

**GENESYS LOGIC, INC.
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2025 and 2024**

Address: 13F., No. 205, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City
Telephone: (02)8913-1888

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	5
5. Consolidated Statements of Comprehensive Income	6
6. Consolidated Statements of Changes in Equity	7
7. Consolidated Statements of Cash Flows	8
8. Notes to the Consolidated Financial Statements	
(1) Company history	9
(2) Approval date and procedures of the consolidated financial statements	9
(3) New standards, amendments and interpretations adopted	9 ~ 11
(4) Summary of material accounting policies	11 ~ 12
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	12
(6) Explanation of significant accounts	13 ~ 33
(7) Related-party transactions	33
(8) Pledged assets	34
(9) Significant commitments and contingencies	34
(10) Losses Due to Major Disasters	34
(11) Subsequent Events	34
(12) Other	35
(13) Other disclosures	
(a) Information on significant transactions	35 ~ 36
(b) Information on investees	36
(c) Information on investment in mainland China	36 ~ 37
(14) Segment information	37

Independent Auditors' Review Report

To the Board of Directors of Genesys Logic, Inc.:

Introduction

We have reviewed the consolidated financial statements of Genesys Logic, Inc. and its subsidiaries, which comprise the consolidated balance sheets as of March 31, 2025 and 2024, the related consolidated statements of comprehensive income, and changes in equity and cash flows for the three months ended March 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our review in accordance with the Standard on Review Engagements No. 2410 "Review of Financial Information Performed by the Independent Auditor of the Entity." A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standard on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Opinion

As explained in Note 4(b) to the consolidated financial statements, part of the non-significant subsidiaries included in the aforementioned consolidated financial statements were based on the financial statements not reviewed by independent auditors for the same period. Those statements reflect total assets of \$213,584 thousand and \$190,735 thousand, constituting 6% and 6% of the consolidated total assets, and total liabilities of NT\$133,996 thousand and NT\$109,866 thousand, constituting 8% and 7% of the consolidated total liabilities as of March 31, 2025 and 2024, and the absolute values of total comprehensive income of \$6,081 thousand and \$7,041 thousand, constituting 3% and 14% of the absolute values of consolidated total comprehensive income for the three-month period then ended.

Qualified Conclusion

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and investee companies been reviewed by independent auditors as described in the Qualifying Conclusion paragraph, that we might have become aware of had it not been for the situation described above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Genesys Logic, Inc. and its subsidiaries as of March 31, 2025 and 2024, and of its consolidated financial performance as of and for the three-month period ended March 31, 2025 and 2024, and its consolidated cash flows for the three-month period then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Huang, Yung-Hua and Yu, Sheng-Ho.

KPMG

Taipei, Taiwan (Republic of China)
May 9, 2025

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors’ report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

GENESYS LOGIC, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2025, December 31, 2024, and March 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Assets		March 31, 2025		December 31, 2024		March 31, 2024		Liabilities and equity		March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities							
1100	Cash and cash equivalents (Note 6(a))	\$ 1,324,567	37	1,243,793	38	1,182,253	37	2100	Short term borrowings (Notes 6(i) and 8)	\$ 269,000	7	229,000	7	401,000	13
1110	Financial assets at fair value through profit or loss - current (Note 6(b) and (j))	1,686	-	2,389	-	-	-	2120	Financial liabilities at fair value through profit or loss - current (Note 6(b) and (j))	46	-	95	-	-	-
1170	Accounts receivable, net (Notes 6(d) and (q))	361,550	10	285,511	9	205,927	7	2170	Notes and accounts payable	302,977	9	239,879	7	181,319	6
130X	Inventories (Note 6(e))	555,552	15	382,451	11	583,047	18	2201	Wages and salaries payable	191,086	5	210,278	6	99,099	3
1470	Other current assets (Note 6(h))	116,510	3	120,681	4	81,758	3	2216	Dividends payables	271,640	8	-	-	162,504	5
1476	Other current financial assets (Note 8)	111,680	3	105,283	3	2,402	-	2305	Other current financial liabilities	78,217	2	79,598	3	55,700	2
		<u>2,471,545</u>	<u>68</u>	<u>2,140,108</u>	<u>65</u>	<u>2,055,387</u>	<u>65</u>	2321	Bonds payable – current portion (Note 6(j))	435,717	12	454,728	14	-	-
Non-current assets:								2399	Other current liabilities (Notes 6(k) and (q))	<u>94,520</u>	<u>3</u>	<u>68,238</u>	<u>2</u>	<u>80,507</u>	<u>2</u>
1510	Financial assets at fair value through profit or loss – non-current (Notes 6(b) and (j))	-	-	-	-	550	-			<u>1,643,203</u>	<u>46</u>	<u>1,281,816</u>	<u>39</u>	<u>980,129</u>	<u>31</u>
1517	Financial assets at fair value through other comprehensive income – non-current (Note 6(c))	73,375	2	73,995	2	9,572	-	Non-Current liabilities:							
1600	Property, plant and equipment (Notes 6(f) and 8)	921,710	25	925,808	28	922,790	29	2500	Financial liabilities at fair value through profit or loss – non-current (Notes 6(b) and (j))	-	-	-	-	3,399	-
1780	Intangible assets (Notes 6(g))	57,494	2	62,098	2	69,134	2	2530	Bonds payable (Note 6(j))	-	-	-	-	469,129	15
1840	Deferred tax assets	60,271	2	60,325	2	59,747	2	2670	Other non-current liabilities (Notes (k))	<u>9,366</u>	<u>-</u>	<u>10,072</u>	<u>-</u>	<u>13,006</u>	<u>-</u>
1900	Other non-current assets (Notes 6(h) and 8)	<u>36,304</u>	<u>1</u>	<u>30,143</u>	<u>1</u>	<u>48,333</u>	<u>2</u>		Total liabilities	<u>1,652,569</u>	<u>46</u>	<u>1,291,888</u>	<u>39</u>	<u>1,465,663</u>	<u>46</u>
		<u>1,149,154</u>	<u>32</u>	<u>1,152,369</u>	<u>35</u>	<u>1,110,126</u>	<u>35</u>	Equity attributable to owners of parent (Notes 6(j) and (n)):							
								3110	Ordinary share	910,275	25	908,536	28	906,800	29
								3200	Capital surplus	353,161	10	333,056	10	311,844	10
								Retained earnings:							
								3310	Legal reserve	262,228	7	262,228	8	252,267	8
								3320	Special reserve	42,628	1	42,628	1	50,214	2
								3350	Unappropriated retained earnings	<u>469,296</u>	<u>13</u>	<u>526,750</u>	<u>16</u>	<u>258,404</u>	<u>8</u>
										<u>774,152</u>	<u>21</u>	<u>831,606</u>	<u>25</u>	<u>560,885</u>	<u>18</u>
								3400	Other equity	<u>(73,965)</u>	<u>(2)</u>	<u>(76,907)</u>	<u>(2)</u>	<u>(84,395)</u>	<u>(3)</u>
								36XX	Non-controlling interests	<u>4,507</u>	<u>-</u>	<u>4,298</u>	<u>-</u>	<u>4,716</u>	<u>-</u>
									Total equity	<u>1,968,130</u>	<u>54</u>	<u>2,000,589</u>	<u>61</u>	<u>1,699,850</u>	<u>54</u>
Total assets		<u>\$ 3,620,699</u>	<u>100</u>	<u>3,292,477</u>	<u>100</u>	<u>3,165,513</u>	<u>100</u>	Total liabilities and equity		<u>\$ 3,620,699</u>	<u>100</u>	<u>3,292,477</u>	<u>100</u>	<u>3,165,513</u>	<u>100</u>

(See accompanying Notes to consolidated financial statements.)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
GENESYS LOGIC, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the Three Months Ended March 31, 2025 and 2024
(Expressed in thousands of New Taiwan Dollars , except for earnings per share)

		For the three months ended March 31,			
		2025		2024	
		Amount	%	Amount	%
4000	Operating revenues (Notes 6(q))	\$ 1,032,245	100	624,053	100
5000	Operating costs (Notes 6(e) and 12)	449,246	44	355,200	57
	Gross profit from operations	582,999	56	268,853	43
	Operating expenses (Notes 6(d), (k), (l), (o), (r), and 12)				
6100	Selling expenses	25,591	3	19,418	3
6200	Administrative expenses	69,638	6	43,738	7
6300	Research and development expenses	247,905	24	183,757	29
6450	Impairment loss determined in accordance with IFRS9	769	-	48	-
		343,903	33	246,961	39
	Net operating income	239,096	23	21,892	4
	Non-operating income and expenses:				
7100	Interest income (Note 6(s))	4,853	-	3,683	1
7010	Other income (Notes 6(s))	512	-	497	-
7020	Other gains and losses (Notes 6(b), (j), and (t))	7,985	1	18,916	3
7050	Finance costs (Notes 6(j) and (k))	(3,237)	-	(3,925)	(1)
		10,113	1	19,171	3
7900	Profit before income tax	249,209	24	41,063	7
7950	Less: income tax expenses (Note 6(m))	35,023	3	5,635	1
	Net Income	214,186	21	35,428	6
8300	Other comprehensive income:				
8310	Items that may not be reclassified subsequently to profit or loss:				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Note 6(u))	(2,270)	-	-	-
	Items that may not be reclassified subsequently to profit or loss	(2,270)	-	-	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign statement	529	-	941	-
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	845	-	-	-
	Items that may be reclassified subsequently to profit or loss	1,374	-	941	-
8300	Other comprehensive income (after tax)	(896)	-	941	-
	Comprehensive income	<u>\$ 213,290</u>	<u>21</u>	<u>36,369</u>	<u>6</u>
	Profit attributable to:				
8610	Shareholders of the parent	\$ 214,186	21	35,557	6
8620	Non-controlling interests	-	-	(129)	-
		<u>\$ 214,186</u>	<u>21</u>	<u>35,428</u>	<u>6</u>
	Comprehensive income attributable to:				
8710	Shareholders of the parent	\$ 213,290	21	36,497	6
8720	Non-controlling interests	-	-	(128)	-
		<u>\$ 213,290</u>	<u>21</u>	<u>36,369</u>	<u>6</u>
9750	Basic earnings per share (NT dollars) (Note 6(p))	<u>\$ 2.37</u>		<u>0.39</u>	
9850	Diluted earnings per share (NT dollars) (Note 6(p))	<u>\$ 2.27</u>		<u>0.39</u>	

(See accompanying Notes to consolidated financial statements.)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
GENESYS LOGIC, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the Three Months Ended March 31, 2025 and 2024
(Expressed in thousands of New Taiwan Dollars)

	Attributable to owners of parent						Other equity					Non-controlling interests	Total equity
	Retained earnings					Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets at fair value through other comprehensive income	Unearned employees benefit	Total other equity	Total equity attributable to owners of parent		
Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings									
Balance at January 1, 2024	\$ 902,792	315,758	252,267	50,214	385,351	687,832	(4,642)	(37,983)	(46,560)	(89,185)	1,817,197	4,372	1,821,569
Profit for the period	-	-	-	-	35,557	35,557	-	-	-	-	35,557	(129)	35,428
Other comprehensive income for the period	-	-	-	-	-	-	940	-	-	940	940	1	941
Total comprehensive income for the period	-	-	-	-	35,557	35,557	940	-	-	940	36,497	(128)	36,369
Appropriation and distribution of retained earnings:													
Cash dividends on ordinary share	-	-	-	-	(162,504)	(162,504)	-	-	-	-	(162,504)	-	(162,504)
Conversion of convertible bonds	8	86	-	-	-	-	-	-	-	-	94	-	94
Share-based payments by subsidiary	4,000	(4,000)	-	-	-	-	-	-	3,850	3,850	3,850	474	4,324
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(2)	(2)
Balance at March 31, 2024	\$ 906,800	311,844	252,267	50,214	258,404	560,885	(3,702)	(37,983)	(42,710)	(84,395)	1,695,134	4,716	1,699,850
Balance at January 1, 2025	\$ 908,536	333,056	262,228	42,628	526,750	831,606	(3,101)	(42,719)	(31,087)	(76,907)	1,996,291	4,298	2,000,589
Profit for the period	-	-	-	-	214,186	214,186	-	-	-	-	214,186	-	214,186
Other comprehensive income for the period	-	-	-	-	-	-	529	(1,425)	-	(896)	(896)	-	(896)
Total comprehensive income for the period	-	-	-	-	214,186	214,186	529	(1,425)	-	(896)	213,290	-	213,290
Appropriation and distribution of retained earnings:													
Cash dividends on ordinary share	-	-	-	-	(271,640)	(271,640)	-	-	-	-	(271,640)	-	(271,640)
Conversion of convertible bonds	1,739	19,379	-	-	-	-	-	-	-	-	21,118	-	21,118
Share-based payments by subsidiary	-	726	-	-	-	-	-	-	3,838	3,838	4,564	209	4,773
Balance at March 31, 2025	\$ 910,275	353,161	262,228	42,628	469,296	774,152	(2,572)	(44,144)	(27,249)	(73,965)	1,963,623	4,507	1,968,130

(See accompanying Notes to consolidated financial statements.)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

GENESYS LOGIC, INC. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the Three Months Ended March 31, 2025 and 2024****(Expressed in thousands of New Taiwan Dollars)**

	For the three months ended March 31,	
	2025	2024
Cash flows from operating activities:		
Profit before income tax	\$ 249,209	41,063
Adjustments:		
Adjustments to reconcile (profit) loss:		
Depreciation and amortization expense	26,446	26,553
Expected credit loss (reversal gain)	769	48
Losses on inventory valuation and obsolescence (reversal gains)	(126,018)	13,609
Interest expense	3,237	3,925
Interest revenue	(4,853)	(3,683)
Compensation cost of share-based payment	4,773	4,324
Net loss on financial assets or liabilities at fair value through profit or loss	654	849
Total adjustments to reconcile (profit) loss	<u>(94,992)</u>	<u>45,625</u>
Changes in operating assets and liabilities:		
Accounts receivable	(76,808)	(4,323)
Inventories	(47,083)	30,711
Other financial assets and current assets	2,871	(3,352)
Notes and accounts payable	63,098	14,789
Wages and salaries payable	(19,192)	(53,237)
Other financial liabilities and current liabilities	(9,676)	6,383
Defined benefit liability	327	429
Other non-current liabilities	(107)	(108)
Total changes in operating assets and liabilities	<u>(86,570)</u>	<u>(8,708)</u>
Total adjustments	<u>(181,562)</u>	<u>36,917</u>
Cash inflow from operations	67,647	77,980
Interest received	5,018	4,669
Interest paid	(1,115)	(1,703)
Income taxes paid	(163)	(1,238)
Net cash flows from operating activities	<u>71,387</u>	<u>79,708</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(16,963)	(9,529)
Increase in guaranteed deposits paid	(5)	(14)
Increase in other financial assets	(6,000)	-
Decrease (increase) in intangible assets and other non-current assets	(6,846)	2,690
Net cash flows used in investing activities	<u>(29,814)</u>	<u>(6,853)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	40,000	-
Payment of lease liabilities	(1,355)	(1,320)
Net cash flows from (used in) financing activities	<u>38,645</u>	<u>(1,320)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>556</u>	<u>964</u>
Net increase in cash and cash equivalents	80,774	72,499
Cash and cash equivalents at beginning of period	<u>1,243,793</u>	<u>1,109,754</u>
Cash and cash equivalents at end of period	<u>\$ 1,324,567</u>	<u>1,182,253</u>

(See accompanying Notes to consolidated financial statements.)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
GENESYS LOGIC, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the Three Months Ended March 31, 2025 and 2024
(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

GENESYS LOGIC, INC.(the “Company”) was incorporated on April 2, 1997, as a company limited by shares and registered under the Ministry of Economic Affairs, ROC. The Company conducted an IPO in July 1999, and was listed on Taiwan Exchange (TPEX) in May 2001. Its registered address is at 13F.,No.205,Sec.3,Beixin Rd.,Xindian Dist., New Taipei City. The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the “Group”). The Group mainly specializes in designing, manufacturing, testing and sales of integrated circuit, semiconductor, digital communication products, computer equipment and relevant products, as well as computer program designing. It also acts as an import and export agent for the products mentioned above.

(2) Approval date and procedures of the consolidated financial statements:

The consolidated financial statements were authorized for issue by the Board of Directors on May 9, 2025.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS 21 “Lack of Exchangeability”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding Application Guidance in Section 4.1 of IFRS 9 and regulations associated with disclosures of IFRS 7

(b) The impact of IFRS issued by the FSC but not yet adopted

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would have impacts on its consolidated financial statements as follows: Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding Application Guidance in Section 4.1 of IFRS 9 and regulations associated with disclosures of IFRS 7

The amendments introduce additional test of assessment on “solely payments of principal and interest on the principal amount outstanding” to financial assets with a contingent feature not directly associated with basic lending risk or cost (e.g. the changes in cash flows depend on whether the borrowers meet the sustainability-linked target stipulated in the loan contract). The Group did not elect the early application since January 1, 2025 of the application guidance of Section 4.1 in the amendments accordance with the Q&A issued by the FSC on February 26, 2025.

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

(Continued)

New or amended standards	Major amendments	Effective date by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single Note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined “operating profit” subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single Note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS accounting standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the Notes. 	January 1, 2027

(Continued)

The Group continues to evaluate the impact of the aforementioned standards and interpretations on the consolidated financial position and consolidated financial performance; the relevant impact will be disclosed upon completion of the assessment.

The Group assesses that the adoption of the following other new or amended standards, not yet endorsed by the FSC, would not have a significant impact on its consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: ”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding Application Guidance in Section 3.1 and 3.3 in IFRS 9 and regulations associated with disclosures of IFRS 7
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies:

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter, referred to as “the Regulations”), and the International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC. The financial statements do not include all the information required to be disclosed in the whole annual consolidated financial statements in accordance with the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, ROC (hereinafter, referred to as “IFRS Accounting Standards endorsed by the FSC”). Except for those explained as follows, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2024. Please refer to Note 4 to the consolidated financial statements for the year ended December 31, 2024 for relevant information.

(b) Basis of consolidation

Subsidiaries in the consolidated financial statements include:

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	Genesys Logic America, Inc. (GLA)	Marketing in America and cooperating the research and development of products with the Company	100%	100%	100%	Note 1
"	Eclat Holding Ltd. (Eclat)	Investing holding	100%	100%	100%	"
"	BROADWAY SYSTEM, INC. (BROADWAY)	Research and development of products	100%	100%	96.71%	"
Broadway	Broadway System America Inc.(BSA)	Marketing in America and cooperating the research and development of products with BROADWAY	100%	100%	100%	"

Note 1: This is a non-significant subsidiary, whose financial statements were not reviewed by independent auditors. Besides, it purchased shares of BROADWAY in April 2024, which result in changes in equity.

(Continued)

(c) Employee benefits

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(d) Income taxes

The Group measures and discloses the income tax expenses for the interim period in accordance with the regulations in paragraph B12 of International Accounting Standard 34, "Interim Financial Reporting."

The interim period income tax expense is assessed based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period. Income tax expenses directly recognized in items of equity or other comprehensive income shall be measured by the temporary differences between the carrying amount of related assets and liabilities for the financial reporting purpose and tax base at the tax rates that are expected to apply to the period when they are realized or settled.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In preparation of the consolidated financial statements in accordance with the Regulation and IAS 34 "Interim Financial Reporting" endorsed by the FSC, management has made judgments and estimates to future (including climate-related risks and opportunities) that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The significant accounting judgements, estimates and key sources of assumption uncertainty by the management in preparing the consolidated financial statements are consistent with the disclosures in Note 5 of the consolidated financial statements for the year ended December 31, 2024.

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(6) Explanation of significant accounts

Except for those explained as follows, the explanations of significant accounts are not significantly different from those in the consolidated financial statements for the year ended December 31, 2024. Please refer to Note 6 to the consolidated financial statements for the year ended December 31, 2024 for relevant information.

(a) Cash and cash equivalents

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Cash on hand, checking amounts and demand deposits	\$ 1,025,045	779,852	964,555
Time deposits	<u>299,522</u>	<u>463,941</u>	<u>217,698</u>
Cash and cash equivalents in consolidated statement of cash flows	<u>\$ 1,324,567</u>	<u>1,243,793</u>	<u>1,182,253</u>

Please refer to Note 6(u) for the interest rate risk, and the fair value sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets and liabilities at fair value through profit and loss

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Financial assets mandatorily measured at fair value through profit or loss:			
Embedded derivative instrument-redemption rights	<u>\$ 1,686</u>	<u>2,389</u>	<u>550</u>
Financial liabilities designated measured at fair value through profit or loss:			
Embedded derivative instrument-put rights	<u>\$ 46</u>	<u>95</u>	<u>3,399</u>

(i) For the three months ended March 31, 2025 and 2024, the loss on fair value valuation, classified as other gains and losses, amounted to \$654 thousand and \$849 thousand, respectively.

(ii) Please refer to Note 6(j) for the embedded derivative component about the Group's issuance of convertible bonds.

(c) Financial assets at fair value through other comprehensive income - non-current

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Debt instruments at fair value through other comprehensive income:			
Foreign corporate bonds	\$ 66,499	64,849	-
Equity instruments at fair value through other comprehensive income:			
Unlisted ordinary shares on domestic markets – Dano Tech CO., Ltd.	<u>6,876</u>	<u>9,146</u>	<u>9,572</u>
	<u>\$ 73,375</u>	<u>73,995</u>	<u>9,572</u>

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (i) Investments in debt instruments at fair value through other comprehensive income
As the Group holds the aforementioned investments in bonds within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, they are presented as financial assets at fair value through other comprehensive income.
- (ii) Investments in equity instruments at fair value through other comprehensive income
The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for the long-term strategic purposes, not held for trading.
There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the three months ended March 31, 2025 and 2024.
- (iii) For credit risk and market risk, please refer to Note 6(u).
- (iv) The financial assets mentioned above had not been pledged as collateral.
- (d) Accounts receivable, net

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts receivable	\$ 365,202	288,394	208,006
Less: Loss allowance	<u>(3,652)</u>	<u>(2,883)</u>	<u>(2,079)</u>
	<u>\$ 361,550</u>	<u>285,511</u>	<u>205,927</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision was determined as follows:

	<u>March 31, 2025</u>		
	<u>Gross carrying amount</u>	<u>Weighted-average loss rate</u>	<u>Loss allowance provision</u>
Current	\$ 363,952	1%	3,640
Within 30 days past due	1,250	1%	12
	<u>\$ 365,202</u>		<u>3,652</u>
	<u>December 31, 2024</u>		
	<u>Gross carrying amount</u>	<u>Weighted-average loss rate</u>	<u>Loss allowance provision</u>
Current	\$ 288,350	1%	2,883
Within 30 days past due	44	1%	-
	<u>\$ 288,394</u>		<u>2,883</u>
	<u>March 31, 2024</u>		
	<u>Gross carrying amount</u>	<u>Weighted-average loss rate</u>	<u>Loss allowance provision</u>
Current	\$ 207,923	1%	2,078
Within 30 days past due	83	1%	1
	<u>\$ 208,006</u>		<u>2,079</u>

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The movement in the allowance for accounts receivable was as follows:

	For the three months ended March 31,	
	2025	2024
Balance at January 1	\$ 2,883	2,031
Impairment losses	769	48
Balance at December 31	\$ 3,652	2,079

The aforementioned financial assets of the Group had not been pledged as collateral.

(e) Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	\$ 101,629	23,151	42,058
Work in progress	241,223	156,321	311,206
Finished goods and products	212,700	202,979	229,783
	\$ 555,552	382,451	583,047

For the three months ended March 31, 2025 and 2024, the Group recognized the inventory valuation losses (reversal gains) of \$(126,018) thousand and \$13,609 thousand, respectively, which have been included in the cost of goods sold for inventories written off (reversed) to the net realizable value. As of March 31, 2025, December 31, 2024, and March 31, 2024, the inventories of the Group had not been pledged as collateral.

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Property, plant and equipment

The movement of the property, plant and equipment of the Group were as follows:

	<u>Land</u>	<u>Buildings and construction</u>	<u>Computer and equipment</u>	<u>Office and Other facilities</u>	<u>Unfinished construction and equipment pending acceptance</u>	<u>Total</u>
Cost or deemed cost:						
Balance on January 1, 2025	\$ 573,313	414,015	374,501	423,793	-	1,785,622
Additions	-	-	340	15,036	-	15,376
Transfer in (out)	-	-	-	(25)	-	(25)
Effect of changes in foreign exchange rates	-	-	9	14	-	23
Balance on March 31, 2025	<u>\$ 573,313</u>	<u>414,015</u>	<u>374,850</u>	<u>438,818</u>	<u>-</u>	<u>1,800,996</u>
Balance on January 1, 2024	\$ 573,313	411,912	338,886	393,602	-	1,717,713
Additions	-	-	2,905	5,937	259	9,101
Effect of changes in foreign exchange rates	-	-	80	64	-	144
Balance on March 31, 2024	<u>\$ 573,313</u>	<u>411,912</u>	<u>341,871</u>	<u>399,603</u>	<u>259</u>	<u>1,726,958</u>
Depreciation and impairments losses:						
Balance on January 1, 2025	\$ -	203,166	259,067	397,581	-	859,814
Depreciation for the period	-	2,205	8,016	9,230	-	19,451
Effect of changes in foreign exchange rates	-	-	8	13	-	21
Balance on March 31, 2025	<u>\$ -</u>	<u>205,371</u>	<u>267,091</u>	<u>406,824</u>	<u>-</u>	<u>879,286</u>
Balance on January 1, 2024	\$ -	194,426	228,852	362,230	-	785,508
Depreciation for the period	-	2,153	7,502	8,867	-	18,522
Effect of changes in foreign exchange rates	-	-	74	64	-	138
Balance on March 31, 2024	<u>\$ -</u>	<u>196,579</u>	<u>236,428</u>	<u>371,161</u>	<u>-</u>	<u>804,168</u>
Carrying amount						
Balance on March 31, 2025	<u>\$ 573,313</u>	<u>208,644</u>	<u>107,759</u>	<u>31,994</u>	<u>-</u>	<u>921,710</u>
Balance on January 1, 2025	<u>\$ 573,313</u>	<u>210,849</u>	<u>115,434</u>	<u>26,212</u>	<u>-</u>	<u>925,808</u>
Balance on March 31, 2024	<u>\$ 573,313</u>	<u>215,333</u>	<u>105,443</u>	<u>28,442</u>	<u>259</u>	<u>922,790</u>

As of March 31, 2025, December 31, 2024, and March 31, 2024, the property, plant and equipment were pledged as collateral for bank loans. Please refer to Note 8.

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(g) Intangible assets

The movement of the intangible assets of the Group for the three months ended March 31, 2025 and 2024, were as follows:

	<u>Patents, Copyrights and Trademarks</u>	<u>Computer software</u>	<u>Total</u>
Carrying amount:			
Balance at March 31, 2025	<u>\$ 37,383</u>	<u>20,111</u>	<u>57,494</u>
Balance at January 1, 2025	<u>\$ 38,826</u>	<u>23,272</u>	<u>62,098</u>
Balance at March 31, 2024	<u>\$ 42,335</u>	<u>26,799</u>	<u>69,134</u>

There were no significant additions, disposals, provision or reversal of impairment in the intangible assets of the Group for the three months ended March 31, 2025 and 2024. Please refer to Note 12 for the amount of amortization, and Note 6(h) to the consolidated financial statements for the year ended December 31, 2024 for other relevant information.

As of March 31, 2025, December 31, 2024, and March 31, 2024, the intangible assets of the Group had not been pledged as collateral.

(h) Other current assets and other non-current assets

Other current assets and other non-current assets of the Group were as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Prepayments	\$ 115,331	119,798	81,214
Input tax, tax credit and others	1,179	883	544
Right-of-use assets	7,808	9,043	11,465
Long-term prepayments	27,831	20,440	33,178
Guarantee deposits paid	665	660	3,690
	<u>\$ 152,814</u>	<u>150,824</u>	<u>130,091</u>

(i) Short-term borrowings

The short-term borrowings were summarized as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Unsecured bank loans	\$ 54,000	-	46,000
Secured bank loans	215,000	229,000	355,000
Total	<u>\$ 269,000</u>	<u>229,000</u>	<u>401,000</u>
Unused credit lines	<u>\$ 1,587,000</u>	<u>1,624,000</u>	<u>1,280,000</u>
Range of interest rates	<u>1.68%~1.93%</u>	<u>1.72%~1.79%</u>	<u>1.60%~1.8077%</u>

For the collateral for short-term borrowings, please refer to Note 8.

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(j) Bonds payable

Information on the Group's issuance of unsecured convertible bonds is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Total convertible corporate bonds issued	\$ 500,000	500,000	500,000
Unamortized discounted corporate bonds payable	(19,883)	(22,972)	(30,771)
Accumulated converted amount	<u>(44,400)</u>	<u>(22,300)</u>	<u>(100)</u>
Ending balance of bonds payable	<u>\$ 435,717</u>	<u>454,728</u>	<u>469,129</u>
Convertible bonds payables - current	\$ 435,717	454,728	-
Convertible bonds payables – non-current	<u>-</u>	<u>-</u>	<u>469,129</u>
	<u>\$ 435,717</u>	<u>454,728</u>	<u>469,129</u>
Embedded derivative component – redemption options, included in financial assets at fair value through profit or loss – current/non-current	<u>\$ 1,686</u>	<u>2,389</u>	<u>550</u>
Embedded derivative component – put options, included in financial liabilities at fair value through profit or loss – current/noncurrent	<u>\$ 46</u>	<u>95</u>	<u>3,399</u>
Equity component – conversion options, included in capital surplus- stock options	<u>\$ 36,475</u>	<u>38,244</u>	<u>40,021</u>
		For the three months ended March 31,	
		2025	2024
Embedded derivative component-revaluation net loss on redemption and put options, included in other gains and losses		<u>\$ (654)</u>	<u>(849)</u>
Amortization of bonds payable, included in finance costs		<u>\$ 2,107</u>	<u>2,206</u>

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The issuance information on the convertible bonds was as follows:

	2022
	<u>domestic unsecured convertible bonds</u>
Issuance amount	\$500,000 thousand
Issuance date	2022.8.26
Issuance price	At 100.5% of par value
Coupon rate	0%
Issuance period	2022.8.26~2027.8.26
Trustee bank	Taipei Fubon Bank
Redemption options	The Group may redeem the bonds after November 27, 2022 and before July 17, 2027 when meeting specific requirements.
Put options	Each holder has the right to require the Company to redeem the holder's bonds at a redemption price equal to the principal amount of the bonds with a yield-to-maturity of 100.75% at the principal amount after August 26, 2025.
Conversion period of convertible bonds	Each holder of the bonds will have the right to convert their bonds to common shares at conversion price or redeem the unredeemed and unconvertible bonds at par value with cash during the period from November 27, 2022, to August 26, 2027.
Conversion price	The conversion price is set at \$132 per share at the time of issuance. In the event of an adjustment to the conversion price of the Company's ordinary shares that complies with the terms of issuance, the conversion price shall be adjusted according to the formula specified in the terms of issuance. On March 23, 2023, the Company announced the conversion price would be adjusted from \$132 to \$129.3 beginning on April 21, 2023 (the distribution date of cash dividends). The Company announced on March 25, 2024 that since the base date of cash dividend distribution, April 19, 2024, the conversion price has been adjusted from NT\$129.3 to 127.1. In addition, the Company announced on March 24, 2025 that since the base date of cash dividend distribution, April 17, 2025, the conversion price has been adjusted from NT\$127.1 to 124.8.

The holders of the convertible bonds may exercise the put option during the period stipulated in the operating procedures of the issuance. Therefore, the Company presented them under current liabilities since August 26, 2024, which does not mean someone will definitely request the Company to repay the liabilities within one year in the future.

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(k) Lease liabilities

Carrying amount of the lease liabilities of the Group were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Current	<u>\$ 4,748</u>	<u>5,053</u>	<u>5,117</u>
Non-current	<u>\$ 3,143</u>	<u>4,069</u>	<u>6,383</u>

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31,	
	2025	2024
Interest expenses on lease liabilities	<u>\$ 35</u>	<u>47</u>
Expenses relating to short-term leases	<u>\$ 64</u>	<u>81</u>

The amounts recognized in the statement of cash flows for the Group were as follows:

	For the three months ended March 31,	
	2025	2024
Total cash outflow for leases	<u>\$ 1,454</u>	<u>1,448</u>

(i) Buildings leases

The Group leases buildings for its offices, warehouses and staff dormitories. The leases typically run for a period of 1 to 3 years. Some leases contain extension options exercisable up to the same period as original contracts before the end of the contract period.

(ii) Other leases

The Group leases parking space and safe deposit box, with lease terms within one year. These leases are short-term items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(l) Employee benefits

(i) Defined benefit plans

As there were no significant market fluctuations, significant curtailments, settlements, or other significant one-off events after the reporting date of the prior fiscal year, the pension costs for the interim period are measured and disclosed by the pension costs determined by actuaries as of December 31, 2024 and 2023.

The expenses recognized in profit or loss for the three months ended March 31, 2025 and 2024 amounted to \$372 thousand and \$483 thousand, respectively, presented under operating expenses of the consolidated statements of comprehensive income.

(ii) Defined contribution plans

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$6,300 thousand and \$5,819 thousand for the three months ended March 31, 2025 and 2024, respectively.

(m) Income taxes

(i) Income tax expense

1) The income tax expenses for the three months ended March 31, 2025 and 2024 amounted to \$35,023 thousand and \$5,635 thousand, respectively.

2) The amount of income tax recognized in equity or other comprehensive income for the three months ended March 31, 2025 and 2024 were both 0.

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Assessment of tax

The Company and subsidiaries within the territory of the R.O.C. included in the consolidated entities' tax returns for the years through 2022 and 2023 were assessed by the National Tax Administration.

(n) Capital and other equity

Except for those explained as follows, there was no significant change in capital and other equity for the three months ended March 31, 2025 and 2024. Please refer to Note 6(o) to the consolidated financial statements for the year ended December 31, 2024 for relevant information.

(i) Issuance of ordinary shares

As of March 31, 2025, December 31, 2024, and March 31, 2024, the numbers of authorized ordinary shares were all 123,000 thousand shares, with a par value of \$10 per share, totaling \$1,230,000 thousand, including 15,000 thousand shares for employee stock options, of which 91,028 thousand, 90,854 thousand and 90,680 thousand ordinary shares were issued, respectively. For the three months ended March 31, 2024, 400 thousand shares of restricted stock awards have been issued with a par value of \$10 per share, of which 1 thousand shares have been cancelled for expiration as of December 31, 2024. In addition, as of March 31, 2025, December 31, 2024, March 31, 2024, the register of changes of the 81.8 thousand, 174.6 thousand, and 0.8 thousand shares arising from conversion right executed by holders of convertible bonds hasn't been completed as of the date of the auditor's report.

(ii) Capital surplus

The balances of capital surplus were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Issued share premium	\$ 228,165	228,165	228,165
Employee stock options	3,666	2,940	1,004
Restricted stock awards	42,450	42,450	42,560
Conversion right of convertible bonds	36,475	38,244	40,021
Premium on conversion of Convertible bonds	42,405	21,257	94
	\$ 353,161	333,056	311,844

According to the R.O.C Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring paid-in capital in excess of par value should not exceed 10% of the total common stock outstanding.

In accordance with the R.O.C Company Act, two thirds of authorized Board of Directors must be present, and more than half of the directors present will reach an agreement to distribute the dividends and bonuses or all or a portion of the legal reserve and capital reserve as stipulated in Item 1 of Article 241 of the Group Law in the form of cash, which is reported to the meeting of shareholders.

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(iii) Retained earnings

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

Before the distribution of dividends, the Company shall first take into consideration its operating environment, industry developments, and the long-term interests of stockholders, as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the stock or cash dividends to be paid. After the above appropriations, current and prior-period earnings that remain undistributed will be proposed for distribution by the Board of Directors, and a meeting of shareholders will be held to decide on this matter. The cash dividends shall not be less than 10% of total dividends.

The amounts of cash dividends on the 2024 and 2023 earnings distribution had been approved during the board meeting on March 11, 2025 and March 8, 2024, respectively. The relevant dividend distributions to shareholders were as follows:

	2024		2023	
	Dividends per share (NT dollars)	Amount	Dividends per share (NT dollars)	Amount
Dividend distributions to shareholders:				
Cash Dividends	\$ 3.00	\$ <u><u>271,640</u></u>	1.80	\$ <u><u>162,504</u></u>

Earnings distributions for 2024 and 2023 that were decided by the general meeting of shareholders were not different from the resolution of board meeting. The related information can be accessed from the Market Observation Post System website.

(o) Share-based payment

Except for those explained as follows, there was no significant change in share-based payments for the three months ended March 31, 2025 and 2024. Please refer to Note 6(p) to the consolidated financial statements for the year ended December 31, 2024 for relevant information.

Expenses arising from employee stock options and restricted stock options for the three months ended March 31, 2025 and 2024 amounted to \$4,773 thousand and \$4,324 thousand, respectively.

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(p) Earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share at March 31, 2025 and 2024, was based on the profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, as follows:

	For the three months ended March 31,	
	2025	2024
Profit attributable to ordinary shareholders of the Company	\$ 214,186	35,557
Weighted-average number of ordinary shares (thousands shares)	90,490	90,280
Basic earnings per share (NT dollars)	\$ 2.37	0.39

(ii) Diluted earnings per share

The calculation of diluted earnings per share for the three months ended March 31, 2025 and 2024 is based on the net profit attributable to owners of the ordinary shares of the Company and the weighted average outstanding number of shares after adjusted for dilutive effects of potential ordinary shares. The relevant calculations are as follows:

	For the three months ended March 31,	
	2025	2024
Profit attributable to ordinary shareholders of the Company (basic)	\$ 214,186	35,557
Interest expense on convertible bonds, net of tax	1,686	-
Profit attributable to ordinary shareholders of the Company (diluted)	\$ 215,872	35,557
Weighted-average number of outstanding ordinary shares (thousands shares)	90,490	90,280
Effect of dilutive potential ordinary shares - convertible bonds	3,665	-
Effect of accrued employees' compensation deemed to be distributed all by shares	456	151
Effect of issue of shares for restricted stock awards	215	-
Effect of employee stock options	98	-
Weighted-average number of outstanding ordinary shares (thousands shares)	94,924	90,431
Diluted earnings per share (NT dollars)	\$ 2.27	0.39

For calculation of the dilutive effect of the employees' compensations, restricted stock awards, and employee stock options, the fair value is assessed based on the quoted market price at the reporting date of the Company.

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (q) Revenue from contracts with customers
 (i) Details of revenue

	For the three months ended March 31,	
	2025	2024
Primary geographical markets		
Taiwan	\$ 726,664	372,271
China	294,762	233,421
Others	10,819	18,361
	<u>\$ 1,032,245</u>	<u>624,053</u>
Major products		
Integrated circuit chip	\$ 1,029,619	622,492
Others	2,626	1,561
	<u>\$ 1,032,245</u>	<u>624,053</u>

- (ii) Contract balances

	March 31, 2025	December 31, 2024	January 1, 2023
Accounts receivable	\$ 365,202	288,394	208,006
Less: allowance for impairment	(3,652)	(2,883)	(2,079)
Total	<u>\$ 361,550</u>	<u>285,511</u>	<u>205,927</u>
Contract liabilities	<u>\$ 25,267</u>	<u>22,622</u>	<u>18,147</u>

The details on accounts receivable and allowance for impairment, please refer to Note 6(d).

The beginning balance of contract liabilities as of January 1, 2025 and 2024 recognized as revenue for the three months ended March 31, 2025 and 2024 were \$16,545 thousand and \$3,415 thousand, respectively.

The contract liabilities primarily related to the advance consideration received from customers for the sales contracts, for which revenue was recognized when products were delivered to customers. The main movements of the contract liabilities for the three months ended March 31, 2025 and 2024 were due to the time difference between delivering or transferring the products and service to fulfill performance obligations and the customers payment.

- (r) Employee compensation and directors' remuneration

In accordance with the Articles of Incorporation, the Company should contribute no less than 5% of the profit as employee compensation and no more than 5% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset

the deficit. The amount of remuneration of each director and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's subsidiaries who meet certain conditions.

For the three months ended March 31, 2025 and 2024, the Company estimated its employee remuneration amounting to \$28,627 thousand and \$3,529 thousand, respectively; as well as its remunerations to directors amounting to \$8,588 thousand and \$1,059 thousand, respectively. The estimated amounts mentioned above were calculated based on the net profit before tax, excluding the remuneration to employees, directors of each period, multiplied by the percentage of remuneration to employees, directors as specified in the Company's articles. If the amounts of actual distribution are different from the accrued amounts, the differences are treated changes in accounting estimates, and recognized in profit or loss for the next year. If the board of directors resolve to distribute employee remuneration by shares, the numbers of shares to be distributed are calculated based on the closing

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

price of the Company's ordinary shares one day before the board of directors' resolution.

For the years ended December 31, 2024 and 2023, the Company provided employee remuneration amounting to \$40,290 thousand and \$12,730 thousand, respectively, and remunerations to directors amounting to \$12,090 thousand and \$3,820 thousand, respectively, which are not different from the amounts of actual distribution.

(s) Interest income and other income

The details of other income of the Group were as follows:

	For the three months ended March 31,	
	2025	2024
Interest income from bank deposit	\$ 4,853	3,683
	For the three months ended March 31,	
	2025	2024
Rent Income	\$ 303	293
Other Income	209	204
	\$ 512	497

(t) Other gains and losses

The details of other profits and losses of the Group were as follows:

	For the three months ended March 31,	
	2025	2024
Foreign exchange gains	\$ 10,379	20,064
Net losses on financial assets (liabilities) at fair value through profit or loss	(654)	(849)
Others	(1,740)	(299)
	\$ 7,985	18,916

(u) Financial instruments

(i) Credit risk

Except for those explained as follows, there was no significant change in the fair value of financial instruments and the exposure to credit risk, liquidity risk and market risk of financial instruments. Please refer to Note 6(v) to the consolidated financial statements for the year ended December 31, 2024 for relevant information.

As of March 31, 2025, December 31, 2024, and March 31, 2024, 74%, 72% and 81%, respectively, of the Group's accounts receivable were concentrated on top five sales clients.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	Carrying amount	Contractual cash flows	Less than 1 years	2~3 years
March 31, 2025				
Non-derivative financial liabilities:				
Short-term borrowings	\$ 269,000	272,936	272,936	-
Notes and accounts payable	302,977	302,977	302,977	-
Bonds payable	435,717	455,600	455,600	-
Dividends payable	271,640	271,640	271,640	-
Other financial liabilities	269,303	269,303	269,303	-
Lease liabilities	7,891	8,004	4,837	3,167
	<u>\$ 1,556,528</u>	<u>1,580,460</u>	<u>1,577,293</u>	<u>3,167</u>
December 31, 2024				
Non-derivative financial liabilities:				
Short-term borrowings	\$ 229,000	229,785	229,785	-
Notes and accounts payable	239,879	239,879	239,879	-
Bonds payable	454,728	477,700	477,700	-
Other financial liabilities	289,876	289,876	289,876	-
Lease liabilities	9,122	9,269	5,161	4,108
	<u>\$ 1,222,605</u>	<u>1,246,509</u>	<u>1,242,401</u>	<u>4,108</u>
March 31, 2024				
Non-derivative financial liabilities:				
Short-term borrowings	\$ 401,000	402,093	402,093	-
Notes and accounts payable	181,319	181,319	181,319	-
Bonds payable	469,129	500,000	-	500,000
Dividends payable	162,504	162,504	162,504	-
Other financial liabilities	154,799	154,799	154,799	-
Lease liabilities	11,500	11,734	5,263	6,471
	<u>\$ 1,380,251</u>	<u>1,412,449</u>	<u>905,978</u>	<u>506,471</u>

The Group does not expect that the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Exposure to foreign currency risk

a) The Group's significant exposure to foreign currency risk was as follows:

	March 31, 2025			December 31, 2024			March 31, 2024		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>									
<u>Monetary</u>									
<u>items</u>									
USD	\$27,345	33.205	907,991	24,479	32.785	802,543	18,579	32.000	594,519
CNY	3,437	4.573	15,717	3,050	4.478	13,658	2,998	4.408	13,216
<u>Financial</u>									
<u>liabilities</u>									
<u>Monetary</u>									
<u>items</u>									
USD	5,639	33.205	187,239	4,077	32.785	133,650	3,761	32.000	120,362

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

b) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivables, and trade payables that are denominated in foreign currency. A weakening or strengthening of 1% of the NTD against the Foreign currency as of March 31, 2025 and 2024 would have increased or decreased the net profit before tax for the three months ended March 31, 2025 and 2024 by \$7,365 thousand and \$4,874 thousand, respectively. The analysis assumes that all other variables remain constant. The analysis of the two periods is performed on the same basis.

c) Foreign exchange gain and loss on monetary items

The amount of exchange gains and losses (including realized and unrealized) of the Group's monetary items converted into functional currency, as well as the exchange rate information converted into the parent company's functional currency, New Taiwan Dollar, are as follows:

	For the three months ended March 31,			
	2025		2024	
	Foreign exchange gain (loss)	Exchange rate in average	Foreign exchange gain (loss)	Exchange rate in average
NTD	<u>\$ 10,379</u>	1	<u>20,064</u>	1

2) Interest rate analysis

Please refer to the Notes on liquidity risk management and interest rate exposure of the Group's financial liabilities.

The details of financial assets and liabilities exposed to interest rate risk were as follows:

	Carrying amount		
	March 31, 2025	December 31, 2024	March 31, 2024
Fixed-rate instruments:			
Financial assets	\$ 472,021	628,790	217,698
Financial liabilities	(704,717)	(683,728)	(810,129)
	<u>\$ (232,696)</u>	<u>(54,938)</u>	<u>(592,431)</u>
Variable-rate instruments:			
Financial assets	\$ 1,024,215	779,551	963,721
Financial liabilities	-	-	(60,000)
	<u>\$ 1,024,215</u>	<u>779,551</u>	<u>903,721</u>

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. If the interest rate had increased or decreased by 1 basis points, the Group's profit before income tax would have increased or decreased by \$640 thousand and \$565 thousand for the three months ended March 31, 2025 and 2024, respectively.

The Group's financial assets at fixed interest rates are financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income. Since the change in market interest rate at the end of each reporting period had no impact on profit and loss, disclosure of the sensitivity to changes in fair value is not necessary.

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(iv) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for hedging, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

March 31, 2025					
Carrying amount	Fair value				
	Level 1	Level 2	Level 3	Total	
Financial assets at fair value through profit or loss					
Embedded derivative instruments of convertible bonds	\$ 1,686	-	1,686	-	1,686
Financial assets at fair value through other comprehensive income					
Equity investment	\$ 6,876	-	-	6,876	6,876
Corporate bonds	66,499	66,499	-	-	66,499
	\$ 73,375	66,499	-	6,876	73,375
Financial assets measured at amortized cost					
Cash and cash equivalent	\$ 1,324,567				
Accounts receivable, net	361,550				
Other financial assets - current	111,680				
Other financial assets – non-current	665				
	\$ 1,798,462				
Financial liabilities at fair value through profit or loss					
Embedded derivative instruments of convertible bonds	\$ 46	-	46	-	46
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 269,000				
Notes and accounts payable	302,977				
Dividends payables	271,640				
Bonds payable	435,717		435,550		435,550
Lease liabilities	7,891				
Other financial liabilities	269,303				
	\$ 1,556,528				

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	March 31, 2024				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Cash and cash equivalent	\$ 1,182,253				
Accounts receivable, net	205,927				
Other financial assets - current	2,402				
Other financial assets – non- current	3,690				
	<u>\$ 1,394,272</u>				
Financial liabilities at fair value through profit or loss					
Embedded derivative instruments of convertible bonds	<u>\$ 3,399</u>	<u>-</u>	<u>3,399</u>	<u>-</u>	<u>3,399</u>
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 401,000				
Notes and accounts payable	181,319				
Dividends payables	162,504				
Bonds payable	469,129		470,846		470,846
Lease liabilities	11,500				
Other financial liabilities	154,799				
	<u>\$ 1,380,251</u>				

- 2) Valuation techniques for financial instruments not measured at fair value
- a) Financial assets and financial liabilities measured at amortized cost
If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.
- 3) Valuation techniques for financial instruments measured at fair value
- a) Non-derivative financial instruments
A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.
If quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have quoted price in active market. If a financial instrument does not accord with the definition aforementioned, then it is considered to be without quoted price in active market. In general, market with low trading volume or high bid ask spreads is an indication of nonactive market.
The Group's valuation techniques and assumptions used for financial instruments measured at fair value are as follows:

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- Measurements of fair value of financial instruments with an active market, such as corporate stock, beneficiary certificate etc., its fair value depends on the market quotation.
- Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

The Group's financial instruments which do not have quoted price in an active market, the fair value is measured by net asset value method.

- b) Derivative financial instruments
Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants.
- 4) The changes in Level 3 fair values were as follows:

	For the three months ended March 31,	
	2025	2024
Opening balance	\$ 9,146	9,572
Less: Total gains and losses recognized in other comprehensive income	(2,270)	-
Ending balance	<u><u>\$ 6,876</u></u>	<u><u>9,572</u></u>

There were no transfers in the fair value hierarchy for the three months ended March 31, 2025 and 2024.

- 5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement.

The Group's financial instruments that use Level 3 inputs to measure fair value include "fair value through other comprehensive income – equity investments".

The fair value measurements of the Group's financial instruments are reasonable. For the value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income – equity investments without an active market	Comparable company analysis	<ul style="list-style-type: none"> ·Discount on lack of market liquidity (20% for both March 31, 2025, December 31, 2024, and March 31, 2024) ·P/B ratio (1.50, 2.08, and 1.79 as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively) 	<ul style="list-style-type: none"> ·The higher the discount on lack of market liquidity, the lower the fair value. ·The higher the multiplier, the higher the fair value.

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- 6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

	Input	Variation	Other comprehensive income	
			Favorable	Unfavorable
March 31, 2025				
Financial assets at fair value through other comprehensive income				
Investments in equity instrument without active market	Discount on liquidity	10%	859	(859)
Investments in equity instrument without active market	P/B ratio	5%	344	(344)
December 31, 2024				
Financial assets at fair value through other comprehensive income				
Investments in equity instrument without active market	Discount on liquidity	10%	1,143	(1,143)
Investments in equity instrument without active market	P/B ratio	5%	457	(457)
March 31, 2024				
Financial assets at fair value through other comprehensive income				
Investments in equity instrument without active market	Discount on liquidity	10%	1,192	(1,192)
Investments in equity instrument without active market	P/B ratio	5%	477	(477)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

- (v) Financial risk management
There is no significant change in the financial risk management objectives and strategies compared with those disclosed in Note 6(w) to the consolidated financial statements for the year ended December 31, 2024.
- (w) Capital management
The capital management objectives, strategies, and procedures are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2024. Besides, there is no significant change in the summarized data for the items of capital management compared with those disclosed in the consolidated financial statements for the year ended December 31, 2024. Please refer to Note 6(x) to the consolidated financial statements for the year ended December 31, 2024 for relevant information.

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(x) Non-cash investing and financing activities

The Group's non-cash investing and financing activities for the three months ended March 31, 2025 and 2024 were as follows:

(i) Obtain right-of-use assets by lease, please refer to Note 6(h).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flows	Non-cash changes	March 31, 2025
Short-term borrowings	\$ 229,000	40,000	-	269,000
Lease liabilities	9,122	(1,355)	124	7,891
Bonds payable	454,728	-	(19,011)	435,717
Total liabilities from financing activities	<u>\$ 692,850</u>	<u>38,645</u>	<u>(18,887)</u>	<u>712,608</u>
	January 1, 2024	Cash flows	Non-cash changes	March 31, 2024
Short-term borrowings	\$ 401,000	-	-	401,000
Lease liabilities	11,758	(1,320)	1,062	11,500
Bonds payable	467,017	-	2,112	469,129
Total liabilities from financing activities	<u>\$ 879,775</u>	<u>(1,320)</u>	<u>3,174</u>	<u>881,629</u>

(7) **Related-party transactions:**

(a) Name and relationships with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related parties	Relationship with the Group
Key management personnel	Key management personnel of the Group

(b) Key management personnel compensation

	For the three months ended March 31,	
	2025	2024
Short-term employee benefits	\$ 20,222	13,008
Post-employment benefits	216	243
Share-based payments	2,106	1,964
	<u>\$ 22,544</u>	<u>15,215</u>

Please refer to Note 6(o) for further explanations related to share-based payment transactions.

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(8) Pledged assets:

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Land	Bank loans	\$ 490,337	490,337	490,337
Buildings	Bank loans	147,272	148,399	151,781
Time deposits (recognized as other financial assets – current)	Guarantee for credit line of purchases and post- release duty payment	106,000	100,000	-
Refundable deposit	Guarantee for post- release duty payment	-	-	3,000
		<u>\$ 743,609</u>	<u>738,736</u>	<u>645,118</u>

(9) Significant commitments and contingencies:

As of March 31, 2025, December 31, 2024, and March 31, 2024, the major commitments and contingencies of the Group are as follows:

- (a) The Group issued guarantee for bank loans, amounting to \$1,836,000 thousand, \$1,833,000 thousand and \$1,781,000 thousand, respectively.
- (b) Based on the software maintenance agreement entered into by the Group, the estimated amounts to be paid by the Group for the use of labor services in the future during the contract period are \$146,820 thousand, \$118,491 thousand and \$195,947 thousand, respectively.
- (c) The Group entered into a joint design, production and sales agreement with its peers, wherein the peers shall set aside a certain percentage of sales revenue and gross sales as royalty payments for the use of ICs when selling their products.
- (d) The Group entered into a follow-up supply contract with certain suppliers, wherein the Group will have to pay the estimated amounts of \$36,000 thousand, \$72,000 thousand and \$144,000 thousand, respectively.
- (e) The amounts of bank guarantee for post-release duty payment on imported goods of the Group were \$3,000 thousand, \$6,000 thousand and \$3,000 thousand, respectively.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(12) Other:

A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By item	By function For the three months ended March 31, 2025			For the three months ended March 31, 2024		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits						
Salary	-	256,095	256,095	-	163,483	163,483
Labor and health insurance	-	11,668	11,668	-	10,835	10,835
Pension	-	6,672	6,672	-	6,302	6,302
Other employee benefits	-	4,584	4,584	-	4,325	4,325
Depreciation	9,121	11,654	20,775	8,728	11,087	19,815
Amortization	-	5,671	5,671	-	6,738	6,738

(13) Other disclosures:

(a) Information on significant transactions:

For the three months ended March 31, 2025, the following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

- (i) Loans to other parties: None
- (ii) Guarantees and endorsements for other parties: None
- (iii) Significant securities held in the end of the period (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Stock: DANOTECH CO., LTD.	The investee at fair value through other comprehensive income	Equity method at fair value through other comprehensive income - non-current	2,900	\$ 6,876	6.23%	6,876	
"	Syndiant Inc.	The investee designation as at fair value through profit or loss	Financial Assets designation as at fair value through profit or loss - non-current	130	-	0.84%	-	
"	SILICONGEAR CORPORATION	"	"	22	-	0.09%	-	
"	S-SHARP CORPORATION	"	"	250	-	17.46%	-	
					<u>\$ 6,876</u>			
	Bond: SAUDI Internation	None	Investments in debt instruments at fair value through other comprehensive income	-	\$ 17,132	-%	17,132	
	Microsoft Corporation	"	"	-	21,616	-%	21,616	
	Qualcomm Corporation	"	"	-	27,751	-%	27,751	
					<u>\$ 66,499</u>			

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.
- (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.
- (vi) Business relationships and significant intercompany transactions with amounts exceeding NT\$10 million:

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	BROADWAY	1	Accounts Receivable	95,057	90 Days	2.63%
0	"	"	1	Sales Revenue	63,892	"	6.19%
0	"	GLA	1	Service Expenses	10,855	Payment depending on GLA demand	1.05%

Note 1: "0" represents the parent company, and the others represent the subsidiaries.

The subsidiaries start with number 1.

Note 2: "1" represents the transactions from parent company to subsidiary.

"2" represents the transactions from subsidiary to parent company.

"3" represents the transactions between subsidiaries.

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2025 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership (Note 3)	Carrying value (Note 1)			
The Company	GLA	USA	IC design	30,085	30,085	40,000	100%	16,739	693	283	Subsidiary
The Company	Eclat	Samoa	Investment holding	168,148	168,148	1,500	100%	16,505	(2,975)	(2,975)	"
The Company	BROADWAY	Taiwan	IC sale	254,418	254,418	6,340	100%	41,838	(1,915)	(2,020)	"
BROADWAY	BSA	USA	IC design	462	462	15	100%	329	(8)	(8)	"

Note 1: Transactions within the Group were eliminated in the consolidated financial statements.

Note 2: It is the direct/indirect shareholding ratio of the Company.

(c) Information on investment in mainland China:

- (i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Eclat-Shenzhen representative office	Promotion of goods or services	-	Note 1	-	-	-	-	Note 1	Note 1	-	-	-

Note 1: It is through the holding company, Eclat Holding Ltd., to set up a representative office in mainland China to expand the mainland market.

GENESYS LOGIC, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
-	-	1,178,174

(iii) Significant transactions: None

(14) Segment information:

The Group is primarily involved in the design and manufacture of integrated circuit and semiconductor. The Chief Operating Decision Maker, which is the sole reportable segment of the Group, evaluates the performance based on the overall operating situation. For the three months ended March 31, 2025 and 2024, the Group's segment financial information was the same as that of the consolidated financial statements.