

HERON NEUTRON MEDICAL CORP.
FINANCIAL STATEMENTS AND INDEPENDENT
AUDITORS' REVIEW REPORT
MARCH 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' REVIEW REPORT TRANSLATED FROM CHINESE

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

Introduction

We have reviewed the accompanying balance sheets of HERON NEUTRON MEDICAL CORP. (the "Company") as at March 31, 2025 and 2024, and the related statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of the Company as at March 31, 2025 and 2024, and of its financial performance and its cash flows for the three months then ended in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission

Li, Tien-Yi

Shu-Chien Pai

For and on Behalf of PricewaterhouseCoopers, Taiwan

May 6, 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
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)

Assets			March 31, 2025		December 31, 2024		March 31, 2024	
Notes			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 620,932	42	\$ 723,966	47	\$ 190,920	24
1136	Financial assets at amortised cost, net-current	6(2)	130,000	9	100,000	7	-	-
1200	Other receivables		27	-	433	-	61	-
1220	Current tax assets		1,048	-	938	-	350	-
130X	Inventories	6(3)	14,498	1	6,372	-	-	-
1410	Prepayments	6(4)	91,080	6	84,441	5	29,371	4
11XX	Total current assets		857,585	58	916,150	59	220,702	28
Non-current assets								
1600	Property, plant and equipment	6(5)	282,319	19	283,957	19	258,273	32
1755	Right-of-use assets	6(6)	300,563	20	304,091	20	12,239	1
1780	Intangible assets	6(7)	37,260	3	36,378	2	40,892	5
1900	Other non-current assets	6(8)	1,426	-	3,806	-	269,587	34
15XX	Total non-current assets		621,568	42	628,232	41	580,991	72
1XXX	Total assets		\$ 1,479,153	100	\$ 1,544,382	100	\$ 801,693	100

(Continued)

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

Liabilities and Equity		Notes	March 31, 2025		December 31, 2024		March 31, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2170	Accounts payable		\$ 347	-	\$ 223	-	\$ -	-
2200	Other payables		35,576	3	39,853	3	22,805	3
2280	Lease liabilities-current		3,961	-	3,964	-	3,918	-
2300	Other current liabilities		329	-	257	-	183	-
21XX	Total current liabilities		40,213	3	44,297	3	26,906	3
Non-current liabilities								
2550	Provisions for liabilities-non-current	6(6)(11)						
			22,292	2	22,113	2	-	-
2580	Lease liabilities-non-current		4,568	-	5,549	-	8,529	1
25XX	Total non-current liabilities		26,860	2	27,662	2	8,529	1
2XXX	Total liabilities		67,073	5	71,959	5	35,435	4
Equity								
	Share capital	6(12)						
3110	Ordinary share		1,406,395	95	1,393,550	90	1,143,550	143
	Capital surplus	6(13)						
3200	Capital surplus		683,323	46	674,865	43	2,858	-
	Retained earnings	6(14)						
3350	Accumulated deficit		(677,638)	(46)	(595,992)	(38)	(380,150)	(47)
3XXX	Total equity		1,412,080	95	1,472,423	95	766,258	96
Significant Contingent Liabilities and 9								
Unrecognised Contract Commitments								
3X2X	Total liabilities and equity		\$ 1,479,153	100	\$ 1,544,382	100	\$ 801,693	100

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

HERON NEUTRON MEDICAL CORP.
STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2025 AND 2024

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

			Three months ended March 31			
			2025		2024	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(15)		\$ 229	100	\$ -	-
5000 Operating costs	6(3)		192	84	-	-
5900 Gross profit from operations			421	184	-	-
Operating expenses	6(20)(21)					
6100 Selling expenses		(	5,024)	(2194)	(2,692)	-
6200 Administrative expenses		(	18,160)	(7930)	(8,938)	-
6300 Research and development expenses		(	60,853)	(26573)	(33,069)	-
6000 Total operating expenses		(	84,037)	(36697)	(44,699)	-
6900 Net operating loss		(	83,616)	(36513)	(44,699)	-
Non-operating income and expenses						
7100 Interest income	6(16)		2,176	950	515	-
7010 Other income	6(17)		36	16	-	-
7020 Other gains and losses	6(18)	(	27)	(12)	-	-
7050 Finance costs	6(19)	(	215)	(94)	(51)	-
7000 Total other non-operating income and expenses			1,970	860	464	-
7900 Loss before income tax		(	81,646)	(35653)	(44,235)	-
7950 Income tax expense	6(22)		-	-	-	-
8200 Loss for the period		(	81,646)	(35653)	(44,235)	-
8500 Total comprehensive loss for the period		(	81,646)	(35653)	(44,235)	-
Losses per share (in dollars)	6(23)					
9750 Basic		(	0.59)	(	0.39)	
	6(23)					
9850 Diluted		(	0.59)	(	0.39)	

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

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

		Capital Reserves		Unappropriated retained earnings (accumulated deficit)	Total equity
	Notes	Ordinary share	Capital surplus, additional paid-in capital	Capital surplus, employee share options	
<u>2024</u>					
Balance at January 1, 2024		\$ 1,140,000	\$ -	\$ 2,318	(\$ 335,915) \$ 806,403
Loss for the period		-	-	-	(44,235) (44,235)
Total comprehensive loss		-	-	-	(44,235) (44,235)
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)	-	-	540	- 540
Balance at March 31, 2024		<u>\$ 1,143,550</u>	<u>\$ 1,288</u>	<u>\$ 1,570</u>	<u>(\$ 380,150) \$ 766,258</u>
<u>2025</u>					
Balance at January 1, 2025		\$ 1,393,550	\$ 654,109	\$ 20,756	(\$ 595,992) \$ 1,472,423
Loss for the period		-	-	-	(81,646) (81,646)
Total comprehensive loss		-	-	-	(81,646) (81,646)
Issuance of employee stock options	6(10)(12)(13)	12,845	8,311	(8,311)	- 12,845
Compensation cost of share-based payment	6(10)(13)(21)	-	-	8,458	- 8,458
Balance at March 31, 2025		<u>\$ 1,406,395</u>	<u>\$ 662,420</u>	<u>\$ 20,903</u>	<u>(\$ 677,638) \$ 1,412,080</u>

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

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

		Three months ended March 31	
	Notes	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 81,646)	(\$ 44,235)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(5)(6)(20)	8,242	2,484
Amortization	6(7)(20)	1,118	1,276
Interest expense	6(19)	215	51
Interest income	6(16)	(2,176)	(515)
Compensation cost of share-based payment	6(10)(21)	8,458	540
Changes in operating assets and liabilities			
Changes in operating assets			
Inventories		(8,126)	-
Other receivables		406	(61)
Prepayments		(6,639)	(1,429)
Other non-current assets		-	(606)
Changes in operating liabilities			
Accounts payable		124	-
Other payables		(3,672)	2,440
Other current liabilities		72	20
Cash outflow generated from operations		(83,624)	(40,035)
Interest received		2,176	515
Interest paid		(36)	(51)
Income tax paid		(110)	(49)
Net cash flows used in operating activities		(81,594)	(39,620)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets measured at amortised cost	6(2)	(30,000)	-
Acquisition of property, plant and equipment	6(5)(24)	(3,701)	(5,308)
Acquisition of intangible assets	6(7)	(2,000)	-
Increase in guarantee deposits paid		2,400	-
Net cash flows used in investing activities		(33,301)	(5,308)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Issuance of employee stock options	6(12)	12,845	3,550
Repayment of lease liabilities	6(25)	(984)	(970)
Net cash flows from financing activities		11,861	2,580
Net decrease in cash and cash equivalents		(103,034)	(42,348)
Cash and cash equivalents at beginning of period	6(1)	723,966	233,268
Cash and cash equivalents at end of period	6(1)	<u>\$ 620,932</u>	<u>\$ 190,920</u>

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

HERON NEUTRON MEDICAL CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 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.

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 May 6, 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 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	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 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
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 11	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 adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2024, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The financial statements of the Company have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Accounting Standard 34, ‘Interim financial reporting’ that came into effect as endorsed by the FSC.

B. These financial statements are to be read in conjunction with the financial statements for the year ended December 31, 2024.

(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 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”) 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 financial statements are disclosed in Note 5.

(3) Income tax

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

(4) Revenue

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 accounting period in which the services are rendered.

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

There have been no significant changes as of March 31, 2025. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Demand deposits	\$ 59,332	\$ 62,366	\$ 50,320
Time deposits	561,600	661,600	140,600
	<u>\$ 620,932</u>	<u>\$ 723,966</u>	<u>\$ 190,920</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

<u>Items</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current items :			
Time deposits	<u>\$ 130,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
Current items :			
Time deposits	\$ 331	\$ 223	\$ -

B. As at March 31, 2025, December 31, 2024 and March 31, 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 \$130,000, \$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

	March 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,792	(\$ 153)	\$ 1,639
Work in progress	7,651	(1,530)	6,121
Finished goods	8,450	(1,712)	6,738
Total	<u>\$ 17,893</u>	<u>(\$ 3,395)</u>	<u>\$ 14,498</u>
	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	<u>\$ 9,959</u>	<u>(\$ 3,587)</u>	<u>\$ 6,372</u>

March 31, 2024 : None.

The cost of inventories recognised as expense for the year :

	Three months ended March 31,	
	2025	2024
Cost of goods sold	\$ -	\$ -
Gain on reversal of decline in market value	(192)	-
	<u>(\$ 192)</u>	<u>\$ -</u>

For the three months ended March 31, 2025, the Company reversed a previous inventory write-down and accounted for as reduction of cost of goods sold because of active inventory closeout.

(4) Prepayments

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Prepayments to suppliers	\$ 48,924	\$ 45,972	\$ -
Accumulated offset against			
VAT tax payable	35,798	34,692	27,842
Other prepayments	<u>6,358</u>	<u>3,777</u>	<u>1,529</u>
	<u>\$ 91,080</u>	<u>\$ 84,441</u>	<u>\$ 29,371</u>

(5) Property, plant and equipment

	<u>2025</u>				
	<u>Machinery and Equipment</u>	<u>Office equipment</u>	<u>Leased improvements</u>	<u>Construction in progress and equipment under acceptance</u>	<u>Total</u>
At January 1					
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>
At January 1	\$ 252,577	\$ 1,685	\$ 14,718	\$ 14,977	\$ 283,957
Additions	596	-	-	2,480	3,076
Reclassifications	269	251	-	(520)	-
Depreciation charge	(3,890)	(195)	(629)	-	(4,714)
At March 31	<u>\$ 249,552</u>	<u>\$ 1,741</u>	<u>\$ 14,089</u>	<u>\$ 16,937</u>	<u>\$ 282,319</u>
At March 31					
Cost	\$ 267,522	\$ 3,872	\$ 20,091	\$ 16,937	\$ 308,422
Accumulated depreciation	(17,970)	(2,131)	(6,002)	-	(26,103)
	<u>\$ 249,552</u>	<u>\$ 1,741</u>	<u>\$ 14,089</u>	<u>\$ 16,937</u>	<u>\$ 282,319</u>

	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	418	-	-	10,604	11,022
Reclassifications	-	-	6,657	(6,657)	-
Depreciation charge	(1,027)	(174)	(304)	-	(1,505)
At March 31	<u>\$ 21,358</u>	<u>\$ 1,404</u>	<u>\$ 12,633</u>	<u>\$ 222,878</u>	<u>\$ 258,273</u>
At March 31					
Cost	\$ 31,212	\$ 3,593	\$ 16,371	\$ 222,878	\$ 274,054
Accumulated depreciation	(9,854)	(2,189)	(3,738)	-	(15,781)
	<u>\$ 21,358</u>	<u>\$ 1,404</u>	<u>\$ 12,633</u>	<u>\$ 222,878</u>	<u>\$ 258,273</u>

A. There were no capitalization of borrowing costs attributable to the property, plant and equipment for the three-month periods ended March 31, 2025 and 2024.

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 \$272,678 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:

	March 31, 2025	December 31, 2024	March 31, 2024
	Carrying amount	Carrying amount	Carrying amount
Buildings	\$ 300,391	\$ 303,887	\$ 11,941
Office equipment (Photocopiers)	172	204	298
	<u>\$ 300,563</u>	<u>\$ 304,091</u>	<u>\$ 12,239</u>
	Three months ended March 31,		
	2025	2024	
	Depreciation charge	Depreciation charge	
Buildings	\$ 3,496	\$ 948	
Office equipment (Photocopiers)	32	31	
	<u>\$ 3,528</u>	<u>\$ 979</u>	

E. For the three months ended March 31, 2025 and 2024, there were no additions to right-of-use assets, respectively.

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

	Three months ended March 31,	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 36	\$ 51
Expense on short-term lease contracts	\$ 201	\$ 89
Expense on leases of low-value assets	\$ 16	\$ 10

G. For the three months ended March 31, 2025 and 2024, the Company's total cash outflow for leases were \$1,237 and \$1,120, respectively.

(7) Intangible assets

	2025		
	Patents	Computer software	Total
At January 1			
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>
At January 1	\$ 36,050	\$ 328	\$ 36,378
Additions — acquired separately	2,000	-	2,000
Amortisation charge	(1,060)	(58)	(1,118)
At March 31	<u>\$ 36,990</u>	<u>\$ 270</u>	<u>\$ 37,260</u>
At March 31			
Cost	\$ 63,800	\$ 1,015	\$ 64,815
Accumulated amortisation	(26,810)	(745)	(27,555)
	<u>\$ 36,990</u>	<u>\$ 270</u>	<u>\$ 37,260</u>

	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
Amortisation charge	(1,030)	(246)	(1,276)
At March 31	<u>\$ 39,140</u>	<u>\$ 1,752</u>	<u>\$ 40,892</u>
At March 31			
Cost	\$ 61,800	\$ 6,693	\$ 68,493
Accumulated amortisation	(22,660)	(4,941)	(27,601)
	<u>\$ 39,140</u>	<u>\$ 1,752</u>	<u>\$ 40,892</u>

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

	Three months ended March 31,	
	2025	2024
Research and development expenses	<u>\$ 1,118</u>	<u>\$ 1,276</u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
Guarantee deposits	\$ 662	\$ 3,062	\$ 3,062
Prepayments for equipment	764	744	-
Other prepayments (Note)	-	-	266,525
	<u>\$ 1,426</u>	<u>\$ 3,806</u>	<u>\$ 269,587</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 March 31, 2025, the other prepayments amounting to \$266,525 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 three months ended March 31, 2025 and 2024, were \$926 and \$564, respectively.

(10) Share-based payment

- A. For the three months ended March 31, 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

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 exercised	(1,284)	10
Options outstanding at March 31	3,728	10
Options exercisable at March 31	50	10

	2024	
	Units of option (shares)	Weighted average exercise price (in NT dollars)
Options outstanding at January 1	867	10
Options granted	4,400	16.82
Options exercised	(2,355)	22.74
Options forfeited	(136)	10
Options outstanding at March 31	2,776	10
Options exercisable at March 31	61	10

C. As of March 31, 2025 and 2024, the exercise price of stock options outstanding was \$10 (in dollars), and the weighted average remaining contractual periods were 4.75~6.32 years and 5.75~6.97 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	2023.01.01	\$ 10.85	\$ 10	40.60%	7 years	1.2276%	\$3.629~\$4.311
Employee stock option	2024.03.22	\$ 15.56	\$ 10	40.60%	7 years	1.3949%	\$6.97~\$7.95
Employee stock option	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

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:

	Three months ended March 31,	
	2025	2024
Equity-settled	\$ 8,458	\$ 540

(11) Provisions

	Decommissioning liabilities	
	2025	2024
At January 1	\$ 22,113	\$ -
Unwinding of discount	179	-
At March 31	<u>\$ 22,292</u>	<u>\$ -</u>
(a) Analysis of total provisions:		
	March 31, 2025	December 31, 2024
Non-current	<u>\$ 22,292</u>	<u>\$ 22,113</u>
		<u>March 31, 2024</u>
		<u>\$ -</u>

(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 March 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 \$1,406,395 with a par value of \$10 (in dollars) per share, consisting of 140,640 thousand shares of ordinary stock.
- B. The Company applies to the competent authority for registration of capital changing based on the employee stock options exercised each quarter. There were 1,285 thousand stock options exercised in this quarter. The registration has not been completed as of March 31, 2025.

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
Issuance of employee stock options	1,285	355
At March 31	<u>140,640</u>	<u>114,355</u>

- 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.

	2025		
	Share premium	Options	Total
At January 1	\$ 654,109	\$ 20,756	\$ 674,865
Employee stock options exercised	8,311 (	8,311)	-
Compensation cost of share-based payment	-	8,458	8,458
At March 31	<u>\$ 662,420</u>	<u>\$ 20,903</u>	<u>\$ 683,323</u>

	2024		
	Share premium	Options	Total
At January 1	\$ -	\$ 2,318	\$ 2,318
Employee stock options exercised	1,288 (	1,288)	-
Compensation cost of share-based payment	-	540	540
At March 31	<u>\$ 1,288</u>	<u>\$ 1,570</u>	<u>\$ 2,858</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

	Three months ended March 31,	
	2025	2024
Service revenue	<u>\$ 229</u>	<u>\$ -</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:

	Three months ended March 31, 2025
Timing of revenue recognition	
At a point in time	<u>\$ 229</u>

March 31, 2024 : None.

(16) Interest income

Three months ended March 31,	
2025	2024
\$ 2,176	\$ 515

(17) Other income

Three months ended March 31,	
2025	2024
\$ 36	\$ -

(18) Other gains and losses

Three months ended March 31,	
2025	2024
(\$ 27)	\$ -

(19) Finance costs

Three months ended March 31,	
2025	2024
\$ 179	\$ -
36	51
\$ 215	\$ 51

(20) Expenses by nature

Three months ended March 31,	
2025	2024
\$ 32,017	\$ 12,976
8,242	2,484
1,118	1,276
\$ 41,377	\$ 16,736

(21) Employee benefit expense

Three months ended March 31,	
2025	2024
\$ 19,549	\$ 10,360
8,458	540
1,853	997
926	564
1,231	515
\$ 32,017	\$ 12,976

- 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 2025, 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 had incurred accumulated losses for the three months ended March 31, 2025 and 2024; therefore, employees' compensation and directors' remuneration have not been estimated.

(22) Income tax

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

(23) Losses per share

Three months ended March 31, 2025			
	Amount	Weighted average number of ordinary shares outstanding	Loss per share
	after tax	(share in thousands)	(in dollars)
<u>Basic loss per share</u>			
Loss attributable to ordinary shareholders	(\$ 81,646)	139,355	(\$ 0.59)
Three months ended March 31, 2024			
	Amount	Weighted average number of ordinary shares outstanding	Loss per share
	after tax	(share in thousands)	(in dollars)
<u>Basic loss per share</u>			
Loss attributable to ordinary shareholders	(\$ 44,235)	114,035	(\$ 0.39)

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:

Three months ended March 31,			
	2025	2024	
Purchase of property, plant and equipment	\$ 3,076	\$ 11,022	
Add: Opening balance of payable on equipment	12,579	1,394	
Add: Ending balance of prepayments on equipment	764	-	
Less: Ending balance of payable on equipment	(11,974)	(6,630)	
Less: Opening balance of prepayments on equipment	(744)	(478)	
Cash paid during the period	<u>\$ 3,701</u>	<u>\$ 5,308</u>	

(25) Changes in liabilities from financing activities

	Three months ended March 31,	
	2025	2024
	Lease liabilities	Lease liabilities
At January 1	\$ 9,513	\$ 13,417
Changes in cash flow from financing activities	(984)	(970)
Interest paid	(36)	(51)
Interest paid on lease liabilities	36	51
At March 31	<u>\$ 8,529</u>	<u>\$ 12,447</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. Other expenses:

Item	Trading Partner	Three months ended March 31,	
		2025	2024
Administrative Support Expenses	YUN RAY	\$ 25	\$ 98
Administrative Support Expenses	VISION	-	333
Other Expenses	HERMES-EPITEK	990	421

(3) Key management compensation

	Three months ended March 31,	
	2025	2024
Short-term employee benefits	\$ 3,383	\$ 1,750
Post-employment benefits	135	90
Share-based payment	2,854	112
Total	<u>\$ 6,372</u>	<u>\$ 1,952</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:

	March 31, 2025	December 31, 2024	March 31, 2024
Property, plant and equipment	\$ 1,682	\$ 10,441	\$ 13,605

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

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
Financial assets at amortised cost			
Cash and cash equivalents	\$ 620,932	\$ 723,966	\$ 190,920
Financial assets at amortised cost	130,000	100,000	-
Other receivables	27	433	61
Guarantee deposits paid	662	3,062	3,062
	<u>\$ 751,621</u>	<u>\$ 827,461</u>	<u>\$ 194,043</u>
<u>Financial liabilities</u>			
Accounts payable	\$ 347	\$ 223	\$ -
Other payables	35,576	39,853	22,805
Lease liabilities	8,529	9,513	12,447
	<u>\$ 44,452</u>	<u>\$ 49,589</u>	<u>\$ 35,252</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, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the three months ended March 31, 2025 and 2024, amounted to \$27 and \$0 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
<u>March 31, 2025</u>	<u>years</u>	<u>2 years</u>	<u>5 years</u>	<u>years</u>
<u>Non-derivative financial liabilities:</u>				
Accounts payable	\$ 347	\$ -	\$ -	\$ -
Liability provision	-	-	-	42,152
Other payables	35,576	-	-	-
Lease liability	4,086	3,387	1,111	-

		Less than 1	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<u>December 31, 2024</u>		<u>years</u>			
<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
<u>March 31, 2024</u>		<u>years</u>	<u>2 years</u>	<u>5 years</u>	<u>years</u>
<u>Non-derivative financial liabilities:</u>					
Other payables	\$	22,805	\$ -	\$ -	\$ -
Lease liability		4,086	4,067	4,499	-

(3) Fair value information

The carrying amounts of the Company's cash and cash equivalents, financial assets at amortised cost, other receivables, guarantee deposits, accounts payable, other payables 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. 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. Strategically, the Company intends to recognize equipment revenue gradually, aiming to deliver one BNCT device annually moving forward. 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:

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 significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

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. Trading in derivative instruments undertaken during the reporting periods: None.

G. 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

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

	Three months ended March 31,	
	2025	2024
Revenue from external customers	\$ 229	\$ -
Segment loss	(\$ 81,646)	(\$ 44,235)
Segment assets	\$ 1,479,153	\$ 801,693

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

None.