HERON NEUTRON MEDICAL CORP.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2025 AND 2024

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR25000484

To the Board of Directors and Shareholders of HERON NEUTRON MEDICAL CORP.

Opinion

We have audited the accompanying balance sheets of HERON NEUTRON MEDICAL CORP.(the "Company") as at December 31, 2025 and 2024, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2025 financial statements. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.
Key audit matters for the Company's 2025 financial statements are stated as follows:

Existence of cash in banks

Description

The balance of cash and cash equivalents amounted to NT$2,348,611 thousand as of December 31, 2025, constituting 20% of total assets. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. As of December 31, 2025, time deposits that did not meet the definition of cash equivalents amounted to NT$7,880,000 thousand, constituting 68% of total assets and were classified as current financial assets at amortised cost. As the abovementioned assets are material to total assets, we consider the existence of cash in banks as a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

1. Confirmed the bank accounts and special agreements with financial institutions; verification of the existence of bank deposits and related rights and obligations.
2. Verified the accuracy and authenticity of the essential information of the bank account confirmation recipients.
3. Vouched for significant cash receipts and payments to ensure there are no material or unusual transactions.
4. Confirmed the classification of time deposits are classificed in accordance with the conditions for "cash equivalents" and "financial assets measured at amortized cost" as stated in Notes 4(5) and 4(7) of the financial statements.

Responsibilities of management and those charged with governance for the financial statements.

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Li, Tien-Yi	Shu-Chien Pai

For and on behalf of PricewaterhouseCoopers, Taiwan

March 10, 2026

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

HERON NEUTRON MEDICAL CORP.
BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2025 AMOUNT	%	December 31, 2024 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 2,348,611	20	$ 723,966	47
1136	Financial assets at amortised cost, net-current	6(3) and 8	7,880,000	68	100,000	7
1170	Accounts receivable, net		331	-	-	-
1200	Other receivables		5,182	-	433	-
1220	Current tax assets		4,654	-	938	-
130X	Inventories	6(4)	67,340	1	6,372	-
1410	Prepayments	6(5)	246,587	2	84,441	5
11XX	**Total current assets**		10,552,705	91	916,150	59
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	415,032	4	-	-
1600	Property, plant and equipment	6(6)	283,792	2	283,957	19
1755	Right-of-use assets	6(7)	291,650	3	304,091	20
1780	Intangible assets	6(8)	34,245	-	36,378	2
1900	Other non-current assets		1,192	-	3,806	-
15XX	**Total non-current assets**		1,025,911	9	628,232	41
1XXX	**Total assets**		$ 11,578,616	100	$ 1,544,382	100

(Continued)

HERON NEUTRON MEDICAL CORP.
BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2025 AMOUNT	%	December 31, 2024 AMOUNT	%
	Current liabilities					
2170	Accounts payable		$ 13,256	-	$ 223	-
2200	Other payables		45,564	1	39,853	3
2280	Lease liabilities-current	6(7)	5,535	-	3,964	-
2300	Other current liabilities		420	-	257	-
21XX	**Total current liabilities**		64,775	1	44,297	3
	Non-current liabilities					
2550	Provisions for liabilities-non-current	6(11)	22,838	-	22,113	2
2580	Lease liabilities-non-current	6(7)	1,691	-	5,549	-
25XX	**Total non-current liabilities**		24,529	-	27,662	2
2XXX	**Total liabilities**		89,304	1	71,959	5
	Equity					
	Share capital	6(12)				
3110	Ordinary share		1,575,120	14	1,393,550	90
3140	Advance receipts for ordinary share		360	-	-	-
	Capital surplus	6(13)				
3200	Capital surplus		10,934,084	94	674,865	43
	Accumulated deficit	6(14)				
3350	Accumulated deficit		(481,666)	(4)	(595,992)	(38)
3400	Other equity interest		(538,586)	(5)	-	-
3XXX	**Total equity**		11,489,312	99	1,472,423	95
	Significant Contingent Liabilities and Unrecognised Contract Commitments	9				
	Significant Events After the Balance Sheet Date	11				
3X2X	**Total liabilities and equity**		$ 11,578,616	100	$ 1,544,382	100

The accompanying notes are an integral part of these financial statements.

HERON NEUTRON MEDICAL CORP.
STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for loss per share)

	Items	Notes	2025 AMOUNT	2025 %	2024 AMOUNT	2024 %
4000	Operating revenue	6(15)	$ 10,308	100	$ -	-
5000	Operating costs	6(4)	(36,090)	(350)	(3,587)	-
5900	Gross loss from operations		(25,782)	(250)	(3,587)	-
	Operating expenses	6(19)(20) and 7				
6100	Selling expenses		(55,582)	(539)	(17,485)	-
6200	Administrative expenses		(131,094)	(1272)	(64,534)	-
6300	Research and development expenses		(321,865)	(3123)	(173,390)	-
6000	Total operating expenses		(508,541)	(4934)	(255,409)	-
6900	Net operating loss		(534,323)	(5184)	(258,996)	-
	Non-operating income and expenses					
7100	Interest income	6(16)	46,186	448	5,724	-
7010	Other income		433	4	-	-
7020	Other gains and losses	6(17)	6,925	67	(6,622)	-
7050	Finance costs	6(18)	(887)	(8)	(183)	-
7000	Total other non-operating income and expenses		52,657	511	(1,081)	-
7900	**Loss before income tax**		(481,666)	(4673)	(260,077)	-
7950	Income tax expense	6(21)	-	-	-	-
8200	**Loss for the year**		($ 481,666)	(4673)	($ 260,077)	-
	Other comprehensive income					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8316	Unrealised gains (loss) on valuation of financial assets at fair value through other comprehensive income	6(2)	($ 538,586)	(5225)	$ -	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(538,586)	(5225)	-	-
8300	**Other comprehensive loss**		($ 538,586)	(5225)	$ -	-
8500	**Total comprehensive loss for the year**		($ 1,020,252)	(9898)	($ 260,077)	-
	Losses per share (in dollars)	6(22)				
9750	Basic		($ 3.31)		($ 2.04)	

The accompanying notes are an integral part of these financial statements.

HERON NEUTRON MEDICAL CORP.
STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Share capital					
	Notes	Ordinary share	Advance receipts for share capital	Capital surplus	Accumulated deficit	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
2024							
Balance at January 1, 2024		$ 1,140,000	$ -	$ 2,318	($ 335,915)	$ -	$ 806,403
Loss for the year		-	-	-	(260,077)	-	(260,077)
Total comprehensive loss		-	-	-	(260,077)	-	(260,077)
Capital increase in cash	6(12)(13)	250,000	-	650,000	-	-	900,000
Issuance of employee stock options	6(10)(12)(13)	3,550	-	-	-	-	3,550
Compensation cost of share-based payment	6(10)(13)(20)	-	-	22,547	-	-	22,547
Balance at December 31, 2024		$ 1,393,550	$ -	$ 674,865	($ 595,992)	$ -	$ 1,472,423
2025							
Balance at January 1, 2025		$ 1,393,550	$ -	$ 674,865	($ 595,992)	$ -	$ 1,472,423
Loss for the year		-	-	-	(481,666)	-	(481,666)
Other comprehensive loss	6(2)	-	-	-	-	(538,586)	(538,586)
Total comprehensive loss		-	-	-	(481,666)	(538,586)	(1,020,252)
Capital surplus used to cover accumulated deficits	6(13)(14)	-	-	(595,992)	595,992	-	-
Capital increase in cash	6(12)(13)	157,980	-	10,812,605	-	-	10,970,585
Issuance of employee stock options	6(10)(12)(13)	23,590	360	-	-	-	23,950
Compensation cost of share-based payment	6(10)(13)(20)	-	-	42,606	-	-	42,606
Balance at December 31, 2025		$ 1,575,120	$ 360	$10,934,084	($ 481,666)	($ 538,586)	$ 11,489,312

The accompanying notes are an integral part of these financial statements.

HERON NEUTRON MEDICAL CORP.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		($ 481,666)	($ 260,077)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(7)(19)	35,221	15,908
Amortization	6(8)(19)	4,406	4,690
Interest expense	6(18)	887	183
Interest income	6(16)	(46,186)	(5,724)
Net loss on disposals of property, plant and equipment	6(6)(17)	-	5,947
Net loss on disposals of intangible assets	6(8)(17)	-	1,100
Compensation cost of share-based payment	6(10)(20)	161,834	22,547
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		(331)	-
Inventories		(60,968)	(6,372)
Other receivables		(4,749)	(433)
Prepayments		(162,146)	(56,499)
Changes in operating liabilities			
Accounts payable		13,033	223
Other payables		13,769	13,539
Other current liabilities		163	94
Cash outflow generated from operations		(526,733)	(264,874)
Interest received		46,186	5,724
Interest paid		(138)	(183)
Income tax paid		(3,716)	(637)
Net cash flows used in operating activities		(484,401)	(259,970)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income	6(2)	(953,618)	-
Acquisition of financial assets measured at amortised cost	6(3)	(7,780,000)	(100,000)
Acquisition of property, plant and equipment	6(6)(23)	(27,806)	(42,220)
Acquisition of intangible assets	6(8)	(2,273)	-
Acquisition of right-of-use assets		-	(6,758)
Decrease in guarantee deposits paid		2,002	-
Net cash flows used in investing activities		(8,761,695)	(148,978)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of common stock	6(12)	10,851,357	900,000
Issuance of employee stock options	6(12)	23,950	3,550
Repayment of lease liabilities	6(24)	(4,566)	(3,904)
Net cash flows from financing activities		10,870,741	899,646
Net increase in cash and cash equivalents		1,624,645	490,698
Cash and cash equivalents at beginning of year	6(1)	723,966	233,268
Cash and cash equivalents at end of year	6(1)	$ 2,348,611	$ 723,966

The accompanying notes are an integral part of these financial statements.

HERON NEUTRON MEDICAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

The Company was incorporated on August 8, 2017 as a company limited by shares under the Company Act of the Republic of China (R.O.C). The Company is primarily engaged in the manufacturing, development and sales of medical equipment, etc. The Company currently focuses on the integration of talents to provide accelerator-based boron neutron capture therapy (AB-BNCT) total solutions, including proton accelerator system, neutron source target system, beam shaping assembly, treatment control system, treatment planning system, patients positioning system, and relative boronophenylalanine for treatment and detection.

The Company was listed on the Taiwan Stock Exchange on September 15, 2025.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These financial statements were authorised for issuance by the Board of Directors on March 10, 2026.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS®”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board (IASB)
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘ Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’	January 1, 2026
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRS issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027(Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027

Note：The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment:

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for financial assets at fair value through other comprehensive income, the financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

The financial statements of the Company are measured using the currency of the primary economic environment in which the entity operate (the "functional currency"). The financial statements are presented in New Taiwan Dollars, which is the Company's functional and presentation currency. Foreign currency transactions and balances.

A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

B. Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon retranslation at the balance sheet date are recognised in profit or loss.

C. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are retranslated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

D. All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

(4) Classification of current and non-current items

A. Assets arising from operating activities that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed in the normal operating cycle;

(b) Assets that are held primarily for the purpose of trading;

(c) Assets that are expected to be realised within twelve months after the reporting period;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities for at least twelve months after the reporting period.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled in the normal operating cycle;

(b) Liabilities that are held primarily for the purpose of trading;

(c) Liabilities that are due to be settled within twelve months after the reporting period;

(d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(10) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Machinery and equipment	2 ~ 20 years
Office equipment	3 ~ 6 years
Leased improvements	7 years

(11) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable;

(b) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date;

(c) Any initial direct costs incurred by the lessee; and

(d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss. For all other lease modifications, the lessee shall remeasure the lease liability and adjust the right-of-use asset, correspondingly.

(12) Intangible assets

Intangible assets, mainly patents and computer software, are amortised on a straight-line basis over their estimated useful lives of 5 ~ 15 years.

(13) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(14) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services.

B. The short-term accounts payable without bearing interest are subsequently measured at initialinvoice amount as the effect of discounting is immaterial.

(15) Provisions

Provisions (including decommissioning liabilities) are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(16) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(17) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(18) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(19) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(20) Revenue recognition

A. Sales revenue

(a) The Company sells medical equipment and medications. Sales are recognised when control of the goods has transferred, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

(b) The Company's obligation to provide maintenance and repair services for certain equipment under the standard warranty terms is recognised as a provision.

(c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Sales of services

The Company's irradiation fee income is recognised as income based on the number of times the irradiation is provided to customers; maintenance and repair services as well as research services are recognised in the service period in which the services are rendered.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

None.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash	$ 50	$ -
Demand deposits	1,848,561	62,366
Time deposits	500,000	661,600
	$ 2,348,611	$ 723,966

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through other comprehensive income

Items	December 31, 2025	December 31, 2024
Non-current items:		
Equity instruments		
Listed stocks	953,618	-
Valuation adjustment	(538,586)	-
	$ 415,032	$ -

A. The Company recognised $538,586 in other comprehensive loss for fair value change for the year ended December 31, 2025.

B. The Company has elected to classify medium and long-term investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $415,032 as of December 31, 2025.

C. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(3).

(3) Financial assets at amortised cost

Items	December 31, 2025	December 31, 2024
Current items：		
Time deposits	$ 7,880,000	$ 100,000

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	December 31, 2025	December 31, 2024
Current items：		
Interest income	$ 7,780	$ 223

B. As at December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was $7,880,000 and $100,000, respectively.

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Company’s investments in certificates of deposit are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.

D. Information about the financial assets at amortised cost that were pledged to others as collaterals is provided in Note 8.

(4) Inventories

	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 14,943	($ 575)	$ 14,368
Work in progress	27,129	(3,415)	23,714
Finished goods	31,903	(2,645)	29,258
Total	$ 73,975	($ 6,635)	$ 67,340

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 4,114	($ 80)	$ 4,034
Finished goods	5,845	(3,507)	2,338
Total	$ 9,959	($ 3,587)	$ 6,372

The cost of inventories recognised as expense for the period：

	Years ended December 31,	
	2025	2024
Cost of goods sold	$ 28,107	$ -
Loss for market value decline and obsolete and slow-moving inventories	3,048	3,587
	$ 31,155	$ 3,587

(5) Prepayments

	December 31, 2025	December 31, 2024
Prepayments to suppliers	$ 184,048	$ 45,972
Accumulated offset against VAT tax payable	46,366	34,692
Other prepayments	16,173	3,777
	$ 246,587	$ 84,441

(6) Property, plant and equipment

	2025				
	Machinery and Equipment	Office equipment	Leasehold improvements	Construction in progress and equipment under acceptance	Total
At January 1					
Cost	$ 266,657	$ 3,621	$ 20,091	$ 14,977	$ 305,346
Accumulated depreciation	(14,080)	(1,936)	(5,373)	-	(21,389)
	$ 252,577	$ 1,685	$ 14,718	$ 14,977	$ 283,957
At January 1	$ 252,577	$ 1,685	$ 14,718	$ 14,977	$ 283,957
Additions	8,974	1,548	2,765	7,049	20,336
Reclassifications	2,946	251	11,780	(14,977)	-
Depreciation charge	(16,222)	(903)	(3,376)	-	(20,501)
At December 31	$ 248,275	$ 2,581	$ 25,887	$ 7,049	$ 283,792
At December 31					
Cost	$ 278,577	$ 5,420	$ 34,636	$ 7,049	$ 325,682
Accumulated depreciation	(30,302)	(2,839)	(8,749)	-	(41,890)
	$ 248,275	$ 2,581	$ 25,887	$ 7,049	$ 283,792

	2024				
	Machinery and Equipment	Office equipment	Leasehold improvements	Construction in progress and equipment under acceptance	Total
At January 1					
Cost	$ 30,794	$ 3,593	$ 9,714	$ 218,931	$ 263,032
Accumulated depreciation	(8,827)	(2,015)	(3,434)	-	(14,276)
	$ 21,967	$ 1,578	$ 6,280	$ 218,931	$ 248,756
At January 1	$ 21,967	$ 1,578	$ 6,280	$ 218,931	$ 248,756
Additions	16,802	770	3,720	31,847	53,139
Disposals	(5,947)	-	-	-	(5,947)
Reclassifications (Note)	229,095	49	6,657	(235,801)	-
Depreciation charge	(9,340)	(712)	(1,939)	-	(11,991)
At December 31	$ 252,577	$ 1,685	$ 14,718	$ 14,977	$ 283,957
At December 31					
Cost	$ 266,657	$ 3,621	$ 20,091	$ 14,977	$ 305,346
Accumulated depreciation	(14,080)	(1,936)	(5,373)	-	(21,389)
	$ 252,577	$ 1,685	$ 14,718	$ 14,977	$ 283,957

Note: For the year ended December 31, 2024, the Company's reclassification to machinery and equipment primarily related to AB-BNCT medical equipment. As the relevant licenses for the equipment were obtained in the second quarter of 2024, the equipment had been transferred from construction in progress and equipment under acceptance as it is ready for use.

A. There were no capitalization of borrowing costs attributable to the property, plant and equipment for the years ended December 31, 2025 and 2024.

B. The Company has no property, plant and equipment pledged to others.

(7) Leasing arrangements－lessee

A. The Company leases various assets including buildings and photocopiers. Rental contracts are typically made for periods of 4 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The Company has formed a partnership with an academic institution, along with its affiliated medical facilities, to advance cancer treatment technologies in 2019. As part of this collaboration, the academic institution has to provide a site for the Company to commissioned a clinical research center. The Company will collaborate in medical operations in the future through providing relevant equipment for treatment and charging services fees. In 2022, the Company signed a lease agreement for a clinical research center with the academic institution. After the construction is completed, the Company will lease the clinical research center from the academic institution to focus on research and development activities in oncology. The construction costs amounting to $272,678 incurred by the Company will be treated as rent payments to the academic institution. In December 2024, the academic institution completed the acceptance procedures for the clinical research center. Subsequently, the Company began leasing the clinical trial center. The lease agreement specifies a period of 20 years, and the Company is entitled to a priority right to renew the lease for an additional 10 years under the original lease terms.

C. The Company leases low-value assets as other equipment.

D. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2025	December 31, 2024
	Carrying amount	Carrying amount
Buildings	$ 291,341	$ 303,887
Office equipment (Photocopiers)	309	204
	$ 291,650	$ 304,091

	Years ended December 31,	
	2025	2024
	Depreciation charge	Depreciation charge
Buildings	$ 14,586	$ 3,792
Office equipment (Photocopiers)	134	125
	$ 14,720	$ 3,917

E. For the years ended December 31, 2025 and 2024, the additions to right-of-use assets were $2,304 and $294,790, respectively.

F. The information on profit and loss accounts relating to lease contracts is as follows:

	Years ended December 31,	
	2025	2024
Items affecting profit or loss		
Interest expense on lease liabilities	$ 138	$ 183
Expense on short-term lease contracts	938	386
Expense on leases of low-value assets	213	79

G. For the years ended December 31, 2025 and 2024, the Company's total cash outflow for leases were $5,855 and $11,310, respectively.

(8) Intangible assets

	2025		
	Patents	Computer software	Total
At January 1			
Cost	$ 61,800	$ 1,015	$ 62,815
Accumulated amortisation	(25,750)	(687)	(26,437)
	$ 36,050	$ 328	$ 36,378
At January 1	$ 36,050	$ 328	$ 36,378
Additions－acquired separately	2,000	273	2,273
Amortisation charge	(4,287)	(119)	(4,406)
At December 31	$ 33,763	$ 482	$ 34,245
At December 31			
Cost	$ 63,800	$ 697	$ 64,497
Accumulated amortisation	(30,037)	(215)	(30,252)
	$ 33,763	$ 482	$ 34,245

	2024		
	Patents	Computer software	Total
At January 1			
Cost	$ 61,800	$ 6,693	$ 68,493
Accumulated amortisation	(21,630)	(4,695)	(26,325)
	$ 40,170	$ 1,998	$ 42,168
At January 1	$ 40,170	$ 1,998	$ 42,168
Disposals	-	(1,100)	(1,100)
Amortisation charge	(4,120)	(570)	(4,690)
At December 31	$ 36,050	$ 328	$ 36,378
At December 31			
Cost	$ 61,800	$ 1,015	$ 62,815
Accumulated amortisation	(25,750)	(687)	(26,437)
	$ 36,050	$ 328	$ 36,378

A. Details of amortisation on intangible assets are as follows:

	Years ended December 31,	
	2025	2024
Research and development expenses	$ 4,406	$ 4,690

B. The abovementioned patents pertained to the technology relating to ‘Patent and technology of accelerator-based boron neutron capture therapy’ that the Company acquired from the Industrial Technology Research Institute and the National Tsing Hua University in 2018. The Company issued 6,180,000 common shares with a par value of $10 (in dollars) per share as consideration, amounting to $61,800.

(9) Pensions

A. The Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits will be paid monthly or in lumps sum upon termination of employment.

B. The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2025 and 2024, were $4,352 and $2,831, respectively.

(10) Share-based payment

A. For the years ended December 30 2025 and 2024, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Employee stock options	2023.01.01	1,200,000	7 years	50% after 1 year of service 75% after 2 years of service 100% after 3 years of service
Employee stock options	2024.03.22	2,400,000	7 years	50% after 1 year of service 75% after 2 years of service 100% after 3 years of service
Cash capital increase reserved for employee preemption	2024.03.22	2,000,000	NA	Vested immediately
Employee stock options	2024.07.26	2,400,000	7 years	50% after 1 year of service 75% after 2 years of service 100% after 3 years of service
Cash capital increase reserved for employee preemption	2024.08.28	500,000	NA	Vested immediately
Cash capital increase reserved for employee preemption	2025.07.24	1,383,500	NA	Vested immediately

The above share-based payment arrangements are equity-settled.

B. Details of the above share-based payment arrangements are as follows:

	2025	
	Units of option (shares)	Weighted average exercise price (in NT dollars)
Options outstanding at January 1	5,012	$ 10
Options granted	1,383	600.00
Options exercised	(3,568)	204.02
Options forfeited	(302)	419.93
Options outstanding at December 31	2,525	10
Options exercisable at December 31	129	10

	2024	
	Units of option (shares)	Weighted average exercise price (in NT dollars)
Options outstanding at January 1	867	$ 10
Options granted	7,300	18.89
Options exercised	(2,855)	32.77
Options forfeited	(300)	10
Options outstanding at December 31	5,012	$ 10
Options exercisable at December 31	560	$ 10

C. As of December 31, 2025 and 2024, the exercise price of stock options outstanding were $10(in dollars), respectively, and the weighted average remaining contractual periods were 4~5.56 years and 5~6.56 years, respectively.

D. The fair value of stock options granted is measured using the Binomial model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Projected volatility	Projected time to maturity	Interest rate	Fair value per unit (in dollars)
Employee stock option plan	2023.01.01	$ 10.85	$ 10	40.60%	7 years	1.2276%	$3.629~$4.311
Employee stock option plan	2024.03.22	$ 15.56	$ 10	40.60%	7 years	1.3949%	$6.97~$7.95
Employee stock option plan	2024.07.26	$ 23.29	$ 10	40.30%	7 years	1.5788%	$13.77~$14.74

Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

E. The fair value of stock options granted is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Projected volatility	Projected time to maturity	Interest rate	Fair value per unit (in dollars)
Cash capital increase reserved for employee preemption	2024.03.22	$ 15.56	$ 25	33.60%	0.171 year	1.076%	$ 0.0002
Cash capital increase reserved for employee preemption	2024.08.28	$ 78.72	$ 80	80.50%	0.06 year	1.2649%	$ 5.64
Cash capital increase reserved for employee preemption	2025.07.24	$ 699.00	$ 600	26.40%	0.14 year	1.1840%	$ 101.60

Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

F. Expenses incurred for share-based payment transactions are as follows:

	2025	2024
Equity-settled	$ 161,834	$ 22,547

(11) Provisions

	Decommissioning liabilities	
	2025	2024
At January 1	$ 22,113	$ -
Unwinding of discount	725	22,113
At December 31	$ 22,838	$ 22,113

A. Analysis of total provisions:

	December 31, 2025	December 31, 2024
Non-current	$ 22,838	$ 22,113

B. Decommissioning liabilities

According to the policy published, applicable law/regulation requirement, the Company bears dismantling, removing the asset and restoring the site obligations for the leased clinical research center from the academic institution, along with its affiliated medical facilities in the future. A provision is recognised for the present value of costs to be incurred for dismantling, removing the asset and restoring the site.

(12) Share capital

A. As of December 31, 2025, the Company's authorised capital was $2,000,000, consisting of 200,000 thousand shares of ordinary stock, and the paid-in capital was $1,575,120 with a par value of $10 (in dollars) per share, consisting of 157,512 thousand shares of ordinary stock. All proceeds from shares issued have been collected.

B. The Company applies to the competent authority for registration of capital changing based on the employee stock options exercised each quarter. There were 2,395 thousand stock options exercised in 2025, of which 36 thousand shares are still in the process of registration.

Movements in the number of the Company's ordinary shares outstanding are as follows:

(Unit: Thousand share)：

	2025	2024
At January 1	139,355	114,000
Capital increase in cash	15,798	25,000
The exercise of employee stock options	2,359	355
At December 31	157,512	139,355

C. On March 22, 2024, the Board of Directors of the Company resolved to increase capital and issue 20,000 thousand ordinary shares at a premium of NT$25 (in dollars) per share. Proceeds from shares amounted to $500,000. The effective date of the capital increase was on May 27, 2024. The registration for the issuance of new shares has been completed.

D. On August 28, 2024, the Board of Directors of the Company resolved to increase capital and issue 5,000 thousand ordinary shares at a premium of NT$80 (in dollars) per share. Proceeds from shares amounted to $400,000. The effective date of the capital increase was on September 20, 2024. The registration for the issuance of new shares has been completed.

E. On July 24, 2025, the Company's Board of Directors resolved to increase its capital by issuing 15,798 thousand ordinary shares for public underwriting before the initial listing. The weighted-average price of the bid auction was NT$720.93 (in dollars) and the public subscription offering price was NT$600 (in dollars) per share. Proceeds from shares amounted to $10,854,357 (before deducting the underwriting commission fees of $3,000). The capital increase was set effective on September 11, 2025 and the registration has been completed.

(13) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2025			
	Share premium	Options	Expired stock options	Total
At January 1	$ 654,109	$ 20,600	$ 156	$ 674,865
Capital surplus used to cover accumulated deficits	(595,992)	-	-	(595,992)
Capital increase in cash	10,812,605	-	-	10,812,605
Employee stock options exercised	22,765	(22,765)	-	-
Compensation cost of share-based payment	-	21,270	21,336	42,606
At December 31	$ 10,893,487	$ 19,105	$ 21,492	$ 10,934,084

	2024			
	Share premium	Options	Expired stock options	Total
At January 1		$ 2,318	$ -	$ 2,318
Capital increase in cash	650,000	-	-	650,000
Employee stock options exercised	1,288	(1,288)	-	-
Compensation cost of share-based payment	2,821	19,570	156	22,547
At December 31	$ 654,109	$ 20,600	$ 156	$ 674,865

(14) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's profit after tax, if any, shall first be used to pay all taxes and offset accumulated operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the authorised capital. In addition, after setting aside or reversing special reserve, the remainder along with the beginning unappropriated earnings shall be proposed by the Board of Directors as dividends and submitted to the shareholders for resolution.

B. The Company’s dividend policy shall take into consideration factors such as the current and future capital expenditure budget, business development and expansion needs, and capital requirements, along with the consideration of shareholders’ interest. Each year, no less than 10% of the distributable earnings shall be distributed for shareholder dividends, among which the shareholder dividends may be distributed in the form of cash or stock, and cash dividends shall account for at least 10% of the total shareholder dividends distributed. However, the aforementioned shareholder dividends may not be distributed if the post-tax profit per share of the current year is less than NT$0.3 (in dollars).

C. On June 19, 2025, the Company’s shareholders extraordinary meeting resolved the deficit compensation for 2024 to cover the accumulated deficit with capital surplus of $595,992.

D. On March 10, 2026, the Company's Board of Directors resolved the deficit compensation.

(15) Operating revenue

	Years ended December 31,	
	2025	2024
Revenue from contracts with customers	$ 10,308	$ -

Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services at a point in time:

	Year ended December 31, 2025
Timing of revenue recognition	
At a point in time	$ 10,308

Year 2024：None.

(16) Interest income

	Years ended December 31,	
	2025	2024
Interest income from bank deposits	$ 38,406	$ 5,501
Interest income from financial assets measured at amortised cost	7,780	223
	$ 46,186	$ 5,724

(17) Other gains and losses

	Years ended December 31,	
	2025	2024
Net foreign exchange gains	$ 6,925	$ 425
Losses on disposals of property, plant and equipment	-	(5,947)
Losses on disposals of intangible assets	-	(1,100)
	$ 6,925	($ 6,622)

(18) Finance costs

	Years ended December 31, 2025	Years ended December 31, 2024
Decommissioning liabilities	$ 725	$ -
Lease liabilities	138	183
Other	24	-
	$ 887	$ 183

(19) Expenses by nature

	Years ended December 31, 2025	Years ended December 31, 2024
Employee benefit expense	$ 282,793	$ 96,733
Depreciation charges	35,221	15,908
Amortisation charges on intangible assets	4,406	4,690
	$ 322,420	$ 117,331

(20) Employee benefit expense

	Years ended December 31, 2025	Years ended December 31, 2024
Wages and salaries	$ 101,125	$ 63,369
Compensation cost of share-based payment	161,834	22,547
Labour and health insurance fees	8,002	4,867
Pension costs	4,352	2,831
Directors' remuneration	450	-
Other personnel expenses	7,030	3,119
	$ 282,793	$ 96,733

A. Details relating to the Company's appropriation of employees' compensation and directors' remuneration are as follows:

(A) On January 14, 2025, the Company's shareholders' extraordinary meeting resolved to amend the Articles of Incorporation. According to the amendment, the Company shall distribute no less than 1% of the distributable profit of the current year for employees' compensation and no more than 3% of the distributable profit of the current year for directors' remuneration (directors' remuneration was directors' and supervisors' remuneration before the shareholders during their extraordinary meeting amended the Articles of Incorporation). However, if the Company has accumulated deficit, earnings shall be first used to cover accumulated deficit.

(B) On June 19, 2025, the Company's shareholders' extraordinary meeting resolved to amend the Articles of Incorporation. According to the amendment, the current year's earnings, if any, the Company shall distribute no less than 1% of the distributable profit of the current year for employees' compensation and no more than 3% of the distributable profit of the current year for directors' remuneration. For the aforementioned employees' compensation, the Company shall distribute no less than 10% for rank-and-file employees' compensation. However, if the Company has accumulated deficit, earnings shall be first used to cover accumulated deficit.

B. The Company has accumulated losses for the years 2025 and 2024; therefore, employees' compensation and directors' remuneration have not been estimated.

(21) Income tax

A. Reconciliation between income tax expense and accounting profit

	Years ended December 31, 2025	Years ended December 31, 2024
Tax calculated based on profit before tax and statutory tax rate	($ 96,333)	($ 52,015)
Expenses disallowed by tax regulation	5,195	1,440
Temporary differences not recognised as deferred tax assets	795	669
Taxable loss not recognised as deferred tax assets	90,343	49,906
Income tax expense	$ -	$ -

B. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2025

Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2017	Assessed amount	$ 1,082	$ 1,082	2027
2018	Assessed amount	20,209	20,209	2028
2019	Assessed amount	26,345	26,345	2029
2020	Assessed amount	29,110	29,110	2030
2021	Assessed amount	50,447	50,447	2031
2022	Assessed amount	86,867	86,867	2032
2023	Assessed amount	125,815	125,815	2033
2024	Filed amount	254,523	254,523	2034
2025	Estimated amount	451,714	451,714	2035

December 31, 2024

Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2017	Assessed amount	$ 1,082	$ 1,082	2027
2018	Assessed amount	20,209	20,209	2028
2019	Assessed amount	26,345	26,345	2029
2020	Assessed amount	29,110	29,110	2030
2021	Assessed amount	50,447	50,447	2031
2022	Assessed amount	86,867	86,867	2032
2023	Filed amount	125,815	125,815	2033
2024	Estimated amount	254,523	254,523	2034

C. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2025	December 31, 2024
Deductible temporary differences	$ 545,903	$ 3,344

D. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

(22) Losses per share

	Year ended December 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
Basic loss per share			
Loss attributable to ordinary shareholders	($ 481,666)	145,659	($ 3.31)

	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
Basic loss per share			
Loss attributable to ordinary shareholders	($ 260,077)	127,581	($ 2.04)

Note: Employee stock options are not included in the calculation of diluted loss per share due to their anti-dilutive effect.

(23) Supplemental cash flow information

Investing activities with partial cash payments:

	Year ended December 31, 2025	
	2025	2024
Purchase of property, plant and equipment	$ 20,336	$ 53,139
Add: Opening balance of payable on equipment	12,579	1,394
Add: Ending balance of prepayments on equipment	132	744
Less: Ending balance of payable on equipment	(4,497)	(12,579)
Less: Opening balance of prepayments on equipment	(744)	(478)
Cash paid during the period	$ 27,806	$ 42,220

	Years ended December 31,	
	2025	2024
Purchase of right-of-use assets	$ -	$ 294,790
Less: Opening balance of prepayments on equipment	-	(265,919)
Less: Provisions of liabilities	-	(22,113)
Cash paid during the period	$ -	$ 6,758

(24) Changes in liabilities from financing activities

	Year ended December 31, 2025	
	2025	2024
	Lease liabilities	Lease liabilities
At January 1	$ 9,513	$ 13,417
Changes in cash flow from financing activities	(4,566)	(10,662)
Interest paid	(138)	(183)
Interest paid on lease liabilities	138	183
Changes in other non-cash items	2,279	6,758
At December 31	$ 7,226	$ 9,513

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company	Note
HERMES-EPITEK CORPORATION (HERMES-EPITEK)	Other related party	
YUN RAY CO., LTD. (YUN RAY)	Other related party	Note 1
VISON HOLDINGS LTD. (VISION)	Other related party	
ANTAIMMU BIOMED CO., LTD. (ANTAIMMU)	Other related party	

Note 1: Starting from April 2024, KINGTIGER MEMORY SOLUTION INC. has changed its name to YUN RAY CO., LTD.

(2) Significant related party transactions

A. Purchases:

Item	Trading Partner	Years ended December 31, 2025	2024
Purchases	HERMES-EPITEK	$ 1,100	$ -

The transaction price and payment terms are comparable to those to non-related parties.

B. Other :

Item	Trading Partner	Years ended December 31, 2025	2024
Administrative Support Expenses	YUN RAY	$ 124	$ 408
Administrative Support Expenses	VISION	-	545
Other Expenses	HERMES-EPITEK	4,850	2,200
Other Expenses	ANTAIMMU	1,000	-

(3) Key management compensation

	Years ended December 31,	
	2025	2024
Short-term employee benefits	$ 16,305	$ 14,964
Post-employment benefits	540	521
Share-based payment	29,463	6,127
Total	$ 46,308	$ 21,612

8. Pledged Assets

The Company's assets pledged as collateral are as follows:

Pledged asset	Book value December 31, 2025		Book value December 31, 2024		Purpose
Certificate of deposit (shown as current financial assets at amortised cost)	$	30,000	$	-	Guarantee for material purchase

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2025		December 31, 2024	
Property, plant and equipment	$	27,184	$	10,441

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The capital management objective of the Company is to ensure the Company's ability to continue operations and future development, while considering factors such as changes in the external environment, to maintain the optimal capital structure that minimizes capital costs and enhances shareholder value.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2025		December 31, 2024	
Financial assets				
Financial assets at fair value through other comprehensive income	$	415,032	$	-
Financial assets at amortised cost				
Cash and cash equivalents	$	2,348,611	$	723,966
Financial assets at amortised cost		7,880,000		100,000
Accounts receivable		331		-
Other receivables		5,182		433
Guarantee deposits paid		1,060		3,062
	$	10,235,184	$	827,461

		December 31, 2025		December 31, 2024
Financial liabilities				
Accounts payable	$	13,256	$	223
Other payables		45,564		39,853
Lease liabilities		7,226		9,513
	$	66,046	$	49,589

B. Financial risk managements policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance.

(b) Risk management is carried out by the Company's finance department in accordance with policies approved by the board of directors. The finance department works closely with the Company's operating units to identify, assess, and hedge financial risks.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Company operates domestically and is exposed to foreign exchange risk arising from the transactions of the Company used in US dollar and Canadian dollar currency. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Management has set up a policy to manage their foreign exchange risk against their functional currency.

ii. The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2025 and 2024, amounted to $6,925 and $425, respectively

iii. The Company conducts business involving several non-functional currencies (the Company's functional currency is the New Taiwan Dollar), but does not have significant foreign currency assets and liabilities exposed to exchange rate risk; therefore, it is not significantly affected by exchange rate fluctuations.

Price risk

i. The Company is exposed to equity price risk arising from its investments in listed stocks. These equity investments are held for strategic investment rather than for trading, and the Company did not actively transact such investments. The Company's equity price risk is primarily concentrated in equity instruments in the Hong Kong market.

ii. The Company's investments in equity securities comprise shares issued by the overseas companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other components of equity would have increased/decreased by $4,150 and $0, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable and bank deposits based on the agreed terms.

ii. Assessment of credit risk impairment for financial assets measured at amortised cost:

(i) For the Company’s term deposits in banks, these banks all have good credit ratings. Considering there are no significant changes in the overall economic environment, the risk of incurring credit losses is assessed to be extremely low.

(ii) For the clients the Company transacts with, only parties whose credit is assessed by the Company are accepted. According to the Company’s credit policy, the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilisation of credit limits is regularly monitored.

(iii)In line with credit risk management procedure, when the counterparty has ceased operations or is poorly managed, the default has occurred. In addition, the Company assesses the expected credit losses on an individual basis if a default has occurred to certain customers.

(iv)As of December 31, 2025, the Company’s accounts receivable was all not past due. Considering there are no significant changes in the overall economic environment, the risk of incurring credit losses is assessed to be extremely low and there are no significant expected credit losses of accounts receivable.

(c) Liquidity risk

Cash flow forecasting is conducted by the Company’s finance department. The finance department monitors the rolling forecasts of the Company’s liquidity needs to ensure that there is adequate cash available to meet operational requirements. Additionally, it maintains sufficient headroom on undrawn committed borrowing facilities to prevent any breach of borrowing limits or covenants.

December 31, 2025	Less than 1 years	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Accounts payable	$ 13,256	$ -	$ -	$ -
Liability provision	-	-	-	42,152
Other payables	45,564	-	-	-
Lease liability	5,614	1,585	122	-

December 31, 2024	Less than 1 years	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Accounts payable	$ 223	$ -	$ -	$ -
Liability provision	-	-	-	42,152
Other payables	39,853	-	-	-
Lease liability	4,086	4,010	1,613	-

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1:Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Comapny’s investment in listed stocks is included in Level 1

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3:Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of the Company’s cash and cash equivalents, financial assets at amortised cost, accounts receivable, other receivables, guarantee deposits, accounts payable, other payables and lease liabilities are approximate to their fair values.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2025 and 2024 is as follows:

(a) The related information of natures of the assets and liabilities is as follows:

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through other comprehensive income				
Equity securities	$ 415,032	$ -	$ -	$ 415,032

December 31, 2024: None.

(b) The methods and assumptions the Company used to measure fair value are as follows:

The instruments the Company used market quoted prices as their fair values (that is, Level 1). Based on the characteristics of the instruments, overseas listed stocks are measured by reference to the closing market price quoted on the balance sheet date.

D. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

E. For the years ended December 31, 2025 and 2024, there was no transfer into or out from Level 3.

(4) Comprehensive Operational Plan

The Company set up a multilevel market expansion plan based on its global leading technology of accelerator-based boron neutron capture therapy (AB-BNCT). Firstly, starting in Taiwan, the Company establishes BNCT centers to cooperate with domestic top-notch medical centers, and plans to expand to multiple medical institutions across domestic and international within the next 5 years. Secondly, the Company targets Asia as its primary target in the international market, combining experiences and resources in Taiwan, plans to promote the construction of BNCT centers in the major countries within the area. Lastly, the Company aims at the high threshold market such as the United States and Europe, etc., and plans to gradually expend into the global market in a medium-and-long-term period through the cooperation with leading hospitals and technology research institutions. The Company is committed to promoting BNCT technology globally to benefit more cancer patients through precise market positioning and a multilevel promotion strategy. The Company intends to take the following measures to continuously improve its operational condition and address challenges:

A. Operational plan:

The Company achieved a significant milestone by obtaining a license for its AB-BNCT medical equipment in June 2024. Additionally, it anticipates securing a license for the boron neutron capture therapy medications, Boronophenylalanine (BPA), in 2027. Looking ahead, the Company has secured an order from the BNCT treatment center of the leading hospital in the northern region, with plans to deliver and have the equipment accepted by 2027. The Company has entered into cooperation agreements with three domestic and overseas partners for the establishment of BNCT treatment center. As the number of BNCT treatment center increases and therapeutic indications expand, an annual rise in the number of hospitalized patients is expected. This growth is poised to drive medications revenue up each year, contributing to a steady increase in overall annual operating revenue. The Company's operational model is segmented into three main revenue streams: equipment sales, repair and maintenance services, and therapeutic and testing medications sales.

B. Operating management:

The Company's expenses mainly pertained to research and development expense and partially pertained to management and selling expense. It is estimated that research and development expense will be incurred according to the progress of various projects over the next five years, while management and selling expense will appropriately increase based on the revenue growth, which are within the manageable range.

C. Fund raising:

On December 31, 2025, the Company's cash and cash equivalents and current financial assets measured at amortised cost totaled $10,228,611 thousand, which are sufficient to meet its funding needs of its ongoing product development plans.

The implementation of the aforementioned plans will effectively increase operational income, reduce operating costs and improve financial structure based on the Company's assessment.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.

D. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

E. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

F. Significant inter-company transactions during the reporting period: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): None.

(3) Information on investments in Mainland China

A. Basic information: None.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. Segment Information

(1) General information

The Company operates business only in a single industry. The chief operating decision-maker, who allocates resources and assesses performance of the Company as a whole, has identified that the Company has only one reportable operating segment.

(2) Information about segment

The Company's operating decision-makers evaluate the performance of the operating segments based on financial statements. The accounting policies of the operating segments are consistent with the significant accounting policies described in Note 4.

(3) Information about segment profit or loss, assets and liabilities

	Years ended December 31,	
	2025	2024
Revenue from external customers	$ 10,308	$ -
Segment loss	($ 481,666)	($ 260,077)
Segment assets	$ 11,578,616	$ 1,544,382

(4) Reconciliation for segment income (loss), assets and liabilities

None.

HERON NEUTRON MEDICAL CORP.

Holding of material marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31,2025

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2025				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Heron Neutron Medical Corp.	BenQ BM Holding Cayman Corp.	None	Financial assets at fair value through other comprehensive income	25,001,500	$ 415,032	8.01%	$ 415,032	

HERON NEUTRON MEDICAL CORP.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Description	Amount
Cash		$ 50
Cash in bank		
Demand deposits － NTD		1,848,561
Time deposits － NTD	Subsequently due before January,2026, interest rate 1.58%	500,000
		$ 2,348,611

HERON NEUTRON MEDICAL CORP.
STATEMENT OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

	Beginning of period		Increase in this period		Decrease in this period (Note)		End of period	
Name	Number of shares thousand	Fair value	Number of shares thousand	Amount	Number of shares thousand	Amount	Number of shares thousand	Fair value
BenQ BM Holding Cayman Corp.	-	$ -	25,002	$ 953,618	-	($ 538,586)	25,002	$ 415,032

Note: It pertained to gains (losses) on valuation of financial assets.

HERON NEUTRON MEDICAL CORP.
STATEMENT OF INVENTORY
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Amount		
Item	Cost	Net realisable value	Note
Raw materials	$ 14,943	$ 14,368	
Work in process	27,129	23,714	
Finished goods	31,903	29,258	
	73,975	$ 67,340	
Less: Allowance for valuation loss	(6,635)		
	$ 67,340		

HERON NEUTRON MEDICAL CORP.
MOVEMENT OF COSTS OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Item	Balance at January 1, 2025	Additions	Disposals	Transfers	Balance at December 31, 2025	Collateral
Machinery and equipment	$ 266,657	$ 8,974	$ -	$ 2,946	$ 278,577	None
Office equipment	3,621	1,548	-	251	5,420	None
Leasehold improvements	20,091	2,765	-	11,780	34,636	None
Construction in progress and equipment under acceptance	14,977	7,049	-	(14,977)	7,049	None
	$ 305,346	$ 20,336	$ -	$ -	$ 325,682	

HERON NEUTRON MEDICAL CORP.
MOVEMENT OF ACCUMULATED DEPRECIATION CHARGES ON PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Item	Balance at January 1, 2025	Additions	Disposals	Balance at December 31, 2025	Note
Machinery and equipment	$ 14,080	$ 16,222	$ -	$ 30,302	
Office equipment	1,936	903	-	2,839	
Leasehold improvements	5,373	3,376	-	8,749	
	$ 21,389	$ 20,501	$ -	$ 41,890	

HERON NEUTRON MEDICAL CORP.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Item	Balance at January 1, 2025	Additions	Disposals	Transfers	Balance at December 31, 2025	Note
Buildings and structures	315,030	2,041	-	-	317,071	
Office equipment	627	263	(367)	-	523	
	$ 315,657	$ 2,304	($ 367)	$ -	$ 317,594	

HERON NEUTRON MEDICAL CORP.
MOVEMENT OF ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSET
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Item	Balance at January 1, 2025	Additions	Disposals	Balance at December 31, 2025	Note
Buildings and structures	11,143	14,586	-	25,729	
Office equipment	423	134	(342)	215	
	$ 11,566	$ 14,720	($ 342)	$ 25,944	

HERON NEUTRON MEDICAL CORP.
STATEMENT OF CHANGES IN INTANGIBLE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Item	Balance at January 1, 2025	Additions	Disposals	Balance at December 31, 2025	Note
Patents	$ 36,050	$ 2,000	($ 4,287)	$ 33,763	
Computer Software	328	273	(119)	482	
	$ 36,378	$ 2,273	($ 4,406)	$ 34,245	

HERON NEUTRON MEDICAL CORP.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Amount
Beginning raw materials	$ 4,114
Add: Raw materials purchased	17,461
Less: Ending raw materials	(14,943)
Transer to expenses	(2,090)
Raw materials used for the year	4,542
Direct labor	-
Manufacturing expense	86,118
Manufacturing cost	90,660
Add: Beginning work in progress	-
Less: Ending work in progress	(27,129)
Transer to expenses	(7,722)
Cost of finished goods	55,809
Add: Beginning finished goods	5,845
Less: Ending finished goods	(31,903)
Transer to expenses	(1,654)
Cost of goods manufactured and sold	28,097
Loss on decline in market value	3,048
Other	4,945
Total operating costs	$ 36,090

HERON NEUTRON MEDICAL CORP.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Compensation cost of share-based payment		$ 22,053	
Wages and salaries		11,079	
Repairs fees		3,082	
Others expenses		19,368	The balance of each expense account has not exceeded 5% of the manufacturing expense
Total		$ 55,582	

HERON NEUTRON MEDICAL CORP.
STATEMENT OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Compensation cost of share-based payment		$ 52,960	
Wages and salaries		33,506	
Service fees		13,682	
Others expenses		30,946	The balance of each expense account has not exceeded 5% of the manufacturing expense
Total		$ 131,094	

HERON NEUTRON MEDICAL CORP.
STATEMENT OF DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Commissioned research expense		$ 99,091	
Compensation cost of share-based payment		86,821	
Wages and salaries		55,130	
Depreciation expense		29,575	
Others expenses		51,248	The balance of each expense account has not exceeded 5% of the manufacturing expense
Total		$ 321,865	

HERON NEUTRON MEDICAL CORP.
SUMMARY OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, AND AMORTISATION EXPENSES BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Function / Nature	Year ended December 31, 2025			Year ended December 31, 2024		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense						
Wages and salaries	$ 1,410	$ 99,715	$ 101,125	$ -	$ 63,369	$ 63,369
Share-based payments	-	161,834	161,834	-	22,547	22,547
Labour and health insurance fees	-	8,002	8,002	-	4,867	4,867
Pension costs	-	4,352	4,352	-	2,831	2,831
Directors' remuneration	-	450	450	-	-	-
Other personnel expenses	-	7,030	7,030	-	3,119	3,119
Depreciation	2,350	32,871	35,221	-	15,908	15,908
Amortisation	-	4,406	4,406	-	4,690	4,690

Note:

1.As at December 31, 2025 and 2024, the Company had 111 and 65 employees, respectively. There were 7 and 5 non-employee directors for the year.

2. A company whose stock is listed for trading on the Taiwan Stock Exchange or Taipei Exchange shall additionally disclose the following information：

(1) Average employee benefit expense in current year $2,715.
Average employee benefit expense in previous year $1,612.

(2) Average employees wages and salaries in current year $2,528.
Average employees wages and salaries in previous year $1,432.

(3) Adjustments of average employees salaries 76.58%.

(4) For the year ended December 31, 2025, the Company has set up an audit committee. There were no supervisors' remuneration as the Company had accumulated deficit for the year ended December 31, 2024.

(5) Salary and remuneration policy

A. The Company's directors' remuneration is in accordance with the "Remuneration Policy for Directors, Committee Members and Managers", and the remuneration is paid by reference to the general pay level in the same industry and considering the Company's annual operating results. In accordance with the Articles of Incorporation, directors' remuneration may not exceed 3% current year's profit and shall be submitted to the Board of Directors for approval and subsequently reported to the shareholders' meeting. There were no directors' remuneration as the Company had accumulated deficits for the years ended December 31, 2025 and 2024.

B. The Company's general manager's and vice manager's remuneration are in accordance with the "Remuneration Policy for Directors, Committee Members and Managers". Their remuneration includes salaries, bonuses, employee stock options, and employees' compensation; salary and bonus levels are set according to individual's contribution to the Company, with reference to general pay level in the same industry.

C. Salaries are determined in accordance with the Company's remuneration policy, taking into account the position, education and experience, professional skills, and growth potential. In accordance with Article 23 of the Company's Articles of Incorporation, when there are profits for the year, bonuses are paid out of employees' compensation and are granted based on the position and performance, allowing employees to share in the Company's operating results together.