TCL Inc

Financials Statements

31 March 2026 and 31 March 2025

Pranas Accounting Tax & Bookkeeping Services, Inc

Independent Auditor's Report

To the Board of Directors of

TCL Inc.

Opinion

We have audited the accompanying financial statements of TCL Inc. (the "Company"), which comprise of the balance sheet and the statement of changes in stockholder's equity as of March 31, 2026, and March 31, 2025, and the related statements of operations and changes in Accumulated Deficit, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of TCL Inc. as of March 31, 2026, and March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAP). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered taken together, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities on the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement

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resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or taken together, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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TCL Inc
Balance Sheet / Statement of Financial Position
As of 31st March 2026, and 31st March 2025

Particulars	31st March 2026	31st March 2025
Assets		
Current Assets		
Cash and Cash Equivalents	$ 294	$ 2,949
Loan Receivable	6,639,138	-
Total Current Assets	**6,639,432**	**2,949**
Deferred tax Asset, net	234,261	122,969
Investment	130,930,782	85,189,668
Total Non-Current Assets	**131,165,043**	**85,312,637**
Total Assets	**137,804,475**	**85,315,586**
Liabilities and Stockholders' equity		
Current Liabilities		
Accounts Payable	2,700	4,425
Other Payables	61,504	26,049
Short term provisions	2,700	22,870
Loans and Advance	6,639,138	-
Total Liabilities	**6,706,042**	**53,344**
Stockholder's Equity		
Common Stock	1,000	1,000
Additional Paid in capital	130,950,782	85,209,668
Retained Earnings	146,652	51,574
Total Stockholder's Equity	**131,098,434**	**85,262,242**
Total Liabilities and Stockholder's Equity	**$ 137,804,475**	**$ 85,315,586**

See Accompanying notes

TCL Inc
Statement of Change in Stockholders’ Equity
As of 31st March 2026, and 31st March 2025

Particulars	Common Stock	Preferred Stock	Additional paid-in capital	Retained Earnings	Total Stockholders' Equity
Balance as at April 1, 2025	**$ 1,000**	**$ -**	**$ 85,209,668**	**$ 51,574**	**$ 85,262,242**
Net income	-	-	-	95,078	95,078
Other comprehensive income	-	-	-	-	-
Stock-based compensation	-	-	-	-	-
Additions to share capital	-	-	45,741,114	-	45,741,114
Balance as at March 31, 2026	**$ 1,000**	**$ -**	**$ 130,950,782**	**$ 146,652**	**131,098,434**

See Accompanying notes

TCL Inc
Statement of Operations
For the year ending 31st March 2026 and 31st March 2025

Particulars	31st March 2026	31st March 2025
Net Revenue		
Interest Income	$ 39,168	$ -
Total Income	**39,168**	**-**
Operating Expenses		
Finance costs	39,168	-
General and Admin Expenses	16,214	21,271
Total Operating Expenses	**55,382**	**21,271**
Net income/(deficit) before income taxes	**(16,214)**	**(21,271)**
Provision for Income Tax	-	22,870
Deferred tax (Income)/Expense	(111,292)	(122,969)
Net income	**$ 95,078**	**$ 78,828**

See Accompanying notes

TCL Inc
Statement of Cash Flows
For the years ended 31st March 2026 and 31st March 2025

Particulars	31st March 2026	31st March 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**$ 95,078**	**$ 78,828**
Adjustments to reconcile net income to net cash flows from operating activities:		
Interest Income	(39,168)	-
Deferred tax Income	(111,292)	(122,969)
Finance cost	39,168	-
Changes in assets and liabilities		
Trade payables	(1,725)	(575)
Other payables	35,454	20,049
Short term provisions	(20,170)	22,870
Cash generated from operations	**(2,655)**	**(1,797)**
Income taxes paid	-	-
Net cash used in operating activities	**(2,655)**	**(1,797)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan repaid by subsidiary	-	-
Investment in subsidiary	(45,741,114)	(50,209,668)
Interest Received	39,168	-
Net cash provided by (used in) investing activities	**(45,701,946)**	**(50,209,668)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	45,741,114	50,209,668
Repayment of Borrowings	-	-
Interest Paid	(39,168)	-
Net cash provided by (used in) financing activities	**45,701,946**	**50,209,668**
Net cash flows	(2,655)	(1,797)
Cash and cash equivalents at beginning of the period	2,949	4,747
Cash and cash equivalents at end of the period	**294**	**2,949**
Cash and cash equivalents comprise of:		
Balances with banks - in current accounts	294	2,949
Cash and cash equivalents	**$ 294**	**$ 2,949**

See Accompanying notes

Note 1. Summary of Significant Accounting Policies

General business overview:

TCL Inc is a Delaware incorporated C Corporation registered on Oct 10, 2018. TCL Inc is a wholly owned subsidiary of TCL Global B.V, Netherland, and its ultimate holding company is Thirumalai Chemicals Limited domiciled in India.
The Company is also the sole member of TCL Specialties LLC is a Limited Liability Company formed and registered on May 30, 2019, in the State of Delaware.

TCL Inc intends to construct, own, and operate an integrated manufacturing facility (hereinafter referred to as "the Project") producing malic acid, fumaric acid, maleic anhydride and other chemical derivatives in Proctor, Marshall County, West Virginia. For that purpose, TCL Inc has established TCL Specialties LLC through which the company will carry on business in the United States.

The Project, which was originally expected to commence operations by December 2024, is now expected to begin operations by June 2026, due to delays in construction and related factors.

Basis of Presentation of Financial Statements

The Financial statements for the year ended 31st March 2026 and March 31, 2025, have been prepared in accordance with the accounting policies generally accepted in the United States of America ("GAAP"). The information herein reflects all normal recurring material adjustments, which are, in the opinion of management, necessary for a fair statement of the results for the periods presented.

These financial statements present the financial position, results of comprehensive income, cash flows and statements of stockholder's equity. Certain immaterial reclassifications have been made in the financial statements of prior periods to conform to the current period presentation. These reclassifications had no material impact on previously reported net income, total stockholders' equity, or cash flows.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and judgments. These estimates and judgments affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities (if any) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and highly liquid investments with original maturities of three months or less.

Revenue Recognition

Revenue from contracts with customers for products sold and service provided is recognized when control of promised products or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Control is deemed to be transferred when the products are delivered, accepted, and acknowledged by the customers and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes taxes and is net of rebates and discounts.

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

The company has not commenced operations and consequently it has not generated any revenue for the period ended 31st March 2026 and 31st March 2025.

Note 2: Cash and Bank

The following table summarizes the cash and bank position of the company as on 31st March 2026 and 31st March 2025 as follows,

Cash and Cash Equivalents.	As of 31st March, 2026	As of 31st March, 2025
Balance with banks in current accounts	$ 294	$ 2,949

Note 3: Investments in Subsidiary Company

The carrying amount of investments made by the company for the period ended 31st March 2026 and 31st March 2025 is as follows,

Particulars	As of 31st March, 2026	As of 31st March, 2025
Balance in the beginning of the year	$ 85,189,668	$ 34,980,000
Additions during the year	$ 45,741,114	$ 50,209,668
Balance in the close of the year	**$ 130,930,782**	**$ 85,189,668**

***The entire investment represents 100% ownership of TCL Specialties LLC**

Note 4: Loan Receivable

4.1. Bridge Loan to TCL Specialties LLC

a. The Company entered into an intercompany loan agreement on February 19, 2026, with its subsidiary, TCL Specialties LLC, for a loan facility of USD 10 million to support capital expenditure and vendor payments of the subsidiary. As of March 31, 2026, an aggregate amount of USD 6.6 million has been disbursed under this facility.
b. The loan is repayable within 11 months from the date of the agreement and carries interest at 6-month SOFR plus 345 basis points per annum, payable on a quarterly basis.
c. The loan is unsecured and not supported by any collateral or third-party guarantees and accordingly ranks pari passu with the Company's other unsecured obligations.
d. Total interest of USD 39,168 for the period ended March 31, 2026, has been recognized in the statement of operations.

Note 5: Loans and Advances

5.1. Bridge Loan from TCL Global B.V

a. The Company has entered into an intercompany loan agreement on February 19, 2026, with its Holding company, TCL Global B.V, Netherland, for a loan facility of USD 10 million to finance capital expenditure and vendor payments. As of March 31, 2026, an aggregate amount of USD 6.6 million has been disbursed under this facility.
b. The loan is repayable within 11 months from the date of the agreement and carries interest at 6-month SOFR plus 345 basis points per annum, payable on a quarterly basis.
c. The loan is unsecured and not supported by any collateral or third-party guarantees and accordingly ranks pari passu with the Company's other unsecured obligations.
d. Total interest of USD 39,168 for the period ended March 31, 2026, has been recognized in statement of operations.

Note 6: Equity Share capital.

The Company is authorized to issue 100,000 shares with the par value of $ 0.010000 per share, the company issued the 100,000 common shares at the time of incorporation to TCL Global B.V, Netherlands (holding company). During the reporting period, the company raised $ 45.74 Million as additional paid in capital (USD 50.2 million during the period ended March 31, 2025) from TCL Global B.V, Netherlands. **(Refer Statement of Changes in Stockholders' Equity)**

Note 7: Related party transactions.

a. Names of related parties and nature of relationship:

Name of the related party	Nature of relationship
Thirumalai Chemicals Limited, India	Ultimate holding company
TCL Technology and Engineering, India	Division of Ultimate holding company
TCL Global B.V, Netherlands	Holding Company
TCL Specialties LLC, USA	Wholly Owned Subsidiary
Optimistic Organic SDN BHD, Malaysia	Affiliate (by virtue of common control)

b. Transactions with related parties for the year ended 31st March 2026 and 31st March 2025 are as follows,

Particulars of transaction	Name of the Related party	As of 31st March, 2026	As of 31st March, 2025
Advance Received	TCL Specialties LLC, USA	$ 35,397	$ 20,049
Loan Received	TCL Global B.V, Netherlands	$ 6,599,970	-
Loan given to subsidiary	TCL Specialties LLC, USA	$ 6,599,970	-
Interest Accrual (Receivable)	TCL Specialties LLC, USA	$ 39,168	-
Interest Accrual (Payable)	TCL Global B.V, Netherlands	$ 39,168	-

a. Balances with related parties

Particulars of transaction	Name of the Related party	As of 31st March, 2026	As of 31st March, 2025
Advance payable	TCL Specialties LLC, USA	$ 61,446	$ 26,049
Loan Receivable	TCL Specialties LLC, USA	$ 6,599,970	-
Loan Payable	TCL Global B.V, Netherlands	$ 6,599,970	-
Interest Receivable	TCL Specialties LLC, USA	$ 39,168	-
Interest Payable	TCL Global B.V, Netherlands	$ 39,168	-

Note 8: Income taxes

TCL Inc. is the sole member of TCL Specialties LLC, a limited liability company that is treated as a disregarded entity for U.S. federal and state income tax purposes. As such, all of the income, expenses, and tax attributes of TCL Specialties LLC are included in TCL Inc.'s income tax return.

TCL Inc. is the taxpaying entity for the group and is responsible for recognizing current and deferred income tax effects resulting from the activities of both itself and TCL Specialties LLC in accordance with ASC 740, Income Taxes.

As the disregarded subsidiary is not itself a separate taxable entity, all tax-related assets and liabilities arising from the consolidated operations, including net operating loss (NOL) carry forwards, temporary differences, and current tax obligations are recognized solely in the books of TCL Inc.

No formal tax-sharing agreement exists between TCL Inc. and TCL Specialties LLC. Accordingly, TCL Inc. does not allocate any current or deferred income tax expense to its subsidiary, and TCL Specialties LLC does not reflect any such amounts in its standalone financial statements.

Consistent with the above, for the year ended March 31, 2026, the Company did not recognize any current income tax expense. ($24,587 for the year ended March 31, 2025).

Deferred Tax Assets and Liabilities

As of March 31, 2026, the Company recognized deferred tax assets primarily attributable to net operating loss (NOL) carryforwards and temporary differences arising from excess tax depreciation. Based on management's projections of future taxable income, it is more likely than not that the deferred tax assets will be fully realized; therefore, no valuation allowance has been recorded.

The components of the Company's deferred tax assets as of March 31, 2026 and March 31, 2025, are as follows:

	2026	**2025**
Deferred tax assets:		
Net Operating loss carryforwards	$ 242,995	$ 127,846
Gross deferred tax assets	**$ 242,995**	**$ 127,846**
Deferred tax liabilities:		
Excess depreciation claimed for tax purposes	($ 8,413)	($ 4,877)
Excess amortization claimed for tax purposes	($ 321)	-
Gross deferred tax liabilities	**($ 8,735)**	**($ 4,877)**
Net deferred tax asset	**$ 234,261**	**$ 122,969**

The increase in the net deferred tax asset of $111,292 during the year ended March 31, 2026 was recognized through the statement of operations as deferred income tax benefit.

The net deferred tax asset of $234,261 is presented as a noncurrent asset in the balance sheet, consistent with the accounting standards that require the netting of deferred tax assets and liabilities within the same tax jurisdiction.

Net Operating Loss Carryforwards

As of March 31, 2026, the Company had total federal and state NOL carryforwards of $ 883,619. These NOLs can be carried forwarded indefinitely.

Effective Tax Rate Reconciliation

A reconciliation of the U.S. statutory federal income tax rate to the Company's effective tax rate is as follows:

Federal statutory rate	21%
State income tax, net of federal benefit	6.5%
Effective tax rate	27.5%

Note 9: Concentrations of Credit Risk

Financial instruments that potentially expose the Company to credit risk primarily include cash and cash equivalents and accounts receivable. To mitigate concentration risk, the Company maintains its cash deposits across two financial institutions. While these deposits are primarily held in FDIC-insured accounts, they may at times exceed federally insured limits. Management believes both financial institutions are of high credit quality, thereby reducing the overall credit risk. As the Company is currently in its construction phase and has not commenced revenue-generating operations, there are no accounts receivable as of the reporting date.

Note 10: Subsequent Events

In preparing the financial statements the Company has evaluated events and transactions for potential recognition or disclosure through May 28, 2026, the date that the financial statements were available to be issued.