placement, issuance of

new shares for cash, recapitalization from retained earnings, recapitalization from capital reserves, issue of new shares in connection with the merger or acquisition of shares of another company, share split, and the issuance of new shares for issuing overseas depository receipts), the exercise price shall be adjusted based on the following formula (rounded up to the nearest NT\$0.1):

Adjusted exercise price = Exercise price before adjustment  $\times$  [Number of issued shares + (Subscription price per new share  $\times$  Number of newly issued shares)  $\div$  Market price per share]  $\div$  (Number of issued shares + Number of newly issued shares)

1. Number of issued shares refers to the total number of common shares issued and the certificate of payment for stock price for which the payments have been made, excluding treasury shares repurchased by the Company but not yet canceled or transferred, and excluding the number of shares from the certificates of payment for exercise of the stock option and certificates of conversion.
  2. In the event of the distribution of free shares or stock splits, the amount paid per share shall be zero.
  3. In the event of issuance of new shares for merger or acquisition of shares of another company, the subscription price per new share shall be the average of the closing prices of the Company's common shares during 20 consecutive business days starting from 45 business days immediately prior to the record date of such merger or acquisition.
  4. If the adjusted exercise price is higher than the exercise price before adjustment, the exercise price shall not be adjusted.
  5. The current price per share shall be determined based on the simple arithmetic average of the closing prices of the common shares calculated on one, three, or five business days prior to the date of the ex-rights date, the pricing date, or the base date of stock split.
- (II) After employee stock options are granted, if the cash dividend is distributed by the Company, the exercise price shall be adjusted on the record date based on the following formula:
- Adjusted exercise price = Exercise price before adjustment  $\times$  (1 - Ratio of distributed cash dividend to current market price per share)
- The current market price referred to in the preceding paragraph shall be determined based on the simple arithmetic average of the common share closing price on the 1st, 3rd, or 5th business day immediately prior to the date when the Company announces that its shareholders' register is closed for the distribution of cash dividends.
- (III) If cash dividends and stock dividends are issued at the same time (including

recapitalization from retained earnings and recapitalization from capital reserves), the exercise price shall be adjusted in accordance with the cash dividends and then the stock dividends.

- (IV) After employee stock options are granted, in case of the Company's capital reduction not caused by the cancellation of the Company's treasury shares, the exercise price shall be adjusted on the record date based on the following formula (rounded up to the nearest NT\$0.1):

Capital reduction to offset accumulated losses

Adjusted exercise price = Exercise price before adjustment  $\times$  (Number of issued shares before capital reduction  $\div$  Number of issued shares after capital reduction)

Capital reduction by cash refund

Adjusted exercise price = (Exercise price before adjustment - Cash refund per share)  $\times$  (Number of issued shares before capital reduction  $\div$  Number of issued shares after capital reduction)

#### VIII. Procedures for Exercising Employee Stock Options

- (I) Except for the closed period prescribed by law and the restricted period set forth in Paragraph 2 of Article 10 herein, an optionee may exercise his/her employee stock options in accordance with the schedule stipulated in Paragraph 2 of Article 5 herein. The optionee shall fill out an exercise request and submit it to the Company's stock transfer agent. The exercise request shall become effective upon the Company's receipt and shall not be withdrawn thereafter
- (II) After the receipt of the aforesaid exercise request, the Company's stock transfer agent shall notify the optionee to make a payment for the shares to a designated bank.
- (III) After collecting full payment for the shares, the Company's stock transfer agent shall register the optionee and his/her shares in the shareholders' register and transfer the newly issued shares to the optionee within five business days through the book-entry system.
- (IV) The newly issued common shares of the Company are listed for trading on TWSE/TPEX from the date of delivery to the subscribers. If the common shares of the Company are allowed to trade on the Taiwan Stock Exchange (TWSE)/Taipei Exchange (TPEX) according to law, the newly issued common shares of the Company may be listed for trading on the TWSE/TPEX from the date of delivery to the subscribers.
- (V) The Company shall make an announcement of the number of shares transferred due to the exercise of employee stock options in a given quarter within 15 days after the end of such quarter; and shall apply to the company registration authority at least once a quarter to register the change in capital.

The Company may adjust or cancel the aforesaid registration of changes in share



capital if less than 20 days elapse from the record date of distribution of free shares, record date of registration of changes in preferred share capital, and record date of registration of changes in share capital.

#### IX. Where Exercise Price Is Lower than Face Value of Common Share

If the exercise price is lower than the face value of the common share, the exercise price shall be the face value of the common share.

#### X. Limitations after Exercise of Employee Stock Options

(I) The ordinary shares issued by the Company as a result of the exercise of stock options shall have the same rights and obligations as the ordinary shares issued by the Company.

(II) The employee stock options granted by the Company are not exercisable during the following periods of each year:

1. The statutory book closure period before the annual shareholders' meeting.
2. The period starting from three days prior to the stock dividend book closure ex-right announcement date, and cash dividend book closure ex-dividend announcement date, or the ex-right announcement date of subscription of common shares for cash capital increase with the Taiwan Stock Exchange (TWSE)/Taipei Exchange (TPEX) until the rights distribution base date.
3. The period from after the board meeting determines the base date of merger for the current year until the date before the date of merger; or the period from after the board meeting for determining the base date of the division of the current year to the base date for the division of the current year; or the period from the board meeting determining the dividend allotment base date of the current year up till the base date of the cash dividend of the current year.
4. Other statutory book closure periods.

#### XI. Confidentiality

Unless otherwise requested by law or competent authorities, an optionee shall keep confidential the content and number of the employee stock options granted. In case of any violation of such confidentiality the Company shall handle it in accordance with Subparagraph 2, Paragraph 2, Article 5 herein.

#### XII. Implementation Rules

The Company shall notify each optionee of the procedures and deadlines regarding the number, exercise, payment, and other matters of the employees stock options granted separately.

#### XIII. Other Important Stipulations

(I) The Plan shall be adopted by more than half of the directors who attend the Board meeting and represent more than two-thirds of the Board of Directors, and shall become effective with the filing with the competent authority. The same procedure is also required for amendments before the actual issuance. The Company also

authorizes the Chairman to amend this issuance and subscription plan while the case is under review in response to the requirements of the competent authority. However, the amendment shall be ratified by the Board of Directors before issuance.

(II) Any matters not set forth herein shall be handled in accordance with relevant laws and regulations.

## **Articles of Incorporation of Onyx Healthcare Inc.**

### Chapter One General Provisions

- Article 1: The Company is incorporated according to The Company Act, and has been named Onyx Healthcare Inc.
- Article 2: Business activities of the Company are as follows:
1. CC01080 Electronic Parts and Components Manufacturing
  2. CC01100 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
  3. CC01110 Computers and Peripheral Equipment Manufacturing
  4. CC01120 Data Storage Media Manufacturing and Duplicating
  5. CE01010 Precision Instruments Manufacturing
  6. CF01011 Medical Equipments Manufacturing
  7. E605010 Computing Equipments Installation Construction
  8. EZ05010 Apparatus Installation Construction
  9. F108031 Wholesale of Drugs, Medical Goods
  10. F113030 Wholesale of Precision Instruments
  11. F118010 Wholesale of Computer Software
  12. F119010 Wholesale of Electronic Materials
  13. F208031 Retail Sale of Medical Equipments
  14. F213030 Retail Sale of Computing and Business Machinery Equipment
  15. F213040 Retail Sale of Precision Instruments
  16. F214990 Retail Sale of Other Transport Equipment and Parts
  17. F218010 Retail Sale of Computer Software
  18. F219010 Retail Sale of Electronic Materials
  19. F401010 International Trade
  20. F601010 Intellectual Property
  21. I301010 Software Design Services
  22. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company may offer endorsement and guarantee to external parties as needed for business activities or by invested businesses, subject to the Company's endorsement and guarantee procedures. Except for the circumstances mentioned in Article 15 of The Company Act, the Company shall not lend capital to shareholders or any third party.
- Article 4: The Company may invest in other businesses as deemed necessary, and may become a limited-liability shareholder of another company subject to board of directors' resolution. Sum of the Company's investments is not subject to the limitations stated in Article 13 of The Company Act (i.e., 40% of paid-up capital).
- Article 5: The Company is headquartered in New Taipei City, and may establish domestic or foreign branches subject to board of directors' approval.
- Article 6: Public announcements of the Company shall be duly made in accordance

with Article 28 of The Company Act.

## Chapter Two Share Capital

- Article 7: Authorized capital of the Company is set at five hundred million New Taiwan Dollars, available in fifty million shares of ten New Taiwan Dollars each. The board of directors is authorized to make multiple issues of shares up to the authorized capital.  
The Company shall reserve six million shares from the above share capital for issuance of employee warrant at a face value of ten New Taiwan Dollars each. The board of directors is authorized to make multiple issues of the reserved shares as deemed necessary.
- Article 8: Any issuance of warrant to employees with exercise price below market price (or net worth per share) shall be resolved in a shareholder meeting with the presence of shareholders representing more than half of outstanding shares, and voted in favor by more than two-thirds of votes present in the meeting.  
Any sale of shares to employees at prices below the Company's average purchase price shall be resolved in a shareholder meeting with the presence of shareholders representing more than half of outstanding shares, and voted in favor by more than two-thirds of votes present in the meeting.  
The Company may transfer treasury stock, issue warrants, make cash issues, and issue restricted shares to its employees, including employees of controlled entities or subsidiaries who satisfy certain criteria. This criterion is determined by the board of directors.
- Article 9: The Company may withdraw public offering of shares only with resolutions sought from a shareholder meeting.
- Article 10: All shares of the Company shall be issued to registered owners only. Share certificates are issued with the signatures or authorized seals of at least three directors, and are subject to certification by the authority or any of its approved registrars.  
Shares of the Company may be issued in non-tangible form, subject to registration with the centralized securities depository. The same applies to other securities issued by the Company.  
Shares issued under the preceding paragraph shall be registered with or placed under the custody of the central securities depository. Security certificates of higher face value can be issued to replace existing certificates if requested by the central securities depository.
- Article 11: Changes to the shareholder registry are suspended during the periods mentioned in Article 165 of The Company Act.  
Transfer of shares shall proceed according to The Company Act and "Regulations Governing the Administration of Shareholder Services of Public Companies."

## Chapter Three Shareholders Meeting

- Article 12: The Company holds two types of shareholder meeting: an annual general

meeting and extraordinary shareholder meeting. Annual general meetings are convened by the board of directors once a year within six months after the end of each financial year. Extraordinary shareholder meetings may be held whenever deemed necessary, subject to compliance with laws.

Article 13: Convention of an annual general meeting shall be communicated to shareholders with details including date, venue and agenda at least 30 days in advance, or 15 days for extraordinary shareholders meetings. For shareholders that hold less than one thousand shares, meeting advices can be communicated by way of public announcement instead.

Article 14: If a shareholder is unable to attend the shareholder meeting in person, a proxy can be appointed in accordance with Article 177 of The Company Act by presenting a properly signed/sealed proxy form printed in the Company's prescribed format that specifies in details the scope of delegated authority.

In addition to the above Paragraph, delegation of proxy attendants shall also comply with "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."

Article 15: Shareholders of the Company are entitled to one vote for every share held, except for the circumstances described in Article 179 of The Company Act where shareholders are restricted or prohibited from exercising voting rights.

When listed on TWSE (TPEX), the Company shall make electronic voting as one of the ways for shareholders to exercise voting rights.

Article 16: Except otherwise regulated by law or stated in the Articles of Incorporation, a shareholder meeting resolution is passed when more than 50% of all outstanding shares are represented in the meeting, and voted in favor by more than 50% of all voting rights represented at the meeting.

Article 17: Shareholder meeting resolutions shall be compiled into minutes and signed or sealed by the chairperson. The minutes shall detail the date and venue of the meeting, the chairperson's name, the method of resolution, the proceeding and results of various motions. Minutes are to be distributed to shareholders within 20 days after the meeting and retained for as long as the Company exists.

Preparation and distribution of meeting minutes above can be made by way of public announcement.

#### Chapter Four Directors and the Audit Committee

Article 18: The Company has 7 to 9 directors, who are elected in shareholder meetings from persons of adequate capacity. The term of directorship is three years, and is renewable if re-elected. Election of the Company's directors shall proceed using the cumulative method. Each share is vested with voting rights equal to the number of directors to be elected; these voting rights may be concentrated on one candidate or spread across multiple candidates. Candidates receiving the highest number of

votes are elected as directors. Any changes to the election process described above shall proceed in accordance with Article 172 of The Company Act and advised to meeting participants in advance in the agenda.

Amongst the directors chosen above, there shall be no fewer than three independent directors representing no less than one-third of the board. Directors are elected using the nomination system, where shareholders vote from a list of director candidates during a shareholder meeting. The nomination shall proceed according to Article 192-1 of The Company Act. Restrictions concerning independent directors' eligibility, shareholding, concurrent employment, nomination, method of election and all other compliance issues are governed by relevant laws of the securities authority.

Article 18-1: The Company shall comply with the Securities and Exchange Act by assembling an Audit Committee that consists entirely of independent directors, whose responsibilities are to execute duties mentioned in the Securities and Exchange Act, The Company Act and other laws. The board of directors may assemble a Remuneration Committee or other functional committees as needed to support business activities.

Article 19: After public offering, all shares held by directors shall be subject to supervision of the authority and relevant laws. The Company may purchase liability insurance policies to insure itself against liabilities of directors and supervisors over the course of their service.

Article 20: The board of directors shall appoint one Chairman during a board meeting with more than two-thirds of directors present, and with the support of more than half of all attending directors. The Chairman serves as the Company's representative to the outside world. The Company may create one Vice Chairman position and have directors elect amongst themselves using the same method.

Article 21: The Chairman serves as the chairperson for board meetings. If the Chairman is unable to perform duties due to leave of absence or any reason, a delegate shall be appointed in accordance with Article 208 of The Company Act. Directors may appoint other directors to attend board meetings on their behalf by issuing one proxy form per meeting. The proxy form shall specify the scope of delegated authority and each director may represent the presence of one other director only. Independent directors may appoint other independent directors to attend meetings on their behalf. A non-independent director cannot represent an independent director in meetings.

Article 22: Convention of board of directors meeting shall be advised to all directors with detailed agenda at least 7 days in advance. However, meetings can be held in shorter notices in case of emergency. Convention of board meetings can be advised to directors through written correspondence, E-mail or fax. Board meetings can be convened by way of video conferencing. Those

who participate in the video conference are considered to have attended the meeting in person.

- Article 23: Unless otherwise specified in The Company Act, board of directors meetings are to be convened by the Chairman.  
Unless otherwise specified by law or the Articles of Incorporation, board resolutions are passed only if more than half of total board members are present in a meeting, and are voted in favor by more than half of attending directors.
- Article 24: If the board loses more than one-third of its directors, the board of directors shall convene an extraordinary shareholder meeting within 60 days to elect new members for the shortfall. In which case, the newly elected members shall serve the remaining term of the existing board. Should the number of independent directors fall below the required minimum due to resignation, dismissal or expiry of service, the shortfall shall be elected during the next shareholder meeting. If all independent directors are dismissed from duty, the Company shall convene an extraordinary shareholder meeting within the next 60 days to elect for the shortfall.
- Article 25: The Company may remunerate its Chairman and directors for the services rendered, irrespective of the Company's profit performance. The board of directors is authorized to determine the level of remuneration based on Chairman's/directors' involvement and contribution to the Company's operations, in reference to local and foreign peer levels.

#### Chapter Five Managers

- Article 26: The Company may create managerial positions. Appointment, dismissal and remuneration shall comply with Article 29 of The Company Act.

#### Chapter Six Accounting

- Article 27: The board of directors is responsible for preparing the following statements and reports at the end of each financial year, which are to be presented for acknowledgment according to legal procedures at the annual general meeting.
1. Business report.
  2. Financial statements.
  3. Earnings appropriation or loss reimbursement proposal.
- Article 28: Annual net income concluded by the Company is first subject to reimbursement of previous losses (including adjustment to undistributed earnings) followed by a 10% provision for statutory reserve. However, no further provision is needed when statutory reserve has accumulated to an amount equal to the Company's paid-up capital. Any surpluses remaining shall be subject to provision or reversal of special reserve as laws may require. The residual balance can then be added to undistributed earnings (including adjustment to undistributed earnings)

carried from previous years and distributed as dividends to shareholders, subject to board of directors' proposal and shareholder meeting resolution. The number of dividends paid to shareholders shall not be less than 5% of total distributable earnings.

Cash dividends shall not be less than 10% of the sum of cash and stock dividends for the current year. However, cash dividends amounting to less than NT\$0.1 per share are to be paid in the form of stock dividend instead.

The Company adopts a residual dividend policy that takes into consideration current and future investment prospects, capital requirements, local and foreign competition, capital budget, shareholders' interest, balanced dividend, long-term financial plans and related factors.

Article 28-1: Pre-tax profit before employee and director remuneration concluded in any given year shall be subject to employee remuneration of no less than 5% and director remuneration of no more than 3%. However, profits shall first be taken to offset cumulative losses if any.

Distribution of the above shall be resolved in a board meeting with more than two-thirds of the board present, voted in favor by more than half of all attending directors, and subsequently reported in shareholder meeting.

Employee remuneration can be paid in shares or cash to employees of controlled entities or subsidiaries that satisfy certain criteria. This criterion is determined under the board's authority. Director remuneration can only be paid in cash.

#### Chapter Seven Additional Rules

Article 29: Any matters that are not addressed in the Articles of Incorporation shall be governed by The Company Act and relevant regulations.

Article 30: This Articles of Incorporation was established on January 25, 2010, and shall take effect once approved by the authority. The same applies to all subsequent amendments.

The 1st amendment was made on December 8, 2011.

The 2nd amendment was made on June 28, 2013.

The 3rd amendment was made on April 30, 2015.

The 4th amendment was made on February 23, 2016.

The 5th amendment was made on May 23, 2017.

The 6th amendment was made on May 29, 2018.

The 7th amendment was made on September 18, 2018.

The 8th amendment was made on May 29, 2019.

The 9th amendment was made on Jul, 2, 2021.

The 10th amendment was made on May 31, 2022.

Onyx Healthcare Inc.

Chairman:

Chuang Yung-Shun



## **Onyx Healthcare Inc.**

### **Shareholder Meeting Conference Rules**

#### Article 1

This policy has been established in accordance with Article 5 of "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" to promote proper governance over the Company's shareholder meetings, and enforce supervisory and administrative functions of such meetings.

#### Article 2

Unless otherwise specified by law or Articles of Incorporation, shareholder meetings shall proceed according to the terms of this policy.

#### Article 3

Unless otherwise specified by law, shareholder meetings are to be convened by the board of directors.

The Company shall prepare an electronic file that contains the meeting advice, a proxy form, a detailed agenda of topics to be acknowledged or discussed during the meeting, and notes on the election or dismissal of directors and post it onto the Market Observation Post System (MOPS) at least 30 days before an annual general meeting, or 15 days before an extraordinary shareholder meeting. At least 21 days before an annual general meeting or 15 days before an extraordinary shareholder meeting, an electronic copy of the shareholder meeting handbook and supplementary information shall be prepared and posted onto MOPS. Hard copies of the shareholder meeting manual and supplementary information also have to be prepared at least 15 days before the meeting and made accessible to shareholders at any time. These documents shall be made available at the Company's premises and at the share transfer agency, and distributed on-site at the shareholder meeting. The meeting advice and announcement shall state clearly the agenda to be discussed during the meeting, and can be issued in electronic form if consented by the recipient.

Issues that involve election or dismissal of directors, changes to the Articles of Incorporation, capital reduction, cessation of public offering, permission for directors' involvement in competing business, earnings capitalization, capitalization of capital reserve, corporate liquidation, merger, divestment, or any matters listed in Paragraph 1, Article 185 of The Company Act shall be raised as part of the regular motions with summaries explained in the meeting agenda, and may not be raised in the form of special motion. The notification can be served by posting relevant details onto the website designated by the securities authority or the Company and sharing a link to the webpage.

If the shareholder meeting advice has already notified upfront of a full re-election of directors with specific duty commencement date, then no further changes can be made to the duty commencement date, whether through special motion or otherwise, when re-election is completed during the meeting.

Shareholders that own more than 1% of the Company's outstanding shares are entitled to propose motions for discussion in annual general meetings; each shareholder may only propose one motion; proposals above that limit

will be excluded from discussion. However, motions that involve suggestions to the Company's efforts toward public interest or social responsibilities may still be accepted by the board of directors. The board of directors may disregard shareholders' proposals if the proposed motions exhibit any of the conditions described in Paragraph 4, Article 172-1 of The Company Act.

The Company shall announce, before the book closure date of annual general meeting, the conditions, methods (written or electronic), places and time within which shareholders' proposals are accepted. The acceptance period shall not be less than ten days.

Shareholders shall limit their proposed motions to 300 words only; proposals that exceed 300 words will not be accepted for discussion. Shareholders who have successfully proposed their motions shall attend the annual general meeting in person or through proxy and participate in the discussion.

The Company shall notify each proposing shareholder the outcomes of their proposed motions before the date the meeting advice is sent. Meanwhile, motions that satisfy the conditions listed in this Article shall be included as part of the meeting advice. During the shareholder meeting, the board of directors shall explain the reasons why certain proposed motions are excluded from discussion.

#### Article 4

Shareholders may appoint proxies to attend shareholder meetings on their behalf by completing the Company's proxy form and specifying the scope of delegated authority.

Each shareholder may issue one proxy form and delegate one proxy only. All proxy forms shall be received by the Company at least 5 days before the shareholder meeting. In cases where multiple proxy forms are issued, the one that arrives first shall prevail. However, this excludes situations where the shareholder has issued a proper declaration to withdraw the previous proxy arrangement.

Should the shareholder decide to attend shareholder meeting personally or exercise voting rights in writing or using electronic means after a proxy form has been received by the Company, a written notice shall be sent to the Company by no later than two days before the meeting commences to withdraw the proxy arrangement. If the shareholder fails to withdraw proxy arrangement before the due date, the vote of the proxy attendant shall prevail.

#### Article 5

Shareholder meetings shall be held at locations suitable and convenient for shareholders to attend. Meetings shall not commence anytime earlier than 9AM or later than 3PM. Independent directors' opinions shall be fully taken into consideration when choosing the meeting venue and time.

#### Article 6

The meeting advice shall specify details such as meeting time, venue, and important notes where relevant.

Admission of meeting participants shall begin at least 30 minutes before the meeting commences. The reception area shall be clearly labeled and stationed with competent personnel.

Shareholders and representatives thereof (collectively referred to as "shareholders") shall attend shareholder meetings by presenting valid

conference pass, attendance card or other document of similar nature. Proxy form acquirers are required to bring identity proof for verification.

An attendance log shall be prepared to record shareholders' attendance; alternatively, shareholders may present attendance cards to signify their presence.

Shareholders who attend the meeting shall be given a copy of the meeting manual, annual report, attendance pass, opinion slip, motion ballot and any information relevant to the meeting. Prepare additional ballots if director election is also being held during the meeting.

Where the shareholder is a government agency or corporate entity, more than one representative may attend shareholder meetings on their behalf. Corporate entities that have been designated as proxy attendants can only appoint one representative to attend shareholder meeting.

#### Article 7

Shareholder meetings that are convened by the board of directors shall be chaired by the Chairman. If the Chairman is on leave or is unable to exercise duties for any reason, the Vice Chairman will act on behalf; if there is no Vice Chairman or if the Vice Chairman is also on leave or is unable to exercise duties for any reason, the Chairman may appoint one managing director to assume acting duty; if there is no managing director, one of the directors shall be appointed to perform acting duty; if no delegate is appointed by the Chairman, one shall be appointed among managing directors or directors.

The chairperson position mentioned above shall be assumed by a managing director or director, who has been on the board for more than six months and possesses adequate understanding of the Company's financial and business performance. The same applies if the chairperson is a representative of a corporate director.

Shareholder meetings that are convened by the board of directors shall be chaired by the Chairman and attended personally by more than half of the board, with at least one representative from each functional committee present at the meeting. Attendance of the above participants shall be recorded in details in shareholder meeting minutes.

For shareholder meetings that are convened by any authorized party other than the board of directors, the convener shall chair the meeting. If there are two or more conveners at the same time, one shall be appointed among themselves to chair the meeting.

The Company may summon its lawyers, certified public accountants, and any relevant personnel to be present at shareholder meetings.

#### Article 8

The Company shall record continuously, in audio or video, from the time admission is accepted and throughout the entire meeting proceeding, voting process and vote count.

These recordings shall be retained for at least one year. However, if a shareholder raises a litigious claim against the Company in accordance with Article 189 of The Company Act, the abovementioned documents shall be retained until the end of the litigation.

#### Article 9

Shareholders' presence is determined by the number of shares represented in a meeting. The number of shares represented in a meeting is calculated based

on attendance log records or the attendance cards collected, plus the number of shares with voting rights exercised in writing or through electronic means. The chairperson shall announce commencement of meeting as soon as it is due. However, if current attendants represent less than half of the Company's outstanding shares, the chairperson may announce to postpone the meeting up to two times, for a period totaling no more than one hour. The chairperson shall dismiss the meeting if attending shareholders still represent less than one-third of outstanding shares after two postponements.

If attending shareholders still represent more than one-third but less than half of outstanding shares after two postponements, the attending shareholders may reach a tentative resolution according to Paragraph 1, Article 175 of The Company Act. This tentative resolution shall then be communicated to every shareholder and another shareholder meeting shall be held within the next month.

If the number of shares represented accumulate to more than half of all outstanding shares as the meeting progresses, the chairperson may propose the tentative resolutions for final voting according to Article 174 of The Company Act.

#### Article 10

For shareholder meetings that are convened by the board of directors, the board of directors will determine the meeting proceeding. All proposed motions (including special motions and amendments to existing motions) shall be voted on a case-by-case basis. The proceeding may not be changed unless resolved during the shareholder meeting.

The above rule also applies to shareholder meetings that are convened by any authorized party other than the board of directors.

In either of the two situations described above, the chairperson cannot dismiss the meeting while a motion (including special motion) is still in progress. If the chairperson violates conference rules by dismissing the meeting when not allowed to do so, other members of the board shall immediately assist attending shareholders in electing another chairperson that has the support of more than half of voting rights represented on-site to continue the meeting.

The chairperson shall allow adequate time to explain and discuss various motions, amendments or special motions proposed during the meeting.

The chairperson may announce to discontinue further discussions if the issue in question is considered to have been sufficiently discussed to proceed with the voting, and shall allocate ample time to vote.

#### Article 11

Shareholders who wish to speak during the meeting shall produce an opinion slip detailing the topic, shareholder ID (or the attendance ID serial) and shareholder's name. The order of shareholders' comments is determined by the chairperson.

Shareholders who submit an opinion slip without actually speaking are considered to have remained silent. If the shareholder's actual comments differ from those stated in the opinion slip, the actual comments expressed shall be taken into record.

Each shareholder shall speak for no more than two times, for 5 minutes each, on the same motion unless otherwise agreed by the chairperson. The

chairperson may stop shareholders from speaking if they violate any terms of the policy or speak outside the discussed topic.

While a shareholder is speaking, other shareholders cannot speak simultaneously or interfere in any way unless agreed by the chairperson and the person speaking. Any violators shall be restrained by the chairperson.

Where a corporate shareholder has appointed two or more representatives to attend the shareholder meeting, only one representative may speak per motion. After a shareholder has finished speaking, the chairperson may answer the shareholder's queries personally or appoint any relevant personnel to do so.

#### Article 12

Votes in a shareholder meeting are vested based on the number of shares represented.

Shares that do not carry voting rights are excluded from the calculation of outstanding shares when voting for the final resolution.

Shareholders cannot vote, or appoint proxies to vote, on any motions that present a conflict between their own interests and interests of the Company.

The number of shares held by shareholders who are not permitted to vote shall be excluded from the calculation of total voting rights.

With the exception of trust enterprises and certain share transfer agencies approved by the authority, a proxy may not represent more than 3% of total voting rights in aggregate when representing two or more shareholders during the meeting. Voting rights that exceed this threshold shall be excluded from calculation.

#### Article 13

Shareholders are entitled to one vote per share, except for shares that are subject to voting restrictions or situations outlined in Paragraph 2, Article 179 of The Company Act.

The Company shall give shareholders the option to exercise voting rights in writing or using the electronic method during shareholder meetings. Instructions for exercising voting rights in writing or through electronic means shall be stated clearly in writing on the meeting advice. Shareholders who have voted in writing or using the electronic method are considered to have attended shareholder meeting in person. However, they are considered to have waived their rights to participate in any special motions or amendments to the original discussions that may arise during the shareholder meeting. For this reason, the Company shall avoid proposing special motions or amendments to the original motion where possible.

Instructions to exercise written and electronic votes shall be delivered to the Company at least 2 days before the shareholder meeting. In the event of duplicate submissions, the earliest submission shall be taken into record. However, exception is granted if the shareholder issues a proper declaration to withdraw the previous instruction.

Shareholders who wish to attend the shareholder meeting in person after exercising their voting rights in writing or using electronic methods are required to withdraw their votes using the same method by which the vote was cast in the first place, and by no later than two days before the day of shareholder meeting. The written/electronic vote shall prevail if not withdrawn before the cutoff time. If a shareholder exercises vote in writing

or through electronic means and at the same time delegates a proxy to attend shareholder meeting, the voting decision exercised by the proxy shall prevail. Unless otherwise regulated by The Company Act or stated in the Articles of Incorporation, a motion is passed when supported by shareholders representing more than half of total voting rights in the meeting. When voting, the chairperson or delegate thereof shall announce the total number of voting rights represented by attending shareholders for every motion discussed, and have shareholders vote on a case-by-case basis. Details including the number of votes in favor, against, and abstained for each discussion shall be uploaded onto MOPS on the same day the shareholder meeting ends.

In cases where several amendment or alternative solutions have been proposed at the same time, the chairperson shall determine the order in which the proposals are voted. However, if any solution is passed, all other proposals shall be deemed rejected and no further voting is necessary.

The chairperson shall appoint ballot examiners and ballot counters to support the voting process. The ballot examiner shall be a shareholder.

Motion and election votes are to be counted openly at the shareholder meeting. Results of the vote, including the final tally, shall be announced on-site and recorded in minutes.

#### Article 14

Shareholder meetings that involve election of directors shall proceed according to the Company's election policy. Results of the election, including the list of elected directors and the final tally, shall be announced on-site.

All ballots used in the above election shall be sealed and signed by the ballot examiner, and held in proper custody for at least one year. However, if a shareholder raises a litigious claim against the Company in accordance with Article 189 of The Company Act, the abovementioned documents shall be retained until the end of the litigation.

#### Article 15

Shareholder meeting resolutions shall be compiled into detailed minutes, and signed or sealed by the chairperson, and disseminated to each shareholder by no later than 20 days after the meeting. Preparation and distribution of meeting minutes can be made in electronic form.

The Company may disseminate meeting minutes by posting details onto MOPS.

The minutes shall detail the date and venue of the meeting, the chairperson's name, the method of resolution, the proceeding and voting results of various motions (including weight). If director election is held during the meeting, the minutes shall disclose the number of votes received by each candidate.

Minutes shall be retained for as long as the Company exists.

#### Article 16

During the shareholder meeting, the Company shall disclose information regarding the number of shares acquired by acquirers and the number of shares represented by proxies using the prescribed format.

The Company shall disclose on MOPS in a timely manner any shareholder meeting resolutions that constitute material information as defined by law or the rules of Taiwan Stock Exchange Corporation (or Taipei Exchange).

#### Article 17

Officers of the shareholder meeting shall wear proper identification or arm badge.

The chairperson may instruct security staff to help maintain order in the meeting. While maintaining order in the meeting, all security staff are required to wear arm badges or identifications that identify their role as "Security."

The chairperson may stop anyone who attempts to speak using instruments that are not provided by the Company.

The chairperson may instruct security staff to remove shareholders who continue to violate conference rules despite being warned.

#### Article 18

The chairperson may put the meeting in recess at appropriate times. In the event of force majeure, the chairperson may suspend the meeting temporarily and resume at another time.

If the shareholder meeting is unable to conclude all scheduled motions (including special motions) before the venue is due for return, participants may resolve to continue the meeting at an alternative location.

Shareholders may also resolve to postpone or resume the meeting within the next 5 days, according to Article 182 of The Company Act.

#### Article 19

The above rules shall take effect immediately once approved during shareholder meeting; the same applies to all subsequent revisions.

The rules were established on April 30, 2015

The 1st amendment was made on February 23, 2016

The 2nd amendment was made on May 22, 2020

## Attachment VIII

### Shareholdings of the Directors of Onyx Healthcare Inc.

1. The Company has paid-up capital of NT\$335,163,000 issued in 33,516,300 shares.
2. According to "Article 26 of Securities and Exchange Act" and "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," directors of the Company are required to maintain an aggregate holding of at least 4,500,000 shares. The Company has elected at least two independent directors, therefore required shareholding of non-independent directors is reduced to 80% at least 3,600,000 shares.
3. All Directors of the Company held a total of 16,533,428 shares as of March 29, 2024, the book closure date of the current annual general meeting. Shareholding of individual directors is shown below:

Title	Name	Date elected	Shareholding while elected		Shareholding position as at the book closure date	
			Number of shares held	Shareholding percentage (Note 1)	Number of shares held	Shareholding percentage
Chairman	Jui Hai Investment Co.,Ltd. Representative: Chuang, Yung-Shun	2022/5/31	219,080	0.66%	219,080	0.65%
Director	Jui Hai Investment Co.,Ltd. Representative: Lai, Li-Kai	2023/5/26				
Director	AAEON Technology Inc. Representative: Wang, Feng-Hsiang	2022/5/31	16,257,179	48.88%	16,257,179	48.51%
Director	AAEON Technology Inc. Representative: Lin, Chien-Hung	2022/5/31				
Independent Director	Lee, Chih-Hao	2022/5/31	0	0	0	0
Independent Director	Tseng, Ho-Chun	2022/5/31	57,169	0.17%	57,169	0.17%
Independent Director	Liao, Hsiu-Mei	2022/5/31	0	0	0	0
Total			16,533,428	49.71%	16,533,428	49.33%

Note 1: Shareholding at time of election was calculated using the number of shares outstanding at the time, or 33,261,300 shares.





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