

HERON NEUTRON MEDICAL CORP.

FINANCIAL STATEMENTS AND INDEPENDENT

AUDITORS' REPORT

DECEMBER 31, 2024 AND 2023

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

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, 2024 and 2023, 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, 2024 and 2023, 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 2024 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 2024 financial statements are stated as follows:

Right-of-use asset - accuracy of cost calculation and commencement date of the clinical research centers

Description

Please refer to Note 4(10) for the accounting policy for right-of-use assets. For details regarding the right-of-use asset accounting items, please refer to Note 6(6).

The Company has formed a partnership with an academic institution, along with its affiliated medical facilities, to advance cancer treatment technologies. As part of this collaboration, the Company has commissioned the construction of a clinical research center. After construction is completed, the Company will lease a facility from the academic institution to focus on research and development activities in oncology.

The construction costs incurred by the Company will be treated as rent payments to the academic institution. Considering the significant of construction costs involved in the clinical research center, which includes the accumulation of various engineering costs affecting the timing and amount of right-of-use asset capitalization for the current year, the auditor has identified the accuracy of cost calculation and the commencement date of the right of use asset as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding and tested the internal controls related to the procurement process for the clinical research center's construction to confirm the effectiveness.
2. Conducted testing on relevant contracts and supporting documents to verify the construction transactions were properly authorized and accurately recorded.
3. Verified and reviewed acceptance documents of the asset status to confirm that the asset met the criteria for commencing depreciation.

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 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 27, 2025

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 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, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 723,966	47	\$ 233,268	28
1136	Financial assets at amortised cost,	6(2)				
	net-current		100,000	7	-	-
1200	Other receivables		433	-	-	-
1220	Current tax assets		938	-	301	-
130X	Inventories	6(3)	6,372	-	-	-
1410	Prepayments	6(4)	84,441	5	27,942	3
11XX	Total current assets		916,150	59	261,511	31
Non-current assets						
1600	Property, plant and equipment	6(5)	283,957	19	248,756	30
1755	Right-of-use assets	6(6)	304,091	20	13,218	2
1780	Intangible assets	6(7)	36,378	2	42,168	5
1900	Other non-current assets	6(8)	3,806	-	269,459	32
15XX	Total non-current assets		628,232	41	573,601	69
1XXX	Total assets		\$ 1,544,382	100	\$ 835,112	100

(Continued)

HERON NEUTRON MEDICAL CORP.
BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2170	Accounts payable		\$ 223	-	\$ -	-
2200	Other payables	7	39,853	3	15,129	2
2280	Lease liabilities-current		3,964	-	3,903	-
2300	Other current liabilities		257	-	163	-
21XX	Total current liabilities		44,297	3	19,195	2
Non-current liabilities						
2550	Provisions for liabilities-non-current	6(6)(11)	22,113	2	-	-
2580	Lease liabilities-non-current		5,549	-	9,514	1
25XX	Total non-current liabilities		27,662	2	9,514	1
2XXX	Total liabilities		71,959	5	28,709	3
Equity						
	Share capital	6(12)				
3110	Ordinary share		1,393,550	90	1,140,000	137
	Capital surplus	6(13)				
3200	Capital surplus		674,865	43	2,318	-
	Retained earnings	6(14)				
3350	Accumulated deficit		(595,992)	(38)	(335,915)	(40)
3XXX	Total equity		1,472,423	95	806,403	97
	Significant Contingent Liabilities and	9				
	Unrecognised Contract Commitments					
3X2X	Total liabilities and equity		\$ 1,544,382	100	\$ 835,112	100

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

HERON NEUTRON MEDICAL CORP.
STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except for loss per share amount)

	Items	Notes	Year ended December 31			
			2024		2023	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(15)	\$ -	-	\$ 238	100
5000	Operating costs	6(3)	(3,587)	-	(109)	(46)
5900	Gross (loss) profit from operations		(3,587)	-	129	54
	Operating expenses	6(20)(21)				
6100	Selling expenses		(17,485)	-	(9,851)	(4139)
6200	Administrative expenses		(64,534)	-	(34,943)	(14682)
6300	Research and development expenses		(173,390)	-	(84,845)	(35649)
6000	Total operating expenses		(255,409)	-	(129,639)	(54470)
6900	Net operating loss		(258,996)	-	(129,510)	(54416)
	Non-operating income and expenses					
7100	Interest income	6(16)	5,724	-	2,122	892
7010	Other income	6(17)	-	-	940	395
7020	Other gains and losses	6(18)	(6,622)	-	301	126
7050	Finance costs	6(19)	(183)	-	(243)	(102)
7000	Total other non-operating income and expenses		(1,081)	-	3,120	1311
7900	Loss before income tax		(260,077)	-	(126,390)	(53105)
7950	Income tax expense	6(22)	-	-	-	-
8200	Loss for the year		(\$ 260,077)	-	(\$ 126,390)	(53105)
8500	Total comprehensive loss for the year		(\$ 260,077)	-	(\$ 126,390)	(53105)
	Losses per share (in dollars)	6(23)				
9750	Basic		(\$ 2.04)		(\$ 1.18)	
		6(23)				
9850	Diluted		(\$ 2.04)		(\$ 1.18)	

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

HERON NEUTRON MEDICAL CORP.
STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Capital Surplus				
	Notes	Ordinary share	Additional paid-in capital	Employee share options	Accumulated deficit	Total equity
<u>Year 2023</u>						
Balance at January 1, 2023		\$ 800,000	\$ -	\$ -	(\$ 209,525)	\$ 590,475
Loss for the year		-	-	-	(126,390)	(126,390)
Total comprehensive loss		-	-	-	(126,390)	(126,390)
Capital increase in cash	6(12)	340,000	-	-	-	340,000
Compensation cost of share-based payment	6(10)(13)(21)	-	-	2,318	-	2,318
Balance at December 31, 2023		\$ 1,140,000	\$ -	\$ 2,318	(\$ 335,915)	\$ 806,403
<u>Year 2024</u>						
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	1,288	(1,288)	-	3,550
Compensation cost of share-based payment	6(10)(13)(21)	-	2,821	19,726	-	22,547
Balance at December 31, 2024		\$ 1,393,550	\$ 654,109	\$ 20,756	(\$ 595,992)	\$ 1,472,423

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

HERON NEUTRON MEDICAL CORP.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 260,077)	(\$ 126,390)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(5)(6)(20)	15,908	9,947
Amortization	6(7)(20)	4,690	5,434
Interest expense	6(19)	183	243
Interest income	6(16)	(5,724)	(2,122)
Net gain on financial assets measured at fair value through profit or loss	6(18)	-	(493)
Net loss on disposals of property, plant and equipment	6(5)(18)	5,947	-
Net loss on disposals of intangible assets	6(7)(18)	1,100	-
Compensation cost of share-based payment	6(10)(21)	22,547	2,318
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		-	148,744
Inventories		(6,372)	-
Other receivables		(433)	7,159
Prepayments		(56,499)	(13,372)
Other non-current assets		-	(94,986)
Changes in operating liabilities			
Accounts payable		223	-
Other payables		13,539	7,382
Other current liabilities		94	(17)
Cash outflow generated from operations		(264,874)	(56,153)
Interest received		5,724	2,122
Interest paid		(183)	(243)
Income tax paid		(637)	(291)
Net cash flows used in operating activities		(259,970)	(54,565)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets measured at amortised cost	6(2)	(100,000)	-
Acquisition of property, plant and equipment	6(5)(24)	(42,220)	(56,191)
Acquisition of right-of-use assets	6(6)(24)	(6,758)	-
Net cash flows used in investing activities		(148,978)	(56,191)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Capital increase in cash	6(12)	900,000	340,000
Issuance of employee stock options	6(12)	3,550	-
Repayment of lease liabilities	6(25)	(3,904)	(3,842)
Net cash flows from financing activities		899,646	336,158
Net increase in cash and cash equivalents		490,698	225,402
Cash and cash equivalents at beginning of year	6(1)	233,268	7,866
Cash and cash equivalents at end of year	6(1)	\$ 723,966	\$ 233,268

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, 2024 AND 2023

(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.

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 27, 2025.

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 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board (“IASB”)</u>
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024
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 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by IASB</u>
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.	

(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 IASB
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
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 IASB
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
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume	January 1, 2026
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 profit or loss, 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 re-translated 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 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 within the normal operating cycle;
 - (b) Assets arising mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- 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 within the normal operating cycle;
 - (b) Liabilities arising mainly for trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (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 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.

(7) 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 labor, 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 cost of completion and applicable variable selling expenses.

(8) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

(9) 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

(10) 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 consist of:

- (a) Fixed payments, less any lease incentives receivable;
- (b) Penalties payable upon lease termination if the lease term indicates that the lessee will exercise the option to terminate the lease.

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.

(11) Intangible assets

Intangible assets are patents and computer software, which are amortised using the straight-line method over a period of 3 to 15 years.

(12) 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 initial invoice amount as the effect of discounting is immaterial.

(13) 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.

(14) 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' remuneration

(a) Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal 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.

(b) The Company amended its articles of association in January 2025 during an extraordinary shareholders' meeting. Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal obligation and the amounts can be estimated. If the accrued amounts for employees' bonus and directors' remuneration are different from the actual distributed amounts as resolved by the Board of Directors' meeting subsequently, the differences should be recognized based on the accounting for changes in estimates.

(15) 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.

(16) 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.

(17) 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.

(18) 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 provides maintenance and repair services as well as research services. Revenue from providing services is recognised in the accounting period in which the services are rendered.

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

The preparation of these 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. The Company does not have any critical accounting judgements, estimates and assumption uncertainty.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Demand deposits	\$ 62,366	\$ 77,268
Time deposits	661,600	156,000
	<u>\$ 723,966</u>	<u>\$ 233,268</u>

- 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 amortised cost

Items	December 31, 2024	December 31, 2023
Current items :		
Time deposits	\$ 100,000	\$ -

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

	Years ended December 31,	
	2024	2023
Interest income	\$ 223	\$ -

B. As at December 31, 2024 and 2023, 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 \$100,000 and \$0, 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. The Company has not pledged any financial assets at amortised cost as collateral.

(3) Inventories

	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

December 31, 2023 : None.

The cost of inventories recognised as expense for the year :

	Years ended December 31,	
	2024	2023
Cost of goods sold	\$ -	\$ 109
Loss on decline in market value	3,587	-
	\$ 3,587	\$ 109

(4) Prepayments

	December 31, 2024	December 31, 2023
Prepayments to suppliers	\$ 45,972	\$ 5
Accumulated offset against VAT tax payable	34,692	27,258
Other prepayments	3,777	679
	\$ 84,441	\$ 27,942

(5) Property, plant and equipment

2024					
	Machinery and Equipment	Office equipment	Leased 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)
	<u>\$ 21,967</u>	<u>\$ 1,578</u>	<u>\$ 6,280</u>	<u>\$ 218,931</u>	<u>\$ 248,756</u>
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	<u>\$ 252,577</u>	<u>\$ 1,685</u>	<u>\$ 14,718</u>	<u>\$ 14,977</u>	<u>\$ 283,957</u>
At December 31					
Cost	\$ 266,657	\$ 3,621	\$ 20,091	\$ 14,977	\$ 305,346
Accumulated depreciation	(14,080)	(1,936)	(5,373)	-	(21,389)
	<u>\$ 252,577</u>	<u>\$ 1,685</u>	<u>\$ 14,718</u>	<u>\$ 14,977</u>	<u>\$ 283,957</u>

Note: The reclassifications of machinery and equipment for the year mainly pertained to the medical equipment relating to accelerator-based boron neutron capture therapy. 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.

2023					
	Machinery and Equipment	Office equipment	Leased improvements	Construction in progress and equipment under acceptance	Total
At January 1					
Cost	\$ 25,219	\$ 3,114	\$ 9,714	\$ 166,225	\$ 204,272
Accumulated depreciation	(4,752)	(1,275)	(2,219)	-	(8,246)
	<u>\$ 20,467</u>	<u>\$ 1,839</u>	<u>\$ 7,495</u>	<u>\$ 166,225</u>	<u>\$ 196,026</u>
At January 1	\$ 20,467	\$ 1,839	\$ 7,495	\$ 166,225	\$ 196,026
Additions	5,318	479	-	52,963	58,760
Reclassifications	257	-	-	(257)	-
Depreciation charge	(4,075)	(740)	(1,215)	-	(6,030)
At December 31	<u>\$ 21,967</u>	<u>\$ 1,578</u>	<u>\$ 6,280</u>	<u>\$ 218,931</u>	<u>\$ 248,756</u>
At December 31					
Cost	\$ 30,794	\$ 3,593	\$ 9,714	\$ 218,931	\$ 263,032
Accumulated depreciation	(8,827)	(2,015)	(3,434)	-	(14,276)
	<u>\$ 21,967</u>	<u>\$ 1,578</u>	<u>\$ 6,280</u>	<u>\$ 218,931</u>	<u>\$ 248,756</u>

A. There were no capitalization of borrowing costs attributable to the property, plant and equipment for the years ended December 31, 2024 and 2023.

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

(6) 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 \$272,677 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:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Buildings	\$ 303,887	\$ 12,889
Office equipment (Photocopiers)	204	329
	<u>\$ 304,091</u>	<u>\$ 13,218</u>
	<u>Years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings	\$ 3,792	\$ 3,792
Office equipment (Photocopiers)	125	125
	<u>\$ 3,917</u>	<u>\$ 3,917</u>

E. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets were \$294,790 and \$0, respectively.

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

	Years ended December 31,	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 183	\$ 243
Expense on short-term lease contracts	\$ 386	\$ 258
Expense on leases of low-value assets	\$ 79	\$ 9

G. For the years ended December 31, 2024 and 2023, the Company's total cash outflow for leases were \$11,310 and \$4,352, respectively.

(7) Intangible assets

	2024		
	Patents	Computer software	Total
At January 1			
Cost	\$ 61,800	\$ 6,693	\$ 68,493
Accumulated amortisation	(21,630)	(4,695)	(26,325)
	<u>\$ 40,170</u>	<u>\$ 1,998</u>	<u>\$ 42,168</u>
At January 1	\$ 40,170	\$ 1,998	\$ 42,168
Disposals	-	(1,100)	(1,100)
Amortisation charge	(4,120)	(570)	(4,690)
At December 31	<u>\$ 36,050</u>	<u>\$ 328</u>	<u>\$ 36,378</u>
At December 31			
Cost	\$ 61,800	\$ 1,015	\$ 62,815
Accumulated amortisation	(25,750)	(687)	(26,437)
	<u>\$ 36,050</u>	<u>\$ 328</u>	<u>\$ 36,378</u>
	2023		
	Patents	Computer software	Total
At January 1			
Cost	\$ 61,800	\$ 6,693	\$ 68,493
Accumulated amortisation	(17,510)	(3,381)	(20,891)
	<u>\$ 44,290</u>	<u>\$ 3,312</u>	<u>\$ 47,602</u>
At January 1	\$ 44,290	\$ 3,312	\$ 47,602
Amortisation charge	(4,120)	(1,314)	(5,434)
At December 31	<u>\$ 40,170</u>	<u>\$ 1,998</u>	<u>\$ 42,168</u>
At December 31			
Cost	\$ 61,800	\$ 6,693	\$ 68,493
Accumulated amortisation	(21,630)	(4,695)	(26,325)
	<u>\$ 40,170</u>	<u>\$ 1,998</u>	<u>\$ 42,168</u>

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

	Year ended December 31,	
	2024	2023
Research and development expenses	\$ 4,690	\$ 5,434

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, totaling \$61,800 thousand.

(8) Other non-current assets

	December 31, 2024	December 31, 2023
Guarantee deposits	\$ 3,062	\$ 3,062
Prepayments for equipment	744	478
Other prepayments (Note)	-	265,919
	<u>\$ 3,806</u>	<u>\$ 269,459</u>

Note : To advance cancer treatment technologies, the Company signed a lease agreement for a clinical research center with the academic institution in 2022. 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. As of December 31, 2023, the other prepayments amounting to \$265,919 was transferred to right-of-use assets and the lease started in December 2024. Please refer to Note 6(6) for details.

(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, 2024 and 2023, were \$2,831 and \$2,198, respectively.

(10) Share-based payment

A. For the years ended December 31, 2024 and 2023, 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

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

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

	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
	2023	
	Units of option (shares)	Weighted average exercise price (in NT dollars)
Options outstanding at January 1	\$ -	\$ -
Options granted	1,200	10
Options forfeited	(333)	(10)
Options outstanding at December 31	867	10
Options exercisable at December 31	\$ 434	\$ 10

C. As of December 31, 2024 and 2023, the exercise price of stock options outstanding were \$10(in dollars), respectively, and the weighted average remaining contractual periods were 5~6.56 years and 6.5 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	112.01.01	\$ 10.85	\$ 10	40.60%	7 years	1.2276%	\$3.629~\$4.311
Employee stock option	113.03.22	\$ 15.56	\$ 10	40.60%	7 years	1.3949%	\$6.97~\$7.95
Employee stock option	113.07.26	\$ 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 with Employee Subscription Rights	113.03.22	\$ 15.56	\$ 25	33.60%	0.171 year	1.076%	\$ 0.0002
Cash Capital Increase with Employee Subscription Rights	113.08.28	\$ 78.72	\$ 80	80.50%	0.06 year	1.2649%	\$ 5.64

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:

	2024	2023
Equity-settled	\$ 22,547	\$ 2,318

(11) Provisions

	Decommissioning liabilities	
	2024	2023
At January 1	\$ -	\$ -
Additional provisions	22,113	-
At December 31	\$ 22,113	\$ -

(a) Analysis of total provisions:

	December 31, 2024	December 31, 2023
Non-current	\$ 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, 2024, the Company's authorised capital was \$2,000,000, consisting of 200,000 thousand shares of ordinary stock, and the paid-in capital was \$1,393,550 with a par value of \$10 (in dollars) per share, consisting of 139,355 thousand shares of ordinary stock. All proceeds from shares issued have been collected.

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

(Unit: Thousand share) :

	December 31, 2024	December 31, 2023
At January 1	114,000	80,000
Capital increase in cash	25,000	34,000
Issuance of employee stock options	355	-
At December 31	139,355	114,000

- B. On December 6, 2022, the Board of Directors of the Company resolved to increase capital and issue 34,000 thousand shares at \$10 (in dollars) per share. The effective date of the capital increase was on March 15, 2023. The registration for the issuance of new shares has been completed.
- C. On March 22, 2024, the Board of Directors of the Company resolved to increase capital and issue 20,000 thousand shares at a premium of \$25 (in dollars) per share. 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 shares at a premium of \$80 (in dollars) per share. The effective date of the capital increase was on September 20, 2024. The registration for the issuance of new shares 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.

	2024		
	Share premium	Options	Total
At January 1	\$ -	\$ 2,318	\$ 2,318
Capital increase in cash	650,000	-	650,000
Issuance of employee stock options	1,288	(1,288)	-
Compensation cost of share-based payment	2,821	19,726	22,547
At December 31	\$ 654,109	\$ 2,318	\$ 674,865

	2023	
	Options	Total
At January 1	\$ -	\$ -
Compensation cost of share-based payment	2,318	2,318
At December 31	<u>\$ 2,318</u>	<u>\$ 2,318</u>

(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).

(15) Operating revenue

	Years ended December 31,	
	2024	2023
Service revenue	<u>\$ -</u>	<u>\$ 238</u>

A. Disaggregation of revenue from contracts with customers

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

Year 2024 : None.

	Year ended December 31, 2023
Timing of revenue recognition	
At a point in time	<u>\$ 238</u>

(16) Interest income

	Years ended December 31,	
	2024	2023
Interest income from bank deposits	<u>\$ 5,724</u>	<u>\$ 2,122</u>

(17) Other income

	Years ended December 31,	
	2024	2023
Other income	<u>\$ -</u>	<u>\$ 940</u>

(18) Other gains and losses

	Years ended December 31,	
	2024	2023
Foreign exchange gains (losses)	\$ 425	(\$ 192)
Gains on financial assets at fair value through profit or loss	-	493
Losses on disposals of property, plant and equipment	(5,947)	-
Losses on disposals of intangible assets	(1,100)	-
	<u>(\$ 6,622)</u>	<u>\$ 301</u>

(19) Finance costs

	Years ended December 31,	
	2024	2023
Lease liabilities	<u>\$ 183</u>	<u>\$ 243</u>

(20) Expenses by nature

	Years ended December 31,	
	2024	2023
Employee benefit expense	\$ 96,733	\$ 52,399
Depreciation charges	15,908	9,947
Amortisation charges on intangible assets	4,690	5,434
	<u>\$ 117,331</u>	<u>\$ 67,780</u>

(21) Employee benefit expense

	Years ended December 31,	
	2024	2023
Wages and salaries	\$ 63,369	\$ 42,190
Compensation cost of share-based payment	22,547	2,318
Labour and health insurance fees	4,867	3,659
Pension costs	2,831	2,198
Other personnel expenses	3,119	2,034
	<u>\$ 96,733</u>	<u>\$ 52,399</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be less than 1% for employees' compensation and shall not be higher than 3% for directors' remuneration.
- B. In January 2024, the Company's shareholders 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 employee compensation and no more than 3% of the distributable profit of the current year for directors' remuneration. However, if the Company has accumulated deficit, earnings shall be first used to cover accumulated deficit.
- C. The Company has accumulated losses for the years 2024 and 2023; therefore, employees' compensation and directors' remuneration have not been estimated.

(22) Income tax

A. Reconciliation between income tax expense and accounting profit

	Year ended December 31,	
	2024	2023
Tax calculated based on loss before tax and statutory tax rate	(\$ 52,015)	(\$ 25,278)
Expenses disallowed by tax regulation	1,440	-
Temporary differences not recognised as deferred	669	-
Taxable loss not recognised as deferred tax assets	49,906	25,278
Income tax expense	\$ -	\$ -

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

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	249,530	249,530	2034

December 31, 2023				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2017	Filed amount	\$ 1,082	\$ 1,082	2027
2018	Filed amount	20,209	20,209	2028
2019	Filed amount	26,345	26,345	2029
2020	Filed amount	29,110	29,110	2030
2021	Filed amount	50,447	50,447	2031
2022	Filed amount	86,867	86,867	2032
2023	Estimated amount	126,390	126,390	2033

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

	December 31, 2024	December 31, 2023
Deductible temporary differences	\$ 3,344	\$ -

D. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(23) Losses per share

Year ended December 31, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
<u>Basic loss per share</u>			
Loss attributable to ordinary shareholders	(\$ 260,077)	127,581	(\$ 2.04)
Year ended December 31, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
<u>Basic loss per share</u>			
Loss attributable to ordinary shareholders	(\$ 126,390)	107,107	(\$ 1.18)

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

(24) Supplemental cash flow information

Investing activities with partial cash payments:

Years ended December 31,			
	2024	2023	
Purchase of property, plant and equipment	\$ 53,139	\$ 58,760	
Add: Opening balance of payable on equipment	1,394	16,795	
Add: Ending balance of prepayments on equipment	744	478	
Less: Ending balance of payable on equipment	(12,579)	(1,394)	
Less: Opening balance of prepayments on equipment	(478)	(18,448)	
Cash paid during the period	<u>\$ 42,220</u>	<u>\$ 56,191</u>	
Years ended December 31,			
	2024	2023	
Purchase of intangible assets	\$ 294,790	\$ -	
Add: Ending balance of prepayments	-	265,919	
Less: Opening balance of prepayments	(265,919)	(170,933)	
Less: Provisions of liabilities	(22,113)	-	
Cash paid during the period (Note)	<u>\$ 6,758</u>	<u>\$ 94,986</u>	

Note: The related cash payment for the year ended December 31, 2023 was recognised in other non-current assets in the statements of cash flows.

(25) Changes in liabilities from financing activities

	Years ended December 31,	
	2024	2023
	Lease liabilities	Lease liabilities
At January 1	\$ 13,417	\$ 17,259
Changes in cash flow from financing activities	(10,662)	(3,842)
Interest paid on lease liabilities	(183)	(243)
Amortisation of interest expense on lease liabilities	183	243
Changes in other non-cash items	6,758	-
At December 31	<u>\$ 9,513</u>	<u>\$ 13,417</u>

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
VISION HOLDINGS LTD. (VISION)	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. Payables to related parties:

	Years ended December 31,	
	2024	2023
Other payables:		
HERMES-EPITEK	\$ -	\$ 270
YUN RAY	-	68
VISION	-	98
Total	<u>\$ -</u>	<u>\$ 436</u>

B. Property transactions:

Acquisition of property, plant and equipment:

	Years ended December 31,	
	2024	2023
HERMES-EPITEK	<u>\$ -</u>	<u>\$ 980</u>

C. Disposal of other assets:

Item	Trading Partner	Year ended December 31, 2024	
		Proceeds	Gain/(loss)
Administrative Support Expenses	YUN RAY	\$ 408	\$ 519
Administrative Support Expenses	VISION	545	649
Other Expenses	HERMES-EPITEK	2,200	1,785

(3) Key management compensation

	Years ended December 31,	
	2024	2023
Short-term employee benefits	\$ 14,964	\$ 8,560
Post-employment benefits	521	362
Share-based payment	6,127	334
Total	<u>\$ 21,612</u>	<u>\$ 9,256</u>

8. Pledged Assets

None.

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, 2024	December 31, 2023
Property, plant and equipment	<u>\$ 10,441</u>	<u>\$ 20,820</u>

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, 2024	December 31, 2023
<u>Financial assets</u>		
Financial assets at amortised cost		
Cash and cash equivalents	\$ 723,966	\$ 233,268
Financial assets at amortised cost	100,000	-
Other receivables	433	-
Guarantee deposits paid	3,062	3,062
	<u>\$ 827,461</u>	<u>\$ 236,330</u>
<u>Financial liabilities</u>		
Accounts payable	\$ 223	\$ -
Provisions	22,113	-
Other payables	39,853	15,129
Lease liabilities	9,513	13,417
	<u>\$ 71,702</u>	<u>\$ 28,546</u>

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 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, 2024 and 2023, amounted to \$425 and (\$192), 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.

(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 based on the agreed terms.
- ii. Assessment of credit risk impairment for financial assets measured at amortised cost:
The Company holds financial assets measured at amortised cost, specifically term deposits in banks. These banks have good credit ratings and have not experienced overdue situations in the past. Considering there are no significant changes in the overall economic environment, the risk of incurring credit losses is assessed to be extremely low, and the impact on the financial statements is minimal.

(c) Liquidity risk

Cash flow forecasting is conducted by the company's treasury department. The treasury 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.

		Between 1	Between 2	
	Less than 1	and	and	Over 5
December 31, 2024	years	2 years	5 years	years
<u>Non-derivative financial liabilities:</u>				
Accounts payable	\$ 223	\$ -	\$ -	\$ -
Liability provision	-	-	-	42,152
Other payables	39,853	-	-	-
Lease liability	4,086	4,010	1,613	-
		Between 1	Between 2	
	Less than 1	and	and	Over 5
December 31, 2023	years	2 years	5 years	years
<u>Non-derivative financial liabilities:</u>				
Other payables	\$ 15,129	\$ -	\$ -	\$ -
Lease liability	4,086	4,086	5,623	-

(3) Fair value information

The carrying amounts of the Company's cash and cash equivalents, other receivables, guarantee deposits, accounts payable, other payables (including related parties) and lease liabilities are approximate to their fair values.

(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 Taiwan within the next 5 years. Secondly, the Company targets the Southeast 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. Operating strategy:

The Company's operational model is segmented into three main revenue streams: equipment sales, repair and maintenance services, and therapeutic and testing medications sales. Within equipment sales, there are two business models: buyout and profit-sharing. 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 aims to secure an order from the Taipei Veterans General Hospital AB-BNCT treatment center in 2025, with plans to deliver and have the equipment accepted by 2027. Strategically, the Company intends to recognize equipment revenue gradually, aiming to deliver one AB-BNCT device annually moving forward. As the number of AB-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.

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:

In line with the Company's research and development progress, a capital increase will be implemented to meet the capital needs.

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 marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: 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

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Years ended December 31,	
	2024	2023
Revenue from external customers	\$ -	\$ 238
Segment loss	(\$ 260,077)	(\$ 126,390)
Segment assets	\$ 1,544,382	\$ 835,112

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

None.

HERON NEUTRON MEDICAL CORP.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2024
 (Expressed in thousands of New Taiwan dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Cash		
Cash in bank		
Demand deposits — NTD		\$ 62,366
	Subsequently due before January, 2025, interest rate	
Demand deposits — NTD	1.225% ~ 1.285%	<u>661,600</u>
		<u>\$ 723,966</u>

HERON NEUTRON MEDICAL CORP.
STATEMENT OF INVENTORIES
DECEMBER 31, 2024
 (Expressed in thousands of New Taiwan dollars)

Item	Amount		Note
	Cost	Market value	
Raw materials	\$ 4,114	\$ 4,034	
Finished goods	<u>5,845</u>	<u>2,338</u>	
	9,959	<u>\$ 6,372</u>	
Less: Allowance for valuation loss	(<u>3,587</u>)		
	<u>\$ 6,372</u>		

HERON NEUTRON MEDICAL CORP.
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Item	Balance at January 1, 2024	Additions	Disposals	Transfers	December 31, 2024	Collateral
Machinery and equipment	\$ 30,794	\$ 16,802	(\$ 10,034)	\$ 229,095	\$ 266,657	None
Office equipment	3,593	770	(791)	49	3,621	"
Leasehold improvements	9,714	3,720	-	6,657	20,091	"
Construction in progress and equipment under acceptance	218,931	31,847	-	(235,801)	14,977	"
	<u>\$ 263,032</u>	<u>\$ 53,139</u>	<u>(\$ 10,825)</u>	<u>\$ -</u>	<u>\$ 305,346</u>	

HERON NEUTRON MEDICAL CORP.
STATEMENT OF CHANGES IN DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Item	Balance at January 1, 2024	Additions	Disposals	Balance at December 31, 2024	Note
Machinery and equipment	\$ 8,827	\$ 9,340	(\$ 4,087)	\$ 14,080	
Office equipment	2,015	712	(791)	1,936	
Leasehold improvements	3,434	1,939	-	5,373	
	<u>\$ 14,276</u>	<u>\$ 11,991</u>	<u>(\$ 4,878)</u>	<u>\$ 21,389</u>	

HERON NEUTRON MEDICAL CORP.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Item	Balance at January 1, 2024	Additions	Disposals	Transfers	December 31, 2024	Note
Machinery and equipment	\$ 20,240	\$ 6,758	\$ -	\$ 288,032	\$ 315,030	
Office equipment	627	-	-	-	627	
	<u>\$ 20,867</u>	<u>\$ 6,758</u>	<u>\$ -</u>	<u>\$ 288,032</u>	<u>\$ 315,657</u>	

HERON NEUTRON MEDICAL CORP.
STATEMENT OF CHANGES IN DEPRECIATION OF RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024
 (Expressed in thousands of New Taiwan dollars)

Item	Balance at January 1, 2024	Additions	Disposals	Balance at December 31, 2024	Note
Machinery and equipment	\$ 7,351	\$ 3,792	\$ -	\$ 11,143	
Office equipment	298	125	-	423	
	<u>\$ 7,649</u>	<u>\$ 3,917</u>	<u>\$ -</u>	<u>\$ 11,566</u>	

HERON NEUTRON MEDICAL CORP.
STATEMENT OF CHANGES IN INTANGIBLE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Item	Balance at January 1, 2024	Additions	Disposals	Balance at December 31, 2024	Note
Patents	\$ 40,170	\$ -	(\$ 4,120)	\$ 36,050	
Computer Software	1,998	-	(1,670)	328	
	<u>\$ 42,168</u>	<u>\$ -</u>	<u>(\$ 5,790)</u>	<u>\$ 36,378</u>	

HERON NEUTRON MEDICAL CORP.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Wages and salaries		\$ 8,887	
Compensation cost of share-based payment		2,814	
Other expenses		<u>5,784</u>	No remaining item is greater than 5%.
Total		<u>\$ 17,485</u>	

HERON NEUTRON MEDICAL CORP.
STATEMENT OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Wages and salaries		\$ 20,608	
Professional service expense		15,702	
Compensation cost of share-based payment		9,777	
Advertising expense		3,244	
Other expenses		<u>15,203</u>	No remaining item is greater than 5%.
Total		<u>\$ 64,534</u>	

HERON NEUTRON MEDICAL CORP.
STATEMENT OF DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Commissioned research expense		\$ 81,466	
Wages and salaries		33,874	
Depreciation expense		13,773	
Compensation cost of share-based payment		9,956	
Other expenses		<u>34,321</u>	No remaining item is greater than 5%.
Total		<u>\$ 173,390</u>	

HERON NEUTRON MEDICAL CORP.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

By function By nature	Year ended December 31, 2024			Year ended December 31, 2023		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense						
Wages and salaries	\$ -	\$ 63,369	\$ 63,369	\$ -	\$ 42,190	\$ 42,190
Share-based payments	-	22,547	22,547	-	2,318	2,318
Labour and health insurance fees	-	4,867	4,867	-	3,659	3,659
Pension costs	-	2,831	2,831	-	2,198	2,198
Other personnel expenses	-	3,119	3,119	-	2,034	2,034
Depreciation	-	15,908	15,908	-	9,947	9,947
Amortisation	-	4,690	4,690	-	5,234	5,234

Note : For the years ended December 31, 2024 and 2023, the Company had 65 and 42 employees, including 5 and 6 non-employee directors, respectively.