

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

Consolidated Balance Sheets

As of June 30, 2025, December 31, 2024 and June 30, 2024

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of June 30, 2025		As of December 31, 2024		As of June 30, 2024	
Code	Accounts	Notes	Account	%	Account	%	Account	%
	Current assets							
1100	Cash and cash equivalents	6(1)	\$868,236	34	\$913,195	33	\$760,805	26
1110	Financial assets at fair value through profit or loss	6(2)	-	-	327	-	-	-
1136	Financial assets carried at amortized cost	6(4),8	107,570	4	67,991	3	63,592	2
1150	Notes receivable, net	6(5),6(20)	10,731	1	12	-	9	-
1170	Accounts receivable, net	6(6),6(20)	337,332	13	457,876	16	749,753	25
1180	Accounts receivable - related parties, net	6(6),6(20),7	1,095	-	236	-	715	-
1200	Other receivables	6(20)	2,042	-	483	-	7,729	-
1220	Current tax assets	4,6(25)	2,126	-	2,080	-	1,494	-
130X	Inventories, net	6(7)	559,680	22	605,530	22	619,571	21
1410	Prepayments		61,611	2	92,985	3	90,818	3
1470	Other current assets		3,041	-	1,827	-	1,077	-
11XX	Total current assets		<u>1,953,464</u>	<u>76</u>	<u>2,142,542</u>	<u>77</u>	<u>2,295,563</u>	<u>77</u>
	Non-current assets							
1517	Financial asset at fair value through OCI	6(3)	16,176	1	10,000	-	10,000	-
1550	Investment accounted for under equity method	6(8)	7,790	-	8,740	-	8,798	-
1600	Property, plant and equipment, net	6(9),8	353,750	14	390,181	14	412,126	14
1755	Right-of-use asset	6(21)	82,974	3	84,399	3	92,449	3
1760	Investment property, net	6(10)	141,563	6	164,655	6	174,636	6
1780	Intangible assets	6(11)	1,317	-	1,730	-	2,091	-
1840	Deferred income tax assets	4,6(25)	-	-	1,930	-	453	-
1900	Other non-current assets	6(12)	6,389	-	6,900	-	5,165	-
15XX	Total non-current assets		<u>609,959</u>	<u>24</u>	<u>668,535</u>	<u>23</u>	<u>705,718</u>	<u>23</u>
1XXX	Total Assets		<u>\$2,563,423</u>	<u>100</u>	<u>\$2,811,077</u>	<u>100</u>	<u>\$3,001,281</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 June 30, 2025, December 31, 2024 and June 30, 2024
(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of June 30, 2025		As of December 31, 2024		As of June 30, 2024	
Code	Accounts	Notes	Account	%	Account	%	Account	%
	Current liabilities							
2100	Short-term loans	6(13),8	\$230,000	9	\$190,000	7	\$160,000	5
2130	Contract liability	6(19)	288,701	11	329,155	12	247,800	8
2150	Notes payable		49,064	2	81,148	3	75,494	3
2170	Accounts payable		354,317	14	351,593	12	560,095	19
2200	Other payables	6(14)	141,704	6	133,457	5	154,748	5
2280	Lease liability	6(21)	12,229	-	9,841	-	13,191	-
2322	Current portion of long-term liabilities	6(15)	60,853	2	55,976	2	54,350	2
2399	Other current liabilities		13,374	1	15,074	-	16,912	1
21XX	Total current liabilities		<u>1,150,242</u>	<u>45</u>	<u>1,166,244</u>	<u>41</u>	<u>1,282,590</u>	<u>43</u>
	Non-current liabilities							
2540	Long-term loans	6(15)	80,964	3	77,371	3	106,817	4
2570	Deferred income tax liabilities	4,6(25)	-	-	1,930	-	453	-
2580	Lease liability	6(21)	21,917	1	19,808	1	23,393	1
2600	Other non-current liabilities	6(16)	30,389	1	40,414	1	44,291	1
25XX	Total non-current liabilities		<u>133,270</u>	<u>5</u>	<u>139,523</u>	<u>5</u>	<u>174,954</u>	<u>6</u>
2XXX	Total liabilities		<u>1,283,512</u>	<u>50</u>	<u>1,305,767</u>	<u>46</u>	<u>1,457,544</u>	<u>49</u>
31XX	Total equity attributable to the parent company							
3100	Capital	6(18)						
3110	Common stock		1,677,385	65	1,677,385	60	1,677,385	56
3200	Capital surplus	6(18)	291,899	11	291,899	10	291,899	10
3300	Retained earnings	6(18)						
3350	Unappropriated earnings(accumulated deficit)		(621,427)	(24)	(449,259)	(16)	(408,993)	(14)
3400	Other components of equity		(82,866)	(3)	(30,839)	(1)	(34,085)	(1)
31XX	Total equity attributable to the parent company		<u>1,264,991</u>	<u>49</u>	<u>1,489,186</u>	<u>53</u>	<u>1,526,206</u>	<u>51</u>
36XX	Non-controlling interests	6(18)	14,920	1	16,124	1	17,531	-
3XXX	Total equity		<u>1,279,911</u>	<u>50</u>	<u>1,505,310</u>	<u>54</u>	<u>1,543,737</u>	<u>51</u>
3X2X	Total liabilities and equity		<u>\$2,563,423</u>	<u>100</u>	<u>\$2,811,077</u>	<u>100</u>	<u>\$3,001,281</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 six-month periods ended June 30, 2025 and 2024
(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Accounts	Notes	For the three-month period ended June 30, 2025		For the three-month period ended June 30, 2024		For the six-month period ended June 30, 2025		For the six-month period ended June 30, 2024	
			Account	%	Account	%	Account	%	Account	%
4000	Operating revenues	6(19),7	\$366,456	100	\$861,389	100	\$745,335	100	\$1,212,960	100
5000	Operating costs	6(7)	(315,704)	(86)	(691,596)	(80)	(634,157)	(85)	(1,010,157)	(83)
5900	Gross profit		50,752	14	169,793	20	111,178	15	202,803	17
	Operating expenses									
6100	Sales and marketing		(22,166)	(6)	(46,176)	(5)	(48,616)	(7)	(68,150)	(6)
6200	General and administrative		(51,171)	(14)	(53,624)	(6)	(99,049)	(13)	(100,687)	(8)
6300	Research and development		(55,074)	(15)	(58,079)	(7)	(108,035)	(14)	(115,108)	(9)
6450	Expected credit gains (losses)	6(20)	(193)	-	(71)	-	(437)	-	2,306	-
6000	Total operating expenses		(128,604)	(35)	(157,950)	(18)	(256,137)	(34)	(281,639)	(23)
6900	Operating income(losses)		(77,852)	(21)	11,843	2	(144,959)	(19)	(78,836)	(6)
	Non-operating incomes and expenses									
7100	Interest income	6(23)	8,273	2	4,311	-	10,472	1	6,604	-
7010	Other incomes	6(23)	25,623	7	22,844	3	56,245	8	45,990	4
7020	Other gains or losses	6(23)	(101,431)	(28)	3,128	-	(94,495)	(13)	31,806	2
7050	Finance costs	6(23)	(2,385)	-	(2,278)	-	(4,885)	(1)	(4,343)	-
7055	Impairment gains (impairment losses) and reversal of impairment	6(20)	33	-	1,831	-	4,443	1	3,623	-
7060	Share of the profit or loss of associates and joint ventures	6(8)	(121)	-	(6)	-	(207)	-	(39)	-
7000	Total non-operating incomes and expenses		(70,008)	(19)	29,830	3	(28,427)	(4)	83,641	6
7900	Income before income tax (loss)		(147,860)	(40)	41,673	5	(173,386)	(23)	4,805	-
7950	Income tax expense	4,6(25)	14	-	-	-	14	-	-	-
8200	Net income (loss)		(147,846)	(40)	41,673	5	(173,372)	(23)	4,805	-
	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		(78,391)	(22)	30,930	3	(52,027)	(7)	30,389	3
	Total other comprehensive income (loss), net of tax		(78,391)	(22)	30,930	3	(52,027)	(7)	30,389	3
8500	Total comprehensive income		<u>\$ (226,237)</u>	<u>(62)</u>	<u>\$ 72,603</u>	<u>8</u>	<u>\$ (225,399)</u>	<u>(30)</u>	<u>\$ 35,194</u>	<u>3</u>
8600	Net income (loss) attributable to :									
8610	Shareholders of the parent		\$ (147,165)	(40)	\$ 41,279	5	\$ (172,168)	(23)	\$ 4,669	-
8620	Non-controlling interests		(681)	-	394	-	(1,204)	-	136	-
			<u>\$ (147,846)</u>	<u>(40)</u>	<u>\$ 41,673</u>	<u>5</u>	<u>\$ (173,372)</u>	<u>(23)</u>	<u>\$ 4,805</u>	<u>-</u>
8700	Comprehensive income attributable to :									
8710	Shareholders of the parent		\$ (225,556)	(62)	\$ 72,209	8	\$ (224,195)	(30)	\$ 35,058	3
8720	Non-controlling interests		(681)	-	394	-	(1,204)	-	136	-
			<u>\$ (226,237)</u>	<u>(62)</u>	<u>\$ 72,603</u>	<u>8</u>	<u>\$ (225,399)</u>	<u>(30)</u>	<u>\$ 35,194</u>	<u>3</u>
9750	Earnings per share-basic (loss) (in NTD)	6(26)	<u>\$ (0.88)</u>		<u>\$ 0.25</u>		<u>\$ (1.03)</u>		<u>\$ 0.03</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 six-month periods ended June 30, 2025 and 2024

(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent						Non-controlling Interests	Total Equity
		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			
		3100	3200	3350	3410	3420	31XX	36XX	3XXX
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 six-month period ended June 30, 2024			4,669			4,669	136	4,805
D3	Other comprehensive income (loss), net of tax, for the six-month period ended June 30, 2024				30,389		30,389	-	30,389
D5	Total comprehensive income (loss)	-	-	4,669	30,389	-	35,058	136	35,194
Z1	Balance as of June 30, 2024	<u>\$1,677,385</u>	<u>\$291,899</u>	<u>\$(408,993)</u>	<u>\$(24,085)</u>	<u>\$(10,000)</u>	<u>\$1,526,206</u>	<u>\$17,531</u>	<u>\$1,543,737</u>
A1	Balance as of January 1, 2025	\$1,677,385	\$291,899	\$(449,259)	\$(20,839)	\$(10,000)	\$1,489,186	\$16,124	\$1,505,310
D1	Net income for the six-month period ended June 30, 2025			(172,168)			(172,168)	(1,204)	(173,372)
D3	Other comprehensive income (loss), net of tax, for the six-month period ended June 30, 2025				(52,027)		(52,027)	-	(52,027)
D5	Total comprehensive income (loss)	-	-	(172,168)	(52,027)	-	(224,195)	(1,204)	(225,399)
Z1	Balance as of June 30, 2025	<u>\$1,677,385</u>	<u>\$291,899</u>	<u>\$(621,427)</u>	<u>\$(72,866)</u>	<u>\$(10,000)</u>	<u>\$1,264,991</u>	<u>\$14,920</u>	<u>\$1,279,911</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 six-month periods ended June 30, 2025 and 2024
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	For the six-month periods ended June 30, 2025	For the six-month periods ended June 30, 2024	Code	Items	For the six-month periods ended June 30, 2025	For the six-month periods ended June 30, 2024
		Account	Account			Account	Account
AAAA	Cash flows from operating activities :			BBBB	Cash flows from investing activities :		
A10000	Income before income tax	\$(173,386)	\$4,805	B00010	Acquisition of financial assets at fair value through other comprehensive income	(6,176)	-
A20000	Adjustments :			B00040	Decrease (increase) in financial assets measured at amortized cost	(39,579)	-
A20010	Income and expense adjustments:			B00050	Proceeds from disposal of financial assets at amortised cost	-	20,268
A20100	Depreciation (including right-of-use assets)	39,890	42,061	B00200	Proceeds from disposal of financial assets at fair value through profit or loss	327	310
A20200	Amortization	349	320	B02700	Acquisition of property, plant and equipment	(6,500)	(65,179)
A20300	Expected credit losses	(4,006)	(5,929)	B02800	Proceeds from disposal of property, plant and equipment	3,144	-
A20900	Interest expense	4,885	4,343	B03800	Decrease (increase) in refundable deposits	370	56
A21200	Interest income	(10,472)	(6,604)	B04500	Acquisition of intangible assets	-	(883)
A22300	Share of profit or loss of associates and joint ventures	207	39	BBBB	Net cash provided by (used in) investing activities	(48,414)	(45,428)
A22500	Gain on disposal of property, plant and equipment	(3,123)	-				
A29900	Other adjustments to reconcile profit (loss)	(13)	-	CCCC	Cash flows from financing activities :		
A30000	Changes in operating assets and liabilities :			C00100	Increase in short-term loans	40,000	(38,750)
A31130	Notes receivable	(10,719)	511	C01600	Increase in long-term loans	35,000	70,200
A31150	Accounts receivable	120,182	(356,748)	C01700	Repayments of long-term loans	(26,530)	(32,487)
A31160	Accounts receivable - related parties	(859)	(715)	C03100	Decrease in deposits received	(7,638)	(2,108)
A31180	Other receivables	6,016	4,927	C04020	Cash payments for the principal portion of the lease liability	(7,031)	(7,833)
A31200	Inventories	45,850	14,591	CCCC	Net cash provided by (used in) financing activities	33,801	(10,978)
A31230	Prepayments	31,374	(33,767)				
A31240	Other current assets	(1,214)	2,136	DDDD	Effect of exchange rate changes	(13,514)	18,214
A32125	Contract liabilities	(40,454)	(6,654)				
A32130	Notes payable	(32,084)	3,503	EEEE	Increase (decrease) in cash and cash equivalents	(44,959)	(170,919)
A32150	Accounts payable	2,724	173,190	E00100	Cash and cash equivalents at beginning of period	913,195	931,724
A32180	Other payables	7,284	25,590	E00200	Cash and cash equivalents at end of period	\$868,236	\$760,805
A32230	Other current liabilities	(1,700)	(322)				
A32240	Net defined benefit liability	(2,387)	(3)				
A33000	Cash generated from (used in) operations	(21,656)	(134,726)				
A33100	Interest received	9,233	6,604				
A33300	Interest paid	(4,377)	(4,005)				
A33500	Income tax paid	(32)	(600)				
AAAA	Net cash provided by (used in) operating activities	(16,832)	(132,727)				

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