

Stock code: 7799



2025 Annual Report

Printed on March 31, 2026

Website for annual report inquiries: <https://mops.twse.com.tw/>

Website of the Company: <https://www.heron-neutron.com/>

- I. Name, title, telephone number, and e-mail address of the spokesman or acting spokesman:
Spokesman: Wen-Cheng Wang
Title: CFO
Email: ir@heron-neutron.com
Tel: 03-5619-366
- Acting Spokesman: Cheng-Sung Lin
Title: Vice President
Email: ir@heron-neutron.com
Tel: 03-5619-366
- II. Address and telephone number of the Company's headquarters, branch offices, and factories:
Headquarters and factory address: No. 66-2, Shengyi 5th Rd., Zhubei City, Hsinchu County
Headquarters and factory telephone number: 03-5619-366
Branch office address and telephone number: None
- III. Name, address, website, and telephone number of the stock transfer agent:
Name: Transfer Agency Department, Fubon Securities Co., Ltd.
Address: 11F, No. 17, Xuchang St., Zhongzheng Dist., Taipei City
Website: <https://www.fubon.com/securities/home/index.htm>
Tel: (02)2361-1300
- IV. Name, firm name, address, website, and telephone number of the certifying CPAs for the most recent annual financial report:
Names of CPAs: Tien-I Li and Shu-Chien Pai
Firm name: PricewaterhouseCoopers Taiwan
Address: 27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City
Website: www.pwc.com.tw
Tel: (02)2729-6666
- V. Name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities: None.
- VI. Website of the Company: <https://www.heron-neutron.com/>

Tables of Content

Chapter 1.	Letter to Shareholders	1
Chapter 2.	Corporate Governance Report.....	4
I.	Information on the company's directors, general manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units.....	4
II.	Remuneration paid during the most recent fiscal year to directors, supervisors, the general manager, and assistant general managers	12
III.	State of the Implementation of Corporate Governance	15
IV.	Information on CPA (External Auditor) Professional Fees.....	58
V.	Information on replacement of certified public accountant.....	58
VI.	Where the Company's Chairperson, President, or managerial officer responsible for finance or accounting matters has, within the most recent year, held a position at the accounting firm of the attesting CPAs or at an affiliated enterprise thereof.....	58
VII.	Changes in Share Transfers and Share Pledges by Directors, Supervisors, Managerial Officers, and Shareholders Holding More Than 10% of the Shares in the Most Recent Fiscal Year and up to the Date of Publication of the Annual Report	58
VIII.	Information on the Relationships Among the Top Ten Shareholders in Terms of Shareholding Percentage.....	59
IX.	Shareholdings in the Same Investee Enterprise Held by the Company's Directors, Managerial Officers, and Enterprises Directly or Indirectly Controlled by the Company, and the Aggregate Shareholding Percentage.	60
Chapter 3.	Information on Capital Raising Activities.....	61
I.	Capital and Shares	61
II.	Issuance of Corporate Bonds.....	64
III.	Preferred Shares.....	64
IV.	Global Depositary Receipts (GDR).....	64
V.	Status of Employee Share Subscription Warrants and New Restricted Employee Shares.....	64
VI.	Status of Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisition of Shares of Other Companies.....	65
VII.	Status of Implementation of Capital Allocation Plans.	65
Chapter 4.	Overview of Business Operations	66
I.	Description of Business.....	66

II. Market and production / sales overview	77
III. Employee Statistics	83
IV. Disbursements for environmental protection.....	83
V. Labor relations.....	83
VI. Cybersecurity management	84
VII. Important contracts	86
Chapter 5. Review and Analysis of Financial Position and Financial Performance and Risk Matters...	89
I. Financial position	89
II. Financial performance	90
III. Cash flows	91
IV. Impact of major capital expenditures in the most recent fiscal year on finance and business	91
V. Reinvestment policy in the most recent fiscal year, main reasons for profit or loss, improvement plans, and investment plans for the coming year.....	92
VI. Risk Matters.....	92
VII. Other important matters.....	98
Chapter 6. Special Notes.....	99
I. Information related to the company's affiliates.	99
II. Status of private placement of securities in the most recent fiscal year and up to the date of publication of the annual report.....	99
III. Other necessary supplementary explanations.....	99
IV. If, in the most recent fiscal year and up to the date of publication of the annual report, any event referred to in Article 36, paragraph 3, subparagraph 2 of the Act occurred that had a material impact on shareholders' rights and interests or the price of securities.....	99

Chapter 1. Letter to Shareholders

Ladies and Gentlemen:

I. Operating Results for 2025

In line with its established business policies and 2025 operating plan, the Company actively advanced the deepening of its core AB-BNCT technology, clinical development, market expansion, and strategic deployment.

On the technology side, the Company continued to optimize the stability and output efficiency of the accelerator-based neutron source, completed upgrades to multiple key subsystems and overall performance verification tests, and significantly improved equipment operational reliability and treatment precision. At the same time, the Company further strengthened the integration capabilities of the treatment planning system, dose simulation models, and clinical operating procedures, refined its risk control and quality verification mechanisms, and ensured the safety, repeatability, and standardization of clinical applications. The Company also conducted data analysis on the in vivo pharmacokinetic characteristics of boron-containing drugs and the tumor-to-normal tissue ratio (T/N ratio), and adjusted dose parameter settings in conjunction with clinical treatment feedback, thereby strengthening its personalized treatment planning capabilities. Through integrated R&D efforts in engineering optimization, physical verification, and clinical data integration, the Company continued to enhance overall system performance, strengthen its technological capabilities, reinforce its intellectual property portfolio, and consolidate its technological leadership in the AB-BNCT field.

In terms of clinical development and medical collaboration, the Company continued to deepen its cooperative relationships with domestic and overseas medical institutions and professional teams, steadily advancing patient enrollment, treatment implementation, and efficacy follow-up for existing indications, while also planning to expand into other cancer indications with significant unmet medical needs. By continuously accumulating clinical data and analyzing long-term follow-up results, the Company has gradually established a comprehensive body of evidence. It also actively participated in international academic conferences and professional forums, where it presented research findings and clinical experience, enhancing its academic visibility and professional influence within the global BNCT community and laying a solid foundation for subsequent market expansion and commercialization.

In terms of market expansion and operational deployment, the Company actively participated in international professional exhibitions and industry exchange events to expand potential collaboration opportunities and enhance the brand's international visibility. At the same time, it prudently evaluated overseas market cooperation models and technology export strategies, while continuously optimizing its business model and revenue structure. In addition, in response to industry trends and future expansion needs, the Company continued to strengthen its internal governance framework and quality management system, improve the standardization of manufacturing processes and the efficiency of supply chain integration, and implement cost control and risk management mechanisms, thereby further enhancing overall operating efficiency and financial soundness.

Analysis of financial income and expenditures and profitability for 2025:

Unit: NT\$ thousand

Item		2025	2024	Increase/ Decrease	Increase (decrease) %
Financial income and expenditures	Operating revenue	10,308	-	10,308	-
	Gross profit	(256,782)	(3,587)	(22,195)	618.76
	Net profit after tax	(481,666)	(260,077)	(221,589)	85.20
Profitability	Return on asset (%)	(7.33)	(21.85)	14.52	(66.45)
	Return on equity (%)	(7.43)	(22.83)	15.40	(67.46)
	Ratio of profit before tax to paid-in capital (%)	(30.57)	(18.66)	(11.91)	63.83
	Net profit margin (%)	(4,672.74)	-	(4,672.74)	-
	Earnings per share (NT\$)	(3.31)	(2.04)	(1.27)	62.25

Note: The Company did not prepare annual public financial forecasts; therefore, no budget execution analysis is available.

Overall, in 2025, the Company made steady and meaningful progress in multiple areas, including the deepening of technology R&D, the advancement of clinical applications, the expansion of international collaboration, and the strengthening of operational management. These achievements laid a more solid foundation for subsequent commercialization, scale expansion, and long-term sustainable growth, while enabling the Company to continue moving toward its goal of becoming a key driver in the global field of precision cancer treatment.

II. Business plan and development strategy for the current year (2026)

(I) Business plan and development strategy

The Company will continue to enhance its AB-BNCT system, expand into new indications, deepen its presence in the Taiwan market and establish demonstration centers, expand into the Asian market and enter the U.S. and European markets, and strengthen collaboration with leading medical institutions worldwide. Through these efforts, the Company aims to demonstrate the clinical efficacy and market value of its technology, promote the establishment of standardized treatment workflows, and build a strong brand image and market trust.

(II) Sales volume forecast and the basis thereof

The Company has not prepared public financial forecasts; therefore, this is not applicable.

III. Effect of external competition, the legal environment, and the overall business environment

As BNCT technology becomes more widely promoted, more international competitors are entering the market, intensifying market competition. The Company's response strategy is to continue technological innovation and maintain its technological leadership and market competitiveness through the ongoing development of next-generation AB-BNCT equipment and novel drugs.

Medical device approvals: Regulatory requirements for medical devices and pharmaceuticals vary from country to country, which may increase the difficulty of entering new markets. The Company's response strategy is to accelerate approvals in various jurisdictions and expand globally through international collaboration, including cooperation with internationally renowned medical institutions and research centers to conduct multicenter clinical trials.

Because BNCT is an emerging precision radiotherapy technology, clinical experience is still being accumulated. Treatment workflows and clinical guidelines have not yet been fully standardized, and most physicians still require time to learn and adapt to the technology and its practical application. The Company will continue to build clinical evidence and promote standardized treatment workflows through physician training, the establishment of clinical demonstration centers, and collaboration with international medical institutions, thereby gradually developing consensus based clinical guidelines and enhancing physician confidence and clinical adoption.

Guided by the vision of "innovative cancer care technology to extend the length and breadth of life" and the mission of "to become a trusted global leader in the BNCT field, provide precision cancer treatment, and serve as a total solution provider for BNCT", Heron Neutron pursues a concentric circle development strategy centered on BNCT technology. The Company remains committed to the path of technological innovation, validating theory through practice and laying the foundation for innovation through theory. With a people oriented philosophy, a focus on the end from the outset, and a commitment to prudent operations, the Company integrates cross disciplinary technologies and brings together cross disciplinary talent. With the aspiration of building a leading BNCT industry brand through sustainable development, the Company will continue to maximize value for shareholders.

Chin-Yung Shu, Chairperson

Chapter 2. Corporate Governance Report

I. Information on the company's directors, general manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units

(I) Directors

1. Information on directors and independent directors

March 29, 2026; Unit: shares

Job title (Note 1)	Nationality or place of registration	Name	Gender Age	Date of election/appoint ment to the current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Notes
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relationship	
Chairperson	R.O.C.	HonSean-JY Company Limited	-	2025.01.14	3 years	2025.01.14	919,391	0.66%	919,391	0.58%	-	-	-	-	-	-	-	-	-	-
	R.O.C.	Representative: Chin-Yung Shu	Male 71 – 80 years old	2025.01.14	3 years	2017.07.25	-	-	-	-	-	-	-	-	Education: Master's degree in Institute of EO Engineering from National Chiao Tung University Experiences: Director, Hermes-Epitek Corporation	Chairperson, Huntertex Corp. Chairperson, HonSean-JY Company Limited Director, JadeYale-CY Company Limited Director, HAN SHIN CORP. Corporate Director Representative and Chairperson, Shinyu light Co., Ltd. Corporate Director Representative and Director, Episil Technologies Inc. Corporate Director Representative and Director, Giga Solar Materials Corp. Director, Hermes-Epitek Corporation	-	-	-	-
Directors	R.O.C.	Han Hsin Investment Corp.	-	2025.01.14	3 years	2020.05.28	27,960,788	20.06%	27,960,788	17.70%	-	-	-	-	-	Director, HERMES TESTING SOLUTIONS INC. Chairperson, Voltraware Semiconductor Co., Ltd. Director, Helios Bioelectronics Inc.	-	-	-	-
	Singapore	Representative: Archie Hwang	Male 71 – 80 years old	2025.01.14	3 years	2017.07.25	-	-	-	-	-	-	-	-	Education: Department of Electrophysics, National Chiao Tung University Experiences: Chairperson, Hermes-Epitek Corporation	Chairperson, Hermes-Epitek Corporation	Directors	Sue Lin	Husband and wife	-
Directors	R.O.C.	Han Hsin Corp.	-	2025.01.14	3 years	2020.05.28	21,009,000	15.08%	21,009,000	13.30%	-	-	-	-	-	Chairman, SHINYU LIGHT CO., LTD. Director, SWIROC CORP. Director, NDV Therapeutics Corporation	-	-	-	-
	Singapore	Representative: Sue Lin	Female 71 – 80 years old	2025.01.14	3 years	2017.07.25	-	-	-	-	-	-	-	-	Education: Executive Master of Business Administration, National Chiao Tung University Experiences: Vice Chairperson, Hermes- Epitek Corporation	Vice Chairperson, Hermes-Epitek Corporation	Directors	Archie Hwang	Husband and wife	-

Job title (Note 1)	Nationality or place of registration	Name	Gender Age	Date of election/appoint- ment to the current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Notes
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relationship	
Directors	R.O.C.	SINCERE HOLDING COMPANY	-	2025.01.14	3 years	2017.07.25	17,377,0 71	12.47%	17,377,07 1	11.00%	-	-	-	-	-	Chairperson, Episil Technologies Inc. Chairperson, SYNASPIRE CORP. Chairperson, NanoClean Materials Co., LTD. Chairperson, NDV Therapeutics Corporation Chairperson, Antaimmu BioMed Co., Ltd. Chairperson, Hepius Care Inc. Chairperson, GENESE INTELLIGENT TECHNOLOGY CO., LTD. Director, GIGA SOLAR MATERIALS CORP. Director, Hermes Advanced Therapy Systems Corp. Director, SINGULAR WINGS MEDICAL CO., LTD.	-	-	-	-
	R.O.C.	Representative: Amy Chen	Female 51 – 60 years old	2025.01.14	3 years	2025.01.14	-	-	-	-	-	-	-	-	Education: Master of Accountancy, The George Washington University Experiences: Member, Taxation Committee, National Federation of CPA Associations of the R.O.C.	Partner, Cordiality Justice Service CPAs & Co. Supervisor, Shih Pu Investment Co., Ltd.	-	-	-	-
Independent Director	R.O.C.	Chyan Yang	Male 71 – 80 years old	2025.01.14	3 years	2025.01.14	-	-	-	-	-	-	-	-	Education: PhD in Computer Science, University of Washington Experience: Professor, College of Management, National Yang Ming Chiao Tung University Director, Executive Master of Business Administration, National Yang Ming Chiao Tung University	Adjunct Professor, College of Management, National Yang Ming Chiao Tung University Director, Chia Chang Co., Ltd. Independent Director, NOVA TECHNOLOGY CORP. Independent Director, Cheng Mei Instrument Technology Co., Ltd.	-	-	-	-
Independent Director	R.O.C.	Jay Hsieh	Male 51 – 60 years old	2025.01.14	3 years	2025.01.14	-	-	-	-	-	-	-	-	Education: Executive Master of Business Administration, College of Technology Management, National Tsing Hua University Experiences: Chairperson, Bojal Co., Ltd Chairperson, Izo Health Care Co., Ltd	Chairperson and Chief Executive Officer, IZO HEALTH CARE CO., LTD.	-	-	-	-

2. Major Shareholders of Corporate Shareholders

March 31, 2026

Name of corporate shareholder	Major Shareholders of Corporate Shareholders
HonSean-JY Company Limited	Chin-Yung Shu 39.38%, Kuei-Hua Li 37.91%, Ching-Hsiang Hsu 22.71%
Han Hsin Investment Corp.	Cathay United Bank Co., Ltd., Trustee for the Public Interest Trust Yeh Tz Social Welfare Fund Account 36.50% Han Hsin Corp. 35.25% Hermes-Epitek Corp. 9.00% HONDER HOLDINGS LTD. 8.75% VISION HOLDINGS LTD. 6.25% SINCERE HOLDING COMPANY 4.25%
Han Hsin Corp.	HERM INVESTMENT CO. LTD. 31.67% SENDRIIN INVESTMENT CORP. 20.00% Hui-Chiang Lu 18.33% Archie Hwang 18.33% Cathay United Bank Co., Ltd., Trustee for the Public Interest Trust Yeh Tz Social Welfare Fund Account 10.00% SINCERE HOLDING COMPANY 1.67%
SINCERE HOLDING COMPANY	Cathay United Bank Co., Ltd., Trustee for the Public Interest Trust Yeh Tz Social Welfare Fund Account 100%

Form 2: If any Major Shareholder Listed in Form 1 is a Corporate/Juristic Person, List its Major Shareholders in this Form

March 31, 2026

Name of corporate shareholder	Major Shareholders of Corporate Shareholders
Hermes-Epitek Corp.	Fortis Corp. 69.13% Archie Hwang 11.55% Hui-Chiang Lu 8.49% Sue Lin 4.57% Mei-Yun Huang 2.50% HonSean-JY Company Limited 2.04% VISION HOLDINGS LTD. 1.24% JadeYale-CY Company Limited 0.48%
VISION HOLDINGS LTD.	Fortis Corp. 80.00% Archie Hwang 8.30% Sue Lin 4.46% Hui-Chiang Lu 3.86% Mei-Yun Huang 2.38% JadeYale-CY Company Limited 1.00%
HONDER HOLDINGS LTD.	Fortis Corp. 76.00% Cathay United Bank Co., Ltd., Trustee for the Public Interest Trust Yeh Tz Social Welfare Fund Account 11.88% Mei-Yun Huang 6.00% Hui-Chiang Lu 3.60% HERM INVESTMENT CO. LTD. 2.40% SINCERE HOLDING COMPANY 0.12%

Name of corporate shareholder	Major Shareholders of Corporate Shareholders
SENDRIN INVESTMENT CORP.	Fortis Corp. 84.00% Cathay United Bank Co., Ltd., Trustee for the Public Interest Trust Yeh Tz Social Welfare Fund Account 8.00% Hui-Chiang Lu 4.00% Mei-Yun Huang 4.00%
HERM INVESTMENT CO. LTD.	Hermes-Epitek Corp. 100%
Cathay United Bank Co., Ltd., Trustee for the Public Interest Trust Yeh Tz Social Welfare Fund Account	Not applicable

3. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors:

Name	Qualification	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Representative of HonSean-JY Company Limited: Chin-Yung Shu, Chairperson.		1. For related educational background and work experience, please refer to (1) Information on Directors and Independent Directors. 2. None of the circumstances specified in any subparagraph of Article 30 of the Company Act applied.	Not applicable	0
Representative of Han Hsin Investment Corp.: Archie Hwang, Director		1. For related educational background and work experience, please refer to (1) Information on Directors and Independent Directors. 2. None of the circumstances specified in any subparagraph of Article 30 of the Company Act applied.		0
Representative of Han Hsin Corp.: Sue Lin, Director		1. For related educational background and work experience, please refer to (1) Information on Directors and Independent Directors. 2. None of the circumstances specified in any subparagraph of Article 30 of the Company Act applied.		0
Representative of SINCERE HOLDING COMPANY: Amy Chen, Director		1. For related educational background and work experience, please refer to (1) Information on Directors and Independent Directors. 2. None of the circumstances specified in any subparagraph of Article 30 of the Company Act applied.		0

Name \ Qualification	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Chyan Yang, Independent Director	1. For related educational background and work experience, please refer to (1) Information on Directors and Independent Directors. 2. None of the circumstances specified in any subparagraph of Article 30 of the Company Act applied.	1. The independent directors themselves, their spouses, and relatives within the second degree of kinship have not served as directors, supervisors, or employees of the Company or any of its affiliates.	2
Jay Hsieh, Independent Director	1. For related educational background and work experience, please refer to (1) Information on Directors and Independent Directors. 2. None of the circumstances specified in any subparagraph of Article 30 of the Company Act applied.	2. The independent directors themselves, their spouses, and relatives within the second degree of kinship have not held any shares of the Company, whether in their own names or in the names of others. 3. They have not served as directors, supervisors, or employees of any company having a specific relationship with the Company. 4. They have not provided the Company or any of its affiliates with commercial, legal, financial, or accounting services in the most recent two years.	0

4. Board diversity and independence

The Board of Directors guides business strategy, supervises management, and reviews the operation of corporate governance. It exercises its powers in accordance with applicable laws and regulations and the resolutions of shareholders' meetings, is accountable to the Company, shareholders, and employees, and strives to continuously enhance the Company's operating performance.

In accordance with the "Articles of Incorporation" and the "Procedures for Election of Directors", all directors are elected under a candidate nomination system. Candidates are evaluated based on their academic and professional backgrounds, and are elected by the shareholders' meeting from the list of candidates. The relevant rules and procedures are disclosed on the Company's website and the Market Observation Post System.

The Company has formulated an appropriate policy on diversity based on its business operations, operating dynamics, and development needs, including basic requirements and qualifications, professional backgrounds, and industry experience, so as to ensure the fitness, independence, and professionalism of the composition of the Board of Directors. Members of the Board of Directors shall possess the following two general standards:

- A. Basic requirements and values: Gender, age, nationality, and culture.
- B. Professional knowledge and skills: A professional background, such as law, accounting, industry, finance, marketing, or technology, as well as professional skills and industry experience.

Each Board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the Board as a whole are as follows:

- A. The ability to make operational judgment.
- B. Accounting and financial analysis ability.
- C. Business management ability.
- D. Crisis management ability.
- E. Knowledge of the industry.
- F. An international market perspective.
- G. Leadership ability.
- H. Decision-making ability.

In the selection of directors, the Company places emphasis on ensuring that more than half of the directors possess industry backgrounds or capabilities in overall planning, leadership, and management. The current fourth Board of Directors consists of six directors, of whom four have professional backgrounds in the biotechnology and medical industry. All members have experience in business and finance, business administration, marketing and sales, and leadership and decision-making, and possess the professional knowledge and skills necessary to perform their duties. They also actively participate in Board meetings and engage with management on business decisions. The following provides a quantitative summary and explanation of how the composition of the Board of Directors reflects the implementation of the diversity policy:

The Company advocates and follows a policy of director diversity. To strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the Company believes that a diversity policy helps enhance overall corporate performance. The selection of Board members is based on merit, and the members possess diverse and complementary capabilities across industries, as well as their own professional knowledge, skills, and industry experience.

The election procedures for all directors of the Company are conducted in accordance with the Company Act, the Company's "Articles of Incorporation", and the "Procedures for Election of Directors", and directors are elected by the shareholders' meeting. The Company's Board of Directors consists of six directors. Each member possesses extensive industry experience and academic expertise, and has a certain degree of understanding of the Company and the industry, enabling them to provide timely and effective business recommendations to the Company.

The Company's Board of Directors currently consists of six directors. Among them, there is no circumstance in which more than half of the seats are held by persons having a spousal relationship or a relationship within the second degree of kinship as specified in Article 26-3, Paragraph 3 of the Securities and Exchange Act. In addition, the

Company also pays attention to gender equality in the composition of the Board of Directors. There are two female directors, accounting for 33.33% of the Board.

The Company originally had three independent directors, all of whom met the relevant independence requirements under the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. However, one of the independent directors resigned on March 11, 2026 for personal reasons. The Company will hold a by-election for one independent director at the next shareholders' meeting.

5. Implementation of Board diversity is as follows:

Name/title	Basic composition					Capabilities and experience			Professional knowledge	
	Gender	Nationality	Age	Concurrent position as employee of the Company	Years of service as an independent director	Business management	Marketing and sales	Leadership and decision-making	Finance and accounting	Biotechnology and medical care
Representative of HonSean-JY Company Limited: Chin-Yung Shu, Chairperson.	Male	R.O.C.	71 to 80	-	-	⊙	⊙	⊙	⊙	⊙
Representative of Han Hsin Investment Corp.: Archie Hwang, Director	Male	Singapore	71 to 80	-	-	⊙	⊙	⊙	⊙	⊙
Representative of Han Hsin Corp.: Sue Lin, Director	Female	Singapore	71 to 80	-	-	⊙	⊙	⊙	⊙	⊙
Representative of SINCERE HOLDING COMPANY: Amy Chen, Director	Female	R.O.C.	51 to 60	-	-	⊙	⊙	⊙	⊙	-
Chyan Yang, Independent Director	Male	R.O.C.	71 to 80	-	1	⊙	⊙	⊙	⊙	-
Jay Hsieh, Independent Director	Male	R.O.C.	51 to 60	-	1	⊙	⊙	⊙	-	⊙

(II) Information on the general manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units

March 29, 2026; Unit: shares

Job title	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Notes
					No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relationship	
President	R.O.C.	Hsiao-Lien Shen	Male	2020/09/10	412,000	0.26%	-	-	-	-	Executive Master of Business Administration, National Yang Ming Chiao Tung University President, Chief Financial Officer, and Spokesperson, Hermes Microvision, Inc. Project Lead for the merger between Hermes Microvision, Inc. and ASML and the post merger integration project Member of the Taiwan management team, ASML	Chief Financial Officer, Chu Ming Medical Foundation Director, Ningbo Borui Strontium Electron Beam Technology Co., Ltd. Manager, Ningbo Jurui Precision Instruments Co., Ltd. Director, Focus e-Beam Technology (Beijing) Co., Ltd. Corporate Director Representative and Chairperson, NDV Therapeutics Corporation Corporate Director Representative and Chairperson, GENESE INTELLIGENT TECHNOLOGY CO., LTD. Corporate Director Representative, Hepius Care Inc. Corporate Director Representative, GlintMed Innovation Co., Ltd. Corporate Director Representative, Voltraware Semiconductor Co., LTD. Corporate Director Representative, 3R LIFE SCIENCES LTD. Chairperson, ENERGIC TECHNOLOGIES CORPORATION Corporate Director Representative, SwiRoc Corp. Corporate Director Representative, Helios Bioelectronics Inc.	None	None	None	None
Vice President, R&D Engineering Center	R.O.C.	Wei-Ling Chen	Male	2022/09/01	304,019	0.19%	-	-	-	-	Technical Director, BNCT Center, National Tsing Hua University Technical Director, Zhongboron Medical Devices Co., Ltd.	-	None	None	None	None
Vice President, Clinical Medicine Center/Acting Spokesperson	R.O.C.	Cheng-Sung Lin	Male	2024/03/01	190,000	0.12%	-	-	-	-	Project Manager, Hermes-Epitek Corporation Project Management, Hermes Microvision, Inc.	-	None	None	None	None
Vice President, Operations Management Center/Chief Financial Officer/Spokesperson	R.O.C.	Wen-Chen Wang	Male	2024/05/01	168,000	0.11%	20,000	0.01%	-	-	Bachelor of Arts in Finance, National Chengchi University Chief Financial Officer, Advanced Ion Beam Technology, Inc. Associate Vice Director, Finance Division, Phoenix Precision Technology Corporation Business Management Specialist, Hon Hai Precision Industry Co., Ltd. Manager, PricewaterhouseCoopers Taiwan	Cpsultant, Advanced Ion Beam Technology, Inc. Corporate Director Representative and Chairperson, BUYGAILY TECHNOLOGY CORP.	None	None	None	None
Deputy General Manager	R.O.C.	Yen-Da Wu	Male	2020/11/09	247,500	0.16%	-	-	-	-	Executive Master of Business Administration, National Yang Ming Chiao Tung University Ph.D. Program, College of Life Sciences, National Tsing Hua University (currently enrolled) General Manager, AD ELECTRONICS CORP.	-	None	None	None	None

II. Remuneration paid during the most recent fiscal year to directors, supervisors, the general manager, and assistant general managers
(I) Remuneration to Ordinary Directors and Independent Directors

Unit: NT\$ thousand; %

Job title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Base compensation (A)		Retirement pay and pension (B)		Director profit sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit sharing compensation (G)						
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	Amount in cash	Amount in stock	Amount in cash	Amount in stock	The Company	All consolidated entities	
Chairperson	HonSean-JY Company Limited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Representative: Chin-Yung Shu	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Directors	Han Hsin Investment Corp.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Representative: Archie Hwang	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Directors	HAN SHIN CORP.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Representative: Sue Lin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Directors	SINCERE HOLDING COMPANY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Representative: Amy Chen	0	0	0	0	0	0	40	40	40 (0.01)	40 (0.01)	0	0	0	0	0	0	0	0	40 (0.01)	40 (0.01)	0
Independent Director	Chyan Yang	0	0	0	0	0	0	130	130	130 (0.03)	130 (0.03)	0	0	0	0	0	0	0	0	130 (0.03)	130 (0.03)	0
Independent Director	Chih-Chieh Lin (Note 1)	0	0	0	0	0	0	130	130	130 (0.03)	130 (0.03)	0	0	0	0	0	0	0	0	130 (0.03)	130 (0.03)	0
Independent Director	Jay Hsieh	0	0	0	0	0	0	150	150	150 (0.03)	150 (0.03)	0	0	0	0	0	0	0	0	150 (0.03)	150 (0.03)	0

Note: Independent Director Chih-Chieh Lin resigned on March 11, 2026.

(II) Remuneration to Supervisors

Following the comprehensive reelection at the special shareholders' meeting on January 14, 2025, the Company established an Audit Committee, and the supervisors were automatically discharged.

(III) Remuneration to President and Vice Presidents

Unit: NT\$ thousand; %

Job title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C) (Note 1)		Employee profit sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President	Hsiao-Lien Shen	3,799	3,799	108	108	9,699	9,699	0	0	0	0	13,606 (2.82%)	13,606 (2.82%)	-
Vice President, R&D Engineering Center	Wei-Ling Chen	2,279	2,279	108	108	6,638	6,638	0	0	0	0	9,025 (1.87%)	9,025 (1.87%)	-
Vice President, Clinical Medicine Center	Cheng-Sung Lin	2,342	2,342	108	108	6,431	6,431	0	0	0	0	8,881 (1.84%)	8,881 (1.84%)	-
Vice President, Operations Management Center	Wen-Chen Wang	2,342	2,342	108	108	7,058	7,058	0	0	0	0	9,508 (1.97%)	9,508 (1.97%)	-
Vice President	Yen-Da Wu	1,719	1,719	108	108	3,461	3,461	0	0	0	0	5,288 (1.10%)	5,288 (1.10%)	-

Note: Includes salary expense recognized in connection with employee stock options granted.

(IV) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past two fiscal years to directors, President, and Vice President, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

1. Total remuneration paid to the Company's directors, President, and Vice Presidents during the past two fiscal years as a percentage of net income

Job title	Total remuneration as a percentage of net income in 2024 (%)		Total remuneration as a percentage of net income in 2025 (%)	
	The Company	All consolidated entities	The Company	All consolidated entities
Directors	-	-	(0.09%)	(0.09%)
President and Vice Presidents	(8.31%)	(8.31%)	(9.61%)	(9.61%)

2. Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

- (1) Directors and supervisors: The Company's policy for remuneration paid to directors and supervisors mainly consists of compensation and remuneration distributed from earnings. Compensation is determined with reference to the prevailing standards in the same industry, while the distribution of remuneration is based on the Company's annual operating results. In accordance with the Articles of Incorporation, such remuneration shall not exceed 3% of the profit of the current year, and shall be submitted to the Board of Directors for resolution and reported to the shareholders' meeting. As the Company remained in a loss position through 2025, no remuneration was paid to directors.
- (2) President and Vice Presidents: The Company's policy for remuneration paid to the President and Vice Presidents includes salaries, bonuses, employee stock options, and employee remuneration. The levels of salaries and bonuses are determined based on their contributions to the Company and with reference to prevailing standards in the same industry. The standard for distributing employee remuneration is determined based on the Company's annual operating results. In accordance with the Articles of Incorporation, the Company shall distribute no less than 1% of the profit status of the current year as employee remuneration. Employee remuneration may be distributed in stock or cash, and such distribution shall be resolved by the Board of Directors and reported to the shareholders' meeting.
- (3) Linkage to operating performance and future risk exposure: In paying remuneration to directors, supervisors, the President, and the Vice Presidents, the Company has taken into account the future operating risks it may face and the correlation with its operating performance, with a view to achieving a balance between sustainable operation and risk management.

III. State of the Implementation of Corporate Governance

(I) Operations of the Board of Directors:

1. The number of Board meetings held in 2025 and up to the publication date of annual report was 7; the attendance of directors was as follows:

Job title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Remark
Chairperson	Representative of HonSean-JY Company Limited: Chin-Yung Shu	7	0	100.00	
Directors	Representative of Han Hsin Investment Corp.: Archie Hwang	6	0	85.71	
Directors	Representative of Han Hsin Corp.: Sue Lin	5	1	71.43	
Directors	Representative of SINCERE HOLDING COMPANY: Amy Chen	7	0	100.00	
Independent Director	Chyan Yang	7	0	100.00	
Independent Director	Chih-Chieh Lin	7	0	100.00	Resigned on March 31, 2026
Independent Director	Jay Hsieh	7	0	100.00	

Other information required to be disclosed:

I. If any of the following circumstances exists, specify the Board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:

(I) Any matter under Article 14-3 of the Securities and Exchange Act.

The Company has established an Audit Committee. For details, please refer to the matters specified in Article 14-5 of the Securities and Exchange Act under the section on the operation of the Audit Committee on pages 17 to 18.

In 2025 and up to the date of publication of the annual report, the Company convened a total of seven Board meetings. For the details of the resolutions, please refer to pages 43 to 45 of the annual report. All matters specified in Article 14-3 of the Securities and Exchange Act were passed without objection from any independent director.

(II) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any Board resolution: None.

II. Director recusals with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted:

Date of Board meeting	Content of the motion	Directors subject to recusal and cause for recusal	Participation in voting
2025/03/27	Proposed execution of a sale and purchase agreement with a related party	Chairperson Chin-Yung Shu, Director Archie Hwang, Director Sue Lin, and Director Amy Chen recused themselves and left the meeting due to a personal interest in this motion.	They did not participate in the discussion or voting on this motion.
2025/05/06	Appointment of members to the 1st term of Sustainability Development Committee	Director Amy Chen and Independent Director Chyan Yang recused themselves and left the meeting due to a personal interest in this motion.	They did not participate in the discussion or voting on this motion.
2025/07/24	Amendment to the sale and purchase agreement with a related party	Chairperson Chin-Yung Shu, Director Archie Hwang, Director Sue Lin, and Director Amy Chen recused themselves and left the meeting due to a personal interest in this motion.	They did not participate in the discussion or voting on this motion.

III. Evaluation cycle and period, scope of evaluation, evaluation method, and evaluation content of the self-evaluation conducted by the Board of Directors:

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation content
Performed once a year	January 1, 2025 ~ December 31, 2025	Performance of the board as a whole, the individual directors, and the functional committees (Remuneration Committee)	Performance evaluation was conducted through internal self-evaluation of the Board of Directors and self-evaluation by individual Board members	<p>(I) Performance evaluation indicators for the Board of Directors as a whole</p> <ol style="list-style-type: none"> 1. Degree of participation in the operation of the Company 2. Enhancement of the quality of the Board's decision-making 3. Board composition and structure 4. Election and continuing education of directors 5. Internal control <p>(II) Performance evaluation indicators for individual Board members</p> <ol style="list-style-type: none"> 1. Understanding of the Company's goals and missions 2. Awareness of directors' duties 3. Degree of participation in the operation of the Company 4. Management of internal relationships and communication 5. Professional competence and continuing education of directors 6. Internal control

					<p>(III) Performance evaluation indicators for functional committees as a whole, namely, the Remuneration and Nomination Committee and the Audit Committee</p> <ol style="list-style-type: none"> 1. Degree of participation in the operation of the Company 2. Awareness of the duties of functional committees 3. Enhancement of the quality of decision-making by functional committees 4. Composition of functional committees and selection of committee members 5. Internal control <p>(IV) Performance evaluation indicators for the Sustainable Development Committee as a functional committee</p> <ol style="list-style-type: none"> 1. Degree of participation in the operation of the Company 2. Awareness of the duties of functional committees 3. Enhancement of the quality of decision-making by functional committees 4. Composition of functional committees and selection of committee members
--	--	--	--	--	---

The Company completed the Board performance self-evaluation for 2025, and the evaluation results were reported to the Board of Directors in the first quarter of 2026. The average score for the self-evaluation of the Board of Directors as a whole was 97.46, and the average score for the self-evaluation of individual directors was 99.50, indicating that the Board operated effectively. The average self-evaluation score for the Remuneration and Nomination Committee and the Audit Committee was 98.40, and the average self-evaluation score for the Sustainable Development Committee was 99.22, indicating sound overall performance.

IV. Evaluation of the goals for strengthening Board functions during the current year and the most recent year, such as the establishment of the Audit Committee and enhancement of information transparency, and the status of implementation:

- (I) The Board of Directors has authorized the Audit Committee, the Remuneration and Nomination Committee, and the Sustainable Development Committee established thereunder to assist the Board in carrying out its supervisory duties. In accordance with applicable regulations, proposals required to be submitted to the Board of Directors for resolution are first approved by the relevant committee and then submitted to the Board of Directors for approval and implementation.
- (II) To strengthen corporate governance operations, the Company established the Remuneration Committee on October 4, 2024, and renamed it the Remuneration and Nomination Committee on December 10, 2025. It established the Audit Committee on January 14, 2025, and the Sustainable Development Committee on May 6, 2025.
- (III) At the special shareholders' meeting held on January 14, 2025, the Company completed the re-election of the 4th-term directors and elected seven directors, including three female directors and three independent directors.
- (IV) In 2025, the Company arranged two continuing education courses for directors: AI and sustainable transformation - executive compensation management and talent

development; corporate responses to carbon rights and carbon asset management under the operation of global carbon trading mechanisms.

(II) Operations of the Audit Committee

1. The number of Audit Committee meetings held in 2025 and up to the publication date of annual report was 6; the attendance of independent directors was as follows:

Job title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Notes
Independent Director	Chyan Yang	6	0	100.00	-
Independent Director	Chih-Chieh Lin	6	0	100.00	Resigned on March 31, 2026
Independent Director	Jay Hsieh	6	0	100.00	-

Other information required to be disclosed:

I. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:

1. Any matter under Article 14-5 of the Securities and Exchange Act:

In 2025 and up to the date of publication of the annual report, the Audit Committee convened a total of 6 meetings. The details of the resolutions are set forth in Note 1 (please refer to pages 17 to 18). All matters specified in Article 14-5 of the Securities and Exchange Act were approved by the Audit Committee without objection.

2. In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the Board of Directors.

II. Independent director recusal with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the director voted:

In 2025 and up to the date of publication of the annual report, there were no matters involving a conflict of interest requiring recusal by any independent director on the Audit Committee.

III. Communication between the independent directors and the chief internal audit officer and the CPAs (including any significant matters communicated with respect to the state of the company's finances and business and the method(s) and outcomes of the communication.)

1. The audit reports completed monthly by the chief internal audit officer are submitted to each independent director for review, and the progress of internal control audits, including completed audit items and any irregularities, is reported at meetings of the Audit Committee and the Board of Directors. The content of the internal control system is also reviewed, and if any revision is required, the Internal Audit Office shall submit the proposed revision to the Audit Committee for approval and then to the Board of Directors for resolution.

2. The Company's certifying CPAs attend meetings of the Audit Committee and the Board of Directors to report the audit or review results of the quarterly financial reports and other communication matters required under applicable laws and regulations. If any special circumstances arise, they will also report promptly to the members of the Audit Committee. No such special circumstances occurred in 2025 and up to the date of publication of the annual report. The Company's Audit Committee maintained good communication with the certifying CPAs.
3. In 2025 and up to the date of publication of the annual report, the Company convened a total of six separate meetings between the independent directors, the CPAs, and the chief internal audit officer, with no general directors or members of management present. The meetings covered matters audit operations and the CPAs' audit opinions. In addition, the chief internal audit officer and the CPAs may communicate directly with the independent directors whenever necessary. Communication between the independent directors and the CPAs and chief internal audit officer remained good.
4. A summary of the communication between the independent directors and the chief internal audit officer and the CPAs in 2025 and up to the date of publication of the annual report is set out in Note 2 (please refer to page 18). No independent director expressed any dissenting opinion.

Note 1: Disclosure of the Audit Committee's opinions or resolutions on material proposals set out in Article 14-5 of the Securities and Exchange Act.

Date/Session	Content of the motion	Resolution of the Audit Committee	Company's Response to the Audit Committee's Opinions
2025/03/27 1st meeting of 1st term	2024 business report and financial statements of the Company	Approved by all attending committee members	Approved by all attending directors
	Proposal for 2024 deficit compensation		
	Evaluation of the effectiveness of the internal control system for 2024 and the proposal for the "Statement on Internal Control System"		
	Proposal for adoption of the "Plan to Enhance the Company's Ability to Prepare Financial Reports Independently"		
	Proposal for adoption of the "Risk Management Policies and Procedures"		
	Proposal for amendments to the "Policy for Provision for Obsolete and Declined Inventory"		
	Proposal for amendments to the Company's internal control system and implementation rules for internal audits		
	Proposal for evaluation of the independence and competence of the certifying CPAs for the Company's financial reports		
	Proposal for the appointment and remuneration of the certifying CPAs for 2025		
	Execution of a sale and purchase agreement with a related party		
2025/05/06 2nd meeting of 1st term	Financial report for the first quarter of 2025	Approved by all attending	Approved by all attending directors
	Proposal for the evaluation of the effectiveness of the internal control system		

Date/Session	Content of the motion	Resolution of the Audit Committee	Company's Response to the Audit Committee's Opinions
	and the "Statement on Internal Control System" Proposal for review of the "Self-Assessment Report on Corporate Governance Evaluation" Proposal for amendments to the Company's internal control system and implementation rules for internal audits The Company's consolidated financial forecast up to the third quarter of 2025 Proposal for appointment of the Company's corporate governance officer	committee members	
2025/07/24 3rd meeting of 1st term	Financial report for the second quarter of 2025 Proposal for issuance of new shares through cash capital increase for public underwriting prior to initial listing Amendment to the sale and purchase agreement with a related party	Approved by all attending committee members	Approved by all attending directors
2025/10/09 4th meeting of 1st term	Proposal for the Company's planned investment in BenQ BM Holding Cayman Corp. of the Qisda Group (BenQ Medical Center Group Co., Ltd.) Proposal for the Company's planned lease of land from the Hsinchu Science Park Bureau Financial report for the third quarter of 2025	Approved by all attending committee members	Approved by all attending directors
2025/12/10 5th meeting of 1st term	Proposal for the Company's execution of an accelerator technology licensing and transfer agreement with Advanced Cyclotron Systems Inc. Proposal for the Company's 2026 audit plan Proposal for amendments to the Company's internal control system and implementation rules for internal audits	Approved by all attending committee members	Approved by all attending directors
2026/03/10 6th meeting of 1st term	Proposal for capital expenditure budget for the Company's new plant and office construction project 2025 business report and financial statements of the Company Proposal for 2025 deficit compensation Evaluation of the effectiveness of the internal control system for 2025 and the proposal for the "Statement on Internal Control System" Proposal for evaluation of the independence and competence of the certifying CPAs for the Company's financial reports Proposal for the appointment and remuneration of the certifying CPAs for 2026	Approved by all attending committee members	Approved by all attending directors

Note 2: Summary of key communications between the independent directors and the chief internal audit officer and the CPAs

(1) Summary of key communications between the independent directors and the chief internal audit officer

Date	Key communication matters	Results of communication
2025/03/27	Report on audit implementation and improvement of irregularities for 2024, results of the self-assessment of internal control for 2024, and audit operations report for the first quarter of 2025.	No independent director expressed any dissenting opinion.
2025/05/06	Audit operations report for March to April 2025 and results of the self-assessment of internal control for January to March 2025	
2025/07/24	Audit operations report for May to June 2025	
2025/10/09	Audit operations report for July to September 2025	
2025/12/10	Audit operations report for October to November 2025 and audit plan for 2026	
2026/03/10	Results of the self-assessment of internal control for 2025 and audit operations report for January to February 2026	

(2) Summary of key communications between the independent directors and the CPAs

Date	Key communication matters	Results of communication
2025/03/27	Explanation of the audit status and results of the financial report for the fourth quarter of 2024, and discussion of the application of certain accounting principles and the impact of newly amended laws and regulations	No independent director expressed any dissenting opinion.
2025/05/06	Explanation of the review status and results of the financial report for the first quarter of 2025	
2025/07/24	Explanation of the review status and results of the financial report for the second quarter of 2025	
2025/10/09	Explanation of the review status and results of the financial report for the third quarter of 2025	
2025/12/10	Explanation of the audit planning for the 2025 financial statements	
2026/03/10	Scope and materiality of the audit of the 2025 financial report, audit report and key audit matters, other communication matters, and the independence of the CPAs	

(III) Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons:

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
I. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		With reference to the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and taking into account the Company's actual operational circumstances, the Company has adopted its "Corporate Governance Best-Practice Principles" and has duly implemented and disclosed all required information in accordance with relevant laws and regulations in order to protect the rights and interests of investors, stakeholders, and employees.	No material differences.
II. Shareholding Structure and Shareholders' Rights (I) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters? If yes, have these procedures been implemented accordingly?	✓		The Company's spokesperson and stock affairs agent handle shareholders' suggestions, concerns, and other related matters.	No material differences.
(II) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	✓		Through the shareholder register provided by the stock affairs agent and monthly filings on changes in insiders' shareholdings, the Company is able at all times to identify its major shareholders and the parties with ultimate control of such major shareholders.	No material differences.
(III) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	✓		The Company has clearly established the "Procedures for Management of Related Party Transactions" and has continuously implemented them accordingly. At the same time, it evaluates potential risks in accordance with its internal control system.	No material differences.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(IV) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	✓		The Company has adopted the “Management Procedures for Prevention of Insider Trading” to prohibit insiders from trading securities based on undisclosed information in the market.	No material differences.
III. Composition and responsibilities of the Board of Directors (I) Has a diversity policy with specific management objectives been adopted by the Board and fully implemented?	✓		The Company’s “Corporate Governance Best-Practice Principles” set out requirements for the composition of the Board of Directors and the overall capabilities that the Board should possess, and also establish a policy on Board member diversity. The Company currently has seven directors, including four non-independent directors and three independent directors. The composition of the Board reflects diversity in professional background and areas of expertise, and includes three female directors. Accordingly, the Board possesses the diversity required to meet the Company’s development needs. In addition, each director has comprehensive and extensive academic and professional experience, enabling the Board to effectively perform its functions in business decision-making, leadership, and supervision.	No material differences.
(II) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?	✓		The Company has established a Remuneration and Nomination Committee, an Audit Committee, and a Sustainable Development Committee to strengthen corporate governance. Other functional committees will be established in the future as needed based on the Company’s actual requirements and relevant legal and regulatory requirements.	No material differences.
(III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the Board of Directors to be used as reference in determining salary/compensation for	✓		The Company has adopted the “Performance Evaluation Rules for the Board of Directors, Functional Committees, and Managerial Officers”, and conducts performance evaluations of the Board of Directors and functional committees at least once a year, with the evaluation results submitted to the Board of Directors. The evaluation procedure is as follows: at the end of each year, the coordinating unit distributes questionnaires for completion, and evaluations are conducted through internal self-evaluation of the Board, self-evaluation by Board members, and self-evaluation by members of functional committees. The scope of evaluation includes the performance of the Board as a whole, individual Board members, and functional committees. The performance evaluation criteria for the Board and functional committees mainly include the degree of participation in the	No material differences.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
individual directors and their nomination and additional office terms?			Company's operations, enhancement of the quality of decision-making by the Board and functional committees, the composition and structure of the Board and functional committees, the election and continuing education of directors and functional committee members, and internal control. The evaluation results are submitted to the Board of Directors and used as reference in determining the remuneration of individual directors and in the selection or nomination of directors. The Company completed its 2025 performance evaluation, and the assessment results for all aspects met the applicable benchmarks, indicating that the Board and committees as a whole were operating effectively. The results of the performance evaluation were submitted to the Board of Directors on March 10, 2026 and disclosed on the Company's website.	
(IV) Does the Company regularly evaluate its external auditors' independence?	✓		<p>The Company regularly evaluates the independence and competence of its certifying CPAs. In addition to establishing evaluation standards with reference to Article 47 of the Certified Public Accountant Act and Statement of Professional Ethics for Certified Public Accountants No. 10, the Company also incorporates Audit Quality Indicators (AQIs) as part of its substantive evaluation reference. The relevant evaluation results are submitted to the Audit Committee and the Board of Directors for review and approval.</p> <p>The Company's certifying CPA firm is one of the member firms of an internationally renowned accounting firm network, namely PricewaterhouseCoopers Taiwan. The firm requires its practicing CPAs and employees to make self-declarations of independence and issue a "Declaration of Independence" in order to maintain independence and impartiality in its audits and attest services.</p>	No material differences.

Evaluation item	Implementation status		Summary description	Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons																		
	Yes	No																				
			<p>The criteria for evaluating CPA independence are as follows:</p> <table border="1"> <thead> <tr> <th>Evaluation item</th> <th>Compliance Independence</th> </tr> </thead> <tbody> <tr> <td>1. Not an employee of the Company or any of its affiliates.</td> <td>Yes</td> </tr> <tr> <td>2. Not a director of the Company or any of its affiliates, provided that this restriction shall not apply where the person serves as an independent director of the Company, its parent company, or a subsidiary in which the Company directly or indirectly holds more than 50% of the voting shares.</td> <td>Yes</td> </tr> <tr> <td>3. Not a natural-person shareholder who, together with his or her spouse, minor children, or shares held in the names of others, holds 1% or more of the total number of the Company's issued shares, or is among the top 10 natural-person shareholders of the Company.</td> <td>Yes</td> </tr> <tr> <td>4. Not the spouse, a relative within the second degree of kinship, or a lineal relative within the third degree of kinship of any person set forth in the preceding three items.</td> <td>Yes</td> </tr> <tr> <td>5. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of the Company's issued shares, or of one of the top five corporate shareholders by shareholding.</td> <td>Yes</td> </tr> <tr> <td>6. Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specified company or institution that has financial or business dealings with the Company.</td> <td>Yes</td> </tr> <tr> <td>7. Does not have a spousal relationship or a relationship within the second degree of kinship with any other director.</td> <td>Yes</td> </tr> <tr> <td>8. None of the circumstances specified in any subparagraph of Article 30 of the Company Act applied.</td> <td>Yes</td> </tr> </tbody> </table>	Evaluation item	Compliance Independence	1. Not an employee of the Company or any of its affiliates.	Yes	2. Not a director of the Company or any of its affiliates, provided that this restriction shall not apply where the person serves as an independent director of the Company, its parent company, or a subsidiary in which the Company directly or indirectly holds more than 50% of the voting shares.	Yes	3. Not a natural-person shareholder who, together with his or her spouse, minor children, or shares held in the names of others, holds 1% or more of the total number of the Company's issued shares, or is among the top 10 natural-person shareholders of the Company.	Yes	4. Not the spouse, a relative within the second degree of kinship, or a lineal relative within the third degree of kinship of any person set forth in the preceding three items.	Yes	5. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of the Company's issued shares, or of one of the top five corporate shareholders by shareholding.	Yes	6. Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specified company or institution that has financial or business dealings with the Company.	Yes	7. Does not have a spousal relationship or a relationship within the second degree of kinship with any other director.	Yes	8. None of the circumstances specified in any subparagraph of Article 30 of the Company Act applied.	Yes	
Evaluation item	Compliance Independence																					
1. Not an employee of the Company or any of its affiliates.	Yes																					
2. Not a director of the Company or any of its affiliates, provided that this restriction shall not apply where the person serves as an independent director of the Company, its parent company, or a subsidiary in which the Company directly or indirectly holds more than 50% of the voting shares.	Yes																					
3. Not a natural-person shareholder who, together with his or her spouse, minor children, or shares held in the names of others, holds 1% or more of the total number of the Company's issued shares, or is among the top 10 natural-person shareholders of the Company.	Yes																					
4. Not the spouse, a relative within the second degree of kinship, or a lineal relative within the third degree of kinship of any person set forth in the preceding three items.	Yes																					
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of the Company's issued shares, or of one of the top five corporate shareholders by shareholding.	Yes																					
6. Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specified company or institution that has financial or business dealings with the Company.	Yes																					
7. Does not have a spousal relationship or a relationship within the second degree of kinship with any other director.	Yes																					
8. None of the circumstances specified in any subparagraph of Article 30 of the Company Act applied.	Yes																					

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons						
	Yes	No	Summary description							
			<table border="1"> <tr> <td>9. No director was elected pursuant to Article 27 of the Company Act as a representative of the government, a juristic person, or a representative thereof.</td> <td>Yes</td> </tr> <tr> <td>10. Has not served as a director, managerial officer, or in any position having a material impact on the audit engagement of the Company within the most recent two years.</td> <td>Yes</td> </tr> <tr> <td>11. Does not perform any managerial function involving the Company's policy-making or decision-making.</td> <td>Yes</td> </tr> </table>	9. No director was elected pursuant to Article 27 of the Company Act as a representative of the government, a juristic person, or a representative thereof.	Yes	10. Has not served as a director, managerial officer, or in any position having a material impact on the audit engagement of the Company within the most recent two years.	Yes	11. Does not perform any managerial function involving the Company's policy-making or decision-making.	Yes	
9. No director was elected pursuant to Article 27 of the Company Act as a representative of the government, a juristic person, or a representative thereof.	Yes									
10. Has not served as a director, managerial officer, or in any position having a material impact on the audit engagement of the Company within the most recent two years.	Yes									
11. Does not perform any managerial function involving the Company's policy-making or decision-making.	Yes									
IV. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer responsible for corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing Board meetings and annual general meetings of shareholders as required by law, and compiling minutes of Board meetings and annual general meetings)?	✓		<p>At the Board meeting held on May 6, 2025, the Company approved the appointment of Chief Financial Officer Wen-Chen Wang, who has more than three years of managerial experience in finance and stock affairs at public companies, to serve as chief corporate governance officer and be responsible for corporate governance related matters.</p> <p>The main duties are as follows:</p> <ol style="list-style-type: none"> 1. To handle matters relating to Board meetings and shareholders' meetings in accordance with law. 2. To prepare the minutes of Board meetings and shareholders' meetings. 3. To assist directors with assumption of office and continuing education. 4. To provide directors with the information necessary for the performance of their duties. 5. To assist directors in complying with laws and regulations. 6. To report to the Board of Directors on the results of the review of whether independent directors satisfy the relevant legal and regulatory qualification requirements at the time of nomination and election and during their term of office. 7. To handle matters relating to changes in directors. 8. Other matters as set forth in the Articles of Incorporation or contracts. 	No material differences.						

Evaluation item	Implementation status			Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
V. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	✓		The Company's spokesperson and acting spokesperson serve as the channels for external communication, and the Company uploads its information to the Market Observation Post System in accordance with regulations, so that stakeholders have sufficient information to make judgments and safeguard their rights and interests. The Company has established a stakeholders section on its website and responds appropriately to important corporate social responsibility issues of concern to stakeholders.	No material differences.
VI. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	✓		The Company has appointed Fubon Securities Co., Ltd. as its professional shareholder services agent to handle matters relating to shareholders' meetings.	No material differences.
VII. Information disclosure (I) Has the Company established a corporate website to disclose information regarding its financial, business, and corporate governance status?	✓		The Company has established a website and discloses information regarding its financial, business, and corporate governance status in accordance with regulations.	No material differences.
(II) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons,	✓		The Company has established an English-language website, designated personnel responsible for collecting and disclosing Company information, and posts investor conference materials on the Company's website (https://www.heron-neutron.com/investors/conference). It fully discloses Company information and implements the spokesperson system in accordance with laws and regulations.	No material differences.

Evaluation item	Implementation status			Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
webcasting investors conference etc.)?				
(III) Does the company publish its annual financial report within two months after the end of the fiscal year, and publish its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?		✓	The Company completed the publication and filing of its annual financial report on March 28, 2025. In addition, as the Company was listed on September 15, 2025, it was exempted from the requirement to publish and file its first-quarter financial report pursuant to Article 36, paragraph 1, subparagraph 3 of the Securities and Exchange Act.	The Company plans to publish and file the financial reports for each reporting period ahead of schedule.
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	✓		<p>(I) Employee rights: The Company has always treated employees with integrity, emphasizes rational and people-oriented management, has established smooth communication channels, maintains sound labor-management relations, and protects employees' lawful rights and interests in accordance with the Labor Standards Act and the Company's personnel regulations.</p> <p>(II) Employee wellness: Through its various employee welfare programs and training systems, the Company has established a sound relationship of mutual trust and reliance with employees, such as through the establishment of an Employee Welfare Committee, employee travel programs, employee insurance, various subsidies and welfare benefits, and free annual regular health examinations.</p> <p>(III) Investor relations: Through the Market Observation Post System and the Company's website, the Company fully discloses information so that investors may fully understand its operating status, and it also communicates with investors through shareholders' meetings and the spokesperson.</p> <p>(IV) Supplier relations and rights of stakeholders: The Company has smooth communication and complaint channels with suppliers and stakeholders, with the respective dedicated departments responsible for communication and coordination, so as to protect their lawful rights and interests.</p>	No material differences.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>(V) Continuing education of directors or supervisors: The Company provides updates and information on amendments to securities laws and regulations from time to time. Relevant continuing education is also handled in accordance with the requirements of the competent authority.</p> <p>(VI) Implementation of risk management policies and risk evaluation standards: The Company has adopted various internal rules in accordance with law, and conducts relevant risk assessment and control on that basis.</p> <p>(VII) Implementation of customer policies: The Company maintains close contact and stable and sound relationships with customers in order to ensure that its products achieve the expected reliability and quality and generate profits for the Company.</p> <p>(VIII) Directors' liability insurance: The Company has purchased liability insurance for its directors.</p>	
<p>Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement: The Company has not yet been included among the companies subject to evaluation; therefore, this is not applicable.</p>				

(IV) Composition, duties, and operation of the Remuneration Committee

1. The Company has established a Remuneration Committee in accordance with the Articles of Incorporation, and the members of the Remuneration Committee are appointed by the Board of Directors pursuant to the Remuneration Committee Charter. The current 2nd-term Remuneration Committee is composed entirely of three independent directors, provided that member Chih-Chieh Lin resigned on March 11, 2026 due to appointment to public office. The committee shall exercise the following duties with the care of a good administrator and act in good faith, and shall submit its recommendations to the Board of Directors for discussion:

- (1) To prescribe and periodically review the policies, systems, standards, and structure for the performance evaluation and remuneration of directors and managerial officers.
- (2) To periodically evaluate and prescribe the remuneration of directors and managerial officers.

2. To periodically evaluate and prescribe the remuneration of directors and managerial officers.

- (1) The performance evaluation and remuneration of directors and managerial officers shall be determined with reference to the prevailing industry standards and take into account individual performance, the Company's operating performance, and future risks.
- (2) It shall not induce directors and managerial officers to engage in conduct exceeding the Company's risk appetite for the purpose of pursuing remuneration.
- (3) The proportion of remuneration to be distributed to directors and senior managerial officers based on short-term performance and the timing of variable remuneration shall take into account industry characteristics and the nature of the Company's business.

As referred to in the preceding two paragraphs, remuneration includes cash compensation, stock options, stock bonuses, retirement benefits or severance pay, various allowances, and other substantive incentive measures.

3. Information on Remuneration Committee Members

Qualification		Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as remuneration committee member
Name	Capacity			
Independent Director (Convener)	Chyan Yang	Please refer to the relevant information on independent directors on page 4.	Not elected pursuant to Article 27 of the Company Act as a representative of the government, a juristic person, or its representative, and none of the circumstances set forth in any subparagraph of Article 30 of the Company Act applies. The member, the member's spouse, and the member's minor	2
Independent Director	Jay Hsieh			0

			children do not hold any shares of the Company, nor do they fall under any of the circumstances set forth in Article 6, paragraph 1 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.	
--	--	--	---	--

4. Operation of the Remuneration Committee

The Company's Remuneration Committee has a total of 3 members. The term of the current 2nd-term Remuneration Committee members is from January 14, 2025 to January 13, 2028. However, member Chih-Chieh Lin resigned on March 11, 2026 due to appointment to public office. In 2025 and up to the date of publication of the annual report, the Remuneration Committee held a total of 2 meetings. The attendance of the members was as follows:

Job title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Notes
Convener	Chyan Yang	2	0	100.00	None
Member	Chih-Chieh Lin	2	0	100.00	Resigned on March 31, 2026
Member	Jay Hsieh	2	0	100.00	None

Other information required to be disclosed:

- I. If the Board of Directors does not accept, or amends, any recommendation of the remuneration committee, specify the Board meeting date, meeting session number, content of the recommendation, the outcome of the resolution of the Board of Directors, and the measures taken by the Company with respect to the opinions of the remuneration committee. If the salary or compensation approved by the Board is higher than the recommendation of the remuneration committee, specify the differences and the reasons therefor: None.
- II. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinions: None.

5. Important resolutions of the Remuneration Committee in 2025 and up to the date of publication of the annual report:


Date/ Session	Content of the motion	Resolution	Company's Response to the Remuneration Committee's Opinions
2025/07/24 1st meeting of 2nd term	<ol style="list-style-type: none"> 1. Managerial officers' participation in employee share subscription in connection with the Company's 2025 cash capital increase. 2. Proposal for adjustment of employee salaries of the Company in 2025. 	Approved by all attending committee members	Approved by all attending directors
2025/12/10 2nd meeting of 2nd term	<ol style="list-style-type: none"> 1. Proposal for implementation of the employee stock ownership trust plan. 2. Adoption of the year-end and performance bonuses to be paid to managerial officers in February 2026. 	Approved by all attending committee members	Approved by all attending directors

(V) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
I. Has the Company established a governance framework for sustainable development and set up a dedicated (or jointly responsible) unit to promote sustainable development? Has the Board of Directors authorized senior management to handle related matters, and does the Board supervise the implementation thereof?	✓		To align with international development trends and address the growing emphasis on ESG governance, the Company established a Sustainable Development Committee under the Board of Directors and adopted the "Sustainable Development Committee Charter". The President serves as the convener of the "Sustainability Promotion Task Force", which assists the Committee in implementing various plans. The Committee has established exclusively or concurrently dedicated units for sustainable development, including "Corporate Governance", "Social and Corporate Care", "Environmental Sustainability", and "Sustainable Supply Chain", in order to facilitate and deepen the implementation of sustainable development goals. In order to implement environmental, social, and governance initiatives, the Company integrates matters of concern from various departments and carries out corporate sustainability initiatives, with regular tracking, audits, and reviews. Each year, the convener reviews performance and the degree of achievement of targets and continues to review and improve accordingly. Through the joint efforts of all departments, the Company puts its commitment to corporate sustainability into practice. The Sustainability Promotion Task Force is supervised by the Board of Directors and regularly reports to the Board on the progress of ESG implementation. The Board oversees the formulation of sustainable development goals and reviews the status of implementation, and provides related suggestions and guidance based on the contents of the Committee's reports.	No material differences.
II. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		The Company has adopted the "Risk Management Policy and Procedures", as approved by the Board of Directors. The Board serves as the highest risk management unit. Based on the overall operating strategy and business environment, and with compliance with laws and regulations as its objective, the Company promotes and implements overall risk management, clearly understands the risks faced in its operations, ensures the effectiveness of risk management, and bears ultimate responsibility for risk management. The Company conducts regular risk assessments each year. The boundaries of the risk assessment cover all of the Company's operating and production sites, and the	No material differences.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			assessment results are reported to the Board annually. The most recent report to the Board was made on March 10, 2026.	
III. Environmental Issues				
(I) Has the Company set an environmental management system designed to industry characteristics?	✓		The Company promotes related matters in compliance with the environmental protection regulations of the competent authorities.	No material differences.
(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		The Company continues to integrate environmental management into its daily operations. In accordance with relevant environmental regulations, it has established environmental and energy management systems covering energy use, water resource management, pollution prevention and control, and waste disposal. Each year, based on issues of concern and actual operational needs, the Company promotes a number of management programs and gradually implements energy saving and carbon reduction, improved resource efficiency, and risk prevention measures.	No material differences.
(III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	✓		In response to global climate change, the Company actively implements various energy saving and carbon reduction measures. For example, it promotes paperless operations, advocates fixed office temperature settings and turning off power in unoccupied areas, and promotes resource recycling and reuse and other environmental protection measures, with a view to reducing the environmental impact of its operating activities.	No material differences.
(IV) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	✓		The Company has collected data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste. The Company will continue to incorporate greenhouse gas inventories, energy management, energy conservation and carbon reduction, ecological care, and other related issues into its decision making considerations, and will manage such matters in accordance with the principles of environmental protection and energy conservation in order to improve overall environmental performance indicators, enhance environmental quality, and shape the direction of its environmental sustainability development.	No material differences.
IV. Social Issues				
(I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and	✓		The Company complies with applicable laws and regulations and follows internationally recognized human rights standards. It acknowledges and supports the spirit of human rights protection and the fundamental principles set forth in international human rights instruments, including “the Universal Declaration of Human Rights”, “the United Nations Global Compact”, ”the United Nations Guiding	No material differences.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
regulations and international human rights conventions?			<p>Principles on Business and Human Rights”, and the conventions of the “International Labour Organization (ILO)”. The Company has accordingly adopted a Human Rights Policy to respect the protections established under human rights conventions and has published the policy on its website.</p> <p>Policy guidelines:</p> <ol style="list-style-type: none"> 1. The Company respects employees' rights to form and join various clubs and organizations, and provides proper and diversified activities to promote work life balance. 2. The Company prohibits forced labor, human trafficking, child labor, sexual harassment, and other acts that violate human rights, and continues to create diversity, inclusion, and equal opportunity. It prohibits differential treatment of employees in any form of discrimination, including discrimination based on gender, including sexual orientation, race, nationality, class, age, marital status, language, ideology, religion, political affiliation, place of origin, birthplace, appearance, facial features, blood type, zodiac sign, or physical or mental disability, so as to effectively protect employees' workplace human rights and provide a dignified and equal working environment. 3. The Company does not differentiate in the payment of wages to employees on the basis of gender or sexual orientation. Equal pay shall be paid for the same work or work of equal value. However, this shall not apply where there are legitimate reasons based on seniority, rewards and disciplinary actions, performance, or other factors unrelated to gender or sexual orientation. 4. The Company complies with laws and regulations relating to occupational safety and health, and cares for the physical and mental health of employees by carrying out safety and health operations, education and training, employee health examinations, and various health promotion activities. It improves and enhances workplace safety and health conditions, reduces the risk of occupational accidents, and provides employees with a safe, healthy, and hygienic working environment. 5. The Company is concerned with and manages issues related to employees' labor rights and interests. Through collective bargaining, regular labor-management meetings, and channels for employee complaints and suggestions, it implements communication between labor and management and protects and enhances 	

Item	Implementation status		Summary description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons						
	Yes	No								
			<p>employees' rights and interests. The Company has adopted a “Human Rights Policy” applicable to all employees to ensure that all rules and regulations strictly comply with labor laws and regulations and protect employees' lawful rights and interests. In addition, the Company maintains transparent and smooth communication channels through regular labor-management meetings.</p> <p>At the governance level, the Company has established a human rights management framework with the Board of Directors as the highest level, and the “Social and Corporate Care Group under the Sustainability Promotion Task Force” of the Sustainable Development Committee is responsible for planning and implementation, ensuring that human rights protection is embedded in daily operations.</p> <p>The Company has adopted the "Human Rights Due Diligence Procedures". Through the identification and assessment of human rights risks, it designs risk management and mitigation measures and conducts improvements and follow-up tracking in order to effectively reduce the impact of human rights risks.</p> <p>Human rights due diligence procedures:</p>  <p>The scope of the Company's investigation covered employees. In 2025, the Company identified nine human rights issues. After ranking them by degree of impact, the investigation results were incorporated into relevant functions and processes, and mitigation and remediation measures were proposed for material human rights issues in order to reduce human rights risks.</p> <table border="1"> <thead> <tr> <th>Human rights issues of concern</th> <th>Identified sources of risk</th> <th>Risk management and mitigation measures</th> </tr> </thead> <tbody> <tr> <td>1. A friendly and safe working environment and treatment of employees with dignity</td> <td>1. Work injuries 2. Occupational safety and health</td> <td>1. The responsible units conduct regular self-inspections to maintain workplace safety and health conditions. 2. The Labor Safety Office conducts unscheduled monthly inspections of work areas.</td> </tr> </tbody> </table>	Human rights issues of concern	Identified sources of risk	Risk management and mitigation measures	1. A friendly and safe working environment and treatment of employees with dignity	1. Work injuries 2. Occupational safety and health	1. The responsible units conduct regular self-inspections to maintain workplace safety and health conditions. 2. The Labor Safety Office conducts unscheduled monthly inspections of work areas.	
Human rights issues of concern	Identified sources of risk	Risk management and mitigation measures								
1. A friendly and safe working environment and treatment of employees with dignity	1. Work injuries 2. Occupational safety and health	1. The responsible units conduct regular self-inspections to maintain workplace safety and health conditions. 2. The Labor Safety Office conducts unscheduled monthly inspections of work areas.								

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>2. Prohibition of any unlawful discrimination, harassment, sexual harassment, workplace violence, and intimidation, and provision of grievance mechanisms with proper handling of all human rights infringements</p> <p>1. Workplace violence 2. Harassment 3. Sexual harassment 4. Discrimination 5. Human rights grievance mechanism</p> <p>1. The Company has adopted the "Statement on Prevention of Unlawful Workplace Violence" and posted it on the internal website for employees' awareness. 2. The Company has adopted and implemented the "Human Rights Policy". 3. The Company carries out advocacy on the prevention of workplace violence, discrimination, harassment, and sexual harassment. 4. The Company has adopted the "Whistleblower System Management Regulations" and posted them on the internal website for employees' awareness. 5. The Company has established a stakeholder communication section on its official website and announced grievance channels on its internal website.</p>	
			<p>3. Prohibition of forced labor</p> <p>1. Excessive working hours</p> <p>1. The Company conducts ongoing advocacy through the internal website to prohibit forced labor. 2. Through settings in the attendance system, the Company prevents illegal scheduling and improves excessive working hours. 3. The Company regularly conducts labor condition audits to ensure that working hours and overtime pay comply with laws and regulations.</p>	
			<p>4. Prohibition of human trafficking and child labor</p> <p>1. Involvement in human trafficking 2. Illegal employment</p> <p>1. The Company regularly promotes through the internal website that employees shall not be recruited or trafficked through force or any coercive means and that the employment of child labor under the age of 15 is prohibited. 2. The Company reviews employee insurance details (date of birth) to ensure that no child labor is employed. 3. For foreign employees whom the Company intends to hire, the Company requires legally valid employment permit documents and confirms the legality of their status before hiring. For foreign employees whose employment continues, the Company proactively applies for permit extensions</p>	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>before expiration and reminds employees to complete their residence documentation.</p> <p>5. Implementation of diversified employment in the workplace to ensure equal employment opportunity</p> <p>6. Promotion of employees' physical and mental health and work life balance</p> <p>7. Provision of diversified communication channels and freedom of association to ensure employees' rights and interests</p>	
			<p>1. Inequality in recruitment and promotion processes</p> <p>2. Equal pay</p> <p>1. Poor employee health conditions</p> <p>1. Lack of diversified communication channels</p> <p>2. Whether freedom of association exists</p> <p>3. Inability to participate in labor-management meetings or other meetings in which labor representatives are legally elected</p>	
			<p>1. The Company conducts ongoing advocacy through the internal website to prohibit employment discrimination.</p> <p>2. The Company practices equal pay for equal work regardless of gender, age, or race.</p> <p>3. The Company gives priority to employing indigenous peoples and new immigrant employees and ensures equal employment opportunities.</p> <p>1. The Company promotes a "Health Management Program" and employs nurses to provide comprehensive health consultation and care management at all times.</p> <p>2. The Company provides health education information on the internal website to encourage employees to manage their own health.</p> <p>3. The Company provides diversified activities, including arts, cultural, and sports activities, in order to implement work life balance.</p> <p>4. The Company has established an "Employee Assistance Program (EAP)" to provide employees with effective and timely care and assistance, as well as access to professional resources or referrals to professional counseling institutions.</p> <p>1. Labor representatives are nominated by each department, and labor-management meetings are held regularly to allow direct dialogue on matters such as various welfare and systems, employment conditions, workplace improvement, and the promotion of labor-management cooperation.</p> <p>2. Information on communication channels for opinions is set out in the work rules and disclosed on the internal website.</p> <p>3. The Company has established a stakeholder communication section on its official website.</p>	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons	
	Yes	No	Summary description		
			<p>8. Prohibition of discrimination and harassment against indigenous peoples, foreign workers, persons with disabilities, and older persons</p> <p>9. Promotion of the employment of persons with disabilities and indigenous peoples</p>	<p>1. Inequality in recruitment and promotion processes</p> <p>2. Lack of diversified communication channels</p> <p>1. Job openings are publicly recruited, and there is no differential treatment in terms of compensation, benefits, promotion, salary adjustment, working conditions, or employment rights and interests on the basis of race, nationality, age, or disability.</p> <p>2. The Company conducts ongoing advocacy through the internal website to prohibit employment discrimination.</p> <p>3. The Company has established a stakeholder communication section on its official website.</p> <p>1. Refusal to hire</p> <p>1. Job openings are publicly recruited, and there is no differential treatment in terms of compensation, benefits, promotion, salary adjustment, working conditions, or employment rights and interests on the basis of race, nationality, age, or disability.</p> <p>2. The Company cooperates with external organizations that place persons with disabilities to provide employment opportunities.</p> <p>3. The Company employs persons with disabilities and indigenous peoples in numbers that meet statutory requirements.</p>	
(II) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓		<p>The Company has adopted work rules and established committees that clearly set forth various employee welfare measures, including statutory annual leave, labor insurance, national health insurance, year-end bonuses, Dragon Boat Festival and Mid-Autumn Festival cash gifts, birthday celebrations, gifts or condolence payments for marriage, funeral, celebrations, and childbirth, employee activities, regular employee health examinations, employee stock option plans, and employee stock ownership trust, and regularly conducts performance evaluations to appropriately reflect operating performance and results in employee compensation.</p> <p>Article 23 of the Company's Articles of Incorporation provides that the Company shall distribute employee remuneration of no less than 1% of the current year's profit status. If the Company has profits for the year, no less than 10% of the employee remuneration referred to in the preceding paragraph shall be allocated to entry-level employees. The Company offers competitive compensation to attract, develop, and</p>	No material differences.	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>retain talent and to reward employees who create performance and make ongoing contributions. In addition to referring to market benchmark companies and salary survey reports, the Company also considers overall industry compensation and conducts compensation competitiveness analyses in order to formulate relevant compensation strategies. The Company's overall compensation consists of base salary, bonuses, and remuneration. Performance bonuses are granted based on the Company's operating performance and individual performance.</p> <p>In accordance with the "Labor Pension Act", the Company contributes 6% of each employee's monthly salary each month as pension contributions into the employee's individual pension account. Employees may also choose to make voluntary contributions to their pension accounts. In 2025, the recognized amount of contributions under the new pension scheme was NT\$4,352 thousand.</p>	
(III) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		<p>The Company has adopted policies in accordance with the Occupational Safety and Health Act and the requirements of customers and relevant groups, respects the requirements of relevant stakeholders regarding occupational safety and health, and publicizes the statement on prevention of unlawful workplace violence to protect employees from unlawful physical or mental harm in the performance of their duties and to build a healthy and happy workplace.</p> <p>The Company actively implements occupational safety and health management. All new employees are required to receive three hours of safety and health education and training, covering fire evacuation drills, basic occupational safety knowledge, and relevant protective regulations. With respect to health management, the Company conducts regular annual health examinations for all employees, and personnel engaged in operations involving special hazards are subject to special health examination items. In addition, in order to create a healthy and comfortable working environment, the Company conducts work environment monitoring in office areas every six months. For radiation work sites, the Company implements daily inspections, regular monitoring of environmental radiation, and strict personnel dose control. Through comprehensive work environment monitoring and health management, the Company safeguards employees' operational safety.</p> <p>In 2025, the Company did not experience any work-related deaths, occupational diseases, or major occupational accidents. In 2025, the number of fire incidents, the</p>	No material differences.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			number of casualties, and the ratio of casualties to the total number of employees were all zero.	
(IV) Has the Company established effective career development training programs for employees?	✓		The Company formulates relevant training programs according to individual competency needs and prepares a training budget each year, requiring employees to participate in both external and internal education and training.	No material differences.
(V) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	✓		<p>The Company has adopted the "Customer Communication Control Procedures". In managing customer relations and communication, it seeks to establish good cooperative relationships through meetings and visits held from time to time. The Company's products and services relating to customer health and safety, customer privacy, marketing, and labeling are all handled in compliance with relevant laws and regulations and international standards, and the Company has, in accordance with law, established policies for protecting consumer rights and interests and complaint channels.</p> <p>The product consultation service contact window is the business unit, which provides customers with prompt responses to relevant issues. In addition to communicating through the Company's website, customers may also contact the Company through the customer communication contact information at: https://www.heron-neutron.com/contact-investor</p> <p>In 2025, the Company did not receive any substantiated complaints regarding infringement of customer privacy or loss of customer data.</p>	No material differences.
(VI) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and	✓		The Company has adopted the "Supplier Management Control Procedures". Before engaging in business with suppliers, it evaluates suppliers' product quality, reputation, image, and whether they have previously caused any impact on the environment or society. Before commencing cooperation, the Company fully informs each supplier that they must comply with the Company's integrity policy and provide reasonable quotations, the best quality, and good service, and that both parties shall work together to enhance corporate social responsibility.	No material differences.

Item	Implementation status		Summary description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No		
what is the status of their implementation?				
V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?		✓	In 2026, the Company prepared its 2025 sustainability report and, in accordance with regulations, provided the report to a third-party assurance institution for assurance.	The Company began preparing sustainability reports in 2026.
VI. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations:				
VII. Other important information to facilitate better understanding of the company's promotion of sustainable development: None.				

(VI) Climate-Related Information of TWSE/TPEX Listed Company

Item	Implementation status																	
<p>1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.</p>	<p>The Board of Directors serves as the highest unit for the Company's overall risk management and bears ultimate oversight responsibility. In line with the Company's operating strategy and business environment, and with the objectives of legal compliance and strengthened risk control, it ensures that the Company is able to fully understand and manage the various risks arising from its operations. The Board of Directors also serves as the Company's highest climate governance body. From the perspective of sustainable development, it oversees and formulates climate change related strategies so that climate issues are incorporated into the Company's long-term development and governance framework.</p> <p>The Board has authorized the Sustainable Development Committee to establish a Sustainability Promotion Task Force to carry out climate change management related operations. The Task Force is responsible for coordinating with various task forces in collecting and investigating information on climate-related risks and opportunities, and submitting the relevant assessment results to senior management and the Sustainable Development Committee for review. The Sustainable Development Committee reports to the Board of Directors at least once a year on the implementation progress of ESG and climate issues, strategic objectives, and revisions to relevant systems, and carries out the climate governance directions and management requirements established by the Board.</p> <p>The Sustainable Development Committee and the Audit Committee integrate major climate risks and the corresponding response measures. The Audit Committee incorporates the implementation status and improvement progress of climate risk management into the overall risk management report and regularly reports to the Board of Directors on the implementation progress of ESG and climate issues, strategic objectives, and revisions to relevant systems, so that the Board may fully understand the Company's sustainability and climate management status and perform its oversight responsibilities.</p>																	
<p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p>	<p>The following sets forth the various climate-related risks and opportunities, potential financial impacts, strategies, and benefits:</p> <table border="1" data-bbox="667 1078 2087 1420"> <thead> <tr> <th data-bbox="667 1078 878 1142">Type</th> <th data-bbox="878 1078 1102 1142">Climate risk issue</th> <th data-bbox="1102 1078 1299 1142">Impact period</th> <th data-bbox="1299 1078 1585 1142">Potential financial impact</th> <th data-bbox="1585 1078 1845 1142">Strategy</th> <th data-bbox="1845 1078 2087 1142">Benefit</th> </tr> </thead> <tbody> <tr> <td data-bbox="667 1142 878 1420">Transition risk</td> <td data-bbox="878 1142 1102 1420">Enhanced emissions reporting obligations</td> <td data-bbox="1102 1142 1299 1420">Short term</td> <td data-bbox="1299 1142 1585 1420">Requirements imposed by the competent authority for the disclosure of sustainability reports, greenhouse gas emissions data, and assurance will lead to</td> <td data-bbox="1585 1142 1845 1420">Train internal personnel to master carbon inventory and verification techniques, establish a standardized collection system by clarifying the relationship between</td> <td data-bbox="1845 1142 2087 1420">Improve data accuracy at the source and minimize communication costs arising from information gaps.</td> </tr> </tbody> </table>						Type	Climate risk issue	Impact period	Potential financial impact	Strategy	Benefit	Transition risk	Enhanced emissions reporting obligations	Short term	Requirements imposed by the competent authority for the disclosure of sustainability reports, greenhouse gas emissions data, and assurance will lead to	Train internal personnel to master carbon inventory and verification techniques, establish a standardized collection system by clarifying the relationship between	Improve data accuracy at the source and minimize communication costs arising from information gaps.
Type	Climate risk issue	Impact period	Potential financial impact	Strategy	Benefit													
Transition risk	Enhanced emissions reporting obligations	Short term	Requirements imposed by the competent authority for the disclosure of sustainability reports, greenhouse gas emissions data, and assurance will lead to	Train internal personnel to master carbon inventory and verification techniques, establish a standardized collection system by clarifying the relationship between	Improve data accuracy at the source and minimize communication costs arising from information gaps.													

				increased operating costs.	underlying activity data and the corresponding coefficients.	
	Physical risk	Rising average temperatures	Long term	Rising temperatures increase demand for cooling equipment, such as air conditioning, and increased electricity consumption will result in higher related operating costs.	The Company has introduced indoor air conditioning management with settings at 26 to 28°C, improved equipment heat dissipation efficiency, reduced thermal load, and gradually adjusted its electricity management procedures.	Reduce the impact of air conditioning loads during high-temperature periods on operations and enhance the ability to respond to future climate change trends.
	Opportunity	Improved efficiency in the use of energy and resources	Medium term	The promotion of energy performance management, replacement of energy-consuming equipment, and introduction of energy-saving equipment will increase expenditures in the short term, but can reduce electricity consumption and operating costs in the medium to long term.	Promote energy management programs to reduce greenhouse gases and water consumption, promote resource recycling to reduce waste generation, and comprehensively promote the digitalization of operating processes.	Reduce greenhouse gas emissions, water consumption, and waste generation, and improve the efficiency of energy and resource utilization.
3. Describe the financial impact of extreme weather events and transformative actions.	<p>The principal climate-related physical risk identified by the Company is rising average temperatures. The financial impacts in the absence of any management measures are as follows:</p> <ol style="list-style-type: none"> 1. Rising temperatures will lead to a long-term increase in electricity consumption, resulting in a continued increase in operating costs. 2. Frequent use of energy may cause unstable power supply, which may indirectly affect equipment operation and lead to operational interruptions. 					

	<p>To reduce the financial impacts described above, Heron Neutron has implemented the following management measures:</p> <ol style="list-style-type: none"> 1. Improve the energy efficiency of office space to reduce electricity consumption and alleviate the pressure of high temperatures on equipment operation. 2. Introduce energy-saving equipment and promote an energy management system to improve energy efficiency, reduce energy consumption, and reduce carbon emissions. 3. Promote resource recycling and reuse to further improve energy efficiency and environmental sustainability. <p>Through its risk management procedures and the regular monitoring of the Sustainable Development Committee, the Company strengthens its grasp of climate risks so that operations can respond to environmental changes at an early stage and reduce their financial impact.</p>
<p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p>The Company manages climate-related risks in accordance with the "Risk Management Policy and Procedures", conducts systematic assessments and analyses of climate change issues, and formulates corresponding countermeasures and action plans to mitigate the impact on operations. Each risk management unit regularly tracks changes in climate risks each year and completes the identification, measurement, and monitoring of climate risks, including identifying risks based on functional responsibilities, assessing the likelihood of occurrence and degree of impact, and continuously monitoring the external environment and the effectiveness of existing control measures. The assessment results are submitted to senior management and the Sustainable Development Committee for review. The Sustainable Development Committee and the Audit Committee then integrate major climate risks and their response measures, after which the Audit Committee incorporates the implementation status and improvement progress of climate risk management into the overall risk management report, regularly reports risks to the Board of Directors, and proposes the most appropriate risk response plans based on corporate strategy and stakeholder expectations. In this way, climate risk management is fully integrated with the Company's overall governance framework and risk management system, and effective oversight and governance by the Board are implemented.</p>
<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p>	<p>At present, scenario analysis has not been used to assess resilience to climate change risks.</p>

<p>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p>	<p>At present, there is no transition plan for managing climate-related risks.</p>
<p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p>	<p>At present, no internal carbon pricing planning tool has been adopted.</p>
<p>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p>	<p>The Company is currently conducting greenhouse gas inventory operations. In the future, the inventory results will serve as the basis for setting climate-related targets, and an annual tracking mechanism will be established in preparation for improving energy use efficiency and reducing electricity consumption.</p>
<p>9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).</p>	<p>The greenhouse gas inventory and assurance status are set forth in Table 1-1 below, and the reduction targets, strategy, and concrete action plan are set forth in Table 1-2 below.</p>

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent Two Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO ₂ e), intensity (metric tons CO ₂ e/NT\$ million), and data coverage of greenhouse gases in the most recent two fiscal years.			
The Company conducts its greenhouse gas inventory in accordance with the GHG Protocol. The greenhouse gas emissions for 2025 are as follows:			
Year	Scope	Emissions volume (metric tons CO ₂ e)	Intensity (metric tons CO ₂ e/NT\$ million of revenue)
2025 (internal inventory)	Scope 1	0.0875	72.66
2025 (internal inventory)	Scope 2	748.9113	
Data coverage: all operating units of the Company.			

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent two fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.
As the Company's paid-in capital has not reached NT\$5 billion, under the Financial Supervisory Commission's "Sustainable Development Action Plans for TWSE and TPEX Listed Companies", the Company is required to complete the 2025 internal inventory of greenhouse gas emissions for its individual financial statements in 2026, and complete external verification of the 2027 individual greenhouse gas emissions inventory in 2028. To ensure implementation progress and compliance, the Company has engaged a third-party verification institution in advance and plans to commence external verification in 2026.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.
<ol style="list-style-type: none"> Greenhouse gas reduction base year and its data: The Company's base year is 2025. Scope 1 emissions were 0.0875 metric tons CO₂e, and Scope 2 emissions were 748.9113 metric tons CO₂e. Reduction targets: We have set a target of achieving a 10% reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2030 compared with the base year, and achieving net zero emissions by 2050. Strategy and concrete action plan: The Company adopts self-conducted inventory, regular disclosure, and voluntary reduction as its principal strategies, and promotes energy management programs to reduce greenhouse gas intensity. Status of achievement of reduction targets: The Company conducted its first inventory in 2025. For the relevant progress and data, please refer to the "Climate Action" chapter of the Company's sustainability report.

(VII) Ethical Corporate Management Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
I. Establishment of ethical corporate management policies and programs (I) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	✓		The Company has adopted the "Ethical Corporate Management Best Practice Principles", the "Procedures for Ethical Management and Guidelines for Conduct", and the "Code of Ethical Conduct". The adoption and amendment of all such rules have been approved by the Board of Directors. The Company has also adopted the "Whistleblowing System Management Regulations", as approved by the President, in order to implement a corporate culture of ethical management.	No material differences.
(II) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has adopted the "Procedures for Ethical Management and Guidelines for Conduct" for the purpose of implementing programs to prevent unethical conduct. It also analyzes business activities within its business scope that are subject to a higher risk of unethical conduct and strengthens related preventive measures in order to avoid the occurrence of illegal or unethical conduct.	No material differences.
(III) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the	✓		Pursuant to the programs for preventing unethical conduct prescribed under the Company's "Ethical Corporate Management Best Practice Principles", the Company has adopted the "Code of Ethical Conduct", the "Procedures for Ethical Management and Guidelines for Conduct", and the	No material differences.

Evaluation item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
unethical conduct prevention program, implement it, and regularly review and revise the plan?			"Whistleblowing System Management Regulations". These rules clearly provide that no improper benefit may be accepted and that no conduct in breach of ethical management or any unlawful act may be committed. They also encourage the reporting of any illegal conduct or conduct in violation of the Code of Ethical Conduct, and further provide that the importance of ethical conduct shall be regularly communicated to directors and employees. In accordance with the method prescribed under the assessment mechanism for the risk of unethical conduct, the foregoing programs are regularly reviewed for appropriateness and effectiveness, and are adjusted or revised as appropriate.	
II. Ethical Management Practice (I) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	✓		The Company conducts business activities with customers and suppliers in a fair and transparent manner, and when entering into contracts, clearly sets forth the rights and obligations of both parties therein.	No material differences.
(II) Has the company set up a dedicated unit to promote ethical corporate management under the Board of Directors, and does it regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	✓		The Company expressly stipulates in its "Procedures for Ethical Management and Guidelines for Conduct" that the Office of the President shall serve as the dedicated unit responsible for promoting ethical corporate management, and shall be responsible for planning and implementing programs to prevent unethical conduct and for regularly reporting implementation results to the Board of Directors. On March 10, 2026, the dedicated unit reported to the Board of Directors on the implementation results of ethical corporate management for 2025. In order to further cultivate a culture of integrity, in 2025 the Company, in addition to continuously strengthening its internal control mechanisms, also actively conducted thematic training and awareness programs on "Handling of Material Internal Information and Prevention of Insider Trading" and "Ethical Corporate Management". A total of 134 person-times of training were completed during the year, for a total of 534 minutes, to ensure company-wide compliance with applicable laws and regulations. In	No material differences.

Evaluation item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			addition, the Company has established a stakeholder section on its official website to maintain smooth communication channels. In 2025, the Company did not receive any internal or external whistleblowing cases, nor was it involved in any unethical conduct.	
(III) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	✓		The Company has adopted the "Ethical Corporate Management Best Practice Principles" and the "Rules of Procedure for Board of Directors Meetings", which expressly provide for conflict of interest prevention and recusal requirements. The Company has also established a stakeholder section on its official website to provide complaint and whistleblowing channels for employees and external parties, and conducts audits from time to time through its internal control system.	No material differences.
(IV) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	✓		To ensure the implementation of ethical corporate management, the Company has established effective accounting and internal control systems, and its internal auditors carry out all audit operations in accordance with the audit plan.	No material differences.
(V) Does the company provide internal and external ethical corporate management training programs on a regular basis?	✓		In its day to day operational management, the Company continually promotes the concepts of ethical corporate management to management and employees.	No material differences.
III. Implementation of Complaint Procedures (I) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels,	✓		The Company has established specific procedures in its "Whistleblowing System Management Regulations", including the establishment of an email mailbox and handling principles, so that its ethical corporate management policy can be effectively implemented. Whistleblowing cases are accepted by the dedicated unit. After a case is formally registered, it is referred to the responsible handling unit for investigation and disposition in accordance	No material differences.

Evaluation item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?			with the Company's "Whistleblowing System Management Regulations". If the report is found to be true, an appropriate reward may be granted to the whistleblower depending on the materiality of the matter.	
(II) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	✓		The Company has set out handling procedures in its "Whistleblowing System Management Regulations". In addition, all whistleblowing cases are handled in a confidential manner, with full protection of the whistleblower and an opportunity for the respondent to appeal, in order to ensure the lawful rights and interests of both the whistleblower and the respondent. Where a reported matter is verified to be true, the Company shall immediately require the respondent to cease the conduct, take appropriate action, require the relevant units to conduct a review and propose corrective measures, and report the matter to the Chairperson and the President.	No material differences.
(III) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	✓		In accordance with the "Whistleblowing System Management Regulations", the Company handles whistleblowing cases in a confidential manner and fully protects whistleblowers. Their identities are kept strictly confidential, and they will not be subject to improper treatment as a result of their reports.	No material differences.
IV. Strengthening Information Disclosure (I) Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	✓		The Company has a website to disclose relevant information regarding its corporate culture, management philosophy, the "Ethical Corporate Management Best Practice Principles", the "Code of Ethical Conduct", the "Procedures for Ethical Management and Guidelines for Conduct", the "Whistleblowing System Management Regulations", and the fulfillment of ethical corporate management.	No material differences.
V. If the company has adopted its own ethical corporate management best practice principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please describe any deviations between the principles and their implementation: The Company has adopted its "Ethical Corporate Management Best Practice Principles", which clearly set forth the matters to be observed by the Company's personnel. In addition, whistleblowing and disciplinary actions have been expressly provided for in the relevant rules and regulations. Accordingly, there are no material differences from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".				
VI. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies:				

Evaluation item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>1. The Company complies with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, the Political Donations Act, the Anti-Corruption Act, the Government Procurement Act, the Act on Recusal of Public Servants Due to Conflicts of Interest, the regulations governing TWSE/TPEX listed companies, and other laws and regulations relating to commercial conduct, as the basic premise for implementing ethical corporate management. The Company also spares no effort in applying high standards in complying with its environmental and quality policies.</p> <p>2. The Company's "Rules of Procedure for Board of Directors Meetings" provide for a director recusal system. Where a director has an interest relationship in an agenda item submitted to the Board of Directors, either on the director's own behalf or on behalf of the juristic person represented by the director, and there is a likelihood of prejudice to the interests of the Company, the director may state opinions and answer questions, but may not participate in the discussion or voting, and shall recuse himself or herself during discussion and voting, and may not exercise voting rights on behalf of another director.</p> <p>3. The Company has adopted the "Management Rules for Prevention of Insider Trading", which expressly provide that insiders, quasi-insiders, and information recipients who actually know material information in accordance with law may not, before such information is publicly disclosed or within 18 hours after its public disclosure, buy or sell the Company's listed shares or other securities with equity characteristics traded on an exchange or at a securities firm's place of business, or sell the Company's listed non-equity corporate bonds or non-equity corporate bonds traded at a securities firm's business place, in order to prevent persons who come to know material information from inadvertently commit insider trading due to unfamiliarity with the law. In addition, the Company's "Corporate Governance Best Practice Principles" provide that insiders of the Company may not trade the Company's shares during the closed period of 30 days before the announcement of the annual financial report and 15 days before the announcement of each quarterly financial report. After the date of a Board meeting is scheduled, the Company's project personnel notify the relevant persons of the closed period during which trading is prohibited, and stock affairs personnel review compliance by the relevant persons at the time of monthly shareholding reporting.</p> <p>4. The Company's management actively implements its ethical corporate management policy. In order to establish a corporate culture of integrity and strengthen corporate governance and risk control, the Company adopted the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" on November 22, 2024. The adoption and amendment thereof were all approved by the Board of Directors. The "Procedures for Ethical Management and Guidelines for Conduct" expressly provide that the Company's directors, managerial officers, and employees shall comply with laws and regulations and prevent unethical conduct in the performance of their duties, and shall do so in coordination with the Company's practical needs and applicable legal requirements so as to establish a sound operating environment.</p>	

(VIII) Other important information that may further enhance understanding corporate governance operations: the Company's corporate governance related information is available on the Market Observation Post System and the Company's website <https://www.heron-neutron.com/>.

(IX) Status of implementation of the internal control system

1. Statement on Internal Control: The 2025 Statement on Internal Control has been publicly announced and filed in accordance with applicable regulations, and may be viewed on the Market Observation Post System.

2. Where a CPA is engaged to conduct a special review of the internal control system, the CPA's review report shall be disclosed.

(X) For the purpose of its initial stock listing application, the Company engaged a CPA to conduct a special review of its internal control system. The CPA's assurance report on the review of the internal control system may be viewed on the Market Observation Post System.

(XI) Major resolutions of shareholders' meetings and Board meetings in the most recent fiscal year and up to the date of publication of the annual report

1. Major resolutions of shareholders' meetings

Type of shareholders' meeting	Date	Major resolutions
Special shareholders' meeting	2025/01/14	Adoption of the amendments to the "Articles of Incorporation"
		Adoption of the amendments to the "Rules for Election of Directors and Supervisors"
		Adoption of the amendments to the "Rules of Procedure for Shareholders Meetings"
		Adoption of the amendments to the "Procedures for Acquisition or Disposal of Assets"
		Adoption of the amendments to the "Procedures for Endorsements and Guarantees"
		Adoption of the amendments to the "Procedures for Loaning of Funds to Others"
		Adoption of the amendments to the "Procedures for Handling Derivatives Trading"
		Adoption of the proposal for the Company to apply for initial listing on the stock exchange or OTC market
		Adoption of the proposal for a cash capital increase for the initial listing on the stock exchange or OTC market and for all original shareholders to waive their preemptive subscription rights
		Re-election of directors
Adoption of the proposal to release the newly elected directors and their representatives from the non-competition restrictions		
Annual general shareholders' meeting	2025/06/19	Adoption of the 2024 business report and financial statements of the Company
		Adoption of the Company's 2024 deficit compensation
		Adoption of the amendments to the "Articles of Incorporation"

2. Major resolutions of Board of Directors

Session	Date	Major resolutions
The 1st Board meeting of the 4th term	2025/01/14	Election of the Chairperson
		Adoption of the appointment of the members of the Company's 2nd term of Remuneration Committee
The 2nd Board meeting of the 4th term	2025/03/27	Adoption of the report on directors' remuneration for 2024
		Adoption of the 2024 performance evaluation report for directors and functional committees
		Adoption of the 2024 business report and financial statements of the Company
		Adoption of the Company's 2024 deficit compensation
		Adoption of the evaluation of the effectiveness of the internal control system for 2024 and the "Statement on Internal Control System"
		Adoption of the Company's "Plan to Enhance the Ability to Prepare Financial Reports Independently"
		Adoption of the Company's "Risk Management Policies and Procedures"
		Adoption of the amendments to the "Table of Authorization Levels"
		Adoption of the amendments to the "Policy for Provision for Obsolete and Declined Inventory"
		Adoption of the amendments to the Company's internal control system and internal audit implementation rules
		Adoption of the scope of the Company's non-executive employees
		Adoption of the amendments to the "Articles of Incorporation"
		Adoption of the evaluation of the independence and competence of the certifying CPAs for the Company's financial reports
		Adoption of the appointment and remuneration of the certifying CPAs for 2025
		Adoption of the issuance of common shares upon exercise of employee stock options
		Adoption of the Company's "Operation Improvement Plan"
		Adoption of the proposal for the Company to apply to CTBC Bank Co., Ltd. for a credit facility
Adoption of the proposal for the Company to apply to CTBC Bank Co., Ltd. for a credit facility		
Adoption of the convening of the Company's 2025 annual general shareholders' meeting		

Session	Date	Major resolutions
The 3rd Board meeting of the 4th term	2025/05/06	Adoption of the financial report for the first quarter of 2025
		Adoption of the evaluation of the effectiveness of the internal control system and the "Statement on Internal Control System"
		Adoption of the review of the "Self-Assessment Report on Corporate Governance Evaluation"
		Adoption of the issuance of common shares upon exercise of employee stock options
		Adoption of the proposal for the Company to enter into an over-allotment agreement with the lead underwriter in connection with its initial listing
		Adoption of the amendments to the Company's internal control system and internal audit implementation rules
		Adoption of the amendments to the Company's "Corporate Governance Best Practice Principles"
		Adoption of the amendments to the Company's "Audit Committee Charter"
		Adoption of the Company's "Procedures for Applying for Suspension and Resumption of Trading"
		Adoption of the Company's consolidated financial forecast up to the third quarter of 2025
		Adoption of the appointment of the Company's chief corporate governance officer
		Adoption of the Company's "Sustainable Development Committee Charter"
		Adoption of the appointment of the members of the Company's 1st-term Sustainable Development Committee
The 4th Board meeting of the 4th term	2025/07/24	Adoption of the financial report for the second quarter of 2025
		Adoption of the proposal for the Company to apply to First Commercial Bank, Ltd. for a credit facility
		Adoption of the amendments to the Company's "Rules of Procedure for Board of Directors Meetings"
		Adoption of the issuance of new shares through cash capital increase for public underwriting prior to initial listing
		Adoption of managerial officers' participation in employee share subscription in connection with the Company's 2025 cash capital increase
		Adoption of the proposal for adjustment of employee salaries of the Company in 2025
		Adoption of the revision to the sale and purchase agreement with a related party

Session	Date	Major resolutions
The 5th Board meeting of the 4th term	2025/10/09	Adoption of the proposal for the Company's planned investment in BenQ BM Holding Cayman Corp. of the Qisda Group (BenQ Medical Center Group Co., Ltd.)
		Adoption of the proposal for the Company's planned lease of land from the Hsinchu Science Park Bureau
		Adoption of the financial report for the third quarter of 2025
		Adoption of the issuance of common shares upon exercise of employee stock options
		Adoption of the Company's "Standard Operating Procedures for Handling Directors' Requests"
The 6th Board meeting of the 4th term	2025/12/10	Adoption of the proposal for the Company to execute an accelerator technology license agreement with Advanced Cyclotron Systems Inc.
		Adoption of the establishment of an overseas subsidiary and the appointment of its representative
		Adoption of the Company's 2026 business plan, including budget
		Adoption of the Company's 2026 audit plan
		For the purpose of integrating the operations of the functional committees under the Board of Directors and enhancing corporate governance effectiveness, adoption of the proposal to incorporate the functions and powers of the Nominating Committee into the current Remuneration Committee, to change the committee name to the "Remuneration and Nomination Committee", and to amend the existing "Remuneration Committee Charter" accordingly and rename it as the "Remuneration and Nomination Committee Charter"
		Adoption of the amendments to the Company's internal control system and internal audit implementation rules
		Adoption of the implementation of the employee stock ownership trust plan
		Adoption of the year-end and performance bonuses to be paid to managerial officers in February 2026
The 7th Board meeting of the 4th term	2026/03/10	Adoption of the capital expenditure budget for the Company's new plant and office construction project
		Adoption of the 2025 business report and financial statements of the Company
		Adoption of the Company's 2025 deficit compensation
		Adoption of the evaluation of the effectiveness of the internal control system for 2025 and the "Statement on Internal Control System"
		Adoption of the evaluation of the independence and competence of the certifying CPAs for the Company's financial reports
		Adoption of the appointment and remuneration of the certifying CPAs for 2026

Session	Date	Major resolutions
		Adoption of the amendments to the "Articles of Incorporation"
		Adoption of the scope of the Company's non-executive employees
		Adoption of the renewal of the Company's credit facility with CTBC Bank Co., Ltd.
		Adoption of the issuance of common shares upon exercise of employee stock options
		Adoption of the proposal for the by-election of one independent director
		Adoption of the convening of the Company's 2026 annual general shareholders' meeting

(XII) In the most recent fiscal year and up to the date of publication of the annual report, there was no instance where a director or supervisor had dissenting opinions regarding an important resolution passed by the Board of Directors.

IV. Information on CPA (External Auditor) Professional Fees

- (I) Amounts of audit fees and non-audit fees paid to the attesting CPAs, the accounting firm to which they belong, and affiliated enterprises thereof, and the nature of non-audit services

Unit: NT\$ thousand

Name of accounting firm	Name of CPA	Period covered by CPA's audit	Audit fees	Non-audit fees	Total	Notes
PricewaterhouseCoopers Taiwan	Tien-I Li	2025/01/01	2,990	3,908	6,898	Note
	Shu-Chien Pai	~ 2025/12/31				

Note: Non-audit fees include fees for company registration services, financial advisory services, tax certification services, and special internal control review services.

- (II) Where the Company changed its accounting firm and the audit fees paid in the year of the change were lower than those paid in the preceding year, the amounts of audit fees before and after the change and the reason therefor: None.
- (III) Where the audit fees were lower than those of the preceding year by 10% or more, the amount, percentage, and reason for the decrease in audit fees: None.

V. Information on replacement of certified public accountant

The Company has not changed its certified public accountant during the most recent two fiscal years and up to the present.

- VI. Where the Company's Chairperson, President, or managerial officer responsible for finance or accounting matters has, within the most recent year, held a position at the accounting firm of the attesting CPAs or at an affiliated enterprise thereof: None.

VII. Changes in Share Transfers and Share Pledges by Directors, Supervisors, Managerial Officers, and Shareholders Holding More Than 10% of the Shares in the Most Recent Fiscal Year and up to the Date of Publication of the Annual Report

- (I) Directors, Supervisors, Managerial Officers, and Shareholders Holding More Than 10% of Shares

Job title	Name	2025		As of March 31, 2026	
		Increase (decrease) in number of shares held	Increase (decrease) in number of pledged shares	Increase (decrease) in number of shares held	Increase (decrease) in number of pledged shares
Director	HonSean-JY Company Limited	-	-	-	-
	Representative: Chin-Yung Shu	-	-	-	-
Director/Major Shareholder	Han Hsin Investment Corp.	-	-	-	-
	Representative: Archie Hwang	-	-	-	-
Director/Major Shareholder	SINCERE HOLDING COMPANY	-	-	-	-
	Representative: Amy Chen	-	-	-	-
Director/Major Shareholder	Han Hsin Corp.	-	-	-	-
	Representative: Sue Lin	-	-	-	-
Independent Director	Chyan Yang	-	-	-	-
Independent Director	Chih-Chieh Lin	-	-	-	-
Independent Director	Jay Hsieh	-	-	-	-

Job title	Name	2025		As of March 31, 2026	
		Increase (decrease) in number of shares held	Increase (decrease) in number of pledged shares	Increase (decrease) in number of shares held	Increase (decrease) in number of pledged shares
President	Hsiao-Lien Shen	180,000	-	-	-
Deputy General Manager	Wen-Chen Wang	90,000	-	-	-
Deputy General Manager	Cheng-Sung Lin	60,000	-	-	-
Deputy General Manager	Yen-Da Wu	137,500	-	-	-
Deputy General Manager	Wei-Ling Chen	170,000	-	10,000	-

(II) The counterparties to the share transfers were related parties: None

(III) The counterparties to the share pledges by shareholders were related parties: None.

VIII. Information on the Relationships Among the Top Ten Shareholders in Terms of Shareholding Percentage

March 29, 2026

Name	Shareholding		Shares held by spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or spouse or relative within the 2nd degree		Notes
	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	Name of entity (or individual)	Relationship	
Han Hsin Investment Corp.	27,960,788	17.70%	-	-	-	-	HAN SHIN CORP.	Related party	
Representative: Mei-Chih Huang	-	-	412,000	0.26%	-	-	-	-	
Han Hsin Corp.	21,009,000	13.30%	-	-	-	-	Han Hsin Investment Corp.	Related party	
Representative: Feng-Hua Pieh	35,120	0.02%	-	-	-	-	-	-	
SINCERE HOLDING COMPANY	17,377,071	11.00%	-	-	-	-	-	-	
Representative: Ju-Mei Wu	-	-	-	-	-	-	-	-	
Tung-Hsin Investment Co., Ltd.	11,133,000	7.05%	-	-	-	-	-	-	
Representative: Li-Kuei Chen	-	-	-	-	-	-	-	-	
Yu-Te Investment Corp.	11,131,000	7.05%	-	-	-	-	-	-	
Representative: Li-Kuei Chen	-	-	-	-	-	-	-	-	
Yu-Hu Investment Co., Ltd.	6,399,000	4.05%	-	-	-	-	-	-	
Representative: Fu-Hsing Lin	-	-	-	-	-	-	-	-	
BAO YUE INVESTMENT CO. LTD.	6,000,000	3.80%	-	-	-	-	-	-	
Representative: Tung-Ching Lin	83,349	0.05%	-	-	-	-	-	-	
Lu-Tsai Co., Ltd.	2,684,000	1.70%	-	-	-	-	-	-	
Representative: Hui-Chiang Lu	-	-	-	-	-	-	-	-	
Industrial Technology Research Institute	2,676,000	1.69%	-	-	-	-	-	-	

Name	Shareholding		Shares held by spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or spouse or relative within the 2nd degree		Notes
	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	Name of entity (or individual)	Relationship	
Representative: Wen-Hsiung Liu	-	-	-	-	-	-	-	-	
Mei-Ling Cheng	1,996,000	1.26%	-	-	-	-	-	-	

IX. Shareholdings in the Same Investee Enterprise Held by the Company's Directors, Managerial Officers, and Enterprises Directly or Indirectly Controlled by the Company, and the Aggregate Shareholding Percentage: As the Company had no equity-method investments in 2025, this is not applicable.

Chapter 3. Information on Capital Raising Activities

I. Capital and Shares
(I) Source of Capital
1. Capital formation

Unit: NT\$ thousand; thousand shares

Year/ Month	Issued price (NT\$)	Authorized capital		Paid-in-capital		Notes		
		Shares	Amount	No. of shares	Amount	Source of Capital	Capital paid in by assets other than cash	Others
2017.08	10	60,000	600,000	1,000	10,000	Cash incorporation	None	2017.08. 08. Jing-Shou-Chung-Zi No. 10633464930
2018.07	10	60,000	600,000	55,620	556,200	Cash capital increase	None	2018.07. 06. Jing-Shou-Shang-Zi No. 10701075030
2018.11	10	80,000	800,000	61,800	618,000	Technology contribution	Technology	2018.11. 02. Jing-Shou-Shang-Zi No. 10701129040
2022.03	10	120,000	1,200,000	80,000	800,000	Cash capital increase	None	2022.03. 30. Chu-Shang-Zi No. 1110009361
2023.04	10	120,000	1,200,000	114,000	1,140,000	Cash capital increase	None	2023.04.07 Chu-Shang-Zi No. 1120009842
2024.04	10	180,000	1,800,000	114,355	1,143,550	Exercise of employee stock options	None	2023.04.09 Chu-Shang-Zi No. 1130010452
2024.06	25	180,000	1,800,000	134,355	1,343,550	Cash capital increase	None	2024.06.14 Chu-Shang-Zi No. 1130018581
2024.09	80	200,000	2,000,000	139,355	1,393,550	Cash capital increase	None	2024.10.07 Chu-Shang-Zi No. 1130031698
2025.04	10	200,000	2,000,000	140,639	1,406,395	Exercise of employee stock options	None	2025.04.16 Chu-Shang-Zi No. 1140011404
114.05	10	200,000	2,000,000	140,689	1,406,895	Exercise of employee stock options	None	2025.05.16 Chu-Shang-Zi No. 1140015098
114.09	600	200,000	2,000,000	156,488	1,564,875	Cash capital increase	None	2025.09.26 Chu-Shang-Zi No. 1140030865
114.10	10	200,000	2,000,000	157,512	1,575,120	Exercise of employee stock options	None	2025.10.27 Chu-Shang-Zi No. 1140033165
115.03	10	200,000	2,000,000	157,675	1,576,755	Exercise of employee stock options	None	2026.03.18 Chu-Shang-Zi No. 1150007793
115.03	10	200,000	2,000,000	157,995	1,579,955	Exercise of employee stock options	None	Shares issued upon exercise of employee stock options for which registration of amendment has not yet been completed: 320,000 shares

2. Type of stock

March 31, 2026; Unit: shares

Type of stock	Authorized capital			Notes
	Outstanding shares	Unissued shares	Total	
Common shares	157,995,500	42,004,500	200,000,000	The Company's shares are listed shares

(II) List of Major Shareholders

March 29, 2026; Unit: shares ; %

No.	Name of Major Shareholders	Shareholding (shares)	Shareholding (%)
1	Han Hsin Investment Corp.	27,960,788	17.70%
2	Han Hsin Corp.	21,009,000	13.30%
3	SINCERE HOLDING COMPANY	17,377,071	11.00%
4	Tung-Hsin Investment Co., Ltd.	11,133,000	7.05%
5	Yu-Te Investment Corp.	11,131,000	7.05%
6	Yu-Hu Investment Co., Ltd.	6,399,000	4.05%
7	BAO YUE INVESTMENT CO. LTD.	6,000,000	3.80%
8	Lu-Tsai Co., Ltd.	2,684,000	1.70%
9	Industrial Technology Research Institute	2,676,000	1.69%
10	Mei-Ling Cheng	1,996,000	1.26%

(III) Dividend policy and implementation status

1. Dividend policy set forth in the Articles of Incorporation:

Where the Company has profits at the end of a fiscal year, it shall first pay taxes and offset accumulated losses in accordance with law, and then set aside 10% as legal reserve, unless the legal reserve has reached the total amount of capital. After setting aside or reversing special reserve in accordance with relevant laws and regulations, the remaining amount, together with any undistributed earnings, shall constitute the cumulative distributable earnings for shareholders. The Board of Directors shall prepare an earnings distribution proposal and submit it to the shareholders' meeting for resolution before distribution.

The Company's dividend policy shall take into consideration such factors as the Company's current and future capital expenditure budget, business development and expansion needs, and funding requirements, while also taking into account shareholders' interests. Each year, no less than 10% of the earnings available for distribution shall be appropriated for shareholders' dividends. Shareholders' dividends may be distributed in cash or in stock, provided that the cash portion shall not be less than 10% of the total shareholders' dividends. However, if the distributable amount per share based on the current year's net income after tax is less than NT\$0.3, the foregoing shareholders' dividends may be omitted.

2. Proposed distribution of dividends at this shareholders' meeting:

As the Company had accumulated losses in 2025, no dividend distribution is proposed for the year.

(IV) Effect of the proposed stock dividend distribution at this shareholders' meeting on the Company's operating performance and earnings per share: None.

(V) Employee remuneration and remuneration to directors and supervisors

1. Percentage or range of employee remuneration and remuneration to directors and supervisors as set forth in the Articles of Incorporation:

The Company shall distribute no less than 1% of the profit for the current year as employee remuneration and no more than 3% of the profit for the current year as remuneration to directors. However, where the Company still has accumulated losses, the losses shall be offset first.

If the Company has profits in the current year, no less than 10% of the employee remuneration referred to in the preceding paragraph shall be allocated as remuneration to non-executive employees. However, where the Company still has accumulated losses, the losses shall be offset first.

Employee remuneration may be distributed in stock or in cash, and the recipients of stock or cash remuneration may include employees of subordinate companies meeting certain conditions.

The term "profit status of the current year" referred to in the first paragraph means the profit before tax for the current year before deduction of the employee remuneration and remuneration to directors to be distributed.

Distribution of employee remuneration and remuneration to directors shall be resolved by the Board of Directors by a vote of at least two-thirds of the directors in attendance at a meeting attended by more than two-thirds of all directors, and it shall be reported to the shareholders' meeting.

2. Basis for estimating the amount of employee remuneration and remuneration to directors and supervisors for the current period, the basis for calculating the number of shares to be distributed as stock employee remuneration, and the accounting treatment of any discrepancy between the actual distributed amount and the estimated figure:

As the Company still had accumulated losses through 2025, there was no estimated employee remuneration or remuneration to directors.

3. Distribution of remuneration as resolved by the Board of Directors:

(1) Amount of employee remuneration and remuneration to directors distributed in cash or in stock. Where there is any discrepancy between the distributed amount and the estimated figure recognized in the expense year, the amount of the discrepancy, the reason therefor, and the treatment thereof shall be disclosed: None.

(2) Amount of stock employee remuneration and the ratio thereof to the current period's after-tax net income in the parent company only or individual financial reports and to total employee remuneration: None.

4. Actual distribution of employee remuneration and remuneration to directors in the preceding year, including the number of shares distributed, the amount, and share price, and, where there is any discrepancy between the actual distribution and the recognized employee remuneration and remuneration to directors, the amount of the discrepancy, the reason therefor, and the treatment thereof shall also be disclosed:

As the Company still had accumulated losses in 2025, there was no estimated or distributed employee remuneration or remuneration to directors.

(VI) Share repurchases by the Company: None.

- II. Issuance of Corporate Bonds: None.
- III. Preferred Shares: None.
- IV. Global Depositary Receipts (GDR): None.
- V. Status of Employee Share Subscription Warrants and New Restricted Employee Shares

(I) Status of Employee Share Subscription Warrants

1. The status of the Company's unexpired employee share subscription warrants as of the date of publication of the annual report and the effect on shareholders' equity:

March 31, 2026

Type of Employee Share Subscription Warrants	2022 First Tranche of Employee Stock Options		
Effective Registration Date and Total Number of Units	November 19, 2024 385,000 shares	November 19, 2024 2,300,000 shares	November 19, 2024 2,400,000 shares
Issue Date	January 1, 2023	March 22, 2024	July 26, 2024
Duration	7 years		
Number of units issued	1,200,000 shares	2,400,000 shares	2,400,000 shares
Number of units still available for issuance	0 shares		
Ratio of the number of issued subscribable shares to the total number of issued shares	3.79%		
Duration	January 1, 2024 ~ December 31, 2029	March 22, 2025 ~ March 21, 2031	July 26, 2025 ~ July 25, 2031
Exercise method	By issuance of new shares		
Vesting period and percentage (%)	A warrant holder may exercise the share subscription right in accordance with the following schedule after one year has elapsed from the grant date of the employee share subscription warrants: 50% upon completion of 1 year, 75% upon completion of 2 years, and 100% upon completion of 3 years.		
Number of shares subscribed through exercise of the warrants	677,000 shares	1,450,000 shares	1,070,500 shares
Amount of the shares subscribed through exercise of the warrants (NT\$)	NT\$6,770,000	NT\$14,500,000	10,705,000-
Number of unexercised shares (Note)	36,250 shares	765,000 shares	1,276,500 shares
Subscription price per share of the unexercised shares	NT\$10		
Ratio of the number of unexercised shares to the total number of issued shares (%)	0.02%	0.48%	0.08%
The effect on shareholders' equity	The Company grants employee share subscription warrants in order to attract and retain the talent it needs, motivate employees, and strengthen employee cohesion, so as to jointly create benefits for the Company and its shareholders. Accordingly, the effect on shareholders' equity is positive.		

Note: Excluding 724,750 units that lapsed due to termination of employment.

2. Names of managerial officers who have acquired employee stock options as of the publication date of this annual report, and the top ten employees (ranked by the number of shares subscribable through such options), together with the status of acquisition and subscription

March 31, 2026

Capacity	Job title	Name	Number of shares subscribable from exercise of warrants granted	Ratio of the number of shares subscribable from exercise of warrants granted to the total number of issued shares	Exercised				Unexercised			
					Number of shares subscribed	Exercise price	Total exercise price	Ratio of the number of exercised shares to the total number of issued shares	Number of shares subscribed	Exercise price	Total exercise price	Ratio of the number of exercised shares to the total number of issued shares
Managerial officer	President	Hsiao-Lien Shen	1,572,500 (Note 2)	0.99%	732,500	10	7,325,000	0.46%	840,000	10	8,400,000	0.53%
	Deputy General Manager	Yen-Wan Hsueh (Note 1)										
	Deputy General Manager	Yen-Da Wu										
	Deputy General Manager	Wei-Ling Chen										
	Deputy General Manager	Cheng-Sung Lin										
	Deputy General Manager	Wen-Chen Wang										
Employee	Manager	Chien-O Dai	1,557,750 (Note 3)	0.98%	1,105,000,250	10	11,050,000	0.7%	452,750	10	4,527,500	0.28%
	Manager	O-Jung Hsu (Note 3)										
	Manager	O-Chin Hsu										
	Manager	O-Kai Lin										
	Associate Manager	O-Chieh Chen										
	Associate Manager	O-Yu Fan										
	Associate Manager	O-Yen Huang										
	Associate Manager	O-Fan Yu										
	Associate Manager	O-Yu Yu										
	Engineer	O-Lun Huang										

Note 1: Yen-Wan Hsueh resigned on September 1, 2024.

Note 2: Excluding 67,500 units that lapsed due to employees leaving the Company.

Note 3: Manager Hsu O-Jung resigned on September 30, 2025; excluding 69,250 units that lapsed due to his resignation.

(II) Status of New Restricted Employee Shares: None.

VI. Status of Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisition of Shares of Other Companies.

VII. Status of Implementation of Capital Allocation Plans.

Any previous issuance or private placement of securities that, as of the end of the quarter preceding the date of publication of the annual report, remained incomplete, or had been completed within the most recent three years but whose planned benefits had not yet been realized: None.

Chapter 4. Overview of Business Operations

I. Description of Business

(I) Scope of Business

1. Major lines of business of the Company

- (1) Manufacturing of precision chemical materials.
- (2) Manufacturing of machinery and equipment.
- (3) Other machinery manufacturing.
- (4) Manufacturing of wired communication machinery and equipment.
- (5) Manufacturing of electronic parts and components.
- (6) Manufacturing of computers and peripheral equipment.
- (7) Manufacturing and duplication of data storage media.
- (8) Manufacturing of other electrical and electronic machinery and equipment.
- (9) Manufacturing of general instruments.
- (10) Manufacturing of optical instruments.
- (11) Manufacturing of medical devices.
- (12) Automatic control equipment engineering.
- (13) Machinery installation.
- (14) Computer equipment installation.
- (15) Instrument and meter installation engineering.
- (16) Nuclear engineering.
- (17) Wholesale of Western pharmaceuticals.
- (18) Wholesale of medical devices.
- (19) Wholesale of machinery.
- (20) Wholesale of electrical appliances.
- (21) Wholesale of precision instruments.
- (22) Wholesale of computers and office machinery and equipment.
- (23) Wholesale of telecommunications equipment.
- (24) Wholesale of other machinery and equipment.
- (25) Wholesale of information software.
- (26) Wholesale of electronic materials.
- (27) Retail sale of medical devices.
- (28) Retail sale of electrical appliances.
- (29) Retail sale of computers and office machinery and equipment.
- (30) Retail sale of precision instruments.
- (31) Retail sale of telecommunications equipment.
- (32) Retail sale of machinery and equipment.
- (33) Retail sale of other machinery and equipment.
- (34) Retail sale of information software.
- (35) Retail sale of electronic materials.
- (36) International trade.
- (37) Intellectual property services.
- (38) Other consultancy services.
- (39) Information software services.
- (40) Data processing services.
- (41) Electronic information supply services.
- (42) Product design.
- (43) Other design services.
- (44) Non-destructive testing services.
- (45) Biotechnology services.
- (46) Research and development services.
- (47) Environmental testing services.

- (48) Radioactive waste treatment services.
 (49) Except for licensed business, the company may operate any other business not prohibited or restricted by law.

Research, design, development, manufacture, and sale of the following products or services:

1. Accelerator Based Boron Neutron Capture Cancer Therapy (A-BNCT) medical equipment
2. Radiotherapy positioning couch
3. Accelerator Based Boron Neutron Capture Cancer Therapy (A-BNCT) planning system
4. Radiation shielding planning services
5. Boron containing drugs

2. Major products as a percentage of operating revenue in 2025

Unit: NT\$ thousand; %

Product	Sales amount	Sales percentage
Therapeutic boron containing drug (BPA)	4,439	43.06
En-Tzu treatment irradiation revenue	5,869	56.94
Total	10,308	100.00

3. Products and services currently provided by the Company

The Company mainly provides comprehensive solutions for accelerator-based boron neutron capture therapy, hereinafter referred to as AB-BNCT, and is currently the only company in the world that offers complete AB-BNCT services. Its offerings include AB-BNCT system installation assessment, AB-BNCT system installation, therapeutic boron containing drugs for AB-BNCT, hereinafter referred to as BPA, ¹⁸F boron containing drugs for pre-treatment positron imaging diagnosis, hereinafter referred to as FBPA, and periodic repair and maintenance services for AB-BNCT medical systems.

AB-BNCT system installation assessment

The accelerator-based boron neutron capture therapy system, or AB-BNCT System, is a large scale radiotherapy system. In addition to complying with the medical device regulations of the Ministry of Health and Welfare, the product must also comply with the radiation protection requirements of the Nuclear Safety Commission. Accordingly, before system installation, the Company first assesses the customer site and customizes the installation of the AB-BNCT system according to site conditions. Pre installation services include layout design, AB-BNCT system design, and radiation shielding design.

- (1) Layout design services: Based on the customer's site conditions and structural constraints, the Company integrates the layout of medical equipment, radiation shielding, MEP piping, and HVAC passages. Layout design is based on the principles of space utilization efficiency and safety. It reasonably plans the locations of the treatment room, control room, and auxiliary areas to ensure a smooth operating flow and adequate emergency evacuation passages, while coordinating with radiation shielding design to minimize radiation leakage and activation risks to the greatest extent possible, and at the same time taking into account ease of construction and maintenance.
- (2) AB-BNCT system integrated design services: These cover core equipment such as neutron beam generation, control, treatment couch, and dose monitoring. Based on

clinical treatment requirements and radiation protection requirements, the system design selects high performance neutron sources and precision beam control components to ensure treatment accuracy and patient safety. At the same time, the system design fully considers coordinated arrangements with radiation shielding, HVAC, and MEP piping to ensure that neutron activation control, gas emission management, and radiation leakage comply with relevant regulatory standards, while maintaining convenience for equipment operation, maintenance, and upgrading.

- (3) Radiation shielding design services for AB-BNCT: Based on site conditions provided by the customer, the Company uses Monte Carlo simulation methods to calculate the shielding effect of radiation barriers against high intensity neutron beams, and follows the ALARA principle to determine the optimum shielding thickness and design solution, while also considering the necessary passages for MEP systems and HVAC to ensure that radiation leakage and gas emissions comply with radiation protection regulations. At the same time, the design also takes into account neutron activation in buildings, and appropriate neutron shielding absorbers are designed to reasonably reduce secondary radiation levels.

AB-BNCT system installation

The accelerator-based boron neutron capture therapy system, or AB-BNCT System, mainly consists of a proton accelerator, neutron source target system, neutron beam shaping system, and patient positioning system. The accelerator accelerates protons to strike the target material to generate a neutron source, and the neutron beam is then shaped to produce the high intensity epithermal neutron beam required for boron neutron capture therapy. The design features and advantages of the AB-BNCT system provided by the Company are as follows:

- (1) World leading epithermal neutron generation efficiency: The generation efficiency of the epithermal neutron beam used for BNCT treatment is at least 4 to 5 times that of competing international products. The proton beam current required for treatment is only one-fourth that of other similar products. At the same time, it effectively reduces the total amount of radioactive nuclides generated during operation.
- (2) Automated horizontal target replacement system: Through a horizontal and automated target replacement system design, the time required for unloading and storing used target stations and installing new targets is significantly reduced, thereby maximizing system uptime and reducing the cumulative radiation dose received by personnel during replacement.
- (3) High intensity precision neutron monitoring system: The system is equipped with a neutron proportional counter capable of withstanding high intensity irradiation to monitor the intensity of the epithermal neutron beam in real time and accurately control the treatment dose, while also meeting the safety requirements of the International Electrotechnical Commission, or IEC, for conventional radiotherapy systems.
- (4) Compact system deployment design: Through lateral beam extraction technology applied to the neutron shaping system and neutron source target system, the overall space and area required for system deployment are effectively reduced, thereby enhancing the feasibility of hospital installation of the AB-BNCT system.
- (5) Integrated activated gamma ray shutter system: This is used to shield delayed gamma rays generated by neutron activation. After irradiation is completed, it can be lowered directly without first moving the patient, thereby effectively reducing radiation exposure to both patients and staff.

- (6) Highly flexible robotic arm treatment couch system: This is a floor mounted solution that is conducive to system maintenance and repair while reducing installation complexity.
- (7) Real time patient positioning system: Patient positioning is a complex and high risk procedure. The patient positioning system developed by the Company combines markers with computer vision to provide reliable quantitative reference during pre-treatment simulation positioning, enabling staff to complete patient positioning quickly and accurately. The system is also currently integrated with the highly flexible robotic arm treatment couch system to achieve automated patient positioning, further and substantially reducing positioning time and risk.
- (8) Treatment planning system and dose calculation engine: The treatment planning system developed by the Company presents complex treatment planning workflows through intuitive process based and graphical interfaces, enabling even ordinary users to become familiar with the basic operations in a short period of time. In addition, unlike many international competitors whose treatment planning systems are connected to general purpose Monte Carlo programs as their dose calculation engines, which offer high accuracy but require substantial resources and time to complete calculations, the dose calculation engine in the Company's treatment planning system is internally developed and optimized for the needs of boron neutron capture therapy, retaining the accuracy of the Monte Carlo algorithm while significantly improving calculation efficiency by approximately 20 to 100 times.

AB-BNCT therapeutic boron containing drugs and ^{18}F boron containing drugs for pretreatment positron imaging diagnosis

(1) AB- BNCT Therapeutic boron containing drug (BPA)

The therapeutic boron containing drug BPA is a boron 10 carrier of phenylalanine analogs. It takes advantage of the characteristic that tumor cells have a higher uptake of amino acids, and through amino acid transport mechanisms, such as LAT-1, or L-type amino acid transporter 1, boron 10 is transported and accumulated in cancer cells to facilitate subsequent boron neutron capture therapy, or BNCT. BPA was proposed at an early stage and has been extensively studied. Overall, it is subject to relatively few patent restrictions. The BPA provided by the Company is developed, manufactured, and supplied based on industry practice and in line with the Company's quality management and supply requirements in order to maintain product quality and batch consistency.

(2) ^{18}F boron containing drugs for pretreatment positron imaging diagnosis (FBPA)

FBPA for pretreatment positron imaging diagnosis combines nuclear medicine technology with BPA molecules labeled with the radioactive isotope fluorine -18, or ^{18}F , and uses positron emission tomography, or PET, to present the distribution of boron containing drugs in a patient's body, including the relative uptake in tumors and adjacent normal tissues. The results may be used to help determine whether a patient is suitable for BNCT treatment and serve as an important reference for treatment planning and therapeutic efficacy evaluation.

Periodic repair and maintenance services for AB-BNCT medical systems

The Company provides comprehensive repair and maintenance services for AB-BNCT medical systems, covering all key subsystems, including neutron beam generation and control, treatment couch, dose monitoring, auxiliary MEP equipment, and control systems. Maintenance services are carried out in accordance with a regular maintenance plan. Services include replacement of consumables, calibration of system parameters,

detector calibration, software and hardware functional testing, and preventive maintenance to ensure stable equipment operation and treatment accuracy. Repair services provide complete problem diagnosis, troubleshooting, component replacement, and system upgrade support, and are combined with remote monitoring and technical consulting services to grasp equipment operating status in real time and respond quickly to abnormal events. These maintenance and repair programs are intended to extend equipment life, reduce unplanned downtime, and ensure the safety and continued availability of clinical treatment.

4. New products planned for development

- (1) Enhancement of the accelerator-based boron neutron capture therapy system (AB-BNCT System): The AB-BNCT products developed by the Company involve highly interdisciplinary integrated technologies. With respect to accelerator development, beamline and proton accelerator manufacturing technologies will be gradually introduced. With respect to radiation detectors, the Company plans to integrate domestic industry, academia, and research resources to develop a new particle detection system dedicated to BNCT. With respect to medical systems, through cooperation among industry, academia, and research institutions, the Company will integrate its proprietary technologies to develop a smart medical system dedicated to BNCT and realize its strategic objective of domestic development and manufacturing.
- (2) Expansion into new indications and development of new boron neutron capture therapeutic drugs: Based on the existing boron 10 carrier drug BPA, the Company plans to continue exploring its application potential in cancer treatment. In addition to continuing to advance the drug registration related work for recurrent head and neck cancer, the Company is also simultaneously conducting feasibility assessments and development planning for new indications. Indications currently under evaluation include recurrent meningioma, triple negative breast cancer, lung adenocarcinoma, pancreatic cancer, colorectal cancer, sarcoma, thyroid cancer, and ovarian cancer. Preliminary feasibility assessments will first be conducted through cell and animal studies, and subsequent priority indications will be selected based on evaluation results and resource allocation. In addition to expanding indications, the Company will also strengthen and integrate cooperation among industry, academia, and research institutions to advance the research and development of new boron containing drugs. For promising new forms of boron containing drugs, such as antibody boron drug conjugates, the Company will continue to conduct technical evaluation and development planning in order to expand its future product portfolio and enhance long term competitiveness.

(II) Industry overview

1. Current status and development of the industry

Current status of the global radiotherapy market

The global radiotherapy market has shown significant growth in recent years, mainly driven by the increasing incidence of cancer, rapid technological advancement, and growing demand for early cancer diagnosis and treatment. Traditional radiotherapy, such as X-ray therapy and proton therapy, has already been widely applied worldwide, especially in developed countries. However, with the continuous advancement of medical technology, the market's demand for more precise and more efficient treatment solutions has become increasingly urgent. In recent years, advanced radiotherapy technologies such as proton therapy and BNCT have become a focus of market attention because of their precise tumor-targeting capability and lower side effects.

The global radiotherapy market is expected to continue growing in the coming years, with market size expected to reach tens of billions of U.S. dollars. This growth stems not only from the continuous evolution of technology, but also from improvements in healthcare infrastructure, expansion of early cancer screening programs, and government support policies for cancer treatment in various countries. In particular, in regions such as Asia and North America, growing demand for advanced radiotherapy technologies driven by aging populations and increasing cancer incidence will further promote market expansion.

Current status of the radiotherapy market in Taiwan

Taiwan's radiotherapy market has shown significant growth in recent years, mainly attributable to advances in medical technology, increasing cancer incidence, and government emphasis on public health and medical services. As an important healthcare market in East Asia, Taiwan has extensive experience and advanced equipment in the field of radiotherapy, providing high-quality medical services to both domestic and international patients.

Medical institutions in Taiwan continue to introduce the most advanced international radiotherapy equipment, such as linear accelerators, proton therapy systems, and BNCT equipment, to ensure that patients receive the most advanced treatment. In addition, Taiwan has high-level medical research and clinical trial capabilities, enabling new technologies to be rapidly applied in clinical settings and raising the overall standard of radiotherapy.

With population aging and the rise in cancer incidence, demand for precision radiotherapy technologies in Taiwan continues to increase. Patients are also placing increasingly higher demands on treatment outcomes and quality of life, further driving demand for next-generation radiotherapy technologies. As a precise and efficient treatment method, BNCT is gradually becoming a new option for patients and physicians and is expected to occupy an important position in the Taiwan market in the future.

In summary, Taiwan's radiotherapy market is expected to continue growing in the coming years and to play an increasingly important role in the international radiotherapy field. With continuous technological progress and gradual market maturation, Taiwan will become an important hub for global precision radiotherapy, providing patients with more advanced and more efficient treatment options.

Current status of global BNCT

As one of the world's most advanced precision cancer treatment technologies, boron neutron capture therapy (BNCT) is gradually gaining international recognition. BNCT technology uses the reaction between neutrons and boron within tumor cells to produce high-energy particles, thereby achieving precise destruction of cancer cells. Because this technology can directly target tumor cells without damaging surrounding normal tissue, it is becoming a new hope for the treatment of refractory tumors.

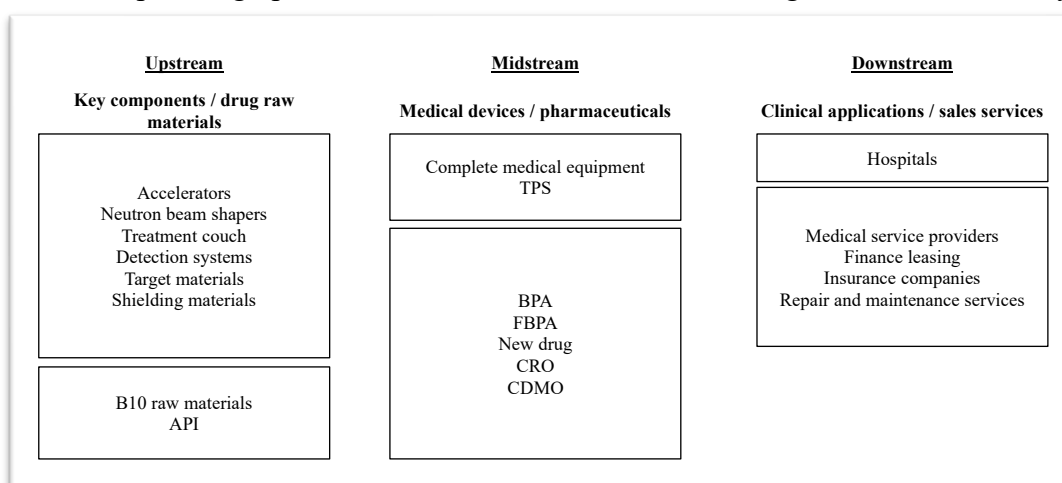
Japan was the first country to obtain approval for BNCT medical equipment, and its leading technology and clinical practice have provided valuable experience for the global market. At present, many countries, including the United States, Europe, and other Asian countries, are actively carrying out BNCT clinical trials and equipment development in the hope of achieving wider promotion and application of the technology as soon as possible.

The pace of development of the BNCT industry has accelerated over the past five years. There were approximately 28 BNCT facilities worldwide in 2020, and the number had increased to 41 by 2025. China has seen the most significant increase, with 18 facilities

at present. In addition, NT in the United States announced in 2023 that it would launch the construction of two BNCT centers in the United States within three years. Overall, major countries, governments, and enterprises have gradually begun investing resources in BNCT development, and the future outlook is promising. As more countries approve BNCT equipment and promote clinical applications, the global BNCT market is expected to experience explosive growth over the next decade.

The prospects of the BNCT industry are not limited to cancer treatment, but may also expand into other medical fields, such as treatment of rare diseases and development of precision radiopharmaceuticals. Investment in BNCT technology and markets is not only a response to current cancer treatment needs, but also a forward-looking deployment for the future development of medical technology. Given the increasing demand for healthcare worldwide, BNCT will become an indispensable part of the radiotherapy market, bringing patients new hope and treatment options.

2. Relationship among upstream, midstream, and downstream segments of the industry



Upstream: Supply of key components and raw materials

The upstream segment of the boron neutron capture therapy industry, hereinafter referred to as BNCT, mainly involves the provision of key components, raw materials, and intellectual property. These include ion sources, accelerators, detection systems, neutron beam shapers, shielding materials, and systems. These components and systems are the core of AB-BNCT equipment, with AB referring to accelerator based, and directly affect equipment performance and treatment outcomes. In addition, part of the B10 raw materials and active pharmaceutical ingredients for drugs are important upstream components and are indispensable to BNCT therapy.

Midstream: Production of medical devices and drugs

The midstream segment covers the manufacture of complete medical devices and the production of drugs. The Company plays an important role in this segment by integrating various key components to manufacture efficient AB-BNCT equipment and ensure compliance with clinical use requirements. With respect to drugs, the midstream segment also includes the production of BPA and FBPA.

Downstream: Clinical application and market promotion

In the downstream segment, the ultimate users of BNCT equipment and drugs are mainly specialty hospitals and medical service providers. BNCT specialty hospitals are the core of this segment, using equipment and drugs produced in the midstream segment to perform actual cancer treatment. In addition, the downstream segment also includes medical service providers and insurance companies. These downstream sectors not only help equipment and drugs enter the market, but also ensure their safety and effectiveness in actual application.

In summary, all segments of the BNCT industry chain are closely linked. The supply of upstream raw materials and key components, the manufacture of midstream equipment and production of drugs, and downstream clinical application and market promotion together form a complete industrial ecosystem. By integrating resources across the industry chain, the Company promotes the comprehensive development of BNCT technology and is committed to promoting this innovative cancer treatment technology worldwide.

3. Development trends and competition for the product in industry

Development trends of products

- (1) Increasing demand for precision medicine: As patients' demand for personalized treatment continues to rise, BNCT, as an emerging precision cancer treatment method, is expected to receive increasing attention and application in the coming years. In particular, as the technology matures, BNCT is expected to become one of the standard treatment options for malignant tumors.
- (2) Driven by technological innovation: Progress in BNCT technology will focus on several aspects, including more efficient neutron output, more optimized neutron beam shaping systems, and miniaturization of equipment. At the same time, drug development will further enhance treatment outcomes. The development of new boron containing drugs can further improve absorption by tumor cells, thereby enhancing treatment efficacy.
- (3) Global and regional promotion: The successful application of BNCT, especially in Japan and Taiwan, has advanced the internationalization of the technology. As more countries begin to accept and apply BNCT, global market expansion is expected to accelerate.
- (4) Diversified application scenarios: As the technology matures, BNCT is expected to extend beyond cancer treatment to other disease areas, such as rare diseases and other difficult to treat tumors, greatly expanding its market potential.

Competition for the product

- (1) Technical barriers and market concentration: The BNCT industry has relatively high technical barriers, involving complex accelerator technology, neutron beam shapers, and drug development. As a result, there are relatively few competitors in the global market, mainly concentrated among a small number of companies with strong technical capabilities and R&D strength. This highly concentrated market structure provides competitive advantages for technological leaders.
- (2) Vertical integration of equipment and drugs: Through integration of the production chain for equipment and drugs, the Company has formed a complete BNCT solution. This vertical integration not only improves the market competitiveness of its products, but also enhances the Company's flexibility and responsiveness in clinical

application. In addition, as more companies enter this field, vertical integration capability will become an important measure of corporate competitiveness.

- (3) International competition and cooperation: Globally, companies in Japan, the United States, and Europe have already made substantial investments in BNCT technology. Future competition will mainly focus on technological innovation, cost control, and market expansion. At the same time, international cooperation, such as multinational clinical trials and technology sharing, will also become a key strategy for companies seeking to expand market share.
- (4) Policy support and regulatory environment: Government support policies for emerging medical technologies will play an important role in the promotion of BNCT in the coming years. The speed at which government approval and regulatory certification are obtained will directly affect each company's competitive position in the market.

In summary, the future of the BNCT industry is full of opportunities and challenges. Technological innovation, market promotion strategies, international cooperation, and policy support will determine the market position and competitiveness of enterprises in the future. As a pioneer in this field, the Company is consolidating its leading position in the global BNCT market through continuous technological upgrades and market deployment.

(III) Overview of technology and research and development

1. Technical level and research and development of the Company's business: Leveraging high performance neutron source technology, precise dose control capabilities, and a complete range of supporting systems, the Company maintains a technological leadership position in the international BNCT field. In the future, the Company will continue to focus on BNCT, strengthen the AB-BNCT system, expand clinical treatment applications, and deepen cooperation with Taipei Veterans General Hospital, China Medical University Hospital, Chu Ming Hospital, National University Hospital, Singapore, Japanese medical institutions, and other international partners. With technological innovation, clinical validation, and market expansion as its core focus, the Company aims to promote BNCT as an important option in cancer treatment and further establish its leadership position in the international BNCT industry.
2. R&D expenses incurred in the most recent fiscal year and up to the date of publication of the annual report

Unit: NT\$ thousand

Item \ Year	2025	As of March 31, 2026
R&D expenses	321,865	53,718
Net operating revenue	10,308	2,885
Ratio of R&D expenses to net operating revenue	3,122%	1,862%

3. Technologies or products successfully developed in the most recent fiscal year and up to the date of publication of the annual report
 Since its establishment in August 2017, the Company's principal R&D products have all centered on AB-BNCT: the accelerator based boron neutron capture therapy system, including accelerator beam design, neutron source target system, neutron beam shaper, treatment planning system, treatment control system, treatment positioning system, and

radiation shielding design, as well as therapeutic boron containing drugs, BPA, and 18F boron containing drugs, FBPA, used for pre diagnostic positron imaging labeling.

Among these, prototype design of the accelerator-based boron neutron capture therapy system, or AB-BNCT, was completed in 2018. After obtaining its first cooperation project, the Company commenced system installation, system trial operation, neutron beam shaping, and registration and inspection work. By 2024, the AB-BNCT system developed by the Company had officially obtained a medical device permit and a use permit approved by the Nuclear Safety Commission.

In order to provide customers with a comprehensive BNCT solution, the Company simultaneously developed BPA and FBPA required for BNCT treatment, and BPA has now entered clinical trials.

Year	Product development progress
2017	The Industrial Technology Research Institute and National Tsing Hua University transferred the "Accelerator Boron Neutron Capture Therapy Patents and Technology" to Heron Neutron Medical Corp.
2018	Completed the prototype of the accelerator-based boron neutron capture therapy (AB-BNCT) system
2024	The "Accelerator Based Boron Neutron Capture Therapy" center obtained a use permit approved by the Nuclear Safety Commission, and the "Accelerator Based Boron Neutron Capture Therapy" system obtained a medical device permit
	Completed the development of BPA and FBPA
2025	<p>AB-BNCT system enhancement: Successfully integrated the real time patient positioning system with the robotic arm treatment bed to realize automated patient positioning. Released the Herizon treatment planning system and calculation engine, and further optimized the treatment planning system to improve operational safety and user experience.</p> <p>Radiation shielding design: Completed optimization of neutron shielding materials and achievement of mass production, and introduced modular shielding construction methods to shorten building delivery lead time and reduce costs.</p> <p>Expansion of treatment capacity : Obtained a use permit from the Nuclear Safety Commission for the second treatment room, which is scheduled to commence operation in 2026, thereby increasing the operating capacity of a single facility.</p> <p>Treatment quality and quality assurance system: Standardized BNCT neutron quality assurance procedures and equipment, reducing the operational burden and threshold for staff.</p>

(IV) Short term and long term business development plans

Since its establishment, the Company has remained focused on the technological development and commercialization of accelerator-based boron neutron capture therapy, or AB-BNCT, with the goal of becoming a trusted global brand in the BNCT field, providing precision cancer treatment, and serving as a comprehensive BNCT solutions provider. In response to the urgent global demand for efficient cancer treatment technologies, the Company will continue to advance its market development plans and expand its influence and application scope in the global medical market. The core strategies of its market development plan are as follows:

(1) Deepening the Taiwan market and establishing demonstration centers

The Company will continue to promote AB-BNCT technology in the Taiwan market and expand the scale of equipment and technology application through cooperation with leading domestic medical centers. The Company has successfully installed Taiwan's first AB-BNCT system at China Medical University Hsinchu Hospital and has begun clinical trials. Heron will also complete system installation of AB-BNCT at Taipei Veterans General Hospital in 2027, and the parties will further promote the local application of BNCT technology. As one of Taiwan's leading medical institutions, Taipei Veterans General Hospital, through the operation of a demonstration center, will enable the Company to rapidly accumulate clinical data on cancer indications and lay a solid foundation for indication expansion and international drug registration applications. At the same time, successful cases from the demonstration center will serve as an important basis for expanding into overseas markets.

(2) Expansion into the Asian market

The Asian market is one of the Company's key target regions for future market development. In 2025, the Company successfully signed a cooperation agreement with Nanjing BenQ Hospital of the Qisda Group. In addition, based on early BNCT application experience in countries such as Japan and South Korea, and Singapore's strategic position as a Southeast Asian medical and research hub, the Company is focusing its deployment in Asia, including Japan, Singapore, Thailand, and Vietnam. These countries have relatively mature medical infrastructure and demand for new cancer treatment technologies. In 2025, the Company established cooperative relationships with major medical and research institutions in Japan and Singapore and practically promoted the implementation of AB-BNCT technology in clinical research and equipment installation. Through clinical cooperation with Japanese academic medical institutions and the establishment of a regional AB-BNCT research and application base in Singapore, the Company is gradually building a market development model centered on Japan as the core of clinical experience and Singapore as the regional diffusion hub, thereby laying the foundation for subsequent expansion in Asia.

(3) Entering the U.S. and European markets

As one of the largest cancer treatment markets in the world, the U.S. and European markets are important strategic regions for the Company's future expansion. In 2025, the Company signed a bilateral agency cooperation agreement with Cosylab, a well-known European software developer. In addition to self operation, the Company will work with Cosylab to target high end medical centers and oncology specialty hospitals, seek cooperation with leading local clinical research institutions, and promote multicenter clinical trials, thereby laying the foundation for obtaining U.S. FDA and European CE certification.

(4) Implementing flexible business models

Considering the high value of BNCT equipment and the funding pressures faced by medical institutions, the Company will provide diversified business models to promote market penetration. In certain markets, the Company will adopt cooperative operating models such as BOT to reduce initial investment by medical institutions. At the same time, the Company will work with local governments and insurance institutions to ensure that BNCT technology can be incorporated into local medical insurance systems, thereby further reducing treatment costs for patients and increasing market demand.

(5) Strengthening branding and market education

Because BNCT technology is relatively new, the Company will actively promote market education and technological awareness worldwide and is committed to becoming a leader in the formulation of BNCT clinical guidelines. Through participation in international medical exhibitions, academic conferences, and physician

training courses, the Company will enhance awareness of BNCT technology in the medical community. At the same time, the Company will strengthen cooperation with leading medical institutions worldwide, demonstrate the clinical efficacy and market value of the technology, promote the establishment of standardized treatment workflows, and thereby build a strong brand image and market trust.

(6) Expansion into new indications

The Company will actively promote the expansion of clinical applications of BNCT technology across various tumors and disease conditions and is committed to becoming a leader in the development of new indications. Through cooperation with leading medical institutions and research centers worldwide, the Company will carry out clinical trials and scientific research projects to verify the efficacy and safety of BNCT in different tumor types and treatment needs. At the same time, by combining data analysis with clinical evidence, the Company will establish standardized treatment strategies and processes. By expanding into new indications, the Company will not only provide more clinical solutions, but also substantially expand the potential patient population and treatment demand, thereby enhancing the market potential and medical value of BNCT technology and providing long term support for the Company's brand and global market deployment.

Through the above market development strategies, the Company will further expand its influence in the global market and consolidate its position as a leader in AB-BNCT technology.

II. Market and production / sales overview

(I) Market analysis

1. Regions where major products and services are sold:

Based on its market development strategy, the Company plans to gradually expand the sales and service regions of its major products and services in three phases:

- (1) Taiwan market: Over the next five years, the Company plans to deploy AB-BNCT equipment at seven major medical centers in Taiwan. Through cooperation with leading local medical institutions, the Company will ensure smooth equipment operation and conduct relevant clinical trials, further promoting the adoption and application of BNCT technology in Taiwan.
- (2) Asia Pacific market: On the basis of strengthening the Taiwan market, the Company plans to expand into the Asia Pacific market within five years, establishing AB-BNCT centers first in Nanjing, China, and Singapore. This expansion will build on the successful experience in Taiwan and promote the implementation and application of BNCT technology in the Asia Pacific region through regional cooperation.
- (3) U.S. and European markets: As an important component of the Company's globalization strategy, the Company plans to enter the U.S. and European markets within the next five years. Building on the experience accumulated in Taiwan and the Asia Pacific region, the Company will promote the application and dissemination of BNCT technology in North America through cooperation with leading hospitals in the United States.

Through gradual expansion, the Company aims to promote the development and application of BNCT technology worldwide and ultimately establish a leadership position in the international market.

2. Market share

The Company has successfully installed the first AB-BNCT equipment system at China Medical University Hsinchu Hospital and has begun clinical trials. System installation of AB-BNCT at Taipei Veterans General Hospital commenced in 2025 and is expected to be completed in 2027. In 2025, the Company established cooperative relationships with major medical and research institutions in Japan and Singapore and practically promoted the implementation of AB-BNCT technology in clinical research and equipment installation. Through clinical cooperation with Japanese academic medical institutions and the establishment of a regional AB-BNCT research and application base in Singapore, the Company is gradually building a market development model centered on Japan as the core of clinical experience and Singapore as the regional diffusion hub, thereby laying the foundation for subsequent expansion in Asia. The Company expects to significantly increase its market share in the coming years.

3. Future supply and demand conditions and growth potential of the market

The global cancer treatment market is in a phase of rapid growth and is expected to continue expanding rapidly over the next decade. According to the latest market report, the global cancer radiotherapy market was estimated at US\$10.4 billion in 2024 and is expected to reach US\$44.0 billion by 2036, representing a compound annual growth rate, or CAGR, of approximately 14%. Radiotherapy, as an important component of cancer treatment, is also continuing to develop, and BNCT, or boron neutron capture therapy, is becoming a focus of industry attention because of its high precision and low side effects. The global BNCT market is estimated at US\$390 million in 2025 and is expected to reach US\$9.69 billion by 2034, representing a CAGR of approximately 43.3%.

Although the BNCT market is still in the early stages of development, its growth potential is substantial. The first global approval of AB-BNCT equipment occurred in Japan, which has provided a model for clinical application in other countries. In recent years, countries around the world have actively invested resources in BNCT research and equipment installation. In addition, as the incidence of cancer continues to rise, particularly refractory cancers and recurrent tumors, demand for BNCT is also increasing. Over the next decade, BNCT technology is expected to gradually transition from scientific research to clinical application, particularly in the treatment of refractory cancers, and become a conventional treatment modality.

As a pioneering precision medicine market in East Asia, Taiwan is expected to become an important promotion base for BNCT technology within the next five years. Leveraging its technological leadership and localization advantages, the Company is expected to capture an important market share in this process. As more clinical trials succeed, demand for BNCT will further expand, and the market's growth potential is considerable.

4. Competitive niche

(1) Leading in technology:

The Company has integrated the advanced technologies of National Tsing Hua University and the Industrial Technology Research Institute to develop efficient AB-BNCT equipment with high technical barriers and strong market competitiveness. A comparison of the Company's AB-BNCT neutron irradiation system with those of other international competitors is shown below: The proton efficiency of Heron's AB-BNCT system is 4.8, which is at least four times that of competitors. This means that the epithermal neutron flux, or treatable neutrons, generated per unit of proton current by the Company's system is at least four times that of competitors. At the same time, the Company's AB-BNCT system uses lower power, 7.5 kW, and therefore has lower operating costs than other competitors.

Company Item	Heron	Japanese Company A	Korean Company B	Chinese Company C	U.S. Company D	U.S. Company E
Target materials	Be	Be	Be	Li	Li	Li
Accelerators	Cyclotron	Cyclotron	Quadrupole- focusing Drift Tube Linear Accelerator	Tandem Electrostatic Accelerator	Single-ended Electrostatic Accelerator	Single-ended Electrostatic Accelerator
Proton Current (mA)	0.25	1	8	10(8)	30	10
Proton Energy (MeV)	30	30	10	2.5(2.3)	2.6	2.5
Power (kW)	7.5	30	80	25(18.4)	78	25
Epithermal Neutron Flux (1×10^9 n cm ⁻² s ⁻¹)	1.2 ^b (Note 1)	1.2 ^a (Note 2)	[Aiming > 2] ^b	>0.6 ^a	1.3 ^b	>0.6 ^a
Proton Efficiency (10^9 Neu Flux/mA)	4.8	1.2	0.5	0.11	0.04	0.11
Medical Device Certification	TFDA	PMDA	Not yet obtained	Not yet obtained	Not yet obtained	Not yet obtained

Note 1:^b IAEA 0.5 eV < E < 10 keV

Note 2:^a 0.5 eV < E < 40 keV

- (2) Vertical integration of drugs and equipment: The Company not only provides equipment, but also offers customers one stop solutions through drug development and clinical trials. This vertically integrated model raises market entry barriers and enhances customer stickiness.
- (3) Global expansion plan: The Company has already formulated a clear international market expansion plan and intends to further expand its business in the Asia Pacific region and in the U.S. and European markets. Leveraging the successful experience accumulated in Taiwan, the Company is well positioned to gain a competitive advantage in international markets.

By virtue of its technological strengths, market deployment, and vertical integration capabilities, the Company has significant competitive advantages in the BNCT market. As market demand continues to grow and technology becomes increasingly mature, the Company is expected to occupy a leading position in the global BNCT market and continue advancing the development of precision cancer treatment.

5. Favorable and unfavorable factors for future development

(1) Favorable factors:

- Technological advantages: The Company has integrated the cutting edge technologies of National Tsing Hua University and the Industrial Technology Research Institute and has successfully developed market competitive AB-BNCT equipment, placing it in a leading position in the field of precision cancer treatment.
- Vertical integration capability: The Company possesses complete vertical integration capability spanning AB-BNCT system and facility design, equipment installation, boron containing drugs and pretreatment imaging diagnosis, repair and maintenance, and clinical support. This reduces cross supplier integration risk, improves system stability and treatment safety, facilitates the accumulation of clinical data and standardization of treatment workflows, and strengthens overall market competitiveness.
- Advantages of domestic development and manufacturing: The Company adopts a domestic development and manufacturing strategy for its core technologies and key equipment, establishing a complete and controllable supply chain system through independent R&D and local manufacturing. This strategy not only reduces dependence on imported equipment, but also helps enhance cost control and strengthen long term technological autonomy and competitive barriers, thereby laying a solid foundation for subsequent market expansion and international commercialization.

- Growing market demand: As the global incidence of cancer rises and demand for precision treatment increases, the market outlook for BNCT technology is promising, and future demand is expected to grow significantly.
- (2) Unfavorable factors and countermeasures:
- Intensifying market competition: As BNCT technology becomes more widely promoted, more international competitors may enter the market, intensifying competition. The Company's response strategy is to continue technological innovation and maintain its technological leadership and market competitiveness through the ongoing development of next-generation AB-BNCT equipment and novel drugs.
 - High cost challenges: The R&D and production costs of BNCT equipment and drugs are high and may place some pressure on the Company's profit margins. The Company's response strategy is cost control through improved production processes and scaled up production to lower production costs and improve operating efficiency.
 - Medical device approvals: Regulatory requirements for medical devices and pharmaceuticals vary from country to country, which may increase the difficulty of entering new markets. The Company's response strategy is to accelerate approvals in various jurisdictions and expand globally through international collaboration, including cooperation with internationally renowned medical institutions and research centers to conduct multicenter clinical trials.
 - Clinical acceptance and treatment guidelines are not yet fully established: Because BNCT is an emerging precision radiotherapy technology, clinical application experience is still being accumulated. Treatment workflows and clinical guidelines have not yet been fully standardized, and most physicians still require time to learn and adapt to the technology and its practical application, which may affect initial clinical acceptance. In response to this challenge, the Company will continue to accumulate clinical evidence and promote standardized treatment workflows through physician training, the establishment of clinical demonstration centers, and cooperation with international medical institutions, thereby gradually building consensus based clinical guidelines and enhancing physician confidence and clinical adoption.

(II) Important uses and production processes of the principal products

1. Important uses of the principal products

Boron Neutron Capture Therapy, or BNCT, is an extracorporeal targeted radiotherapy. Its principal concept is to use the interaction between boron isotope ^{10}B and neutrons to release energy that kills tumor cells while not seriously affecting normal tissue cells. This is the basic principle and important use of BNCT.

The treatment process of BNCT can be divided into two parts. The first is the accumulation of stable isotope ^{10}B at the tumor site, followed by irradiation of the tumor site with thermal neutrons, which generally refers to neutrons with energy below 1 eV. Because the probability of a capture reaction between thermal neutrons and ^{10}B is far greater than that between thermal neutrons and the main cellular components, carbon, hydrogen, oxygen, and nitrogen. Therefore, most thermal neutrons irradiated at the tumor site readily react with ^{10}B and release high energy ^7Li and alpha particles. Because the maximum travel distances of ^7Li and alpha particles in tissue cells are only 4 μm and 9 μm , respectively, approximately the size of a single cell, if the reaction between neutrons and ^{10}B can be controlled to occur inside tumor cells, the tumor cells will be destroyed by the high energy particles generated by the reaction, while damage to more distant normal tissue cells will be relatively limited. This treatment method, which relies on the

accumulation of boron containing drugs in tumor cells and then uses neutrons to trigger a radiation reaction, combines the advantages of targeted therapy and radiotherapy to achieve the treatment goal of sparing innocent tissue.

2. Production processes of the principal products

- **Accelerator Based Boron Neutron Capture Therapy System (AB-BNCT System):** This system mainly consists of a proton accelerator, neutron source target system, neutron beam shaping system, and patient positioning system. The installation of these systems involves hoisting and positioning heavy equipment, such as the main magnet of the accelerator and the neutron beam shaping system, and installation work is carried out in coordination with building construction. The sequence of system installation is as follows: cyclotron main body, installation of MEP auxiliary equipment, beamline installation, neutron beam shaping system, loading of the neutron generating target station, and patient positioning system. After completion of the system hardware installation work, system integration and commissioning are carried out in the following sequence: commissioning of the accelerator main magnet and MEP equipment, commissioning of the beamline transmission system, commissioning of the neutron generation system, commissioning and calibration of the neutron monitoring system, calibration and commissioning of the patient positioning system, communication testing and commissioning of the treatment control system, establishment and verification of the safety interlock system, and quality verification and stability testing of the epithermal neutron beam.
- **Therapeutic boron containing drug (BPA):** At present, the drug B10 L-BPA is mainly manufactured by qualified GMP contractors. It is mainly produced through chemical synthesis from starting materials, followed by appropriate purification steps to obtain the final active pharmaceutical ingredient product. Product quality is managed and executed by the contracted manufacturers in accordance with GMP requirements, including material inspection, production control, and release of the final product in accordance with specification. The manufacture of B10 L-BPA Injection is mainly outsourced to qualified GMP manufacturers. It is primarily produced by aseptically filling the active pharmaceutical ingredient, B10 L-BPA, together with excipients in fixed proportions using water as the solvent, then adjusting to an appropriate pH value, and finally filling the product into suitable packaging. Product quality is managed and executed by the contracted manufacturers in accordance with GMP requirements, including material inspection, production control, and release of the final product in accordance with specification.
- **¹⁸F boron containing drugs for pretreatment positron imaging diagnosis (FBPA):** At present, FBPA is mainly manufactured by GMP contractors. Starting from precursors, which are produced in advance by contracted GMP manufacturers, a series of synthesis reactions is carried out through labeling with F18, followed by appropriate purification steps and formulation with excipients to obtain the final injection. For nuclear medicine, the process from active pharmaceutical ingredient to final product is a continuous process. Product quality is executed by the contractors under GMP requirements, including material inspection, production control, and release of final product specifications.

(III) Supply status of principal raw materials

Consumable materials used for repair and maintenance of the AB-BNCT system are mainly supplied by a Canadian accelerator manufacturer, and the current supply status is satisfactory. For BPA, the therapeutic drug used for AB-BNCT, the Company has fixed raw material and formulation suppliers and continues to make progress in process optimization and mass production of both the active pharmaceutical ingredient and the product, ensuring sufficient supply for the next phase of multicenter clinical trials and future commercialization. BPA has been outsourced to domestic PIC/s GMP manufacturers for the production of the active pharmaceutical ingredient and formulation to supply clinical trial drugs for this year and next year. The supply of product raw materials is under control to ensure a stable supply of clinical trial drugs, while also taking into account a cost structure consistent with international new drug standards.

(IV) Lists of major suppliers and customers

- Names of suppliers that accounted for more than 10% of total purchases in either of the most recent two fiscal years, and the purchase amounts and percentages thereof, together with explanations of the reasons for the increase or decrease:

Unit: NT\$ thousand; %

Item	2024				2025			
	Name of entity	Amount	Percentage of annual net purchases	Relationship with the Issuer	Name of entity	Amount	Percentage of annual net purchases	Relationship with the Issuer
1	ScinoPharm Taiwan, Ltd.	8,880	89.16	None	ScinoPharm Taiwan, Ltd.	87,615	84.87	None
	Others	1,079	10.83		Others	15,618	15.13	
	Net purchases	9,959	100.00		Net purchases	103,233	100.00	

The Company's suppliers are well-known domestic pharmaceutical manufacturers. The principal purchased raw materials are for the production of B10 L-BPA active pharmaceutical ingredient and B10 L-BPA drug products. The Company maintains good cooperative relationships with all of its partner suppliers, and there have been no shortages or interruptions.

- Names of customers that accounted for more than 10% of total sales in either of the most recent two fiscal years, and the sales amounts and percentages thereof, together with explanations of the reasons for the increase or decrease:

The Company's medical device obtained a medical device permit in 2024, and the products sold to customers are still in the installation stage. The drug products are still in the clinical stage. Accordingly, in 2025 the Company had revenue only from En-Tzu treatment irradiation and boron-containing drug BPA.

Unit: NT\$ thousand; %

Item	2024				2025			
	Name of entity	Amount	Percentage of annual net sales	Relationship with the Issuer	Name of entity	Amount	Percentage of annual net sales	Relationship with the Issuer
1	-	-	-	-	Natural person	5,869	56.94	-
	Others	-	-	-	Taipei Veterans General Hospital	4,439	43.06	-
	Net sales	-	-	-	Net sales	10,308	100.00	

III. Employee Statistics

Year		2024	2025	March 31, 2026
Number of employees	Managerial officer	5	5	5
	R&D and technical personnel	31	56	69
	Regular employee	23	40	40
	Total	59	101	114
Average age		38.6	38.2	37.7
Average years of service		1.7	1.7	1.7
Education distribution percentage	Ph.D	6	10	14
	Master's degree	36	63	76
	College	16	28	24
	Senior high school	1	0	14
	Below senior high school	0	0	0

Note: The above employee figures do not include interns and part-time personnel.

IV. Disbursements for environmental protection

- (I) Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: None.
- (II) If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

V. Labor relations

- (I) Employee welfare benefit plans, continuing education, training, retirement system and the status of implementation thereof, as well as labor-management agreements and various measures for preserving employee rights and interests: Since its establishment, the Company has consistently upheld a business philosophy of harmony, mutual benefit, and shared growth. Labor-management relations have always been harmonious. The Company and its employees work together in unity and cooperation to create business results and share the fruits thereof. Appropriate communication channels are in place for the relevant benefits and management measures, enabling both labor and management to communicate in both directions in order to seek sound solutions and establish a consensus of integrated labor and management.

1. Employee benefits

- (1) Statutory annual leave, labor insurance, national health insurance, and group insurance.
- (2) Year-end bonus and performance bonus.
- (3) Dragon Boat Festival and Mid-Autumn Festival bonuses.
- (4) Birthday party.
- (5) Friday afternoon tea every week.
- (6) Bonus and condolence payments for marriage, funeral, celebrations, and childbirth.

- (7) Employee activities and travel activities are held from time to time to enrich employees' leisure activities and enhance employees' relationship.
 - (8) Annual health examinations.
 - (9) Employee stock option program.
 - (10) Employee stock ownership trust.
2. Continuing education and training: In order to enhance employees' professional and technical capabilities, improve work efficiency, and strengthen emphasis on product quality, the Company conducts both internal and external training to strengthen the professional capabilities of employees in various functions. The Company's training programs include the following:
- (1) Orientation training for new employees: On the first day of employment, new employees are introduced to the Company's corporate culture, organizational history, work rules, employee welfare, precautions, and work environment. They are also assigned six online courses, namely protection of trade secrets, proprietary information protection policy, mobile device security and personal data protection, information security (use of watermarking tools), information security (phishing), and prevention of workplace sexual harassment, so that new employees may acquire a basic understanding of the Company.
 - (2) Training for current employees: To cultivate employees' professional skills, knowledge, and management capabilities related to their work.
 - (3) Professional competency training: Employees are assigned, as needed, to receive training at relevant institutions so that they may obtain professional inspection and certification qualifications.
3. Retirement system: In accordance with the "Labor Pension Act", the Company contributes 6% of each employee's monthly salary each month to the employee's individual pension account. Employees may also choose to make voluntary pension contributions to their individual pension accounts.
4. Labor-management consultation and safeguarding of employee rights and interests: Labor-management consultation meetings are held every quarter so that both labor and management may maintain sound and effective communication channels.
- (II) Losses incurred as a result of labor disputes in the most recent fiscal year and up to the date of publication of the annual report, and the currently estimated amount and response measures for any possible future occurrence

Since its establishment, the Company has maintained harmonious labor-management relations and has not incurred any loss arising from labor disputes. In addition, in the most recent two fiscal years and up to the date of publication of the prospectus, there were no labor inspection findings involving violations of the Labor Standards Act. At the same time, the Company values employee opinions, gains an in-depth understanding of employee satisfaction with management and welfare systems, and maintains sound labor-management relations. It is estimated that the possibility of future losses arising from labor disputes is extremely low.

VI. Cybersecurity management

- (I) The cybersecurity risk management framework, cybersecurity policies, concrete management programs, and investments in resources for cybersecurity management

1. Management framework

The Company's information security policy is maintained by the information unit, and information security work is planned, executed, and controlled by the information unit, which reports to the Board of Directors at least once a year. The most recent report to the Board of Directors was made on March 10, 2026.

2. Cybersecurity policies

The Company's cybersecurity policy, specific management programs, and resources invested in cybersecurity management are described below:

- (1) Risk prevention: Use of an anti-spam email system to filter emails. Regular cooperation with the firewall maintenance vendor to monitor vulnerabilities and remediate them. Domain passwords are updated every three months in accordance with complexity requirements. Anti-virus software is installed, and virus definitions are automatically updated daily. Restoration drills are regularly conducted to verify the integrity of data, systems, and storage media.
- (2) Protective facilities include access control for the information equipment room, independent air conditioning, and power system backup. Corporate firewall data is analyzed to formulate defense policies. Employee access rights are centrally regulated, and information equipment is centrally procured. External devices are controlled, and unauthorized connections are prohibited.

3. Concrete management programs

- (1) Management of personal data security: Employees are required to fulfill their responsibilities for the safekeeping and use of their accounts, passwords, and access rights.
- (2) Management of mail system security: A mail management system is used to isolate spam and phishing emails.
- (3) Anti-virus software is installed, with real-time scanning enabled and the virus database updated, to ensure security.

4. Investments in resources for cybersecurity management

- (1) Software inventory: Maintain software allowlists and blocklists, and conduct regular audits of software installations to ensure lawful use of licensed software and timely updates to the risk identification database.
 - (2) Data recovery drills: Disaster recovery drills for core systems are conducted once a year.
 - (3) Endpoint protection:
 - Anti-virus software is centrally managed through a management console, which regularly and automatically checks virus definition files and automatically downloads and installs the latest virus definitions.
 - Extended detection and response software has been deployed to strengthen threat prevention, detection, and response capabilities.
 - Dual-factor authentication is adopted for account logins to core systems.
 - (4) Cybersecurity prevention measures and explanations of attack methods to strengthen employee awareness:
 - Internal announcements on cybersecurity prevention measures and explanations of attack methods are issued to all employees from time to time in order to improve employee cybersecurity awareness and literacy.
 - New employees are required to complete orientation training courses and pass the qualification requirements after reporting for duty. Course content includes "Information Security - IT Related Obligations" in order to enhance new employees' awareness of their information security obligations.
 - In-person general information security education and training courses are held every year to improve employees' information security literacy.
- (II) Losses incurred as a result of material cybersecurity incidents in the most recent fiscal year and up to the date of publication of the annual report, possible impacts, and response measures: None.

VII. Important contracts

Important sales and purchase contracts, technical cooperation contracts, engineering contracts, long-term borrowing contracts, and other important contracts that may affect investors' rights and interests and that remain effective at present or expired within the most recent fiscal year

Nature of contract	Parties	Beginning and end dates of contract	Major content	Restrictive clauses
Cooperation agreement	China Medical University	Effective on 2019/7/25	Agreement covering the AB-BNCT construction phase, clinical trial phase, and operating phase	Within 10 years after successful manufacture and commercialization of the AB-BNCT equipment, feedback payments will be provided to China Medical University for AB-BNCT medical technology R&D and industry-academia technical research
Lease agreement	China Medical University	Effective on 2022/2/24	30-year lease agreement for the construction of the accelerator boron neutron capture cancer therapy technology and equipment laboratory of China Medical University	None
Contract manufacturing	ScinoPharm Taiwan, Ltd.	Effective from 2023/10/11 pursuant to the term specified in each contract	Development and production of B-10 L-BPA active pharmaceutical ingredient and formulation, with multiple contracts signed according to each phase of progress	The supplier does not provide a complete warranty for product intellectual property rights
Engagement contract	Top Biotech Consultant Co., Ltd.	2024/5/20 to completion of clinical trial	Academic clinical trial of L-BPA	None
Engagement contract	Formosa Biomedical Technology Consultants Corp.	2024/05/27~2027/12/31	Entrusted services for drug clinical trials	None
Engagement contract	Taipei Veterans General Hospital	2024/09/20~2026/12/31	Academic clinical trial for meningioma	None
Letter of undertaking	Taipei Veterans General Hospital	Signed on 2024/10/22, for 11 years from delivery of the subject matter	BNCT equipment repair and warranty	None
Entrusted development	BIODURO LLC DBA BIODURO-SUNDIA	Effective from 2024/11/27 Pursuant to the terms specified in each contract	Development and production of FBPA precursor, with multiple contracts signed according to each phase of progress	None
Entrusted development	GeneScience Biotech Co., Ltd.	Effective from 2025/02/11 Pursuant to the terms specified in each contract	Development, process stabilization, and production of 18F-FBPA, with multiple contracts signed according to each phase of progress	None

Nature of contract	Parties	Beginning and end dates of contract	Major content	Restrictive clauses
Exclusive license	National Tsing Hua University	2025-01-01–2035-12-31	Patent for "Method and System for Label-Guided Image Positioning"	The license is granted for a specified territory, the licensing method is subject to corresponding arrangements, and the university does not provide a complete warranty for the licensed patent
Sale and purchase contract	Hermes-Epitek Corp.	Effective from 2024/11/01	Supply of "Accelerator-Based Boron Neutron Capture Therapy Equipment and Related Radiation Protection Facilities" for use by Taipei Veterans General Hospital	None
Sale and purchase contract	Advanced Cyclotron Systems Inc.	2025/4/28 – completion of acceptance and warranty	Procurement of an accelerator for installation of the BNCT system at Taipei Veterans General Hospital	The supplier does not provide a complete warranty for product intellectual property rights
Cooperation agreement	Nanjing BenQ Hospital Co., Ltd.	Effective on 2025/8/26	Joint construction cooperation for BNCT	None
Letter of intent	University of Tsukuba	Effective on 2025/10/22	Development of BNCT clinical applications and innovation in treatment strategies. Heron is responsible for investing the necessary resources in research, clinical development, pharmaceuticals, and treatment.	None
Letter of intent	Cosylab d.d.	2025/11/5~2026/1/4	The parties act as mutual agents;	Heron serves as the exclusive agent of Cosylab d.d. in Taiwan.
Cooperation agreement	National University Hospital (Singapore) Pte Ltd. Bioprocessing Technology Institute, A*STAR Research Entities	2025/12/8~2028/12/7	Joint construction cooperation for BNCT Heron is responsible for investing the necessary resources in facility construction and radiation safety	None
Investment agreement	BENQ BM Holding Cayman Corp. China International Capital Corporation Hong Kong Securities Limited CITIGROUP Global Markets Asia Limited	Effective on 2025/12/05	Investment in shares issued in Hong Kong by BENQ BM Holding Cayman Corp.	Subject to a six-month lock-up period, with resale restrictions applicable to transaction counterparties in certain regions

Nature of contract	Parties	Beginning and end dates of contract	Major content	Restrictive clauses
Memorandum of cooperation	Siemens Medical Equipment Co., Ltd.	From 2026/1/29 for one year, renewable for one additional year	Cooperation on BNCT treatment planning	None
License agreement	Advanced Cyclotron Systems Inc., EbcO Industries Ltd.	From 2026/3/18 for ten years, renewable for another ten years	License of specified TR-Flex cyclotron technology	1. Non-exclusive license, with no right to sublicense. 2. Certain key components must be purchased from designated suppliers

Note: All of the above contracts contain confidentiality clauses.

Chapter 5. Review and Analysis of Financial Position and Financial Performance and Risk Matters

I. Financial position

Unit: NT\$ thousand

Item	Year	2024	2025	Difference	
				Amount	%
Current assets		916,150	10,552,705	9,636,555	1,051.85
Financial assets at fair value through other comprehensive income - non-current		-	415,032	415,032	-
Property, plant and equipment		283,957	283,792	(165)	(0.06)
Right-of-use assets		304,091	291,650	(12,441)	(4.09)
Intangible assets		36,378	34,245	(2,133)	(5.86)
Other assets		3,806	1,192	(2,614)	(68.68)
Total assets		1,544,382	11,578,616	10,034,234	649.72
Current liabilities		44,297	64,775	20,478	46.23
Non-current liabilities		27,662	24,529	(3,133)	(11.33)
Total liabilities		71,959	89,304	17,345	24.10
Share capital		1,393,550	1,575,480	181,930	13.06
Capital surplus		674,865	10,934,084	10,259,219	1,520.19
Retained earnings (accumulated deficit)		(595,992)	(481,666)	114,326	(19.18)
Other equity		-	(538,586)	(538,586)	-
Total shareholders' equity		1,472,423	11,489,312	10,016,889	680.30

(I) Main reasons for and impact of changes in financial position in the most recent two fiscal years where the increase or decrease ratio exceeded 20% and the amount of change reached NT\$10,000 thousand

1. Current assets: Mainly due to the cash capital increase conducted in 2025. At the same time, in line with expansion of operating scale, the Company planned to increase inventory materials and make related prepayments, which in turn led to an increase in current assets.
2. Current liabilities: Mainly due to increased inventory materials, which resulted in an increase in accounts payable.
3. Share capital and capital surplus: Mainly due to the cash capital increase conducted in 2025 and employee exercise of stock options.
4. Other equity: Mainly due to valuation losses recognized on financial assets at fair value through other comprehensive income - non-current.

(II) Where changes in financial condition in the most recent two fiscal years had a material impact, explanation of future response plans

The above changes have not had any material adverse impact on the Company, and there have been no material abnormalities in the Company's overall performance. Accordingly, no response plan is considered necessary.

II. Financial performance

Unit: NT\$ thousand

Item \ Year	2024	2025	Difference	
			Amount of increase (decrease)	Percentage of change (%)
Operating revenue	-	10,308	10,308	-
Operating costs	3,587	36,090	32,503	906.13
Gross profit	(3,587)	(25,782)	(22,195)	618.76
Operating expenses	255,409	508,541	253,132	99.11
Operating (loss) profit	(258,996)	(534,323)	(275,327)	106.31
Non-operating income and expenditure	(1,081)	52,657	53,738	(4,971.14)
Profit (loss) before tax from continuing operations	(260,077)	(481,666)	(221,589)	85.20
Profit (loss) for the period	(260,077)	(481,666)	(221,589)	85.20
Other comprehensive income (loss) for the period, net of tax	-	(538,586)	(538,586)	-
Total comprehensive income for the period	(260,077)	(1,020,252)	(760,175)	292.29

(I) Analysis and explanation of changes where the increase or decrease ratio exceeded 20% and the amount reached NT\$10 million:

1. Operating revenue and operating costs: Mainly because En-Tzu treatment and BPA drugs were brought into the billing mechanism in 2025, resulting in increases in revenue and related cost of sales compared with previous years.
2. The increase in operating expenses and pre-tax net loss was mainly due to expansion of operations in 2025, including an increase in employees, the entry of therapeutic boron-containing drugs into clinical trials, and the R&D of the testing drug FBPA.

(II) Expected sales volume and the basis therefor, and the possible impact on the Company's future finance and business:

As the Company has not announced a financial Forecast, this is not applicable.

III. Cash flows

(I) Analysis of changes in cash flows in the most recent year

Unit: NT\$ thousand

Item	Year	2024	2025	Percentage of increase/decrease (%)
	Net cash inflow (outflow) from operating activities		(259,970)	(484,401)
Net cash inflow (outflow) from investing activities		(148,978)	(8,761,695)	5,781.20
Net cash inflow (outflow) from financing activities		899,646	10,870,741	1,108.34
Explanation of changes in ratios:				
(1) Increase in net cash outflow from operating activities: Mainly due to continued losses as a result of R&D expenditures in 2025.				
(2) Increase in net cash outflow from investing activities: Mainly due to an increase in bank time deposits.				
(3) Increase in net cash inflow from financing activities: Mainly due to the cash capital increase conducted in 2025.				

(II) Plans to improve insufficient liquidity: The Company currently has ample funds and there is no insufficiency in liquidity.

(III) Analysis of changes in cash flow in the coming year

Unit: NT\$ thousand

Beginning cash balance A	Estimated net cash flow from operating activities for the full year B	Estimated net cash flow from investing and financing activities for the full year C	Estimated cash surplus (shortfall) A+B+C	Remedial measures for estimated cash shortfall	
				Investment plan	Financial plan
10,228,611 (Note)	(614,916)	(2,886,400)	6,727,295	-	-

Note: This amount is the aggregate of "cash and cash equivalents" and "financial assets at amortized cost - current".

1. Analysis of changes in cash flow for the coming year:

- (1) Operating activities: Mainly due to the Company's continued investment in R&D expenditures for various projects and preparations for installation of the BNCT project at Taipei Veterans General Hospital.
- (2) Net cash outflow from investing and financing activities: Mainly due to the capital expenditure for plant construction.

2. It is currently expected that there will be no cash insufficiency in the coming year.

IV. Impact of major capital expenditures in the most recent fiscal year on finance and business

(I) Utilization of major capital expenditures and sources of funds: None, and therefore not applicable.

(II) Expected benefits: None, and therefore not applicable.

V. Reinvestment policy in the most recent fiscal year, main reasons for profit or loss, improvement plans, and investment plans for the coming year:

(I) Re-investment policy:

In accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" prescribed by the competent authority, the Company has adopted the "Procedures for Acquisition or Disposal of Assets" as the basis for conducting reinvestment in investee enterprises so as to keep abreast of their business and financial conditions. In addition, in order to strengthen the supervision and management of reinvested companies, the Company has established supervisory and management measures within internal control system for subsidiaries, setting forth relevant regulations on information disclosure, finance, business, inventory, and operations management so that the Company's reinvestment enterprises may achieve maximum effectiveness.

(II) Main reasons for profit or loss of reinvested enterprises in the most recent fiscal year and improvement plans:

No Subsidiary was established in 2025.

(III) Investment plans for the coming year:

Reinvested entity	Estimated investment amount
Heron Medical Device (Nanjing) Co., Ltd.	USD 1 million
Heron Neutron Medical Japan Co., Ltd.	JPY 150 million
Heron Neutron Medical Singapore Pte. Ltd	USD 1 million

VI. Risk Matters

(I) Impact of changes in interest rates, exchange rates, and inflation on the Company's profit or loss, and future response measures:

1. Impact of interest rate changes on the Company's profit or loss and future response measures

The Company's interest expense in 2025 amounted to NT\$887 thousand, mainly consisting of interest expense recognized on lease liabilities or asset retirement obligations under IFRS 16. Interest income in 2025 amounted to NT\$46,186 thousand, mainly arising from bank deposits. Overall, interest rate changes have not had a material impact on the Company's profit or loss. Nevertheless, the Company continues to establish and maintain good relationships with banks so that it may obtain better interest rate terms when future funding turnover needs arise, thereby minimizing the impact of interest rate changes on the Company's profit or loss.

2. Impact of exchange rate changes on the Company's profit or loss and future response measures

The Company's foreign exchange gain (loss) in 2025 amounted to NT\$6,925 thousand, mainly arising from the valuation of current liabilities. Overall, exchange rate changes have not had a material impact on the Company's profit or loss. The Company will continue to collect exchange rate information at all times in order to address future exchange rate risk and minimize the impact of exchange rate changes on the Company's profit or loss.

3. Impact of inflation on the Company's profit or loss and future response measures

The Company is a developer of medical devices and new drugs and does not sell directly to general consumers, and is therefore relatively less affected by inflation. Nevertheless, the Company will continue to monitor inflation conditions in order to address future inflation risk and minimize the impact of inflation on the Company's profit or loss.

- (II) Policies on engaging in high-risk, highly leveraged investments, loans of funds to others, endorsements and guarantees, and derivatives trading, the main reasons for profit or loss, and future response measures:

The Company is focused on the operation of its principal business and adopts financial prudence and conservatism as its guiding principle. In the most recent fiscal year and up to the date of publication of the prospectus, it did not engage in any high-risk or highly leveraged financial investments, nor were there any loans of funds to others, endorsements and guarantees, or derivatives trading. If, in the future, it becomes necessary to engage in loans of funds to others, endorsements and guarantees, or derivatives trading, such matters will be handled in accordance with the Company's "Procedures for Loaning of Funds to Others", "Procedures for Endorsements and Guarantees", and "Procedures for Handling Derivatives Trading".

- (III) Future R&D plans and the estimated R&D expenses to be invested

1. Future R&D plans are as follows:

The Company's product and technology development is based on accelerator-based boron neutron capture therapy technology. It is committed to cross-disciplinary system integration and, in response to the needs of medical users and the market, pays close attention to trends and developments in the precision medicine industry in order to develop products and technologies with potential for market growth, future development, and pioneering application. The Company's principal research and development directions are as follows:

(1) Enhancement of accelerator technology

Through technical cooperation, the Company will establish in-house accelerator manufacturing capability, build stable production and supply capacity for system equipment, and achieve the goal of complete domestic development and manufacturing of the entire system.

(2) Beamline R&D and neutron target system optimization

Through the development and application of scanning magnet beamlines, the Company seeks to reduce localized heat accumulation on the target material and increase the overall proton current tolerance of the target material, thereby not only enhancing target stability but also increasing the treatment neutron source intensity of the AB-BNCT system.

(3) Enhancement of neutron beam shaping assembly technology

Optimization plans for the neutron beam shaping system will continue to improve neutron generation efficiency, enhance treatment neutron source intensity and beam quality, shorten irradiation time, and increase facility operating capacity.

(4) R&D of patient positioning technology and automated workflows

Optimize the user interface and control logic of the patient positioning system in order to improve system safety and operational convenience.

(5) Enhancement of the treatment system

- A. Strengthen the functionality and convenience of the treatment planning system user interface so that the treatment planning process becomes more intuitive and convenient.
- B. Continue to improve the computational efficiency of the dose engine and optimize algorithm logic and demand for computing resources.
- C. Develop a rapid dose evaluation algorithm, which is expected to complete dose estimation within a very short time and provide users with support for treatment plan optimization, thereby improving plan quality and efficiency.
- D. Develop and design a simulation positioning module to shift patient positioning from the treatment room to the simulation positioning room and use the simulation positioning system to transfer the positioning results back to the treatment room, thereby increasing treatment trial operation capacity and reducing personnel exposure dose. In addition, because patient positioning is performed in the simulation positioning room, peripheral examination equipment can also be installed there, thereby increasing treatment flexibility.

(6) Integration of system software and information systems

Integrate and optimize the system communication system and architecture. In addition to enhancing system communication security, this will also increase the use of common modular components and reduce the difficulty of maintenance and spare parts preparation.

(7) R&D of the new generation AB-BNCT system

Develop a medium-high-energy AB-BNCT system to expand product market flexibility and lower installation barriers, and develop an ultra-compact BNCT system to make effective use of confined spaces and expand the global market share of AB-BNCT systems.

(8) Development, research, and validation of boron neutron capture therapy drugs

A. BPA drug

Continue to conduct research on clinical use and data analysis of the BPA drug in order to optimize medication conditions and treatment workflows and provide reference for enhancing clinical efficacy. At the same time, the Company is advancing research and development of new BPA dosage forms, with a view to improving convenience of use and reducing the complexity of clinical operating procedures through dosage form enhancement, thereby facilitating subsequent promotion and expansion of clinical applications.

B. New boron-containing drug

In the medium to long term, the Company plans to invest in the research, design, and validation of new boron-containing drugs as an expansion of its product pipeline beyond BPA and an extension of clinical applications, so as to address indication areas and unmet medical needs that are not yet adequately covered by BPA at this stage. R&D directions include evaluation and development of new forms of boron-containing drugs, such as antibody boron drug conjugates, with a view to gradually expanding the future product portfolio and strengthening long-term competitiveness by improving tumor selectivity, prolonging intracellular retention time, and reducing the impact of expression variability.

(9) Development, research, and validation of the testing drug FBPA

Continue to advance the development, research, and validation of the testing drug FBPA and develop commercial reaction reagents and kits for FBPA in order to improve process convenience and production yield and strengthen subsequent supply capability and commercialization progress.

(10) Development of radiation shielding design

Develop and optimize neutron shielding materials, strengthen the key supply chain and modular shielding construction methods, and achieve standardized installation.

(11) Periodic repair and maintenance services for AB-BNCT medical systems

Strengthen key components and achieve self-reliant periodic repair and maintenance of key components in order to shorten maintenance lead time.

2. Estimated R&D expenses to be invested

The Company's R&D expenses are budgeted and invested progressively in accordance with product development and clinical trial schedules. In order to strengthen and enhance product competitiveness, the Company will continue to invest manpower and material resources in the future, focusing on R&D of accelerators and beamlines, new neutron beam shaping systems, patient positioning systems, treatment control systems and treatment planning systems, next-generation AB-BNCT, boron neutron capture therapy, diagnostic and testing drug development and validation, and related technologies. R&D expenditures are expected to be adjusted in line with R&D progress and actual needs to ensure the smooth achievement of technology development and clinical application goals.

(IV) Impact of major domestic and foreign policy and legal changes on the Company's finance and business, and response measures

The Company conducts its daily operations in compliance with relevant domestic and foreign laws and regulations and closely monitors domestic and foreign policy trends and regulatory changes so as to fully grasp changes in the market environment. When major domestic or foreign policy or legal changes arise, the Company promptly consults professional institutions such as lawyers and accounting firms and formulates appropriate response measures based on the advice provided. In the most recent fiscal year and up to the date of publication of the annual report, the Company did not experience any event where major domestic or foreign policy or legal changes affected its finance or business.

(V) Impact of technological changes, including cybersecurity risks, and industry changes on the Company's finance and business, and response measures

1. The government has actively promoted the biotechnology industry in recent years. Because the biopharmaceutical industry features high technical barriers, long R&D cycles, high professional technology requirements, and high added value, the barriers to entry are relatively high. Accordingly, drastic changes are not likely to occur in a short period of time. The Company also has strong professional R&D capabilities and is able to closely monitor technological changes and industry changes and take appropriate responsive measures as necessary. In the most recent fiscal year and up to the date of publication of the prospectus, the Company had not experienced any material impact on its finance or business due to technological changes or industry changes.

2. In light of rapid changes in information technology and the external environment, and in order to reduce the impact of external changes on finance and business, the Company, together with external consultants, has planned and formulated information security policies suitable for the Company, which are implemented and periodically reviewed and adjusted as the basis for evaluation and judgment when the Company introduces various information systems and services.

3. Cybersecurity risk assessment and analysis

The Company includes cybersecurity in its annual audit items, regularly reviews and evaluates security protection measures, periodically changes various security settings, updates systems, and cooperates with external professional vendors to ensure information and network security. In addition, in order to ensure that information systems can continue to provide stable services, various backup mechanisms and backup systems have been established, and relevant processes, computer software, and hardware are appropriately improved as responsive measures.

(VI) Impact of changes in corporate image on crisis management and response measures

"Precision Care for Renewed Life" is the Company's core philosophy and mission. In the most recent fiscal year and up to the date of publication of the annual report, the Company did not experience any crisis arising from changes in its corporate image.

(VII) Expected benefits, possible risks, and response measures in connection with mergers and acquisitions

In the most recent fiscal year and up to the date of publication of the annual report, the Company did not merge with or acquire other companies. If appropriate M&A opportunities arise in the future, the Company will conduct a comprehensive evaluation thereof, including analysis of investment benefits and costs and related possible risks and returns, and will consider corresponding response measures for such risks. The Company will maintain a prudent evaluation approach to effectively safeguard the interests of the Company and its shareholders.

(VIII) Expected benefits, possible risks, and response measures in connection with plant expansion

The Company is expanding its operating headquarters in accordance with business operations and R&D needs. Possible risks include overall economic weakness, market demand being lower than expected, and R&D and clinical trial progress being slower than expected.

The Company's response measures are as follows: By leveraging product innovation and cost competitiveness, striving to gain market share, and providing complete solutions, the Company expects to maintain stable growth through increased market share. Resources will be gradually invested according to product development and clinical trial schedules, and R&D expenditures will be adjusted in line with R&D progress and actual needs, which should mitigate the impact of such risks.

(IX) Response measures for risks arising from concentration in purchases or sales

All of the Company's products are still in the development or clinical trial stage, and there is currently no concentration in purchases or sales.

- (X) Impact, risks, and response measures of substantial transfers or changes in shareholdings by directors, supervisors, or major shareholders holding more than 10% of the shares

In 2025 and up to March 31, 2026, there were no substantial transfers of shareholdings by the Company's directors or major shareholders.

- (XI) Impact, risks, and response measures of changes in management control

In the most recent fiscal year and up to the date of publication of the annual report, the Company did not experience any event in which a change in management control affected its operations. The Company has also established an internal control system and related management regulations. Therefore, if a change in management control were to occur, operational and management risks would be minimal.

- (XII) Litigation or non-litigation matters

1. Where, in the most recent fiscal year and up to the date of publication of the annual report, there were any concluded or pending litigation, non-litigation, or administrative disputes that could materially affect shareholders' rights and interests or the price of securities, the facts in dispute, amount in controversy, date of commencement of litigation, principal parties, and current handling status shall be disclosed: None.
2. Where, in the most recent fiscal year and up to the date of publication of the annual report, any litigation, non-litigation, or administrative disputes involving the Company's directors, supervisors, President, de facto responsible person, major shareholders holding more than 10% of the shares, or subordinate companies had been concluded or were still pending, and the results thereof could materially affect the rights and interests of the Company's shareholders or the price of securities: None.

- (XIII) Other important risks and response measures

1. Disclosure of the risk that R&D products may fail to be successfully developed, that development progress may be delayed, that sales may fall short of expectations, or that products may not be licensable to others, and the response measures adopted

Of the boron neutron capture therapy system developed by the Company, the neutron irradiation system has already obtained a medical device permit. The Company's internally developed therapeutic boron neutron capture drug BPA and testing drug FBPA must undergo clinical trials to demonstrate their safety and efficacy. Accordingly, the timeline from development and clinical stage to commercialization of the boron neutron capture therapy system is relatively long, and funding requirements are substantial.

Clinical trials for medical devices and new drugs are high-risk processes. If clinical trials fail or commercialization cannot be achieved, the Company will face the risk of unrecoverable investment and its operating cash flow may also be affected.

Before conducting clinical trials, the Company comprehensively evaluates the completeness and reproducibility of preclinical data, refers to domestic and international clinical trial results, and discusses and designs clinical trial protocols with CRO companies and clinical research institutions in order to reduce the risk of clinical failure.

To accelerate the advancement of various tasks and shorten each stage, the Company adopts an outsourced cooperation strategy for new drug R&D and testing, working with entrusted institutions through professional division of labor to carry out

new drug development, preclinical studies, and clinical trials. In addition, the Company works with cooperating medical institutions in conducting clinical trials and has internally established a Regulatory and Quality Assurance Department dedicated to the review of relevant regulations and permit applications, thereby facilitating faster completion of approvals and certifications.

2. Disclosure of the risks arising from reliance on third parties, such as CROs and CMOs, for clinical trials or clinical / post-marketing drug production, and the response measures adopted

The Company has the capability to cooperate with different vendors in conducting clinical trials and does not depend on any specific research institution for the conduct of clinical trials. Before engaging CROs for clinical research, CMOs for contract manufacturing services, or CDMOs for contract design and manufacturing services, the Company's new drug development team conducts a rigorous selection process for different vendors. The results, data, and production reports generated from clinical trials conducted by CROs and process production carried out by CMO/CDMO vendors are all integrated within the Company. Through the Company's management of BNCT boron drug technology, clinical trial data analysis, clinical trial design, and trial progress, and by maintaining close contact with CROs and fully grasping the execution status of each clinical center, related risks are reduced.

3. Disclosure of the risk of insufficient operating capital, including explanation of the adequacy of operating capital, the R&D timeline it can support, and the response measures adopted

As of the first quarter of 2026, the Company had approximately NT\$10 billion of available funds, which are sufficient to meet funding needs for BNCT boron drug clinical trials and other R&D projects and operations. In addition, the Company is actively advancing its listing plan to enter the Taiwan capital market, which will provide more diversified financing channels and help meet future funding needs for new drug R&D.

VII. Other important matters: None.

Chapter 6. Special Notes

- I. Information related to the company's affiliates: None.
- II. Status of private placement of securities in the most recent fiscal year and up to the date of publication of the annual report: None.
- III. Other necessary supplementary explanations:
 - (I) Intellectual property management plan
For the Company, intellectual property rights not only demonstrate its technological development capability, but also create opportunities for strategic alliances, enhance overall corporate competitiveness, and win customer trust and recognition. Particularly when developing new technologies or new products, it is very important to establish patent layouts in the relevant fields in order to avoid potential intellectual property risks. The Company focuses on continuously increasing its patent filing capacity in various fields and strengthening the technological layout of its patent portfolio, and will continue to optimize, implement, and enhance employees' awareness of confidentiality, while continuing corrective and improvement measures and deepening intellectual property management. The Company regularly reports intellectual property related matters to the Board of Directors. The most recent report was made on March 10, 2026. The Company has filed a cumulative total of 176 patent applications, of which 55 have been granted.
- IV. If, in the most recent fiscal year and up to the date of publication of the annual report, any event referred to in Article 36, paragraph 3, subparagraph 2 of the Act occurred that had a material impact on shareholders' rights and interests or the price of securities: None.

Heron Neutron Medical Corp.

Responsible Person: Chin-Yung Shu