

English Translation of Consolidated Financial Statements Originally Issued in Chinese
PRIME ELECTRONICS AND SATELLITICS INCORPORATION and Subsidiaries
Consolidated Balance Sheets

As of September 30, 2023, December 31, 2022 and September 30, 2022
(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of September 30, 2023		As of December 31, 2022		As of September 30, 2022	
Code	Accounts	Notes	Account	%	Account	%	Account	%
	Current assets							
1100	Cash and cash equivalents	6(1)	\$732,243	27	\$673,604	21	\$627,674	17
1110	Financial assets at fair value through profit or loss	6(2)	-	-	432	-	-	-
1136	Financial assets carried at amortized cost	6(4),8	85,754	3	105,304	3	116,848	3
1150	Notes receivable, net	6(5),6(19)	-	-	4,120	-	3,307	-
1170	Accounts receivable, net	6(6),6(19)	496,947	19	966,778	31	1,216,926	32
1200	Other receivables		11,316	-	15,109	1	25,934	1
1220	Current tax assets	4,6(24)	539	-	166	-	259	-
130x	Inventories, net	6(7)	661,444	25	642,835	20	926,141	25
1410	Prepayments		74,716	3	114,242	4	156,086	4
1470	Other current assets		3,055	-	3,667	-	7,773	-
11xx	Total current assets		<u>2,066,014</u>	<u>77</u>	<u>2,526,257</u>	<u>80</u>	<u>3,080,948</u>	<u>82</u>
	Non-current assets							
1517	Financial asset at fair value through OCI	6(3)	10,000	-	-	-	-	-
1600	Property, plant and equipment, net	6(8),8	341,185	13	354,004	11	370,289	10
1755	Right-of-use asset	6(20)	69,024	3	64,395	2	68,095	2
1760	Investment property, net	6(9)	200,688	7	218,096	7	226,458	6
1780	Intangible assets	6(10)	1,037	-	940	-	1,061	-
1900	Other non-current assets	6(11)	4,717	-	5,667	-	6,797	-
15xx	Total non-current assets		<u>626,651</u>	<u>23</u>	<u>643,102</u>	<u>20</u>	<u>672,700</u>	<u>18</u>
1xxx	Total Assets		<u>\$2,692,665</u>	<u>100</u>	<u>\$3,169,359</u>	<u>100</u>	<u>\$3,753,648</u>	<u>100</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
PRIME ELECTRONICS AND SATELLITICS INCORPORATION and Subsidiaries
Consolidated Balance Sheets-(Continued)
As of September 30, 2023, December 31, 2022 and September 30, 2022
(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of September 30, 2023		As of December 31, 2022		As of September 30, 2022	
Code	Accounts	Notes	Account	%	Account	%	Account	%
	Current liabilities							
2100	Short-term loans	6(12),8	\$162,500	6	\$455,667	14	\$602,268	16
2130	Contract liability	6(18)	77,057	3	79,657	3	112,310	3
2150	Notes payable		101,466	4	163,109	5	192,089	5
2170	Accounts payable		487,737	18	606,381	19	965,880	26
2200	Other payables	6(13)	160,502	6	156,243	5	164,095	5
2280	Lease liability	6(20)	7,231	-	4,284	-	6,355	-
2322	Current portion of long-term liabilities	6(14)	41,316	2	80,277	3	83,857	2
2399	Other current liabilities		5,967	-	6,923	-	6,585	-
21xx	Total current liabilities		<u>1,043,776</u>	<u>39</u>	<u>1,552,541</u>	<u>49</u>	<u>2,133,439</u>	<u>57</u>
	Non-current liabilities							
2540	Long-term loans	6(14)	92,071	4	44,191	1	62,289	1
2580	Lease liability	6(20)	4,383	-	1,064	-	1,302	-
2600	Other non-current liabilities	6(15)	33,876	1	27,730	1	29,289	1
25xx	Total non-current liabilities		<u>130,330</u>	<u>5</u>	<u>72,985</u>	<u>2</u>	<u>92,880</u>	<u>2</u>
2xxx	Total liabilities		<u>1,174,106</u>	<u>44</u>	<u>1,625,526</u>	<u>51</u>	<u>2,226,319</u>	<u>59</u>
	Equity attributable to shareholders of the parent							
3100	Capital	6(17)						
3110	Common stock		1,677,385	62	1,677,385	53	1,677,385	44
3200	Capital surplus	6(17)	291,899	11	291,899	9	291,899	8
3300	Retained earnings	6(17)						
3350	Unappropriated earnings(accumulated deficit)		(398,393)	(15)	(387,860)	(12)	(407,459)	(11)
3400	Other components of equity		(69,667)	(2)	(56,647)	(2)	(53,507)	(1)
31xx	Total equity attributable to the parent company		<u>1,501,224</u>	<u>56</u>	<u>1,524,777</u>	<u>48</u>	<u>1,508,318</u>	<u>40</u>
36xx	Non-controlling interests	6(17)	17,335	-	19,056	1	19,011	1
3xxx	Total equity		<u>1,518,559</u>	<u>56</u>	<u>1,543,833</u>	<u>49</u>	<u>1,527,329</u>	<u>41</u>
3x2x	Total liabilities and equity		<u>\$2,692,665</u>	<u>100</u>	<u>\$3,169,359</u>	<u>100</u>	<u>\$3,753,648</u>	<u>100</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
PRIME ELECTRONICS AND SATELLITICS INCORPORATION and Subsidiaries
Consolidated Statements of Comprehensive Income
For the three-month and nine-month periods ended September 30, 2023 and 2022
(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Accounts	Notes	For the three-month period ended September 30, 2023		For the three-month period ended September 30, 2022		For the nine-month period ended September 30, 2023		For the nine-month period ended September 30, 2022	
			Account	%	Account	%	Account	%	Account	%
4000	Operating revenues	6(18)	\$431,132	100	\$1,236,296	100	\$1,655,992	100	\$2,829,780	100
5000	Operating costs		<u>(339,539)</u>	<u>(79)</u>	<u>(1,044,961)</u>	<u>(84)</u>	<u>(1,358,356)</u>	<u>(82)</u>	<u>(2,437,349)</u>	<u>(86)</u>
5900	Gross profit		<u>91,593</u>	<u>21</u>	<u>191,335</u>	<u>16</u>	<u>297,636</u>	<u>18</u>	<u>392,431</u>	<u>14</u>
	Operating expenses									
6100	Sales and marketing		(28,881)	(7)	(55,810)	(5)	(95,866)	(6)	(125,933)	(4)
6200	General and administrative		(48,928)	(11)	(47,127)	(4)	(144,227)	(9)	(145,375)	(5)
6300	Research and development		(53,042)	(12)	(53,329)	(4)	(158,680)	(10)	(158,641)	(6)
6450	Expected credit gains (losses)	6(19)	8,290	2	(147)	-	9,645	1	5,827	-
	Total operating expenses		<u>(122,561)</u>	<u>(28)</u>	<u>(156,413)</u>	<u>(13)</u>	<u>(389,128)</u>	<u>(24)</u>	<u>(424,122)</u>	<u>(15)</u>
6900	Operating income(losses)		<u>(30,968)</u>	<u>(7)</u>	<u>34,922</u>	<u>3</u>	<u>(91,492)</u>	<u>(6)</u>	<u>(31,691)</u>	<u>(1)</u>
	Non-operating incomes and expenses									
7100	Interest income	6(22)	1,221	-	579	-	4,334	-	1,827	-
7010	Other incomes	6(22)	25,408	6	34,279	3	65,576	4	90,497	3
7020	Other gains or losses	6(22)	26,036	6	29,061	2	16,708	1	71,030	2
7050	Finance costs	6(22)	(2,189)	-	(4,974)	-	(8,838)	-	(10,943)	-
7055	Impairment gains (impairment losses) and reversal of impairment	6(19)	1,458	-	-	-	1,458	-	-	-
	Total non-operating incomes and expenses		<u>51,934</u>	<u>12</u>	<u>58,945</u>	<u>5</u>	<u>79,238</u>	<u>5</u>	<u>152,411</u>	<u>5</u>
7900	Income before income tax		20,966	5	93,867	8	(12,254)	(1)	120,720	4
7950	Income tax expense	4,6(24)	-	-	-	-	-	-	-	-
8200	Net income		<u>20,966</u>	<u>5</u>	<u>93,867</u>	<u>8</u>	<u>(12,254)</u>	<u>(1)</u>	<u>120,720</u>	<u>4</u>
	Other comprehensive income (loss)	6(23)								
8360	Items that may be reclassified subsequently to profit or loss									
8361	Exchange differences on translation of foreign operations		12,189	3	(15,240)	(1)	(13,020)	(1)	22,306	1
	Total other comprehensive income (loss), net of tax		<u>12,189</u>	<u>3</u>	<u>(15,240)</u>	<u>(1)</u>	<u>(13,020)</u>	<u>(1)</u>	<u>22,306</u>	<u>1</u>
8500	Total comprehensive income		<u>\$33,155</u>	<u>8</u>	<u>\$78,627</u>	<u>7</u>	<u>\$(25,274)</u>	<u>(2)</u>	<u>\$143,026</u>	<u>5</u>
8600	Net income attributable to :									
8610	Shareholders of the parent		\$21,371	5	\$93,562	8	\$(10,533)	(1)	\$117,576	4
8620	Non-controlling interests		<u>(405)</u>	<u>-</u>	<u>305</u>	<u>-</u>	<u>(1,721)</u>	<u>-</u>	<u>3,144</u>	<u>-</u>
			<u>\$20,966</u>	<u>5</u>	<u>\$93,867</u>	<u>8</u>	<u>\$(12,254)</u>	<u>(1)</u>	<u>\$120,720</u>	<u>4</u>
8700	Comprehensive income attributable to :									
8710	Shareholders of the parent		\$33,560	8	\$78,322	7	\$(23,553)	(2)	\$139,882	5
8720	Non-controlling interests		<u>(405)</u>	<u>-</u>	<u>305</u>	<u>-</u>	<u>(1,721)</u>	<u>-</u>	<u>3,144</u>	<u>-</u>
			<u>\$33,155</u>	<u>8</u>	<u>\$78,627</u>	<u>7</u>	<u>\$(25,274)</u>	<u>(2)</u>	<u>\$143,026</u>	<u>5</u>
9750	Earnings per share-basic (in NTD)	6(25)	<u>\$0.13</u>		<u>\$0.56</u>		<u>\$(0.06)</u>		<u>\$0.70</u>	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
PRIME ELECTRONICS AND SATELLITICS INCORPORATION and Subsidiaries

Consolidated Statements of Changes in Equity

For the nine-month periods ended September 30, 2023 and 2022

(Amounts Expressed In Thousands of New Taiwan Dollars)

Items		Equity Attributable to Shareholders of the Parent						非控制權益	權益總額
		Common Stock	Capital Surplus	Retained Earnings	Others		Total		
				Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income			
Code		3100	3200	3350	3410	3420	31xx	36xx	3xxx
A1	Balance as of January 1, 2022	\$1,677,385	\$291,899	\$(525,035)	\$(65,813)	\$(10,000)	\$1,368,436	\$15,867	\$1,384,303
D1	Net income for the nine-month period ended September 30, 2022			117,576			117,576	3,144	120,720
D3	Other comprehensive income (loss), net of tax, for the nine-month period ended September 30, 2022				22,306		22,306		22,306
D5	Total comprehensive income (loss)	-	-	117,576	22,306	-	139,882	3,144	143,026
Z1	Balance as of September 30, 2022	<u>\$1,677,385</u>	<u>\$291,899</u>	<u>\$(407,459)</u>	<u>\$(43,507)</u>	<u>\$(10,000)</u>	<u>\$1,508,318</u>	<u>\$19,011</u>	<u>\$1,527,329</u>
A1	Balance as of January 1, 2023	\$1,677,385	\$291,899	\$(387,860)	\$(46,647)	\$(10,000)	\$1,524,777	\$19,056	\$1,543,833
D1	Net income for the nine-month period ended September 30, 2023			(10,533)			(10,533)	(1,721)	(12,254)
D3	Other comprehensive income (loss), net of tax, for the nine-month period ended September 30, 2023				(13,020)		(13,020)		(13,020)
D5	Total comprehensive income (loss)	-	-	(10,533)	(13,020)	-	(23,553)	(1,721)	(25,274)
Z1	Balance as of September 30, 2023	<u>\$1,677,385</u>	<u>\$291,899</u>	<u>\$(398,393)</u>	<u>\$(59,667)</u>	<u>\$(10,000)</u>	<u>\$1,501,224</u>	<u>\$17,335</u>	<u>\$1,518,559</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
PRIME ELECTRONICS AND SATELLITICS INCORPORATION and Subsidiaries

Consolidated Statements of Cash Flows

For the nine-month periods ended September 30, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	For the nine-month periods ended September 30, 2023	For the nine-month periods ended September 30, 2022	Code	Items	For the nine-month periods ended September 30, 2023	For the nine-month periods ended September 30, 2022
		Account	Account			Account	Account
AAAA	Cash flows from operating activities :			BBBB	Cash flows from investing activities :		
A10000	Income before income tax	\$(12,254)	\$120,720	B00010	Acquisition of financial assets at fair value through other comprehensive income	(10,000)	-
A20000	Adjustments :			B00050	Proceeds from disposal of financial assets at amortised cost	19,550	68,630
A20010	Income and expense adjustments:			B00200	Proceeds from disposal of financial assets at fair value through profit or loss	433	437
A20100	Depreciation (including right-of-use assets)	56,725	62,848	B02700	Acquisition of property, plant and equipment	(9,585)	(28,021)
A20200	Amortization	368	352	B02800	Proceeds from disposal of property, plant and equipment	280	-
A20300	Expected credit losses	(11,103)	(5,827)	B03800	Decrease (increase) in refundable deposits	219	(1,372)
A20400	Net gain of financial assets at fair value through P/L	(1)	(1)	B04500	Acquisition of intangible assets	(464)	(590)
A20900	Interest expense	8,838	10,943	B05400	Acquisition of investment properties	(7,813)	-
A21200	Interest income	(4,334)	(1,827)	BBBB	Net cash provided by (used in) investing activities	(7,380)	39,084
A22500	Gain on disposal of property, plant and equipment	(11)	217				
A23500	Impairment loss on financial assets	-	13,834	CCCC	Cash flows from financing activities :		
A29900	Other adjustments to reconcile profit (loss)	(145)	-	C00200	Repayment of short-term loans	(293,167)	(16,136)
A30000	Changes in operating assets and liabilities :			C01600	Increase in long-term loans	110,991	54,761
A31130	Notes receivable	4,120	(1,925)	C01700	Repayments of long-term loans	(102,072)	(61,816)
A31150	Accounts receivable	479,401	(134,702)	C03000	Increase in deposits received	9,104	263
A31180	Other receivables	5,195	7,941	C04020	Cash payments for the principal portion of the lease liability	(5,973)	(6,882)
A31200	Inventories	(18,609)	(183,922)	CCCC	Net cash provided by (used in) financing activities	(281,117)	(29,810)
A31230	Prepayments	39,526	(99,020)				
A31240	Other current assets	612	3,084	DDDD	Effect of exchange rate changes	(13,780)	5,952
A32125	Contract liabilities	(2,600)	76,943				
A32130	Notes payable	(61,643)	(7,212)	EEEE	Increase (decrease) in cash and cash equivalents	58,639	47,203
A32150	Accounts payable	(118,644)	203,265	E00100	Cash and cash equivalents at beginning of period	673,604	580,471
A32180	Other payables	9,479	(17,289)	E00200	Cash and cash equivalents at end of period	\$732,243	\$627,674
A32230	Other current liabilities	(956)	(514)				
A32240	Net defined benefit liability	(7,425)	(9,219)				
A33000	Cash generated from (used in) operations	366,539	38,689				
A33100	Interest received	4,334	1,827				
A33300	Interest paid	(9,584)	(8,343)				
A33500	Income tax paid	(373)	(196)				
AAAA	Net cash provided by (used in) operating activities	360,916	31,977				

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