

**AVANSTRATE TAIWAN INC.
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
FOR THE YEARS ENDED
MARCH 31, 2026 AND 2025**

The reader is advised that financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail

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Independent Auditor’s Report

To AvanStrate Taiwan Inc.

Opinion

We have audited the accompanying balance sheets of AvanStrate Taiwan Inc. (the “Company”) as of March 31, 2026 and 2025, and the related statements of comprehensive income, changes in equity and cash flows for the years ended March 31, 2026 and 2025, and notes to the financial statements, including the summary of material accounting policies (together “the financial statements”).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2026 and 2025, and its financial performance and cash flows for the years ended March 31, 2026 and 2025, in conformity with the requirements related to the preparation of financial statements within Business Entity Accounting Act and the Regulation on Business Entity Accounting Handling and the Enterprise Accounting Standards and related interpretations issued by the Accounting Research and Development Foundation.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements related to the preparation of financial statements within Business Entity Accounting Act and the Regulation on Business Entity Accounting Handling and the Enterprise Accounting Standards and related interpretations issued by the Accounting Research and Development Foundation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Huang, Ching Ya
Ernst & Young, Taiwan
May 15, 2026

AVANSTRATE TAIWAN INC.
BALANCE SHEETS
March 31, 2026 and 2025
(Expressed in New Taiwan Dollars)

Assets	Notes	Mar. 31, 2026		Mar. 31, 2025		Liabilities and Equity	Notes	Mar. 31, 2026		Mar. 31, 2025	
		Amount	%	Amount	%			Amount	%	Amount	%
Current Assets						Current Liabilities					
Cash and cash equivalents	IV/VI.1	\$160,966,947	2	\$9,734,593	-	Short-term loans	IV	\$-	-	\$50,000,000	-
Trade receivables	IV/VI.2	126,896,606	1	169,905,069	2	Financial liabilities at fair value through profit or loss	IV/VI.6	1,032,077,581	10	-	-
Trade receivables-related parties	IV/VI.2/VII	30,707,102	-	72,693,987	1	Receipts in advance	IV	562,514	-	419,865	-
Other receivables-related parties	IV/VII	1,808,590,290	18	1,956,257,844	18	Trade payables	IV	4,451,633	-	11,285,503	-
Inventories	IV/VI.3/VII	167,341,923	2	256,713,013	2	Trade payable-related parties	IV/VII	-	-	7,033,304	-
Other current assets	VI.4	691,441,106	7	577,563,663	5	Other payables	IV	184,745,686	2	277,488,901	3
Total Current Assets		2,985,943,974	30	3,042,868,169	28	Other payables-related parties	IV/VII	1,786,617,019	18	1,915,932,998	18
						Other current liabilities		2,402,957	-	2,253,664	-
Non-current Assets						Total Current Liabilities		3,010,857,390	30	2,264,414,235	21
Property, plant and equipment	IV/VI.5/VII/VIII	3,604,058,403	35	3,042,709,169	28						
Intangible assets	IV	2,006,390	-	-	-	Non-current Liabilities					
Refundable deposits	IV	36,485,496	-	38,193,410	1	Long-term loans	IV	50,000,000	-	-	-
Other receivables-related parties	IV/VII	3,586,408,406	35	4,673,100,000	43	Deferred tax liabilities	IV/VI.13	116,129,000	1	116,129,000	1
Other non-current assets		58,217	-	211,799	-	Other non-current liabilities	IV/VI.7	37,913,938	-	34,456,607	-
Total Non-current Assets		7,229,016,912	70	7,754,214,378	72	Total Non-current Liabilities		204,042,938	1	150,585,607	1
						Total Liabilities		3,214,900,328	31	2,414,999,842	22
						Equity					
						Common stock	VI.8/VII	1,600,000,000	16	1,600,000,000	15
						Retained earnings					
						Legal reserve	VI.8	1,437,725,061	14	1,437,725,061	13
						Unappropriated earnings	VI.8	3,962,335,497	39	5,344,357,644	50
						Total retained earnings		5,400,060,558	53	6,782,082,705	63
						Total Equity		7,000,060,558	69	8,382,082,705	78
Total Assets		\$10,214,960,886	100	\$10,797,082,547	100	Total Liabilities and Equity		\$10,214,960,886	100	\$10,797,082,547	100

(The accompanying notes are an integral part of the financial statements.)

Chairman:

President:

Chief Financial Officer:

AVANSTRATE TAIWAN INC.
STATEMENTS OF COMPREHENSIVE INCOME
For the years ended March 31, 2026 and 2025
(Expressed in New Taiwan Dollars)

ITEMS	NOTES	Apr. 1, 2025 ~ Mar. 31, 2026		Apr. 1, 2024 ~ Mar. 31, 2025	
		Amount	%	Amount	%
Operating Revenue	IV/VI.8/VII	\$629,871,261	100	\$687,366,489	100
Operating Costs	VI.3.10.11/VII	(1,017,726,463)	(161)	(1,055,695,561)	(154)
Gross Loss		(387,855,202)	(61)	(368,329,072)	(54)
Operating Expenses	IV/VI.10.11/VII	(193,022,674)	(31)	(214,096,626)	(31)
Operating Loss		(580,877,876)	(92)	(582,425,698)	(85)
Non-operating Income and Expenses	IV/VI.12/VII				
Other income		55,220,391	9	57,993,652	8
Other gains and losses		(847,904,586)	(135)	(216,346,226)	(31)
Finance costs		(8,460,076)	(1)	(8,423,207)	(1)
Total Non-operating Income and Expenses		(801,144,271)	(127)	(166,775,781)	(24)
Loss before Income Tax		(1,382,022,147)	(219)	(749,201,479)	(109)
Income Tax Expense	IV/VI.13	-	-	-	-
Net Loss		(1,382,022,147)	(219)	(749,201,479)	(109)
Total Comprehensive Loss, Net of Tax		<u><u>\$(1,382,022,147)</u></u>	<u><u>(219)</u></u>	<u><u>\$(749,201,479)</u></u>	<u><u>(109)</u></u>

(The accompanying notes are an integral part of the financial statements.)

Chairman:

President:

Chief Financial Officer:

AVANSTRATE TAIWAN INC.
STATEMENTS OF CHANGES IN EQUITY
For the years ended March 31, 2026 and 2025
(Expressed in New Taiwan Dollars)

ITEMS	Common Stock	Retained Earnings		Total Equity
		Legal reserve	Unappropriated earnings	
Balance as of April 1, 2024	\$1,600,000,000	\$1,437,725,061	\$6,093,559,123	\$9,131,284,184
Net loss for the year ended March 31, 2025	-	-	(749,201,479)	(749,201,479)
Total comprehensive loss for the year ended March 31, 2025	-	-	(749,201,479)	(749,201,479)
Balance as of March 31, 2025	\$1,600,000,000	\$1,437,725,061	\$5,344,357,644	\$8,382,082,705
Balance as of April 1, 2025	\$1,600,000,000	\$1,437,725,061	\$5,344,357,644	\$8,382,082,705
Net loss for the year ended March 31, 2026	-	-	(1,382,022,147)	(1,382,022,147)
Total comprehensive loss for the year ended March 31, 2026	-	-	(1,382,022,147)	(1,382,022,147)
Balance as of March 31, 2026	\$1,600,000,000	\$1,437,725,061	\$3,962,335,497	\$7,000,060,558

(The accompanying notes are an integral part of the financial statements.)

Chairman:

President:

Chief Financial Officer:

AVANSTRATE TAIWAN INC.
STATEMENTS OF CASH FLOWS
For the years ended March 31, 2026 and 2025
(Expressed in New Taiwan Dollars)

ITEMS	Apr. 1, 2025 ~ Mar. 31, 2026	Apr. 1, 2024 ~ Mar. 31, 2025
	Amount	Amount
Cash flows from operating activities:		
Net loss before tax	\$(1,382,022,147)	\$(749,201,479)
Adjustments for:		
Income and expense adjustments:		
Interest revenue	(50,089,994)	(53,365,327)
Interest expense	8,460,076	8,423,207
Depreciation	178,326,185	194,335,706
Amortization	3,780,453	3,770,522
Loss on disposal of property, plant and equipment	-	404,994,244
Impairment loss	6,997,203	14,031,704
Loss from disaster	151,073,850	-
Transfer of property, plant and equipment to expense	482,580	-
Loss on financial liabilities at fair value through profit or loss	187,971,874	-
Changes in operating assets and liabilities:		
Trade receivables	43,008,463	(9,020,309)
Trade receivables-related parties	41,986,885	70,705,238
Other receivables-related parties	482,620,461	(257,356,141)
Inventories	89,371,090	110,292,955
Other current assets	(117,334,286)	(127,537,998)
Other non-current assets	153,582	224,637
Receipts in advance	142,649	157,288
Notes payables	-	(5,438,766)
Trade payables	(6,833,870)	(15,265,319)
Trade payables-related parties	(7,033,304)	2,878,318
Other payables	(92,743,215)	(216,487,265)
Other payables-related parties	(129,315,979)	107,633,932
Other current liabilities	149,293	(233,047)
Other non-current liabilities	3,457,331	3,142,058
Cash used in operations	(587,390,820)	(513,315,842)
Interest received	50,089,994	53,365,327
Interest paid	(8,460,076)	(8,423,207)
Net cash (used in) operating activities	(545,760,902)	(468,373,722)
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(56,453,345)	(23,645,028)
Proceeds from disposal of property, plant and equipment	-	566,440,115
Decrease (Increase) in refundable deposits	1,707,914	(14,865,164)
Decrease (Increase) Other receivables-related parties	751,738,687	(106,584,800)
Net cash generated from investing activities	696,993,256	421,345,123
Cash flows from financing activities:		
(Decrease) Increase in short-term loans	(50,000,000)	50,000,000
Increase in long-term loans	50,000,000	-
Net cash generated from financing activities	-	50,000,000
Net increase in cash and cash equivalents	151,232,354	2,971,401
Cash and cash equivalents at beginning of period	9,734,593	6,763,192
Cash and cash equivalents at end of period	\$160,966,947	\$9,734,593

(The accompanying notes are an integral part of the financial statements.)

Chairman:

President:

Chief Financial Officer:

AVANSTRATE TAIWAN INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended March 31, 2026 and 2025
(Expressed in New Taiwan Dollars unless Otherwise Stated)

I. History and organization

1. The former name of AvanStrate Taiwan Inc. (Hereinafter referred to as "The Company") was Taiwan NH Techno Glass Corporation; it is a company based on foreign investments authorized by the Investment Council of Economic Affairs on August 1, 2000 under the Foreign Investment Regulations. In addition, in December 1, 2008 we changed the name of the company to "AvanStrate Taiwan Inc." by resolution of the Board of Directors, and the permission was obtained from the administration body in December 8, 2008. Both the registered address and business management location is No. 8, Industry III Road Annan, Tainan.
2. The Company's major businesses are manufacturing and sales of glass substrates for TFT-LCD.

II. Date and procedures of authorization of financial statements for issue

The financial statements of the Company were authorized for issue by the sole Director appointed by the sole shareholder on May 15, 2026.

III. Changes in material accounting policies

The Company has adopted the third revision of the provisions of Enterprise Accounting Standards 12 "Income Taxes" issued by the Accounting Research and Development Foundation ("ARDF"). The amendments narrowed the scope of the recognition exemption in deferred tax so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The revised provisions are effective for annual reporting periods beginning on or after 1 January 2025 and apply to transactions that occur on or after the beginning of the earliest comparative period presented. The cumulative effect of initially applying the amendments is recognized as an adjustment to the opening balance of retained earnings (or other components of equity, as appropriate) at that date. The aforementioned revised provisions have no significant impact on the Company.

IV. Summary of material accounting policies

1. Statement of compliance

The financial statements of the Company for the years ended March 31, 2026 and 2025 have been prepared in accordance with the requirements related to the preparation of financial statements within Business Entity Accounting Act and the Regulation on Business Entity Accounting Handling (“the Regulations”) and the Enterprise Accounting Standards (“EAS”) and related interpretations issued by the ARDF.

2. Basis of preparation

The financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The financial statements are expressed in New Taiwan Dollars (“NT\$”) unless otherwise stated.

3. Foreign currency transactions

The Company’s financial statements are presented in NT\$, which is also the Company’s functional currency.

Transactions in foreign currencies are initially recorded by the entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- (a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- (b) Foreign currency items within the scope of EAS 15 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.

- (c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

4. Current and non-current distinction

An asset is classified as current when:

- (a) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- (b) The Company holds the asset primarily for the purpose of trading
- (c) The Company expects to realize the asset within twelve months after the reporting period
- (d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (a) The Company expects to settle the liability in its normal operating cycle
- (b) The Company holds the liability primarily for the purpose of trading
- (c) The liability is due to be settled within twelve months after the reporting period
- (d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

5. Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

6. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of EAS 15 Financial Instruments are recognized initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

(a) Financial assets: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- A. the Company's business model for managing the financial assets and
- B. the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- A. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

(b) Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset (including debt instrument measured at fair value through other comprehensive income, financial asset measured at amortized cost and financial asset measured at cost) other than the financial assets at fair value through profit or loss and the equity instrument measured at fair value through other comprehensive income is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more loss events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset.

Loss events include:

- A. significant financial difficulty of the issuer or obligor; or
- B. a breach of contract, such as a default or delinquency in interest or principal payments; or
- C. it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- D. due to the borrower's financial difficulty, the lender grants to the borrower a concession that the lender would not otherwise consider; or
- E. observable data indicates that the estimated future cash flows of a financial asset have measurably decreased since its initial recognition. Such information includes adverse changes in the borrower's repayment status and national or regional economic conditions related to the default of the asset; or
- F. the environment in which the issuer of the equity instrument operates has a significant adverse impact, and evidence shows that the investment cost of the equity instrument may not be recovered.

If there is objective evidence that an impairment loss has been occurred on a financial asset measured at amortized cost, the amount of the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not yet occurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced by the allowance account, and the amount of the impairment loss is recognized as profit or loss.

The Company first assesses whether there is objective evidence of impairment individually for individually significant financial assets; and assesses whether there is objective evidence of impairment individually or collectively for financial assets that are not individually significant. If the Company determines that there is no objective evidence of impairment for individually assessed financial assets, the Company will include the assets in a group of financial assets with similar credit risk characteristics and assesses them for impairment collectively. Financial assets that are individually assessed for impairment and have recognized or continue to recognize impairment losses do not need to be included in the collective impairment assessment.

If, in a subsequent period, the loss allowance decreases and the decrease can be objectively related to an event occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account and recognized in profit or loss.

If there is objective evidence that a debt instrument measured at fair value through other comprehensive income has been impaired, a loss allowance (the difference between the acquisition cost less principal paid and amortization and the current fair value) is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset in the balance sheet.

In the case of financial assets measured at cost, the amount recorded for impairment is the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted by the current market rate of return of similar financial assets, offset by an allowance account.

(c) Derecognition of financial assets

A financial asset is derecognized when:

- A. The rights to receive cash flows from the asset have expired or settled
- B. The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- C. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. In other words, the transferee can sell the transferred asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. Under these circumstances, the financial asset is derecognized, any rights or obligations created or retained as a result of the transfer are recognized separately as assets or liabilities.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(d) Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities are classified as financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

7. Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials and Merchandise – Purchase cost on weighted average cost formula

Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

8. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When a property, plant and equipment is revalued in accordance with laws and regulations, the unrealized revaluation gains are recognized as other comprehensive income and accumulated in other equity. Starting from the subsequent year of revaluation, such property, plant and equipment is depreciated based on the revalued carrying amount. The cost of property, plant and equipment includes its purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress borrowing costs that are capitalized in accordance with the provisions of EAS 11 "Borrowing Costs". Subsequent cost of property, plant and equipment comprises additions and replacement of parts of property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of EAS 8 "Property, Plant and Equipment". When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Except fixed asset-platinum's impairment is evaluated periodically based on past experiences, depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	3~51 years
Machinery and equipment	1~8 years
Transportation equipment	3~6 years
Office equipment	2~7 years

If each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and provides economic benefits in different ways or has significant different in useful life, the original acquisition cost is allocated to each significant part, and depreciated separately based on its useful life. If there has been a change in the usage of the asset, unexpected physical wear and tear, technological advance or changes in market value, which may result in changes in the asset's residual value or useful life, then the original estimates may need to be reviewed and residual value, depreciation method or useful life to be changed accordingly. If there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the depreciation method applied to an asset is reviewed and changed to reflect the changed pattern.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss. Unrealized revaluation gain or loss in the other equity is reclassified to profit or loss when the related asset is derecognized.

9. Leases

Company as a lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

10. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets other than goodwill acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. When an intangible asset is revalued in accordance with laws and regulations, the unrealized revaluation gains are recognized as other comprehensive income and accumulated in other equity. Starting from the subsequent year of revaluation, such intangible asset is amortized based on the revalued carrying amount. Unqualified internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life.

11. Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of EAS 19 “Impairment of Assets” may be impaired. If any such indication exists, the Company estimates the asset’s or its cash-generating unit’s (“CGU”) recoverable amount. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (“CGU”) fair value less costs to sell and its value in use.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset’s or cash-generating unit’s recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

12. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

Provision for decommissioning, restoration and rehabilitation costs

The provision for decommissioning, restoration and rehabilitation costs arose on construction of a property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset.

13.Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions have been satisfied:

- (a) the significant risks and rewards of ownership of the goods have passed to the buyer;
- (b) neither continuing managerial involvement nor effective control over the goods sold have been retained;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the entity; and
- (e) the costs incurred in respect of the transaction can be measured reliably.

Interest income

Interest income calculated using the effective interest method (excluding financial assets at fair value through profit or loss) is recognised in profit or loss.

14.Post-employment benefits

The Company's payment for employees post-employment benefits are based on the contributions required by law and recognized as expenses in the period the employees render services.

15.Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

16. Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The surtax on undistributed retained earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- (a) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- (b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- (a) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

- (b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

V. Significant accounting judgements, estimates, and assumptions

As of the end of the reporting period, the Company discloses below information regarding key assumptions and major sources of estimates uncertainty related to the future. These assumptions and sources of estimates uncertainty have a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities in the next financial year:

Estimated losses from major disasters

A fire occurred at the Company's TF-2 plant on March 25, 2026, resulting in losses to buildings, machinery and equipment, and inventories. The losses were estimated based on the nature, scope, and extent of the damage, using the estimated costs of repair or replacement not exceeding their carrying amounts. This assessment involved on-site inspections, testing, and quotations from relevant vendors. As these procedures are being carried out progressively after the resumption of operations, a high degree of uncertainty remains, and the final amounts may differ from the estimates. For losses recognized as a result of the fire incident, please refer to Notes VI.3, 5, 12(b), and X.

VI. Contents of significant accounts

1. Cash and cash equivalents

	As at	
	Mar. 31, 2026	Mar. 31, 2025
Cash on hand	\$33,941	\$53,901
Demand deposits	160,933,006	9,680,692
Total	<u>\$160,966,947</u>	<u>\$9,734,593</u>

2. Trade receivables and trade receivables-related parties

	As at	
	Mar. 31, 2026	Mar. 31, 2025
Trade receivables	\$126,896,606	\$169,905,069
Less: allowance for doubtful debts	-	-
Trade receivables-related parties	30,707,102	72,693,987
Total	<u>\$157,603,708</u>	<u>\$242,599,056</u>

Trade receivables were not pledged.

3. Inventories

	As at	
	Mar. 31, 2026	Mar. 31, 2025
Raw materials	\$13,525,689	\$24,809,228
Work in progress	80,106,518	146,694,833
Finished goods	73,709,716	85,208,952
Total	<u>\$167,341,923</u>	<u>\$256,713,013</u>

Note: Please refer to Note VI.12(b) and X for more details on the recognition of losses due to fire damage.

The cost of inventories recognized in expenses amounts to NT\$1,017,726,463 and NT\$1,055,695,561 for the years ended March 31, 2026 and 2025, respectively.

No inventories were pledged.

4. Other current assets

	As at	
	Mar. 31, 2026	Mar. 31, 2025
Prepayment for purchases	\$428,880,485	\$324,207,499
Prepaid sales tax	29,176,719	28,039,541
Temporary payments	49,380,759	49,561,435
Supplies	28,901,724	37,978,562
Others	155,101,419	137,776,626
Total	<u>\$691,441,106</u>	<u>\$577,563,663</u>

5. Property, plant and equipment

	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Platinum	Construction in progress and equipment awaiting examination	Total
Cost and revaluation:							
As at Apr. 1, 2024	\$5,126,537,305	\$9,567,260,834	\$156,664,773	\$8,000,495	\$4,681,225,057	\$1,240,294,733	\$20,779,983,197
Additions	-	-	-	-	-	23,645,028	23,645,028
Disposals	-	-	-	-	(2,320,224,223)	-	(2,320,224,223)
Transfer	693,000	12,644,204	1,000,000	-	-	(14,337,204)	-
As at Mar. 31, 2025	\$5,127,230,305	\$9,579,905,038	\$157,664,773	\$8,000,495	\$2,361,000,834	\$1,249,602,557	\$18,483,404,002
Additions	-	-	-	-	844,447,513	56,111,539	900,559,052
Transfer	565,000	3,541,650	-	-	-	(6,919,230)	(2,812,580)
Fire damage	(1,240,903,522)	(2,475,207,890)	(4,412,150)	(741,312)	-	-	(3,721,264,874)
As at Mar. 31, 2026	<u>\$3,886,891,783</u>	<u>\$7,108,238,798</u>	<u>\$153,252,623</u>	<u>\$7,259,183</u>	<u>\$3,205,448,347</u>	<u>\$1,298,794,866</u>	<u>\$15,659,885,600</u>
Depreciation and impairment:							
As at Apr. 1, 2024	\$4,098,357,434	\$9,253,982,381	\$152,026,349	\$7,578,311	\$718,980,296	\$1,001,402,652	\$15,232,327,423
Depreciation	84,754,281	106,236,661	3,184,764	160,000	-	-	194,335,706
Other changes	-	-	-	-	14,031,704	-	14,031,704
As at Mar. 31, 2025	\$4,183,111,715	\$9,360,219,042	\$155,211,113	\$7,738,311	\$733,012,000	\$1,001,402,652	\$15,440,694,833
Depreciation	83,107,141	93,534,555	1,524,489	160,000	-	-	178,326,185
Other changes	-	-	-	-	6,997,203	-	6,997,203
Fire damage	(1,096,089,034)	(2,468,948,528)	(4,412,150)	(741,312)	-	-	(3,570,191,024)
As at Mar. 31, 2026	<u>\$3,170,129,822</u>	<u>\$6,984,805,069</u>	<u>\$152,323,452</u>	<u>\$7,156,999</u>	<u>\$740,009,203</u>	<u>\$1,001,402,652</u>	<u>\$12,055,827,197</u>

	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Platinum	Construction in progress and equipment awaiting examination	Total
Carrying amount as at:							
Mar. 31, 2026							
Cost	\$3,886,891,783	\$7,108,238,798	\$153,252,623	\$7,259,183	\$3,205,448,347	\$1,298,794,866	\$15,659,885,600
Accumulated depreciation	(3,170,129,822)	(6,783,149,493)	(152,323,452)	(7,156,999)	-	-	(10,112,759,766)
Accumulated impairment	-	(201,655,576)	-	-	(740,009,203)	(1,001,402,652)	(1,943,067,431)
	<u>\$716,761,961</u>	<u>\$123,433,729</u>	<u>\$929,171</u>	<u>\$102,184</u>	<u>\$2,465,439,144</u>	<u>\$297,392,214</u>	<u>\$3,604,058,403</u>
Mar. 31, 2025							
Cost	\$5,127,230,305	\$9,579,905,038	\$157,664,773	\$8,000,495	\$2,361,000,834	\$1,249,602,557	\$18,483,404,002
Accumulated depreciation	(4,183,111,715)	(9,158,563,466)	(155,211,113)	(7,738,311)	-	-	(13,504,624,605)
Accumulated impairment	-	(201,655,576)	-	-	(733,012,000)	(1,001,402,652)	(1,936,070,228)
	<u>\$944,118,590</u>	<u>\$219,685,996</u>	<u>\$2,453,660</u>	<u>\$262,184</u>	<u>\$1,627,988,834</u>	<u>\$248,199,905</u>	<u>\$3,042,709,169</u>
Mar. 31, 2024							
Cost	\$5,126,537,305	\$9,567,260,834	\$156,664,773	\$8,000,495	\$4,681,225,057	\$1,240,294,733	\$20,779,983,197
Accumulated depreciation	(4,098,357,434)	(9,052,326,805)	(152,026,349)	(7,578,311)	-	-	(13,310,288,899)
Accumulated impairment	-	(201,655,576)	-	-	(718,980,296)	(1,001,402,652)	(1,922,038,524)
	<u>\$1,028,179,871</u>	<u>\$313,278,453</u>	<u>\$4,638,424</u>	<u>\$422,184</u>	<u>\$3,962,244,761</u>	<u>\$238,892,081</u>	<u>\$5,547,655,774</u>

Note: Please refer to Note VI.12(b) and X for more details on the recognition of losses due to fire damage.

Please refer to Note VIII for more details on property, plant and equipment under pledge.

6. Financial liabilities at fair value through profit or loss

	As at	
	Mar. 31, 2026	Mar. 31, 2025
Guarantee contract	<u>\$1,032,077,581</u>	<u>\$-</u>

The Company entered into an agreement with Mitsubishi International Corporation on November 17, 2025, to acquire platinum for its operational use. Upon expiration of the contract term, the Company is required to return an equivalent amount of platinum. The Company's parent company, AvanStrate Inc., acts as the guarantor and is responsible for paying the related expenses on behalf of the Company.

7. Provisions (classified as other non-current liabilities)

	As at	
	Mar. 31, 2026	Mar. 31, 2025
As at beginning of year	\$34,456,607	\$31,314,549
Arising during the year	3,457,331	3,142,058
As at end of year	<u>\$37,913,938</u>	<u>\$34,456,607</u>
Non-current	<u>\$37,913,938</u>	<u>\$34,456,607</u>

Provision has been recognized for decommissioning costs associated with factories owned by the Company. The Company is committed to decommissioning the sites as a result of the construction of the factories.

8. Equities

(a) Common stock

The Company's authorized and issued capital was NT\$1,600,000,000 as at both March 31, 2026 and 2025, each at a par value of NT\$10.

(b) Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- a. Payment of all taxes and dues;
- b. Offset prior years' operation losses;
- c. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
- d. Set aside or reverse special reserve in accordance with law and regulations; and
- e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

The earnings distribution results for 2025 and 2024 were both resolved as non-distributable. Since the company has only one shareholder and does not hold shareholders' meetings, the 2025 resolution was approved on May 15, 2026, by the sole director acting in lieu of both the Board of Directors and the shareholders. The 2024 resolution was approved on May 15, 2025, by the Board of Directors acting in lieu of the shareholders.

9. Operating revenue

	<u>For the years ended Mar. 31</u>	
	<u>2026</u>	<u>2025</u>
Sales revenue	\$634,837,269	\$707,339,095
Sales revenue – related parties	(1,631,700)	(13,018,314)
Less: Sales returns, discounts, and allowances	<u>(3,334,308)</u>	<u>(6,954,292)</u>
Total	<u><u>629,871,261</u></u>	<u><u>\$687,366,489</u></u>

10. Operating leases

Operating lease commitments – Company as lessee

The Company has entered into leases on land and employee dormitory. These leases have life of one to twenty years. There are no restrictions placed upon the Company by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as at March 31, 2026 and 2025, are as follows:

	<u>As at</u>	
	<u>Mar. 31, 2026</u>	<u>Mar. 31, 2025</u>
Not later than one year	\$21,029,109	\$25,975,677
Later than one year and not later than five years	79,705,323	79,705,323
Later than five years	<u>259,686,100</u>	<u>285,430,984</u>
Total	<u><u>\$360,420,532</u></u>	<u><u>\$391,111,984</u></u>

Operating lease expenses recognized are as follows:

	For the years ended Mar. 31	
	2025	2024
Lease payments	<u>\$51,098,106</u>	<u>\$54,945,094</u>

11. Summary statement of employee benefits, depreciation and amortization expenses by function during the years ended March 31, 2026 and 2025:

Function Character	For the year ended Mar. 31, 2026			For the year ended Mar. 31, 2025		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense	\$200,952,549	\$61,520,637	\$262,473,186	\$217,806,053	\$79,597,033	\$297,403,086
Depreciation	175,277,346	3,048,839	178,326,185	189,948,198	4,387,508	194,335,706
Amortization	-	3,780,453	3,780,453	336,861	3,433,661	3,770,522

According to the Company's Articles of Incorporation, 0.1% of profit of the current year is to be distributed as employees' compensation. However, the Company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition there to a report of such distribution is submitted to the shareholders' meeting.

The Company incurred losses for both the years ended March 31, 2026 and 2025. No employees' compensation was accrued.

12. Non-operating income and expenses

(a) Other income

	For the years ended Mar. 31	
	2026	2025
Rental income	\$1,913,702	\$1,913,712
Interest income	50,089,994	53,365,327
Others	<u>3,216,695</u>	<u>2,714,613</u>
Total	<u>\$55,220,391</u>	<u>\$57,993,652</u>

(b) Other gains and losses

	For the years ended Mar. 31	
	2026	2025
Unrealized foreign exchange (losses) gains, net	\$(254,334,783)	\$253,343,922
Losses on disposal of property, plant and equipment	-	(404,994,244)
Foreign exchange losses, net	(252,424,061)	(64,701,099)
Loss on financial liabilities at fair value through profit or loss	(187,971,874)	-
Grant income	-	5,200
Loss from disaster (Note)	(151,803,859)	-
Others	(1,370,009)	(5)
Total	<u>\$(847,904,586)</u>	<u>\$(216,346,226)</u>

Note: Please refer to Note X for more details on the recognition of losses dues to fire damage.

(c) Finance costs

	For the years ended Mar. 31	
	2026	2025
Interest expense	<u>\$8,460,076</u>	<u>\$8,423,207</u>

13. Income tax

The major components of income tax expense for the year ended Mar. 31, 2026 and 2025, are as follows:

Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended Mar. 31	
	2026	2025
Accounting loss before tax from continuing operations	<u>\$(1,382,022,147)</u>	<u>\$(749,201,479)</u>
Tax at the domestic rates applicable to profits in the country concerned	\$(276,404,429)	\$(149,840,295)
Current-year losses for which no deferred tax asset was recognized	276,404,429	149,840,295
Tax effect of revenues exempt from taxation	-	(1,040)
Tax effect of expenses not deductible for tax purposes	475,445	700,801
Others	14,506,187	11,160,487
Tax effect of deferred tax assets/liabilities	<u>(14,981,632)</u>	<u>(11,860,248)</u>
Total income tax expense recognized in profit or loss	<u>\$-</u>	<u>\$-</u>

Deferred income tax liabilities relate to the following:

	<u>For the years ended Mar. 31</u>	
	<u>2026</u>	<u>2025</u>
Temporary differences:		
Unrealized exchange profit	<u>\$116,129,000</u>	<u>\$116,129,000</u>
Reflected in balance sheet as follows:		
Deferred tax liabilities	<u>\$116,129,000</u>	<u>\$116,129,000</u>

The following table contains information of the unused tax losses of the Company:

<u>Year</u>	<u>Tax losses for the period</u>	<u>Unused tax losses as at</u>		
		<u>Mar. 31, 2026</u>	<u>Mar. 31, 2025</u>	<u>Expiration year</u>
2017	\$352,549,170	\$352,549,170	\$352,549,170	2027
2018	398,491,461	398,491,461	398,491,461	2028
2019	728,404,095	728,404,095	728,404,095	2029
2020	516,314,324	516,314,324	516,314,324	2030
2021	268,613,097	268,613,097	268,613,097	2031
2022	344,898,317	344,898,317	344,898,317	2032
2023	545,534,957	545,534,957	545,534,957	2033
2024	957,158,557	957,158,557	-	2034
		<u>\$4,111,963,978</u>	<u>\$3,154,805,421</u>	

Unrecognized deferred tax assets

As of March 31, 2026 and 2025, deferred tax assets that have not been recognized amount to NT\$1,382,022,147 and NT\$749,201,479, respectively.

The assessment of income tax returns

As of March 31, 2026, the assessment of the income tax returns of the Company is assessed and approved up to 2023.

VII. Related party transactions

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

<u>Name of the related parties</u>	<u>Nature of relationship of the related parties</u>
AvanStrate Inc.	Parent company
AvanStrate Korea Inc.	Associate
Vedanta Limited	Parent company's major shareholder

Significant transactions with related parties

1. Sales

	<u>For the years ended Mar. 31</u>	
	<u>2026</u>	<u>2025</u>
Associate	<u><u>\$(1,631,700)</u></u>	<u><u>\$(13,018,314)</u></u>

(a) Comparison with price policy for non-related parties: we sell to above affiliated companies only, and there is no other comparable selling price.

(b) Comparison with collection terms for non-related parties: The terms of payment for the above company are no difference from general transactions.

2. Purchases

	<u>For the years ended Mar. 31</u>	
	<u>2026</u>	<u>2025</u>
Associate	<u><u>\$16,069,526</u></u>	<u><u>\$2,663,778</u></u>

(a) Comparison with price policy for non-related parties: above related company is our sole supplier, and there is no other comparable purchase price.

(b) Comparison with payment terms for non-related parties: The terms of payment for the above company are no difference from general transactions.

3. Trade receivables - related parties

	<u>As at</u>	
	<u>Mar. 31, 2026</u>	<u>Mar. 31, 2025</u>
Associate	<u><u>\$30,707,102</u></u>	<u><u>\$72,693,987</u></u>

4. Other receivables - related parties

	As at	
	Mar. 31, 2026	Mar. 31, 2025
Parent company	\$1,746,603,453	\$1,881,688,798
Associate	61,986,837	74,569,046
Total	<u>\$1,808,590,290</u>	<u>\$1,956,257,844</u>

5. Trade payables - related parties

	As at	
	Mar. 31, 2026	Mar. 31, 2025
Associate	\$-	\$7,033,304

6. Other payables - related parties

	As at	
	Mar. 31, 2026	Mar. 31, 2025
Parent company	\$1,685,214,848	\$1,792,077,957
Associate	101,402,171	123,855,041
Total	<u>\$1,786,617,019</u>	<u>\$1,915,932,998</u>

7. Operating expense

	As at	
	Mar. 31, 2026	Mar. 31, 2025
Parent company	\$52,584,681	\$-

8. Purchases of assets

For the year ended Mar. 31, 2026:

Related party	Asset	Amount (tax excluded)	Price
Parent company	Platinum	\$341,806	Mutual agreement

For the year ended Mar. 31, 2025:

Related party	Asset	Amount (tax excluded)	Price
Associate	Machinery and equipment	\$4,597,613	Mutual agreement

9. Amounts owed by related parties

For the year ended Mar. 31, 2026:

Loan to related party (classified under non-current assets - other receivables)

<u>Related party</u>	<u>Highest amount</u>	<u>Ending balance</u>	<u>Rate</u>	<u>Annual interest</u>
Parent company	<u>\$5,775,183,240</u>	<u>\$3,586,408,406</u>	1.13636~2%	<u>\$45,678,360</u>

For the year ended Mar. 31, 2025:

Loan to related party (classified under non-current assets - other receivables)

<u>Related party</u>	<u>Highest amount</u>	<u>Ending balance</u>	<u>Rate</u>	<u>Annual interest</u>
Parent company	<u>\$5,947,699,200</u>	<u>\$4,673,100,000</u>	1.13636~2%	<u>\$51,576,071</u>

10. Endorsement and debt guarantee

<u>Related party</u>	<u>Mar. 31, 2026</u>	<u>Mar. 31, 2025</u>
Parent company's major shareholder-Cairns India Holdings Limited	JPY44,400,146 thousand	JPY43,819,035 thousand
Associate's major shareholder-Cairns India Holdings Limited	JPY8,704,677 thousand	JPY8,704,676 thousand

11. Other

- (a) In FY 2020, the Company negotiated with parent company and entered into a technology partnership patent contract for SG glass production. The Company shall pay 5% of sales of finished goods, and 0.25% of sales of commodities as royalty. Royalty fees for the years ended March 31, 2026 and 2025 are \$31,103,416 and \$33,955,117, respectively, which are recorded in selling, general, and administrative expenses.
- (b) For the years ended March 31, 2026 and 2025, the Company has entrusted the affiliated companies with purchase of expendables, provision of technical assistance and construction repair. The details of the transaction are as follows (recorded in cost of sales).

	For the year ended Mar. 31	
	2026	2025
Parent company	\$-	\$467,959
Associate	-	441,036
Total	\$-	\$908,995

(c) Interest expenses incurred from borrowing platinum from parent company:

	For the year ended Mar. 31	
	2026	2025
Parent company	\$-	\$(277,082)

VIII. Assets pledged as security

	Carrying amount		
	Mar. 31, 2026	Mar. 31, 2025	
Property, plant and equipment - Platinum	\$1,621,333,437	\$1,627,988,834	Parent company's indebtedness
Other current assets - Time deposits	72,917,036	110,711,253	Short-term and long-term loans
	<u>\$1,694,250,473</u>	<u>\$1,738,700,087</u>	

In addition, the Company's parent company has pledged all of the shares of the company as collateral to Cairns India Holdings Limited, a major shareholder of the Company's parent company.

IX. Commitments and contingencies

1. Legal claim contingency

The suppliers of the Company have filed lawsuits against the Company due to the failure to make payments within the designated payment deadlines, seeking the payment of the outstanding amounts. As of March 31, 2026, there are three legal cases pending against the Company that have not yet commenced trial proceedings. The results of the litigation could not yet be estimated. However, the company has recorded the accounts payable and expenses in accordance with the actual events as stipulated by the contractual terms.

X. Loss due to major disasters

On March 25, 2026, certain factory, buildings, machinery and equipment, and inventories of the Company were damaged in a fire. The preliminary estimated loss amounted to NT\$151,803,859 (for the basis of loss estimation, please refer to Note 5), which has been recognized under non-operating expenses for the year ended March 31, 2026. The company has property insurance coverage, and the related claims and insurance recovery procedures are currently in progress. Insurance recovery income has not yet been recognized.

XI. Significant subsequent events

None.

XII. Other disclosures

1. Categories of financial instruments

Financial assets

	As at	
	<u>Mar. 31, 2026</u>	<u>Mar. 31, 2025</u>
Loans and receivables:		
Cash and cash equivalents (exclude cash on hand)	\$160,933,006	\$9,680,692
Trade receivables (include related parties)	157,603,708	242,599,056
Other receivables-related parties	5,394,998,696	6,629,357,844
Refundable deposits	36,485,496	38,193,410
Total	<u>\$5,750,020,906</u>	<u>\$6,919,831,002</u>

Financial liabilities

	As at	
	<u>Mar. 31, 2026</u>	<u>Mar. 31, 2025</u>
Financial liabilities at fair value through profit or loss:		
Guarantee contract	<u>\$1,032,077,581</u>	<u>\$-</u>
Financial liabilities at amortized cost:		
Loans (include short-term and long-term)	50,000,000	50,000,000
Trade payables (include related parties)	4,451,633	18,318,807
Other payables (include related parties)	<u>1,971,362,705</u>	<u>2,193,421,899</u>
Subtotal	<u>2,025,815,338</u>	<u>2,261,740,706</u>
Total	<u>\$3,057,891,919</u>	<u>\$2,261,740,706</u>

2. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

The carrying amount of cash and cash equivalents, accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.

Restricted assets and refundable deposits are measured at their carrying amount as estimates of fair value, since the amounts expected to be received or paid in the future approximate their carrying values.