

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

Consolidated Balance Sheets

As of March 31, 2024, December 31, 2023 and March 31, 2023

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of March 31, 2024		As of December 31, 2023		As of March 31, 2023	
Code	Accounts	Notes	Account	%	Account	%	Account	%
	Current assets							
1100	Cash and cash equivalents	6(1)	\$720,135	26	\$931,724	34	\$663,145	24
1110	Financial assets at fair value through profit or loss	6(2)	-	-	310	-	-	-
1136	Financial assets carried at amortized cost	6(4),8	61,708	2	83,860	3	110,019	4
1150	Notes receivable, net	6(5),6(20)	13	-	520	-	10	-
1170	Accounts receivable, net	6(6),6(20)	482,127	17	390,780	14	615,990	22
1180	Accounts receivable - related parties, net	6(6,6(20),7	1,143	-	-	-	-	-
1200	Other receivables	6(20)	13,445	-	9,853	-	28,150	1
1220	Current tax assets	4,6(25)	1,075	-	894	-	176	-
130X	Inventories, net	6(7)	750,112	27	634,162	23	618,585	22
1410	Prepayments		92,165	3	57,051	2	90,188	3
1470	Other current assets		1,354	-	3,213	-	15,100	1
11XX	Total current assets		<u>2,123,277</u>	<u>75</u>	<u>2,112,367</u>	<u>76</u>	<u>2,141,363</u>	<u>77</u>
	Non-current assets							
1517	Financial asset at fair value through OCI	6(3)	10,000	-	10,000	-	10,000	-
1550	Investment accounted for under equity method	6(8)	8,732	-	8,600	-	-	-
1600	Property, plant and equipment, net	6(9),8	360,002	13	333,250	12	350,016	13
1755	Right-of-use asset	6(21)	96,200	4	98,673	4	61,963	2
1760	Investment property, net	6(10)	178,161	6	191,544	7	214,066	8
1780	Intangible assets	6(11)	1,372	-	1,516	-	835	-
1840	Deferred income tax assets	4,6(25)	2,069	-	-	-	-	-
1900	Other non-current assets	6(12)	43,129	2	23,203	1	6,514	-
15XX	Total non-current assets		<u>699,665</u>	<u>25</u>	<u>666,786</u>	<u>24</u>	<u>643,394</u>	<u>23</u>
1XXX	Total Assets		<u>\$2,822,942</u>	<u>100</u>	<u>\$2,779,153</u>	<u>100</u>	<u>\$2,784,757</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 March 31, 2024, December 31, 2023 and March 31, 2023
(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of March 31, 2024		As of December 31, 2023		As of March 31, 2023	
Code	Accounts	Notes	Account	%	Account	%	Account	%
	Current liabilities							
2100	Short-term loans	6(13),8	\$210,000	8	\$198,750	7	\$230,026	8
2130	Contract liability	6(19)	263,751	9	254,454	9	71,698	3
2150	Notes payable		63,705	2	71,991	3	174,117	6
2170	Accounts payable		483,464	17	386,905	14	481,184	17
2200	Other payables	6(14)	140,119	5	128,283	5	147,788	6
2280	Lease liability	6(21)	14,228	1	13,845	-	2,267	-
2322	Current portion of long-term liabilities	6(15)	27,408	1	42,728	1	87,170	3
2399	Other current liabilities		6,517	-	17,234	1	6,645	-
21XX	Total current liabilities		<u>1,209,192</u>	<u>43</u>	<u>1,114,190</u>	<u>40</u>	<u>1,200,895</u>	<u>43</u>
	Non-current liabilities							
2540	Long-term loans	6(15)	69,382	2	80,726	3	60,382	2
2570	Deferred income tax liabilities	4,6(25)	2,069	-	-	-	-	-
2580	Lease liability	6(21)	25,779	1	29,292	1	851	-
2600	Other non-current liabilities	6(16)	45,386	2	46,402	2	25,433	1
25XX	Total non-current liabilities		<u>142,616</u>	<u>5</u>	<u>156,420</u>	<u>6</u>	<u>86,666</u>	<u>3</u>
2XXX	Total liabilities		<u>1,351,808</u>	<u>48</u>	<u>1,270,610</u>	<u>46</u>	<u>1,287,561</u>	<u>46</u>
31XX	Total equity attributable to the parent company							
3100	Capital	6(18)						
3110	Common stock		1,677,385	59	1,677,385	60	1,677,385	60
3200	Capital surplus	6(18)	291,899	10	291,899	10	291,899	10
3300	Retained earnings	6(18)						
3350	Unappropriated earnings(accumulated deficit)		(450,272)	(16)	(413,662)	(15)	(428,259)	(15)
3400	Other components of equity		(65,015)	(2)	(64,474)	(2)	(61,795)	(2)
31XX	Total equity attributable to the parent company		<u>1,453,997</u>	<u>51</u>	<u>1,491,148</u>	<u>53</u>	<u>1,479,230</u>	<u>53</u>
36XX	Non-controlling interests	6(18)	17,137	1	17,395	1	17,966	1
3XXX	Total equity		<u>1,471,134</u>	<u>52</u>	<u>1,508,543</u>	<u>54</u>	<u>1,497,196</u>	<u>54</u>
3X2X	Total liabilities and equity		<u>\$2,822,942</u>	<u>100</u>	<u>\$2,779,153</u>	<u>100</u>	<u>\$2,784,757</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 periods ended March 31, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Accounts	Notes	For the three-month period ended March 31, 2024		For the three-month period ended March 31, 2023	
			Account	%	Account	%
4000	Operating revenues	6(19),7	\$351,571	100	\$564,247	100
5000	Operating costs		<u>(318,561)</u>	<u>(91)</u>	<u>(475,495)</u>	<u>(84)</u>
5900	Gross profit		<u>33,010</u>	<u>9</u>	<u>88,752</u>	<u>16</u>
	Operating expenses					
6100	Sales and marketing		(21,974)	(6)	(33,316)	(6)
6200	General and administrative		(47,063)	(14)	(47,712)	(8)
6300	Research and development		(57,029)	(16)	(51,341)	(9)
6450	Expected credit gains (losses)	6(20)	<u>2,377</u>	<u>1</u>	<u>1,005</u>	<u>-</u>
6000	Total operating expenses		<u>(123,689)</u>	<u>(35)</u>	<u>(131,364)</u>	<u>(23)</u>
6900	Operating income(losses)		<u>(90,679)</u>	<u>(26)</u>	<u>(42,612)</u>	<u>(7)</u>
	Non-operating incomes and expenses					
7100	Interest income	6(23)	2,293	1	413	-
7010	Other incomes	6(23)	23,146	7	23,700	4
7020	Other gains or losses	6(23)	28,678	8	(18,846)	(3)
7050	Finance costs	6(23)	(2,065)	(1)	(4,144)	(1)
7055	losses determined in	6(20)	1,792	-	-	-
7060	Share of the profit or loss of associates and joint ventures	6(8)	<u>(33)</u>	<u>-</u>	<u>-</u>	<u>-</u>
7000	Total non-operating incomes and expenses		<u>53,811</u>	<u>15</u>	<u>1,123</u>	<u>-</u>
7900	Income before income tax		(36,868)	(11)	(41,489)	(7)
7950	Income tax expense	4,6(25)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8200	Net income		<u>(36,868)</u>	<u>(11)</u>	<u>(41,489)</u>	<u>(7)</u>
	Other comprehensive income (loss)	6(24)				
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		<u>(541)</u>	<u>-</u>	<u>(5,148)</u>	<u>(1)</u>
	Total other comprehensive income (loss), net of tax		<u>(541)</u>	<u>-</u>	<u>(5,148)</u>	<u>(1)</u>
8500	Total comprehensive income		<u><u>\$(37,409)</u></u>	<u><u>(11)</u></u>	<u><u>\$(46,637)</u></u>	<u><u>(8)</u></u>
8600	Net income attributable to :					
8610	Shareholders of the parent		<u>\$(36,610)</u>	<u>(11)</u>	<u>\$(40,399)</u>	<u>(7)</u>
8620	Non-controlling interests		<u>(258)</u>	<u>-</u>	<u>(1,090)</u>	<u>-</u>
			<u><u>\$(36,868)</u></u>	<u><u>(11)</u></u>	<u><u>\$(41,489)</u></u>	<u><u>(7)</u></u>
8700	Comprehensive income attributable to :					
8710	Shareholders of the parent		<u>\$(37,151)</u>	<u>(11)</u>	<u>\$(45,547)</u>	<u>(8)</u>
8720	Non-controlling interests		<u>(258)</u>	<u>-</u>	<u>(1,090)</u>	<u>-</u>
			<u><u>\$(37,409)</u></u>	<u><u>(11)</u></u>	<u><u>\$(46,637)</u></u>	<u><u>(8)</u></u>
9750	Earnings per share-basic (in NTD)	6(26)	<u><u>\$(0.22)</u></u>		<u><u>\$(0.24)</u></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 three-month periods ended March 31, 2024 and 2023

(Amounts Expressed In Thousands of New Taiwan Dollars)

代碼	Items	Equity Attributable to Shareholders of the Parent					Total	Non-controlling Interests	Total Equity
		Common Stock	Capital Surplus	Retained Earnings	Others				
				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			
3100	3200	3350	3410	3420	31XX	36XX	3XXX		
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 three-month period ended March 31, 2023			(40,399)			(40,399)	(1,090)	(41,489)
D3	Other comprehensive income (loss), net of tax, for the three-month period ended March 31, 2023				(5,148)		(5,148)	-	(5,148)
D5	Total comprehensive income (loss)	-	-	(40,399)	(5,148)	-	(45,547)	(1,090)	(46,637)
Z1	Balance as of March 31, 2023	<u>\$1,677,385</u>	<u>\$291,899</u>	<u>\$(428,259)</u>	<u>\$(51,795)</u>	<u>\$(10,000)</u>	<u>\$1,479,230</u>	<u>\$17,966</u>	<u>\$1,497,196</u>
A1	Balance as of January 1, 2024	\$1,677,385	\$291,899	\$(413,662)	\$(54,474)	\$(10,000)	\$1,491,148	\$17,395	\$1,508,543
D1	Net income for the three-month period ended March 31, 2024			(36,610)			(36,610)	(258)	(36,868)
D3	Other comprehensive income (loss), net of tax, for the three-month period ended March 31, 2024				(541)		(541)	-	(541)
D5	Total comprehensive income (loss)	-	-	(36,610)	(541)	-	(37,151)	(258)	(37,409)
Z1	Balance as of March 31, 2024	<u>\$1,677,385</u>	<u>\$291,899</u>	<u>\$(450,272)</u>	<u>\$(55,015)</u>	<u>\$(10,000)</u>	<u>\$1,453,997</u>	<u>\$17,137</u>	<u>\$1,471,134</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 three-month periods ended March 31, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	For the three-month periods ended March 31, 2024	For the three-month periods ended March 31, 2023	Code	Items	For the three-month periods ended March 31, 2024	For the three-month periods ended March 31, 2023
		Account	Account			Account	Account
AAAA	Cash flows from operating activities :			BBBB	Cash flows from investing activities :		
A10000	Income before income tax	\$(36,868)	\$(41,489)	B00010	Acquisition of financial assets at fair value through other comprehensive income	-	(10,000)
A20000	Adjustments :			B00040	Decrease (increase) in financial assets measured at amortized cost	-	(4,715)
A20010	Income and expense adjustments:			B00050	Proceeds from disposal of financial assets at amortised cost	22,152	-
A20100	Depreciation (including right-of-use assets)	20,550	19,860	B00200	Proceeds from disposal of financial assets at fair value through profit or loss	310	432
A20200	Amortization	153	108	B02700	Acquisition of property, plant and equipment	(36,881)	(3,777)
A20300	Expected credit losses	(4,169)	(1,005)	B03700	Decrease (increase) in refundable deposits	50	173
A20900	Interest expense	2,065	4,144	BBBB	Net cash provided by (used in) investing activities	(14,369)	(17,887)
A21200	Interest income	(2,293)	(413)				
A22300	Share of profit or loss of associates and joint ventures	33	-				
A22500	Gain on disposal of property, plant and equipment	-	100	CCCC	Cash flows from financing activities :		
A30000	Changes in operating assets and liabilities :			C00100	Increase in short-term loans	11,250	(225,641)
A31130	Notes receivable	507	4,110	C01600	Increase in long-term loans	-	46,476
A31150	Accounts receivable	(89,027)	351,793	C01700	Repayments of long-term loans	(26,664)	(23,392)
A31160	Accounts receivable - related parties	(1,143)	-	C03100	Decrease in deposits received	(1,010)	661
A31180	Other receivables	(2,369)	(13,041)	C04020	Cash payments for the principal portion of the lease liability	(4,071)	(2,298)
A31200	Inventories	(115,950)	24,250	CCCC	Net cash provided by (used in) financing activities	(20,495)	(204,194)
A31230	Prepayments	(35,114)	24,054				
A31240	Other current assets	1,859	(11,433)	DDDD	Effect of exchange rate changes	(8,902)	(7,939)
A32125	Contract liabilities	9,297	(7,959)				
A32130	Notes payable	(8,286)	11,008	EEEE	Increase (decrease) in cash and cash equivalents	(211,589)	(10,459)
A32150	Accounts payable	96,559	(125,197)	E00100	Cash and cash equivalents at beginning of period	931,724	673,604
A32180	Other payables	6,931	(12,085)	E00200	Cash and cash equivalents at end of period	\$720,135	\$663,145
A32230	Other current liabilities	(10,717)	(278)				
A32240	Net defined benefit liability	(6)	(2,958)				
A33000	Cash generated from (used in) operations	(167,988)	223,569				
A33100	Interest received	2,293	413				
A33300	Interest paid	(1,947)	(4,411)				
A33500	Income tax paid	(181)	(10)				
AAAA	Net cash provided by (used in) operating activities	(167,823)	219,561				

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