Stock Code:6104

GENESYS LOGIC, INC.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

With Independent Auditors' Review Report

For the Three Months Ended March 31, 2026 and 2025

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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, 2026 and 2025, the related consolidated statements of comprehensive income, and changes in equity and cash flows for the three months ended March 31, 2026 and 2025, 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 $275,394 thousand and $213,584 thousand, constituting 7% and 6% of the consolidated total assets, and total liabilities of NT$130,217 thousand and NT$133,996 thousand, constituting 7% and 8% of the consolidated total liabilities as of March 31, 2026 and 2025, and the absolute values of total comprehensive income of $21,116 thousand and $6,081 thousand, constituting 13% and 3% 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, 2026 and 2025, and of its consolidated financial performance as of and for the three-month period ended March 31, 2026 and 2025, 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 12, 2026

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, 2026, December 31, 2025, and March 31, 2025

(Expressed in thousands of New Taiwan Dollars)

		March 31, 2026		December 31, 2025		March 31, 2025	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (Note 6(a))	$ 1,198,042	32	1,200,350	32	1,324,567	37
1110	Financial assets at fair value through profit or loss - current (Note 6(b) and (j))	87	-	175	-	1,686	-
1170	Accounts receivable, net (Notes 6(d) and (q))	352,455	9	285,109	8	361,550	10
130X	Inventories (Note 6(e))	667,963	18	675,868	18	555,552	15
1470	Other current assets (Note 6(h))	92,096	2	111,599	3	116,510	3
1476	Other current financial assets (Note 8)	106,928	3	111,210	3	111,680	3
		2,417,571	64	2,384,311	64	2,471,545	68
	Non-current assets:						
1517	Financial assets at fair value through other comprehensive income－non-current (Note 6(c))	236,719	6	233,077	6	73,375	2
1600	Property, plant and equipment (Notes 6(f) and 8)	936,961	25	919,246	25	921,710	25
1780	Intangible assets (Notes 6(g))	66,294	2	73,044	2	57,494	2
1840	Deferred tax assets	32,235	1	36,225	1	60,271	2
1900	Other non-current assets (Note 6(h))	56,621	2	58,068	2	36,304	1
		1,328,830	36	1,319,660	36	1,149,154	32
	Total assets	**$ 3,746,401**	**100**	**3,703,971**	**100**	**3,620,699**	**100**

		March 31, 2026		December 31, 2025		March 31, 2025	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities						
2100	Short term borrowings (Notes 6(i) and 8)	$ 210,000	6	259,000	7	269,000	7
2120	Financial liabilities at fair value through profit or loss - current (Note 6(b) and (j))	-	-	-	-	46	-
2170	Notes and accounts payable	348,781	9	289,191	8	302,977	9
2201	Wages and salaries payable	173,933	5	275,681	7	191,086	5
2216	Dividends payables	408,927	11	-	-	271,640	8
2305	Other current financial liabilities (Note 7)	80,039	2	82,180	2	78,217	2
2321	Bonds payable – current portion (Note 6(j))	425,712	11	423,732	12	435,717	12
2399	Other current liabilities (Notes 6(k) and (q))	81,813	2	75,162	2	94,520	3
		1,729,205	46	1,404,946	38	1,643,203	46
	Non-Current liabilities:						
2670	Other non-current liabilities (Notes (k))	6,972	-	7,585	-	9,366	-
		6,972	-	7,585	-	9,366	-
	Total liabilities	1,736,177	46	1,412,531	38	1,652,569	46
	Equity attributable to owners of parent (Notes 6(j) and (n)):						
3110	Ordinary share	911,271	24	911,271	25	910,275	25
3200	Capital surplus	366,719	10	366,117	10	353,161	10
	Retained earnings:						
3310	Legal reserve	292,855	8	292,855	8	262,228	7
3320	Special reserve	45,822	1	45,822	1	42,628	1
3350	Unappropriated retained earnings	443,837	12	730,956	20	469,296	13
		782,514	21	1,069,633	29	774,152	21
3400	Other equity	(53,953)	(1)	(59,254)	(2)	(73,965)	(2)
36XX	Non-controlling interests	3,673	-	3,673	-	4,507	-
	Total equity	2,010,224	54	2,291,440	62	1,968,130	54
	Total liabilities and equity	**$ 3,746,401**	**100**	**3,703,971**	**100**	**3,620,699**	**100**

(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, 2026 and 2025

(Expressed in thousands of New Taiwan Dollars , except for earnings per share)

		For the three months ended March 31,			
		2026		2025	
		Amount	%	Amount	%
4000	**Operating revenues (Notes 6(q))**	$ 1,031,676	100	1,032,245	100
5000	**Operating costs (Notes 6(e) and 12)**	572,326	55	449,246	44
	Gross profit from operations	459,350	45	582,999	56
	Operating expenses (Notes 6(d), (k), (l), (o), (r), 7, and 12)				
6100	Selling expenses	26,858	3	25,591	3
6200	Administrative expenses	59,076	5	69,638	6
6300	Research and development expenses	237,120	23	247,905	24
6450	Impairment loss determined in accordance with IFRS9	700	-	769	-
		323,754	31	343,903	33
	Net operating income	135,596	14	239,096	23
	Non-operating income and expenses:				
7100	Interest income	4,909	-	4,853	-
7010	Other income (Notes 6(s))	473	-	512	-
7020	Other gains and losses (Notes 6(b), (j), and (t))	3,885	-	7,985	1
7050	Finance costs (Notes 6(j) and (k))	(3,060)	-	(3,237)	-
		6,207	-	10,113	1
7900	**Profit before income tax**	141,803	14	249,209	24
7950	Less: income tax expenses (Note 6(m))	19,995	2	35,023	3
	Net Income	121,808	12	214,186	21
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))	4,983	-	(2,270)	-
	Items that may not be reclassified subsequently to profit or loss	4,983	-	(2,270)	-
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation of foreign statement	653	-	529	-
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	(2,421)	-	845	-
	Items that may be reclassified subsequently to profit or loss	(1,768)	-	1,374	-
8300	**Other comprehensive income (after tax)**	3,215	-	(896)	-
	Comprehensive income	**$ 125,023**	**12**	**213,290**	**21**
	Profit attributable to:				
8610	Shareholders of the parent	$ 121,808	12	214,186	21
		$ 121,808	**12**	**214,186**	**21**
	Comprehensive income attributable to:				
8710	Shareholders of the parent	$ 125,023	12	213,290	21
		$ 125,023	**12**	**213,290**	**21**
9750	**Basic earnings per share (NT dollars) (Note 6(p))**	**$**	**1.34**		**2.37**
9850	**Diluted earnings per share (NT dollars) (Note 6(p))**	**$**	**1.29**		**2.27**

(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, 2026 and 2025

(Expressed in thousands of New Taiwan Dollars)

	Attributable to owners of parent												
			Retained earnings				Other equity						
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated 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	Non-controlling interests	Total equity
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 trasactions	-	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**
Balance at January 1, 2026	$ 911,271	366,117	292,855	45,822	730,956	1,069,633	(4,597)	(41,575)	(13,082)	(59,254)	2,287,767	3,673	2,291,440
Profit for the period	-	-	-	-	121,808	121,808	-	-	-	-	121,808	-	121,808
Other comprehensive income for the period	-	-	-	-	-	-	653	2,562	-	3,215	3,215	-	3,215
Total comprehensive income for the period	-	-	-	-	121,808	121,808	653	2,562	-	3,215	125,023	-	125,023
Appropriation and distribution of retained earnings:													
Cash dividends on ordinary share	-	-	-	-	(408,927)	(408,927)	-	-	-	-	(408,927)	-	(408,927)
Share-based payments trasactions	-	602	-	-	-	-	-	-	2,086	2,086	2,688	-	2,688
Balance at March 31, 2026	**$ 911,271**	**366,719**	**292,855**	**45,822**	**443,837**	**782,514**	**(3,944)**	**(39,013)**	**(10,996)**	**(53,953)**	**2,006,551**	**3,673**	**2,010,224**

(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, 2026 and 2025

(Expressed in thousands of New Taiwan Dollars)

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Cash flows from operating activities:		
Profit before income tax	$ 141,803	249,209
Adjustments:		
Adjustments to reconcile (profit) loss:		
Depreciation and amortization expense	28,095	26,446
Expected credit loss (reversal gain)	700	769
Gains on reversal of inventory valuation loss	(9,462)	(126,018)
Interest expense	3,060	3,237
Interest revenue	(4,909)	(4,853)
Compensation cost of share-based payment	2,688	4,773
Others	85	654
Total adjustments to reconcile (profit) loss	20,257	(94,992)
Changes in operating assets and liabilities:		
Accounts receivable, net	(68,046)	(76,808)
Inventories	17,367	(47,083)
Other financial assets and current assets	17,947	2,871
Notes and accounts payable	59,590	63,098
Wages and salaries payable	(101,748)	(19,192)
Other financial liabilities and current liabilities	(10,719)	(9,676)
Defined benefit liability	374	327
Other non-current liabilities	(108)	(107)
Total changes in operating assets and liabilities	(85,343)	(86,570)
Total adjustments	(65,086)	(181,562)
Cash inflow from operations	76,717	67,647
Interest received	3,872	5,018
Interest paid	(1,325)	(1,115)
Income taxes paid	(373)	(163)
Net cash flows from operating activities	78,891	71,387
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(37,144)	(16,963)
Disposal of property, plant and equipment	3	-
Increase in guaranteed deposits paid	(6)	(5)
Decrease (increase) in other financial assets	6,000	(6,000)
Increase in intangible assets and other non-current assets	(403)	(6,846)
Net cash flows used in investing activities	(31,550)	(29,814)
Cash flows from financing activities:		
(Decrease) increase in short-term borrowings	(49,000)	40,000
Payment of lease liabilities	(1,296)	(1,355)
Net cash flows (used in) from financing activities	(50,296)	38,645
Effect of exchange rate changes on cash and cash equivalents	647	556
Net (decrease) increase in cash and cash equivalents	(2,308)	80,774
Cash and cash equivalents at beginning of period	1,200,350	1,243,793
Cash and cash equivalents at end of period	$ 1,198,042	1,324,567

(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, 2026 and 2025

(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 12, 2026.

(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, 2026:

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(b) 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:

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GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

New or amended standards	Major amendments	Effective date by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	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. • 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 Note: The FSC issued a press release on September 25, 2025 to declare that Taiwan will align with IFRS 18 since the fiscal year of 2028. Entities that require to apply in advance may elect to apply in advance after FSC’s endorsement.

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

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 19 "Subsidiaries without Public Accountability: Disclosures" and Amendments to IFRS 19
- IAS 21 "Translation to a Hyperinflationary Presentation Currency"

(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, 2025. Please refer to Note 4 to the consolidate financial statements for the year ended December 31, 2025 for relevant information.

(b) Basis of consolidation

Subsidiaries in the consolidated financial statements include:

			Shareholding			
Name of investor	**Name of subsidiary**	**Principal activity**	**March 31, 2026**	**December 31, 2025**	**March 31, 2025**	**Note**
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%	100%	〃
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.

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GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(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, 2025.

(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, 2025. Please refer to Note 6 to the consolidated financial statements for the year ended December 31, 2025 for relevant information.

(a) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand, checking amounts and demand deposits	$ 684,155	986,862	1,025,045
Time deposits	513,887	213,488	299,522
Cash and cash equivalents in consolidated statement of cash flows	$ 1,198,042	1,200,350	1,324,567

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.

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

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

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets mandatorily measured at fair value through profit or loss:			
Embedded derivative instrument-redemption rights	$ 87	175	1,686
Financial liabilities designated measured at fair value through profit or loss:			
Embedded derivative instrument-put rights	$ -	-	46

(i) For the three months ended March 31, 2026 and 2025, the loss on fair value valuation, classified as other gains and losses, amounted to $88 thousand and $654 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

	March 31, 2026	December 31, 2025	March 31, 2025
Debt instruments at fair value through other comprehensive income:			
Foreign corporate bonds	$ 62,564	63,057	66,499
Domestic corporate bonds	128,723	129,571	-
Equity instruments at fair value through other comprehensive income:			
Unlisted ordinary shares on domestic markets－Dano Tech CO., Ltd.	8,656	9,033	6,876
Unlisted ordinary shares on domestic markets－Phoenix VII Innovation & Venture Capital Co., Ltd.	36,776	31,416	-
	$ 236,719	233,077	73,375

(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, 2026 and 2025.

(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

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	$ 356,013	287,967	365,202
Less: Loss allowance	(3,558)	(2,858)	(3,652)
	$ 352,455	285,109	361,550

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:

	March 31, 2026		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 338,891	1%	3,387
Within 30 days past due	17,122	1%	171
	$ 356,013		3,558

	December 31, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 287,967	1%	2,858

	March 31, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 363,952	1%	3,640
Within 30 days past due	1,250	1%	12
	$ 365,202		3,652

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES
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The movement in the allowance for accounts receivable was as follows:

	For the three months ended March 31,	
	2026	**2025**
Balance at January 1	$ 2,858	2,883
Impairment losses	700	769
Balance at December 31	$ 3,558	3,652

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

(e) Inventories

	March 31, 2026	December 31, 2025	March 31, 2025
Raw materials	$ 105,669	94,597	101,629
Work in progress	248,720	272,634	241,223
Finished goods and products	313,574	308,637	212,700
	$ 667,963	675,868	555,552

For the three months ended March 31, 2026 and 2025, the Group recognized the reversal gains on inventory valuation losses of $9,462 thousand and $126,018 thousand, respectively, which have been included in the cost of goods sold for inventories written off to the net realizable value.
As of March 31, 2026, December 31, 2025, and March 31, 2025, 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:

	Land	Buildings and construction	Computer and equipment	Office and Other facilities	Total
Cost or deemed cost:					
Balance on January 1, 2026	$ 573,313	414,791	395,078	435,922	1,819,104
Additions	-	647	25,725	10,709	37,081
Disposals	-	-	(673)	-	(673)
Effect of changes in foreign exchange rates	-	-	12	18	30
Balance on March 31, 2026	$ 573,313	415,438	420,142	446,649	1,855,542
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	$ 573,313	414,015	374,850	438,818	1,800,996
Depreciation and impairments losses:					
Balance on January 1, 2026	$ -	211,997	281,943	405,918	899,858
Depreciation for the period	-	2,237	9,043	8,088	19,368
Disposals	-	-	(673)	-	(673)
Effect of changes in foreign exchange rates	-	-	10	18	28
Balance on March 31, 2026	$ -	214,234	290,323	414,024	918,581
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	$ -	205,371	267,091	406,824	879,286
Carrying amount					
Balance on March 31, 2026	$ 573,313	201,204	129,819	32,625	936,961
Balance on January 1, 2026	$ 573,313	202,794	113,135	30,004	919,246
Balance on March 31, 2025	$ 573,313	208,644	107,759	31,994	921,710

As of March 31, 2026, December 31, 2025, and March 31, 2025, the property, plant and equipment were pledged as collateral for bank loans. Please refer to Note 8.

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES
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(g) Intangible assets

The movement of the intangible assets of the Group for the three months ended March 31, 2026 and 2025, were as follows:

	Patents, Copyrights and Trademarks	Computer software	Total
Carrying amount:			
Balance at March 31, 2026	$ 32,000	34,294	66,294
Balance at January 1, 2026	$ 33,500	39,544	73,044
Balance at March 31, 2025	$ 37,383	20,111	57,494

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, 2026 and 2025. 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, 2025 for other relevant information.

As of March 31, 2026, December 31, 2025, and March 31, 2025, 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:

	March 31, 2026	December 31, 2025	March 31, 2025
Prepayments	$ 90,315	105,762	115,331
Input tax, tax credit and others	1,781	5,837	1,179
Right-of-use assets	5,291	6,522	7,808
Long-term prepayments	50,660	50,882	27,831
Guarantee deposits paid	670	664	665
	$ 148,717	169,667	152,814

(i) Short-term borrowings

The short-term borrowings were summarized as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank loans	$ 30,000	69,000	54,000
Secured bank loans	180,000	190,000	215,000
Total	$ 210,000	259,000	269,000
Unused credit lines	$ 1,326,000	1,599,000	1,587,000
Range of interest rates	1.70~1.72%	1.59%~1.91%	1.68%~1.93%

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

GENESYS LOGIC, INC. AND SUBSIDIARIES
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(j) Bonds payable

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

	March 31, 2026	December 31, 2025	March 31, 2025
Total convertible corporate bonds issued	$ 500,000	500,000	500,000
Unamortized discounted corporate bonds payable	(11,088)	(13,068)	(19,883)
Accumulated converted amount	(63,200)	(63,200)	(44,400)
Ending balance of bonds payable	$ 425,712	423,732	435,717
Convertible bonds payables - current	$ 425,712	423,732	435,717
Embedded derivative component－redemption options, included in financial assets at fair value through profit or loss – current/non-current	$ 87	175	1,686
Embedded derivative component－put options, included in financial liabilities at fair value through profit or loss – current/noncurrent	$ -	-	46
Equity component－conversion options, included in capital surplus- stock options	$ 34,969	34,969	36,475

	For the three months ended March 31,	
	2026	2025
Embedded derivative component-revaluation net loss on redemption and put options, included in other gains and losses	$ (88)	(654)
Amortization of bonds payable, included in finance costs	$ 1,980	2,107

The issuance information on the convertible bonds was as follows:

	2022 domestic unsecured convertible bonds
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. Conversion price was adjusted for cash dividend distribution over the years conforming the regulations in the aforementioned terms. In addition, the Company announced on March 23, 2026 that since the base date of cash dividend distribution, April 15, 2026, the conversion price has been adjusted to NT$119.0.

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.

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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, 2026	December 31, 2025	March 31, 2025
Current	$ 4,490	4,846	4,748
Non-current	$ 864	1,743	3,143

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31,	
	2026	2025
Interest expenses on lease liabilities	$ 25	35
Expenses relating to short-term leases	$ 119	64

Please refer to Note 6(u) Financial Instruments for maturity analysis.

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

	For the three months ended March 31,	
	2026	2025
Total cash outflow for leases	$ 1,440	1,454

(i) Buildings leases

The Group leases buildings for its offices, warehouses and staff dormitories. The leases typically run for a period of 2 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, 2025 and 2024.

The expenses recognized in profit or loss for the three months ended March 31, 2026 and 2025 amounted to $419 thousand and $372 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 $6,680 thousand and $6,300 thousand for the three months ended March 31, 2026 and 2025, respectively.

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(m) Income taxes

(i) Income tax expense

1) The income tax expenses for the three months ended March 31, 2026 and 2025 amounted to $19,995 thousand and $35,023 thousand, respectively.

2) The amount of income tax recognized in equity or other comprehensive income for the three months ended March 31, 2026 and 2025 were both 0.

(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 2024 were all 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, 2026 and 2025. Please refer to Note 6(o) to the consolidated financial statements for the year ended December 31, 2025 for relevant information.

(i) Issuance of ordinary shares

As of March 31, 2026, December 31, 2025, and March 31, 2025, 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 91,127 thousand, 91,127 thousand and 91,028 thousand ordinary shares were issued, respectively.

Unit：Thousands of shares

	March 31, 2026	December 31, 2025	March 31, 2025
Issued at beginning of the period	91,127	90,854	90,854
Issue and cancellation of restricted stock awards	-	(51)	-
Accumulated conversion of convertible bonds	-	324	174
Issued at end of the period	**91,127**	**91,127**	**91,028**

The legal registration procedures of the aforementioned items have been completed.

(ii) Capital surplus

The balances of capital surplus were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Issued share premium	$ 237,730	228,165	228,165
Employee stock options	6,276	5,674	3,666
Restricted stock awards	27,275	36,840	42,450
Conversion right of convertible bonds	34,969	34,969	36,475
Premium on conversion of Convertible bonds	60,469	60,469	42,405
	$ 366,719	**366,117**	**353,161**

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES
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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.

(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 2025 and 2024 earnings distribution have been approved during the board meeting on March 10, 2026 and March 11, 2025, respectively, and other earnings distribution items for 2024 has been approved by the shareholders meeting on June 11, 2025. The relevant dividend distributions to shareholders were as follows:

	2025		2024	
	Dividends per share (NT dollars)	**Amount**	**Dividends per share (NT dollars)**	**Amount**
Dividend distributions to shareholders:				
Cash Dividends	$ 4.50	408,927	3.00	271,640

Earnings distributions for 2025 and 2024 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.

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

(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, 2026 and 2025. Please refer to Note 6(p) to the consolidated financial statements for the year ended December 31, 2025 for relevant information.

Expenses arising from employee stock options and restricted stock options for the three months ended March 31, 2026 and 2025 amounted to $2,688 thousand and $4,773 thousand, respectively.

(p) Earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share at March 31, 2026 and 2025, 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, 2026	For the three months ended March 31, 2025
Profit attributable to ordinary shareholders of the Company	$ 121,808	214,186
Weighted-average number of ordinary shares (thousands shares)	90,873	90,490
Basic earnings per share (NT dollars)	$ 1.34	2.37

(ii) Diluted earnings per share

The calculation of diluted earnings per share for the three months ended March 31, 2026 and 2025 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, 2026	For the three months ended March 31, 2025
Profit attributable to ordinary shareholders of the Company (basic)	$ 121,808	214,186
Interest expense on convertible bonds, net of tax	1,584	1,686
Profit attributable to ordinary shareholders of the Company (diluted)	$ 123,392	215,872
Weighted-average number of outstanding ordinary shares (thousands shares)	90,873	90,490
Effect of dilutive potential ordinary shares - convertible bonds	3,500	3,665
Effect of accrued employees' compensation deemed to be distributed all by shares	930	456
Effect of issue of shares for restricted stock awards	138	215
Effect of employee stock options	-	98
Weighted-average number of outstanding ordinary shares (thousands shares)	95,441	94,924
Diluted earnings per share (NT dollars)	$ 1.29	2.27

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GENESYS LOGIC, INC. AND SUBSIDIARIES

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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.

(q) Revenue from contracts with customers

(i) Details of revenue

	For the three months ended March 31,	
	2026	**2025**
Primary geographical markets		
Taiwan	$ 673,080	726,664
China	343,576	294,762
Others	15,020	10,819
	$ 1,031,676	1,032,245
Major products		
Integrated circuit chip	$ 1,031,423	1,029,619
Others	253	2,626
	$ 1,031,676	1,032,245

(ii) Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	$ 356,013	287,967	365,202
Less: allowance for impairment	(3,558)	(2,858)	(3,652)
Total	$ 352,455	285,109	361,550
Contract liabilities	$ 24,472	35,939	25,267

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, 2026 and 2025 recognized as revenue for the three months ended March 31, 2026 and 2025 were $28,469 thousand and $16,545 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, 2026 and 2025 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

The Company amended the Articles of Incorporation by resolution of shareholders meeting on June 11, 2025. In accordance with the Articles of Incorporation after amendments, the Company should contribute no less than 5% of the profit as employee compensation (of which, non-executive employees' compensation shall not be lower than 0.5%) and less 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 affiliated companies who meet certain conditions.

In accordance with the Articles of Incorporation before amendments, the Company should contribute no less than 5% of the profit as employee compensation and less 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 affiliated companies who meet certain conditions.

For the three months ended March 31, 2026 and 2025, the Company estimated its employee remuneration (including non-executive employees' compensation) amounting to $16,280 thousand and $28,627 thousand, respectively; as well as its remunerations to directors amounting to $4,884 thousand and $8,588 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 price of the Company's ordinary shares one day before the board of directors' resolution.

For the years ended December 31, 2025 and 2024, the Company provided employee remuneration mounting to $68,550 thousand and $40,290 thousand, respectively, and remunerations to directors amounting to $20,560 thousand and $12,090 thousand, respectively, which are not different from the amounts of actual distribution.

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(s) Other income

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

	For the three months ended March 31,	
	2026	2025
Interest income from bank deposit	$ 4,909	4,853

	For the three months ended March 31,	
	2026	2025
Rent Income	$ 303	303
Other Income	170	209
	$ 473	512

(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,	
	2026	2025
Foreign exchange gains	$ 5,181	10,379
Losses on financial assets (liabilities) at fair value through profit or loss	(88)	(654)
Others	(1,208)	(1,740)
	$ 3,885	7,985

(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, 2025 for relevant information.

As of March 31, 2026, December 31, 2025, and March 31, 2025, 80%, 87% and 74%, 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.

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	Carrying amount	Contractual cash flows	Less than 1 years	2~3 years
March 31, 2026				
Non-derivative financial liabilities:				
Short-term borrowings	$ 210,000	210,301	210,301	-
Notes and accounts payable	348,781	348,781	348,781	-
Bonds payable	425,712	436,800	436,800	-
Dividends payable	408,927	408,927	408,927	-
Other financial liabilities	253,972	253,972	253,972	-
Lease liabilities	5,354	5,408	4,540	868
	$ 1,652,746	1,664,189	1,663,321	868
December 31, 2025				
Non-derivative financial liabilities:				
Short-term borrowings	$ 259,000	260,075	260,075	-
Notes and accounts payable	289,191	289,191	289,191	-
Bonds payable	423,732	436,800	436,800	-
Other financial liabilities	357,861	357,861	357,861	-
Lease liabilities	6,589	6,667	4,914	1,753
	$ 1,336,373	1,350,594	1,348,841	1,753
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
	$ 1,556,528	1,580,460	1,577,293	3,167

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

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

	March 31, 2026			December 31, 2025			March 31, 2025		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets									
Monetary items									
USD	$15,531	31.995	496,903	15,266	31.430	479,810	27,345	33.205	907,991
CNY	3,273	4.629	15,151	3,294	4.496	14,808	3,437	4.573	15,717
Financial liabilities									
Monetary items									
USD	8,240	31.995	263,637	6,512	31.430	204,686	5,639	33.205	187,239

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, 2026 and 2025 would have increased or decreased the net profit before tax for the three months ended March 31, 2026 and 2025 by $2,484 thousand and $7,365 thousand, respectively. The analysis assumes that all other variables remain constant. The analysis of the two periods is performed on the same basis.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. Please refer to Note 6(t) for foreign exchange gain (loss) for the three months ended March 31, 2026 and 2025.

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, 2026	December 31, 2025	March 31, 2025
Fixed-rate instruments:			
Financial assets	$ 805,174	512,116	472,021
Financial liabilities	(635,712)	(682,731)	(704,717)
	$ 169,462	(170,615)	(232,696)
Variable-rate instruments:			
Financial assets	$ 683,412	986,363	1,024,215

(Continued)

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 $427 thousand and $640 thousand for the three months ended March 31, 2026 and 2025, 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.

(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, 2026				
		Fair value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Embedded derivative instruments of convertible bonds	$ 87	-	87	-	87
Financial assets at fair value through other comprehensive income					
Equity investment	$ 45,432	-	-	45,432	45,432
Foreign corporate bonds	62,564	62,564	-	-	62,564
Domestic corporate bonds	128,723	128,723	-	-	128,723
	$ 236,719	191,287	-	45,432	236,719
Financial assets measured at amortized cost					
Cash and cash equivalent	$ 1,198,042				
Accounts receivable, net	352,455				
Other financial assets - current	106,928				
Other financial assets – non-current	670				
	$ 1,658,095				

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 210,000				
Notes and accounts payable	348,781				
Dividends payables	408,927				
Bond payable	425,712		427,919		427,919
Lease liabilities	5,354				
Other financial liabilities	253,972				
	$ 1,652,746				

	December 31, 2025				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Embedded derivative instruments of convertible bonds	$ 175	-	175	-	175
Financial assets at fair value through other comprehensive income					
Equity investment	$ 40,449	-	-	40,449	40,449
Foreign corporate bonds	63,057	63,057	-	-	63,057
Domestic corporate bonds	129,571	129,571	-	-	129,571
	$ 233,077	192,628	-	40,449	233,077
Financial assets measured at amortized cost					
Cash and cash equivalent	$ 1,200,350				
Accounts receivable, net	285,109				
Other financial assets - current	111,210				
Other financial assets – non-current	664				
	$ 1,597,333				
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 259,000				
Notes and accounts payable	289,191				
Bonds payable	423,732		424,372		424,372
Lease liabilities	6,589				
Other financial liabilities	357,861				
	$ 1,336,373				

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	March 31, 2025				
		Fair value			
	Carrying amount	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)

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:

      - 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.

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

4) The changes in Level 3 fair values were as follows:

	For the three months ended March 31, 2026	2025
Opening balance	$ 40,449	9,146
Less: Total gains and losses recognized in other comprehensive income	4,983	(2,270)
Ending balance	$ 45,432	6,876

There were no transfers in the fair value hierarchy for the three months ended March 31, 2026 and 2025.

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 alterative assumptions would have the following effects:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income－equity investments without an active market	Comparable company analysis	·Discount on lack of market liquidity (20% for both March 31, 2026, December 31, 2025, and March 31, 2025) ·P/B ratio (1.94, 2.01, and 1.50 as of March 31, 2026, December 31, 2025, and March 31, 2025, respectively)	·The higher the discount on lack of market liquidity, the lower the fair value. ·The higher the multiplier, the higher the fair value.

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:

			Other comprehensive income	
	Input	**Variation**	**Favorable**	**Unfavorable**
March 31, 2026				
Financial assets at fair value through other comprehensive income				
Investments in equity instrument without active market	Discount on liquidity	10%	1,082	(1,082)
Investments in equity instrument without active market	P/B ratio	5%	433	(433)
December 31, 2025				
Financial assets at fair value through other comprehensive income				
Investments in equity instrument without active market	Discount on liquidity	10%	1,129	(1,129)
Investments in equity instrument without active market	P/B ratio	5%	452	(452)
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)

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, 2025.

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GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(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, 2025. 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, 2025. Please refer to Note 6(x) to the consolidated financial statements for the year ended December 31, 2025 for relevant information.

(x) Non-cash investing and financing activities

The Group's non-cash investing and financing activities for the three months ended March 31, 2026 and 2025 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, 2026	Cash flows	Others	March 31, 2026
Short-term borrowings	$ 259,000	(49,000)	-	210,000
Lease liabilities	6,589	(1,296)	61	5,354
Bonds payable	423,732	-	1,980	425,712
Total liabilities from financing activities	$ 689,321	(50,296)	2,041	641,066

	January 1, 2025	Cash flows	Others	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	$ 692,850	38,645	(18,887)	712,608

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(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
SYNTEK SEMICONDUCTOR CO., LTD.	Same chairman as the Company

(b) Key management personnel compensation

	For the three months ended March 31,	
	2026	2025
Short-term employee benefits	$ 14,468	20,222
Post-employment benefits	189	216
Share-based payments	1,452	2,106
	$ 16,109	22,544

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

(c) Other transactions with related parties

(i) Others

The amount paid to other related parties for technology service expenses for the three months ended March 31, 2026 amounted to $3,480 thousand. As of March 31, 2026, $2,320 thousand were unpaid, recognized under other financial liabilities. There was no this kind of situation for the three months ended March 31, 2025.

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	March 31, 2026	December 31, 2025	March 31, 2025
Land	Bank loans	$ 490,337	490,337	490,337
Buildings	Bank loans	142,764	143,891	147,272
Time deposits (recognized as other financial assets – current)	Guarantee for credit line of purchases and post-release duty payment	100,000	106,000	106,000
		$ 733,101	740,228	743,609

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

(9) Significant commitments and contingencies:

As of March 31, 2026, December 31, 2025, and March 31, 2025, 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, $1,838,000 thousand and $1,836,000 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 $57,445 thousand, $48,875 thousand and $146,820 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 $0 thousand, $0 thousand and $36,000 thousand, respectively.

(e) The amounts of bank guarantee for post-release duty payment on imported goods of the Group were $3,000 thousand, $1,000 thousand and $3,000 thousand, respectively.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other:

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

By function / By item	For the three months ended March 31, 2026			For the three months ended March 31, 2025		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits						
Salary	-	210,296	210,296	-	256,095	256,095
Labor and health insurance	-	12,572	12,572	-	11,668	11,668
Pension	-	7,099	7,099	-	6,672	6,672
Other employee benefits	-	4,578	4,578	-	4,584	4,584
Depreciation	7,940	12,717	20,657	9,121	11,654	20,775
Amortization	-	7,438	7,438	-	5,671	5,671

(Continued)

GENESYS LOGIC, INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

For the three months ended March 31, 2026, 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	
	Stock:							
The Company	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	$ 8,656	6.23%	8,656	
〃	Phoenix VII Innovation & Venture Capital Co., Ltd.	〃	〃	3,000	36,776	1.33%	36,776	
〃	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%	-	
					$ 45,432			
	Bond:							
〃	SAUDI Internation	None	Investments in debt instruments at fair value through other comprehensive income	-	$ 16,233	- %	16,233	
〃	Microsoft Corporation	〃	〃	-	19,688	- %	19,688	
〃	Qualcomm Corporation	〃	〃	-	26,643	- %	26,643	
〃	TransGlobe Life Insurance Inc.	〃	〃	-	29,913	- %	29,913	
〃	Nan Shan Life Insurance Company, Ltd.	〃	〃	-	98,810	- %	98,810	
					$ 191,287			

(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:

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	70,764	90 Days	1.89%
0	〃	〃	1	Sales Revenue	47,350	〃	4.59%

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, 2026 (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, 2026			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2026	December 31, 2025	Shares (thousands)	Percentage of ownership	Carrying value (Note 1)			
The Company	GLA	USA	IC design	30,085	30,085	40,000	100%	16,348	(7)	(174)	Subsidiary
The Company	Eclat	Samoa	Investment holding	183,881	168,148	800	100%	19,937	(3,601)	(3,601)	〃
The Company	BROADWAY	Taiwan	IC sale	391,018	391,018	20,000	100%	105,220	(16,859)	(16,859)	〃
BROADWAY	BSA	USA	IC design	462	462	15	100%	227	(8)	(8)	〃

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

GENESYS LOGIC, INC. AND SUBSIDIARIES
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(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, 2026	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2026	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.

(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
-	-	1,203,931

(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, 2026 and 2025, the Group’s segment financial information was the same as that of the consolidated financial statements.