

INTERACTIVE DIGITAL TECHNOLOGIES INC.**Parent-Company-Only Financial Statements****With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023**

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The independent auditors' report and the accompanying parent-company-only 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 parent-company-only financial statements, the Chinese version shall prevail.

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Independent Auditors' Report

To the Board of Directors of Interactive Digital Technologies Inc.:

Opinion

We have audited the parent-company-only financial statements of Interactive Digital Technologies Inc., which comprise the parent-company-only balance sheet as of December 31, 2024 and the restated parent-company-only balance sheet as of December 31, 2023, the parent-company-only statements of comprehensive income, change in equity and cash flow for the year ended December 31, 2024, and the restated parent-company-only statements of comprehensive income, change in equity and cash flow for the year ended December 31, 2023, and notes to the parent-company-only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of Interactive Digital Technologies Inc. as of December 31, 2024 and 2023 (restated), and its financial performance and its cash flow for the year ended December 31, 2024 and the restated financial performance and cash flow for the year ended December 31, 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements section of our report. We are independent of Interactive Digital Technologies Inc. in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Emphasis of Matter

As stated in Note 6(e), Interactive Digital Technologies Inc. acquired 100% equity ownership of Transnet Corporation, a subsidiary of Enrich Investment Corporation in June 2024. Pursuant to the Interpretations (2012) No. 301 issued by Accounting Research and Development Foundation and Comments on IFRS 3 for Business Combination under Common Control issued on October 26, 2018 by Accounting Research and Development Foundation, the aforementioned transaction was an organizational restructuring under common control, which should be regarded as a combination from beginning. Interactive Digital Technologies Inc. prepared the parent-company-only financial statements for the year ended December 31, 2024, and restated the parent-company-only financial statements for the year ended December 31, 2023, accordingly. Our conclusion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent-company-only financial statements of the current period. These matters were addressed in the context of our audit of parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the parent-company-only financial statements for the year ended December 31, 2024 are stated as follows:

Revenue recognition

Please refer to Note 4(n) for the accounting policy on revenue recognition, Note 6(o) for the related disclosures and Note 5 for the judgments made in the timing of revenue recognition, respectively, to the parent-company-only financial statements.

Description of key audit matter:

Interactive Digital Technologies Inc. engages primarily in the sales of cable television network and broadband transmission, wireless network, media, IT & cloud services, and geographical information system and provide system integration technology services to secure system implementation, extension and maintenance services for customers. The complexity of contract terms requires management to make an assessment individually in determining the timing of revenue recognition. Therefore, revenue recognition has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matters above, our principal audit procedures included performing a sample test on the design and operating effectiveness of Interactive Digital Technologies Inc.'s internal controls over financial reporting in the sales and collection cycle; performing a sample test through reviewing the related sales contracts or order terms with customers and installation acceptance documents to assess the accuracy of the timing of revenue recognition; and performing a sample test on sales transactions that took place before and after the balance sheet date to determine whether the performance obligation has been satisfied by transferring control over the goods and services to a customer to assess the accuracy of the timing of revenue recognition.

Responsibilities of Management and Those Charged with Governance for the Parent-company-only Financial Statements

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent-company-only financial statements, management is responsible for assessing Interactive Digital Technologies Inc.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Interactive Digital Technologies Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing Interactive Digital Technologies Inc.'s financial reporting process.

Auditors' Responsibilities for the Audit of the Parent-company-only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent-company-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent-company-only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Interactive Digital Technologies Inc.'s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Interactive Digital Technologies Inc.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Interactive Digital Technologies Inc. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investees accounted for using the equity method to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent-company-only financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Huang, Ming-Hung and Chang, Huei-Chen.

KPMG

Taipei, Taiwan (Republic of China)
February 25, 2025

Notes to Readers

The accompanying parent-company-only financial statements are intended only to present the 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 parent-company-only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying parent-company-only 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' audit report and parent-company-only financial statements, the Chinese version shall prevail.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

INTERACTIVE DIGITAL TECHNOLOGIES INC.

Parent-Company-Only Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

		December 31, 2024		December 31, 2023 (Restated)				December 31, 2024		December 31, 2023 (Restated)	
Assets		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:											
1100	Cash and cash equivalents (note 6(a))	\$ 943,734	28	882,337	29	2130	Contract liabilities—current (notes 6(o) and 7)	441,598	13	289,338	9
1136	Financial assets measured at amortized cost—current (note 6(a))	-	-	20,000	1	2170	Accounts payable	524,986	16	355,899	12
1170	Notes and accounts receivable, net (notes 6(c) and (o))	636,089	19	592,743	20	2180	Accounts payable to related parties (note 7)	34,806	1	6,681	-
1180	Accounts receivable from related parties (notes 6(c), (o) and 7)	10,181	-	8,403	-	2200	Other payables (note 6(p))	193,074	6	200,634	7
1200	Other receivables (note 7)	2,350	-	845	-	2230	Current income tax liabilities	65,033	2	69,800	2
130X	Inventories (note 6(d))	686,757	21	592,021	19	2250	Provisions—current (note 6(j))	27,502	1	69,388	2
1410	Prepayments and other current assets	7,923	-	5,347	-	2280	Lease liabilities—current (note 6(i))	3,812	-	3,923	-
	Total current assets	<u>2,287,034</u>	<u>68</u>	<u>2,101,696</u>	<u>69</u>	2300	Other current liabilities	<u>1,573</u>	<u>-</u>	<u>854</u>	<u>-</u>
Non-current assets:								<u>1,292,384</u>	<u>39</u>	<u>996,517</u>	<u>32</u>
1550	Investments accounted for using the equity method (notes 6(e) and 7)	152,067	5	30,327	1	Total current liabilities					
1510	Financial assets at fair value through profit or loss—non-current (notes 6(b) and (h))	-	-	55	-	2530	Non-current liabilities:				
1535	Financial assets measured at amortized cost—non-current (note 6(a))	-	-	21,000	1	2550	Bonds payable (note 6(h))	-	-	264,612	9
1600	Property, plant and equipment (notes 6(f) and 7)	758,903	23	770,077	25	2570	Provisions—non-current (note 6(j))	43,523	1	34,641	1
1755	Right-of-use assets (note 6(g))	5,421	-	5,159	-	2580	Deferred income tax liabilities (note 6(l))	120	-	409	-
1840	Deferred income tax assets (note 6(l))	15,143	-	23,612	1	2600	Lease liabilities—non-current (note 6(i))	1,654	-	1,266	-
1900	Other non-current assets (note 8)	138,826	4	102,212	3		Other non-current liabilities	94	-	223	-
	Total non-current assets	<u>1,070,360</u>	<u>32</u>	<u>952,442</u>	<u>31</u>		Total non-current liabilities	<u>45,391</u>	<u>1</u>	<u>301,151</u>	<u>10</u>
							Total liabilities	<u>1,337,775</u>	<u>40</u>	<u>1,297,668</u>	<u>42</u>
						3100	Equity (notes 6(h) and (m)):				
						3110	Capital stock:				
						3140	Common stock	508,933	15	431,373	14
						3200	Common stock subscribed	-	-	27,618	1
						3300	Capital surplus	967,454	29	786,038	26
						3400	Retained earnings	543,526	16	495,436	16
							Other equity	(294)	-	(734)	-
							Total equity attributable to shareholders of the Company	<u>2,019,619</u>	<u>60</u>	<u>1,739,731</u>	<u>57</u>
						35XX	Equity attributable to former owner of business combination under common control	<u>-</u>	<u>-</u>	<u>16,739</u>	<u>1</u>
							Total equity	<u>2,019,619</u>	<u>60</u>	<u>1,756,470</u>	<u>58</u>
Total assets		<u>\$ 3,357,394</u>	<u>100</u>	<u>3,054,138</u>	<u>100</u>		Total liabilities and equity	<u>\$ 3,357,394</u>	<u>100</u>	<u>3,054,138</u>	<u>100</u>

See accompanying notes to the parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

INTERACTIVE DIGITAL TECHNOLOGIES INC.**Parent-Company-Only Statements of Comprehensive Income****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar, Except for Earnings Per Share)**

		2024		2023	
		Amount	%	(Restated)	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(o) and 7)	\$ 2,454,522	100	2,235,094	100
5000	Operating costs (notes 6(d), (j), (k) and 7)	<u>(1,666,671)</u>	<u>(68)</u>	<u>(1,307,591)</u>	<u>(59)</u>
	Gross profit	<u>787,851</u>	<u>32</u>	<u>927,503</u>	<u>41</u>
	Operating expenses (notes 6(c), (f), (g), (i), (k), (p), 7 and 12):				
6100	Selling expenses	(272,257)	(11)	(428,976)	(19)
6200	Administrative expenses	(189,780)	(8)	(191,586)	(8)
6450	Gain on reversal of impairment loss	<u>-</u>	<u>-</u>	<u>2,976</u>	<u>-</u>
	Total operating expenses	<u>(462,037)</u>	<u>(19)</u>	<u>(617,586)</u>	<u>(27)</u>
	Operating income	<u>325,814</u>	<u>13</u>	<u>309,917</u>	<u>14</u>
	Non-operating income and loss (notes 6(e), (i), (q), (r) and 7):				
7100	Interest income	14,818	1	8,799	-
7010	Other income	9,029	-	9,933	1
7020	Other gains and losses, net	(2,307)	-	4,127	-
7050	Finance costs	(2,590)	-	(8,642)	-
7060	Share of profit of subsidiaries and associates	<u>8,355</u>	<u>-</u>	<u>2,605</u>	<u>-</u>
	Total non-operating income and loss	<u>27,305</u>	<u>1</u>	<u>16,822</u>	<u>1</u>
	Income before income tax	353,119	14	326,739	15
7950	Less: income tax expense (note 6(l))	<u>(70,117)</u>	<u>(2)</u>	<u>(64,933)</u>	<u>(3)</u>
	Net income	<u>283,002</u>	<u>12</u>	<u>261,806</u>	<u>12</u>
	Other comprehensive income (note 6(m)):				
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign operations	440	-	(245)	-
8399	Less: income tax related to items that may be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Other comprehensive income (loss) for the year, net of income tax	<u>440</u>	<u>-</u>	<u>(245)</u>	<u>-</u>
	Total comprehensive income for the year	<u>\$ 283,442</u>	<u>12</u>	<u>261,561</u>	<u>12</u>
	Net income attributable to:				
	Shareholders of the Company	\$ 286,766	12	261,763	12
	Former owner of business combination under common control	<u>(3,764)</u>	<u>-</u>	<u>43</u>	<u>-</u>
		<u>\$ 283,002</u>	<u>12</u>	<u>261,806</u>	<u>12</u>
	Total comprehensive income attributable to:				
	Shareholders of the Company	287,206	12	261,518	12
	Former owner of business combination under common control	<u>(3,764)</u>	<u>-</u>	<u>43</u>	<u>-</u>
		<u>\$ 283,442</u>	<u>12</u>	<u>261,561</u>	<u>12</u>
	Earnings per share (in New Taiwan Dollar) (note 6(n)):				
9750	Basic earnings per share	\$ <u>5.87</u>		<u>6.26</u>	
9850	Diluted earnings per share	\$ <u>5.62</u>		<u>5.27</u>	

See accompanying notes to the parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

INTERACTIVE DIGITAL TECHNOLOGIES INC.**Parent-Company-Only Statements of Changes in Equity****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar)**

	Capital stock			Retained earnings				Other equity	Equity attributable to former owner of business combination under common control	Total equity
	Common stock	Common stock subscribed	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Foreign currency translation differences		
Balance at January 1, 2023 (restated)	\$ 402,499	33	486,890	203,846	674	222,368	426,888	(489)	16,696	1,332,517
Net income in 2023	-	-	-	-	-	261,763	261,763	-	43	261,806
Other comprehensive income (loss) in 2023	-	-	-	-	-	-	-	(245)	-	(245)
Total comprehensive income (loss) in 2023	-	-	-	-	-	261,763	261,763	(245)	43	261,561
Appropriation and distribution of earnings:										
Legal reserve	-	-	-	21,501	-	(21,501)	-	-	-	-
Reversal of special reserve	-	-	-	-	(185)	185	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	-	(193,215)	(193,215)	-	-	(193,215)
Cash distribution from capital surplus	-	-	(20,127)	-	-	-	-	-	-	(20,127)
Common stock subscribed reclassified to common stock	33	(33)	-	-	-	-	-	-	-	-
Conversion of convertible bonds	28,841	27,618	290,158	-	-	-	-	-	-	346,617
Conversion options recognized for issuance of convertible bonds	-	-	29,117	-	-	-	-	-	-	29,117
Balance at December 31, 2023 (restated)	431,373	27,618	786,038	225,347	489	269,600	495,436	(734)	16,739	1,756,470
Net income (loss) in 2024	-	-	-	-	-	286,766	286,766	-	(3,764)	283,002
Other comprehensive income in 2024	-	-	-	-	-	-	-	440	-	440
Total comprehensive income (loss) in 2024	-	-	-	-	-	286,766	286,766	440	(3,764)	283,442
Appropriation and distribution of earnings:										
Legal reserve	-	-	-	26,176	-	(26,176)	-	-	-	-
Special reserve	-	-	-	-	245	(245)	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	-	(238,676)	(238,676)	-	-	(238,676)
Cash distribution from capital surplus	-	-	(36,719)	-	-	-	-	-	-	(36,719)
Common stock subscribed reclassified to common stock	77,560	(77,560)	-	-	-	-	-	-	-	-
Conversion of convertible bonds	-	49,942	216,866	-	-	-	-	-	-	266,808
Changes in ownership interests in subsidiaries and associates	-	-	1,269	-	-	-	-	-	-	1,269
Organizational restructuring	-	-	-	-	-	-	-	-	(12,975)	(12,975)
Balance at December 31, 2024	\$ 508,933	-	967,454	251,523	734	291,269	543,526	(294)	-	2,019,619

See accompanying notes to the parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

INTERACTIVE DIGITAL TECHNOLOGIES INC.**Parent-Company-Only Statements of Cash Flows****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar)**

	2024	2023 (Restated)
Cash flows from operating activities:		
Income before income taxes	\$ 353,119	326,739
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	26,694	23,845
Gain on reversal of impairment loss	-	(2,976)
Loss (gain) on financial assets at fair value through profit or loss	33	(1,849)
Interest expense	2,590	8,642
Interest income	(14,818)	(8,799)
Share of profit of subsidiaries and associates	(8,355)	(2,605)
Loss (gain) on disposal and scrap of property, plant and equipment	201	(1,676)
Gain on lease modifications	(5)	-
Total adjustments for profit or loss	<u>6,340</u>	<u>14,582</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable	(43,346)	62,555
Accounts receivable from related parties	(1,778)	(1,474)
Other receivables	(241)	(79)
Inventories	(94,633)	55,312
Prepayments and other current assets	(2,576)	73,587
Net changes in operating assets	<u>(142,574)</u>	<u>189,901</u>
Changes in operating liabilities:		
Contract liabilities	152,260	(136,379)
Accounts payable	169,087	15,168
Accounts payable to related parties	28,125	6,546
Other payables	(7,560)	15,192
Provisions	(33,004)	(43,096)
Other current liabilities	719	(254)
Net changes in operating liabilities	<u>309,627</u>	<u>(142,823)</u>
Total changes in operating assets and liabilities	<u>167,053</u>	<u>47,078</u>
Total adjustments	<u>173,393</u>	<u>61,660</u>
Cash provided by operations	526,512	388,399
Interest received	13,555	8,204
Dividends received	5,321	1,227
Interest paid	(255)	(268)
Income taxes paid	(66,704)	(41,371)
Net cash flows provided by operating activities	<u>478,429</u>	<u>356,191</u>

See accompanying notes to the parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

INTERACTIVE DIGITAL TECHNOLOGIES INC.**Parent-Company-Only Statements of Cash Flows (Continued)****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar)**

	2024	2023 (Restated)
Cash flows from investing activities:		
Proceeds from disposal of financial assets measured at amortized cost	41,000	-
Acquisition of financial assets measured at amortized cost	-	(41,000)
Proceeds from disposal of financial assets at fair value through profit or loss	-	23,766
Acquisition of investments accounted for using the equity method	(133,166)	-
Proceeds from capital reduction of investments accounted for using the equity method	3,194	-
Acquisition of property, plant and equipment	(10,355)	(27,117)
Proceeds from disposal of property, plant and equipment	375	1,676
Increase in refundable deposits	(36,530)	(11,330)
Decrease (increase) in prepayments for equipment	(84)	833
Net cash used in investing activities	<u>(135,566)</u>	<u>(53,172)</u>
Cash flows from financing activities:		
Decrease in short-term borrowings	-	(150,000)
Proceeds from issuing bonds	-	631,884
Payment of lease liabilities	(5,826)	(5,383)
Increase in guarantee deposits received	(129)	-
Cash dividends distributed to shareholders	(275,395)	(213,342)
Lease interest paid	(116)	(65)
Net cash flows provided by (used in) financing activities	<u>(281,466)</u>	<u>263,094</u>
Net increase in cash and cash equivalents	61,397	566,113
Cash and cash equivalents at beginning of year	<u>882,337</u>	<u>316,224</u>
Cash and cash equivalents at end of year	<u><u>\$ 943,734</u></u>	<u><u>882,337</u></u>

See accompanying notes to the parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

INTERACTIVE DIGITAL TECHNOLOGIES INC.

Notes to the Parent-Company-Only Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar, Unless Otherwise Specified)

1. Organization and business

Interactive Digital Technologies Inc. (the “Company”) was incorporated on May 14, 2003, as a company limited by shares under the laws of the Republic of China (“R.O.C.”) and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company’s registered office is No. 38-1, Wugong 5th Rd., Wugu Dist., New Taipei City, Taiwan. The Company is primarily engaged in cable television network and broadband transmission, wireless network, media, IT & cloud services, and geographical information system. Qisda Corporation is the ultimate parent company of the Company.

2. Authorization of the parent-company-only financial statements

These parent-company-only financial statements were authorized for issue by the Board of Directors on February 25, 2025.

3. Application of new and revised accounting standards and interpretations:

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

The Company has initially adopted the following new amendments, which do not have a significant impact on its parent-company-only financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its parent-company-only financial statements:

- Amendments to IAS 21 “Lack of Exchangeability”

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

- (c) The impact of IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”) but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the IASB, but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per 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)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its parent-company-only 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: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards— Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

4. Summary of material accounting policies:

The material accounting policies presented in the parent-company-only financial statements are summarized as follows and have been applied consistently to all periods presented in these financial statements.

(a) Statement of compliance

The Company’s accompanying parent-company-only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the “Regulations”).

(b) Basis of preparation

(i) Basis of measurement

The accompanying parent-company-only financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value through profit or loss (including derivative financial instruments).

(ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The Company’s parent-company-only financial statements are presented in New Taiwan Dollar (NTD), which is the Company’s functional currency. Except when otherwise indicated, all financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

(iii) Business combination under common control

The Company acquired 100% equity ownership of Transnet, a subsidiary of Enrich Investment Corporation. Pursuant to the Interpretations (2012) No. 301 issued by Accounting Research and Development Foundation and Comments on IFRS 3 for Business Combination under Common Control issued on October 26, 2018 by Accounting Research and Development Foundation, the aforementioned transaction was an organizational restructuring under common control, which should be regarded as the later of either the earliest comparative period in financial statements or the date under common control to restate comparative information of prior period. Under common control, assets and liabilities are recognized at their original carrying amount.

In preparing the parent-company-only balance sheet, the equity from acquisition is recognized in “equity attributable to the former owner of business combination under common control”. In preparing the parent-company-only statements of comprehensive income, the profit or loss which belongs to former controlling shareholders is recorded as “profit (loss) attributable to the former owner of business combination under common control”.

(c) Foreign currency

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period (“the reporting date”), monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for an investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from acquisition, are translated into the presentation currency of the Company’s parent-company-only financial statements at the exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated into the presentation currency of the Company’s parent-company-only financial statements at the average exchange rates for the period. All resulting exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, joint control, or significant influence is lost, the accumulated exchange differences related to that foreign operation is reclassified to profit or loss. In the case of a partial disposal that does not result in the Company losing control over a subsidiary, the proportionate share of the accumulated exchange differences is reclassified to non-controlling interests. For a partial disposal of the Company’s ownership interest in an associate or joint venture, the proportionate share of the accumulated exchange differences in equity is reclassified to profit or loss.

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

(d) Classification of current and non-current assets and liabilities

The Company classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(e) Cash and cash equivalents

Cash consists of cash on hand, checking deposits, and demand deposits. Cash equivalents consist of short-term and highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that meet the aforesaid criteria and are not held for investing purposes are also classified as cash equivalents.

(f) Financial instruments

Accounts receivable is initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issuance. An accounts receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

On initial recognition, financial assets are classified as measured at: amortized cost and FVTPL. A regular way purchases or sales of financial assets is recognized or derecognized on a trade-date basis.

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Subsequent to initial recognition, these assets are measured at amortized cost, using the effective interest method less impairment loss. Interest income, foreign exchange gains and losses, and recognition (reversal) of impairment loss are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortized cost or at fair value through other comprehensive income (FVOCI) as described above (e.g. financial assets held for trading and those that are managed and evaluated for performance on a fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any dividend and interest income, are recognized in profit or loss.

3) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (“ECL”) on financial assets measured at amortized cost (including cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable, other receivables, refundable deposits and other financial assets).

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following financial assets which are measured using 12-month ECL:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Company measures loss allowances for accounts receivable at an amount equal to lifetime ECL.

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. The information includes both quantitative and qualitative information and analysis based on the Company's historical experience and credit assessment, as well as forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

ECLs are probability-weighted estimate of credit losses over the expected life of financial assets. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due. Based on its experience, there have been no corporate recoveries after 181 days.

4) **Derecognition of financial assets**

The Company derecognizes a financial asset when the contractual rights of the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets; in these cases, the transferred assets are not derecognized.

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt or equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual agreement and the definitions of a financial liability and an equity instrument.

2) Equity transactions

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recognized at the amount of consideration received, less, the direct issuing cost.

3) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities measured at amortized cost are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

5) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligation has been fulfilled or cancelled, or has expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

The difference between the carrying amount of a financial liability derecognized and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

6) Offsetting of financial assets and liabilities

Financial assets and liabilities are presented on a net basis only when the Company has the legally enforceable right to offset and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated based on the weighted-average method and includes expenditure incurred in bringing them to the location and condition ready for sale. Net realizable value represents the estimated selling price in the ordinary course of business, less all estimated costs of completion and necessary selling expenses.

(h) Investments in subsidiaries

When preparing the parent-company-only financial statements, investments in subsidiaries which are controlled by the Company is accounted for using the equity method. Under equity method, profit or loss, and other comprehensive income recognized in parent-company-only financial statement is in line with total comprehensive income attributable to the shareholders of the Company in the consolidated financial statements. In addition, changes in equity recognized in the parent-company-only financial statements is in line with the changes in equity attributable to shareholders of the Company in the consolidated financial statements.

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control as accounted for within equity.

(i) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or jointly control, over the financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost, plus, any transaction costs. The carrying amount of the investment in associates includes goodwill identified on acquisition, net of any accumulated impairment losses.

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized as other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When changes in an associate's equity are not recognized in profit or loss or other comprehensive income of the associate, and such changes do not affect the Company's ownership percentage of the associate, the Company recognizes the change in ownership interests of its associate as "capital surplus" in proportion to its ownership.

Unrealized gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated investors' interests in the associate.

Adjustments are made to associates' financial statements to conform to the accounting policies applied by the Company.

When the Company's share of losses in an associate equals or exceeds its interest in the associate, the recognition of further losses is discontinued. Additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(j) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less, accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of assets less their residual values and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated. The estimated useful lives for property, plant and equipment are as follows: buildings: 11 to 56 years; machinery and equipment: 3 to 5 years, and other equipment: 2 to 6 years.

Depreciation methods, useful lives, and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

(k) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically evaluated and reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change of the Company's assessment on whether it will exercise an option to purchase the underlying asset; or
- there is a change in the lease term resulting from a change of the Company's assessment on whether it will exercise an extension or termination option; or
- there is any lease modification in lease subject, scope of the lease or other terms.

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference in profit or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment properties, and lease liabilities as a separate line item respectively in the parent-company-only balance sheets.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term lease and lease of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

For operating lease, the Company recognizes rental income on a straight-line basis over the lease term.

(l) Impairment of non-financial assets

The Company assesses at the end of each reporting date whether there is any indication that the carrying amounts of non-financial assets (other than inventories and deferred tax assets) may be impaired. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets. Goodwill arising from a business combination is allocated to cash-generating units ("CGUs") or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an individual asset or CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other non-financial assets, an impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the assets in prior years.

(m) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A provision for warranties is recognized when the underlying products or services are sold. This provision reflects the historical warranty claim rate and the weighting of all possible outcomes against their associated probabilities.

(n) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer.

(i) System implementation and integration project

The Company recognizes revenue when control of the goods or project system has been transferred to the customer, being when the goods or project system are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the customer has accepted the goods in accordance with the terms of sales, the risks of obsolescence and loss have been transferred to the customer, and the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are accepted by the customer, as this is the point in time that the Company has a right to an amount of consideration that is unconditional

Advance receipts are recognized in contract liabilities and the Company recognizes revenue when a performance obligation was satisfied.

Loss on onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

(ii) Rendering of services

The Company's revenue from providing repair and technical support or services is recognized in the accounting period in which services are rendered over the contract period.

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

(iii) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods to the customer, and the payment by the customer, exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(o) Government grants

A government grant is recognized in profit or loss only when there is reasonable assurance that the Company will comply with the conditions associated with the grant and that the grant will be received. For a government grant that compensates the Company for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed during the year in which employees render services.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period in which employees render services. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to make such payments as a result of past service provided by the employees, and the obligation can be estimated reliably.

(q) Income taxes

Income taxes comprise current taxes and deferred taxes. Current and deferred taxes are recognized in profit or loss unless they relate to business combinations or items recognized directly in equity or other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS 37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred income taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for:

- (i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction 1) affects neither accounting nor taxable profits (losses) and 2) does not give rise to equal taxable and deductible temporary differences;

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

- (ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(r) Earnings per share ("EPS")

The basic and diluted EPS attributable to stockholders of the Company are disclosed in the financial statements. Basic EPS is calculated by dividing net income attributable to stockholders of the Company by the weighted-average number of common shares outstanding during the year. In calculating diluted EPS, the net income attributable to stockholders of the Company and weighted average number of common shares outstanding during the year are adjusted for the effects of dilutive potential common shares. The Company's dilutive potential common shares are convertible bonds or profit sharing for employees to be settled in the form of common stock.

(s) Operating segments

The Company discloses the operating segment information in the consolidated financial statements. Therefore, the Company does not disclose the operating segment information in the parent-company-only financial statements.

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

5. Critical accounting judgments, and key sources of estimation uncertainty

The preparation of the parent-company-only financial statements requires management to make judgments and estimates about the future, including climate-related risks and opportunities, which affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

Information about judgments made in applying accounting policies that have a significant effects on the amounts recognized in the parent-company-only financial statements is as follows:

Revenue recognition

The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. Please refer to note 4(n) for related conditions for revenue recognition

The management considers that the information about assumptions and estimation uncertainties does not have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

6. Significant account disclosures

(a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand	\$ 450	470
Demand deposits and checking accounts	127,058	270,539
Time deposits with original maturities less than three months	<u>816,226</u>	<u>611,328</u>
	<u>\$ 943,734</u>	<u>882,337</u>

As of December 31, 2023, the time deposits with original maturities between more than three months to one year amounted to \$20,000, which were classified as financial assets measured at amortized cost—current. As of December 31, 2023, the time deposits with original maturities more than one year amounted to \$21,000, which were classified as financial assets measured at amortized cost—non-current.

(b) Financial assets at fair value through profit or loss

	December 31, 2024	December 31, 2023
Financial assets at fair value through profit or loss — non-current:		
Redemption option of convertible bonds	<u>\$ -</u>	<u>55</u>

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

(c) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	\$ 4,500	6,365
Accounts receivable	631,589	586,378
Accounts receivable from related parties	10,181	8,403
	<u>\$ 646,270</u>	<u>601,146</u>

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. Forward-looking information is taken into consideration as well. Analysis of expected credit losses on notes and accounts receivable was as follows:

	December 31, 2024	
	Gross carrying amount	Weighted-average loss rate
Current	\$ 598,080	0%
Past due 1-30 days	20,329	0%
Past due 31-90 days	27,861	0%
Past due over 181 days	-	100%
	<u>\$ 646,270</u>	

	December 31, 2023	
	Gross carrying amount	Weighted- average loss rate
Current	\$ 597,653	0%
Past due 1-30 days	566	0%
Past due 31-90 days	527	0%
Past due 121-180 days	2,400	0%
Past due over 181 days	-	100%
	<u>\$ 601,146</u>	

Movements of the loss allowance for notes and accounts receivable were as follows:

	2024	2023
Balance at January 1	\$ -	2,976
Gain on reversal of impairment loss	-	(2,976)
Balance at December 31	<u>\$ -</u>	<u>-</u>

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

(d) Inventories

	December 31, 2024	December 31, 2023
Merchandise	\$ 58,990	22,360
Consignment inventories	193,285	306,395
Project inventories	<u>434,482</u>	<u>263,266</u>
	<u>\$ 686,757</u>	<u>592,021</u>

Consignment inventories and project inventories are the costs incurred to date related to service costs and related inventories but not yet recognized as revenue.

The amounts of inventories recognized as costs of revenue were as follows:

	2024	2023
Cost of inventories sold	\$ 1,519,703	1,196,525
Write-downs of (reversal of write-downs) inventories	(9,312)	(12,614)
Service and warranty costs	<u>156,280</u>	<u>123,680</u>
	<u>\$ 1,666,671</u>	<u>1,307,591</u>

The write-downs of inventories arose from the write-downs of inventories to net realizable value. The reversal of write-downs of inventories arose from the write-downs of project inventories were reversed to the extent of the write-downs of inventories to net realizable value.

(e) Investments accounted for using the equity method

A summary of the Company's investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2024	December 31, 2023 (Restated)
Subsidiaries	\$ 56,249	30,327
Associates	<u>95,818</u>	<u>-</u>
	<u>\$ 152,067</u>	<u>30,327</u>

(i) Subsidiaries

Please refer to consolidated financial statements for the year ended December 31, 2024.

(ii) Acquisition of subsidiary — Transnet Corporation

In June 2024, the Company acquired 100% equity ownership of Transnet Corporation ("Transnet"), a subsidiary of Enrich Investment Corporation, for a consideration of \$12,975. Transnet is operating in network communication products, provide system support services, integrated supply and import and export of network equipment. The acquisition of Transnet enables the Company to expand its business capacity in value-added applications and services for private 5G networks for enterprises.

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

The aforementioned transaction was an organizational restructuring under common control, which should be regarded as a combination from beginning. In June 2024, assets acquired and liabilities assumed from the acquisition of Transnet were as follows:

Consideration transferred:	
Cash	\$ 12,975
Assets acquired and liabilities assumed:	
Cash and cash equivalents	19,072
Notes and accounts receivable	28,618
Inventories	8,158
Prepayments and other current assets	41
Other non-current assets	4,828
Contract liabilities	(34,100)
Accounts payable	(4,146)
Accounts payable to related parties	(615)
Other payables	(777)
Other current liabilities	(3,104)
Long-term debt	(5,000)
Differences	\$ -

The Company's equity ownership of Transnet decreased to 80% as the Company did not subscribe proportionately to its existing ownership percentage in Transnet's capital increase by cash in the third quarter of 2024.

(iii) Associates

<u>Name of associates</u>	<u>Main business</u>	<u>Principal place of business/ Registration country</u>	<u>December 31, 2024</u>	
			<u>Percentage of voting rights</u>	<u>Carrying amount</u>
Fiber Logic Communications, Inc. ("Fiber Logic ")	Manufacture and sales of broadband transmission equipment and routers	Taiwan	6.00%	\$ <u>95,818</u>

In 2024, the Company acquired 6% equity ownership of Fiber Logic for a consideration of \$96,930 and was elected as one of the five directors. As the Company has significant influence over Fiber Logic, the equity-method was used to account for the investment.

For the year ended December 31, 2024, the Company's shares of profits of associates amounted to \$1,588.

The summarized financial information of the Company's material associate is set out below:

The summarized financial information of Fiber Logic:

	<u>December 31, 2024</u>
Current assets	\$ 473,711
Non-current assets	191,705
Current liabilities	(121,913)
Non-current liabilities	(16,377)
Equity	\$ <u>527,126</u>

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

	From November 19, 2024 to December 31, 2024
Net sales	\$ <u>99,872</u>
Net income	\$ <u>26,467</u>
Other comprehensive income	-
Total comprehensive income	\$ <u>26,467</u>
	<u>2024</u>
The Company's share of equity of associates at January 1	\$ -
Increase in investments	96,930
Net income attributable to the Company	1,588
Dividends received from associates	(2,700)
The carrying amount of investments in the associates at December 31	\$ <u>95,818</u>

(f) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Others	Total
Cost:					
Balance at January 1, 2024	\$ 641,026	153,861	17,773	31,453	844,113
Additions	-	3,528	1,792	5,035	10,355
Disposals	-	(2,163)	-	(4,081)	(6,244)
Reclassification to inventories	-	-	(155)	-	(155)
Balance at December 31, 2024	\$ <u>641,026</u>	155,226	19,410	32,407	848,069
Balance at January 1, 2023	\$ 641,026	143,253	12,861	29,204	826,344
Additions	-	10,636	7,445	9,036	27,117
Disposals	-	(28)	(2,533)	(6,787)	(9,348)
Balance at December 31, 2023	\$ <u>641,026</u>	153,861	17,773	31,453	844,113
Accumulated depreciation and impairment loss:					
Balance at January 1, 2024	\$ 8,984	47,079	5,133	12,840	74,036
Depreciation	-	9,715	4,082	7,053	20,850
Disposals	-	(2,162)	-	(3,506)	(5,668)
Reclassification to inventories	-	-	(52)	-	(52)
Balance at December 31, 2024	\$ <u>8,984</u>	54,632	9,163	16,387	89,166
Balance at January 1, 2023	\$ 8,984	38,360	4,033	13,551	64,928
Depreciation	-	8,747	3,633	6,076	18,456
Disposals	-	(28)	(2,533)	(6,787)	(9,348)
Balance at December 31, 2023	\$ <u>8,984</u>	47,079	5,133	12,840	74,036

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Others</u>	<u>Total</u>
Carrying amounts:					
Balance at December 31, 2024	\$ <u>632,042</u>	<u>100,594</u>	<u>10,247</u>	<u>16,020</u>	<u>758,903</u>
Balance at December 31, 2023	\$ <u>632,042</u>	<u>106,782</u>	<u>12,640</u>	<u>18,613</u>	<u>770,077</u>
(g) Right-of-use assets					
	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Furniture and fixtures</u>	<u>Total</u>	
Cost:					
Balance at January 1, 2024	\$ 5,708	8,192	224	14,124	
Additions	4,131	2,815	-	6,946	
Disposals	(2,980)	(555)	-	(3,535)	
Balance at December 31, 2024	\$ <u>6,859</u>	<u>10,452</u>	<u>224</u>	<u>17,535</u>	
Balance at January 1, 2023	\$ 5,490	6,799	544	12,833	
Additions	665	2,360	-	3,025	
Disposals	(447)	(967)	(320)	(1,734)	
Balance at December 31, 2023	\$ <u>5,708</u>	<u>8,192</u>	<u>224</u>	<u>14,124</u>	
Accumulated depreciation:					
Balance at January 1, 2024	\$ 3,548	5,312	105	8,965	
Depreciation	2,883	2,882	79	5,844	
Disposals	(2,140)	(555)	-	(2,695)	
Balance at December 31, 2024	\$ <u>4,291</u>	<u>7,639</u>	<u>184</u>	<u>12,114</u>	
Balance at January 1, 2023	\$ 1,126	3,935	249	5,310	
Depreciation	2,869	2,344	176	5,389	
Disposals	(447)	(967)	(320)	(1,734)	
Balance at December 31, 2023	\$ <u>3,548</u>	<u>5,312</u>	<u>105</u>	<u>8,965</u>	
Carrying amount:					
Balance at December 31, 2024	\$ <u>2,568</u>	<u>2,813</u>	<u>40</u>	<u>5,421</u>	
Balance at December 31, 2023	\$ <u>2,160</u>	<u>2,880</u>	<u>119</u>	<u>5,159</u>	

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

(h) Bonds payable

	December 31, 2024	December 31, 2023
Total convertible bonds issued	\$ 600,000	600,000
Unamortized bond discount	-	(9,988)
Cumulative converted amount	(600,000)	(325,400)
Bonds payable	<u>\$ -</u>	<u>264,612</u>
Derivative instrument – redemption option (included in financial assets at fair value through profit or loss)	<u>\$ -</u>	<u>55</u>
Equity component – conversion options (included in capital surplus – stock options)	<u>\$ -</u>	<u>29,117</u>

In response to working capital needs, the Company's Board of Directors resolved to issue the 2nd secured convertible bonds on October 24, 2022, with the approval of the Financial Supervisory Commission of the Republic of China on December 19, 2022. Starting January 11, 2023, the Company issued \$600,000 of secured convertible bonds, with a 3-year term, without interest, upon maturity on January 11, 2026. The bondholders requested their bonds to be converted into ordinary shares before the termination date of OTC trading of corporate bonds after the Company exercised its redemption right of convertible bonds in the third quarter of 2024.

The related terms and conditions of the issuance of convertible bonds are as follows:

(i) Redemption at maturity

Other than converting the bonds to the Company's ordinary shares or early redeeming or repurchasing the bonds from securities dealers to write off in accordance with Article 10 and 18 of the terms of issuance, respectively, the Company will repay the convertible bond in cash at par value after 10 trading days upon maturity.

(ii) Redemption at the option of the Company

- 1) If the closing price of the Company's ordinary share exceeds 30% of the conversion price for 30 consecutive trading days from 3 months after the issuance of the bonds to 40th day before maturity, the Company shall redeem the outstanding bonds at par value.
- 2) If the balance of the outstanding bonds is less than \$60,000 from 3 months after the issuance of the bonds to 40th day before maturity, the Company shall redeem the outstanding bonds at par value.

(iii) Conversion period

The bondholder may request the stock agency of the Company to convert the bond to ordinary shares from the 3 months after issuance to maturity date, except during the period in which the transfer is suspended by laws.

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

(iv) Conversion price and conversion options exercised

The conversion price was set at NTD 60.7 at the time of the issuance of the bonds. Starting July 23, 2023, the conversion price had been adjusted to NTD 56.7. Starting July 23, 2024, the conversion price had been further adjusted to NTD 53.3. As of December 31, 2024 and 2023, the convertible bonds have been converted into 10,640 thousand and 5,646 thousand shares of common stock, respectively.

(i) Lease liabilities

The carrying amounts of the Company's lease liabilities were as follows:

	December 31, 2024	December 31, 2023
Current	\$ <u>3,812</u>	<u>3,923</u>
Non-current	\$ <u>1,654</u>	<u>1,266</u>

Please refer to note 6(s) for the maturity analysis.

The amounts recognized in profit or loss were as follows:

	2024	2023
Interest expense on lease liabilities	\$ <u>116</u>	<u>65</u>
Expenses relating to short-term leases	\$ <u>3,978</u>	<u>2,957</u>

The amounts recognized in the statements of cash flows for the Company were as follows:

	2024	2023
Total cash outflows for leases	\$ <u>9,920</u>	<u>8,405</u>

(i) Buildings leases

The leases of buildings for office typically run for a period of 1 to 3 years.

(ii) Other leases

The Company leases transportation equipment, with lease terms of 1 to 3 years. In addition, the Company leases transportation equipment and furniture and fixtures with contract terms within one year. These leases are short-term and the Company has elected to applied exemption and not to recognize right-of-use assets and lease liabilities.

(j) Provisions — warranty

	2024	2023
Balance at January 1	\$ 104,029	147,125
Provisions made	30,250	43,636
Amount utilized	(25,548)	(36,665)
Amount reversed	<u>(37,706)</u>	<u>(50,067)</u>
Balance at December 31	\$ <u>71,025</u>	<u>104,029</u>

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

	December 31, 2024	December 31, 2023
Current	<u>\$ 27,502</u>	<u>69,388</u>
Non-current	<u>\$ 43,523</u>	<u>34,641</u>

Provisions for warranty mainly related to projects sold are measured at the management's best estimates on the considerations required to settle the provision obligations.

(k) Employee benefits

The Company contributes monthly an amount equal to 6% of each employees' monthly wages to the employee's individual pension fund account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation. For the years ended December 31, 2024 and 2023, the Company recognized pension expenses of \$17,329 and \$17,382, respectively, in relation to the defined contribution plans.

(l) Income taxes

(i) The components of income tax expense were as follows:

	2024	2023
Current income tax expense:		
Current period	\$ 61,937	54,924
Adjustments for prior years	<u>-</u>	<u>(1,771)</u>
Current income tax expense	<u>61,937</u>	<u>53,153</u>
Deferred income tax expense:		
Origination and reversal of temporary differences	<u>8,180</u>	<u>11,780</u>
	<u>\$ 70,117</u>	<u>64,933</u>

In 2024 and 2023, there was no income tax recognized directly in equity or other comprehensive income.

Reconciliation of income tax expense and income before income tax for the years ended December 31, 2024 and 2023 was as follows:

	2024	2023 (Restated)
Income before income tax	<u>\$ 353,119</u>	<u>326,739</u>
Income tax using the Company's statutory tax rate	\$ 70,624	65,348
Tax effect of expenses that are not deductible for tax purposes	424	1,627
Investment tax credits	(79)	(319)
Adjustments for prior years	-	(1,771)
Others	<u>(852)</u>	<u>48</u>
Income tax expense	<u>\$ 70,117</u>	<u>64,933</u>

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

(ii) Deferred income tax assets and liabilities

Deferred income tax assets:

	Write-downs of inventories	Unrealized foreign exchange losses	Warranties	Total
Balance at January 1, 2024	\$ 2,511	295	20,806	23,612
Recognized in profit or loss	(1,862)	(5)	(6,602)	(8,469)
Balance at December 31, 2024	<u>\$ 649</u>	<u>290</u>	<u>14,204</u>	<u>15,143</u>
Balance at January 1, 2023	\$ 5,033	729	29,424	35,186
Recognized in profit or loss	(2,522)	(434)	(8,618)	(11,574)
Balance at December 31, 2023	<u>\$ 2,511</u>	<u>295</u>	<u>20,806</u>	<u>23,612</u>

Deferred income tax liabilities:

	Unrealized foreign exchange gains
Balance at January 1, 2024	\$ 409
Recognized in profit or loss	(289)
Balance at December 31, 2024	<u>\$ 120</u>
Balance at January 1, 2023	\$ 203
Recognized in profit or loss	206
Balance at December 31, 2023	<u>\$ 409</u>

(iii) The Company's income tax returns for all years through 2022 have been assessed by the R.O.C. tax authorities.

(m) Capital and other equity

(i) Common stock

As of December 31, 2024 and 2023, the Company's authorized shares of common stock consisted of 80,000 thousand shares, of which 50,893 thousand and 43,137 thousand shares, respectively, were issued and outstanding. The par value of the Company's common stock is NTD 10 per share. The authorized shares include 8,000 thousand shares allocated for the exercise of employee stock options.

For the years ended December 31, 2024 and 2023, the Company issued 7,756 thousand and 2,887 thousand shares of common stock amounting to \$77,560 and \$28,874, respectively, for conversion options exercised by the bondholders. The par value of the Company's common stock is NTD 10 per share. Related registration procedures have been completed.

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

As of December 31, 2023, common stock subscribed amounting to \$27,618 was recognized as the bondholders requested their bonds to be converted into ordinary shares, wherein registration procedures are yet to be completed.

(ii) Capital surplus

	December 31, 2024	December 31, 2023
Paid-in capital in excess of par value	\$ 948,488	739,224
Stock options	-	29,117
Changes in ownership interests in subsidiaries	1,269	-
Others	17,697	17,697
	<u>\$ 967,454</u>	<u>786,038</u>

(iii) Legal reserve

If a company has no accumulated deficit, it may, pursuant to a resolution approved by the stockholders, distribute its legal reserve to shareholders by issuing new shares or by distributing cash for the portion in excess of 25% of the paid-in capital.

(iv) Special reserve

In accordance with the requirements issued by the FSC, a portion of earnings shall be allocated as special reserve during earnings distribution. The Company shall make allocation of special reserve for the amount of the current-period total net reduction of other shareholders' equity. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than the after-tax net profit in the period that are included in the undistributed current-period earnings and the undistributed prior-period earnings. A portion of the undistributed prior-period earnings shall be reclassified to special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to the net reduction of other shareholders' equity pertaining to prior periods. The amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

(v) Retained earnings

The Company's Articles of incorporation stipulate that at least 10% of annual net income after deducting an accumulated deficit, if any, must be retained as a legal reserve until such retention equals the amount of paid-in capital. In addition, a special reserve should be set aside in accordance with the Company's operational needs or applicable laws and regulations. The remaining balance of the annual net income, together with unappropriated earnings from previous years, if any, can be distributed as dividends after the earnings distribution plan proposed by the Board of Directors and approved during the stockholders' meeting. The abovementioned distribution of earnings by way of cash dividends could be approved by the Company's Board of Directors and then reported to the Company's shareholders in its meeting.

The Company may distribute its legal reserve or capital surplus to shareholders by issuing new shares or by distributing cash, according to article 241 of the Company Act. The abovementioned distribution of earnings by way of cash dividends could be approved by the Company's Board of Directors and then reported to the Company's shareholders in its meeting.

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

As the Company is in a changeable industry environment and the life cycle of the Company is in a stable growth, the Company has adopted a remaining earnings appropriation method as its dividend policy based on the future capital planning under which the earnings are distributed in consideration of the future capital needs and long-term financial plan to maintain continuous development. The total amount of earnings distributed shall not be less than 50% of the earnings available for distribution in the current year. The distribution ratio for cash dividends shall not be less than 10% of the total distribution.

The appropriations of cash dividends of 2023 and 2022 earnings were approved by the Company's Board of Directors on February 23, 2024 and February 22, 2023, respectively. Other appropriations of 2023 and 2022 earnings were approved by the shareholders during their meetings on May 28, 2023 and May 30, 2022, respectively. The resolved appropriations were as follows:

	2023		2022	
	Dividends per share (in NTD)	Amount	Dividends per share (in NTD)	Amount
Legal reserve		<u>\$ 26,176</u>		<u>21,501</u>
Special reserve		<u>\$ 245</u>		<u>(185)</u>
Cash dividends distributed to shareholders	\$ 5.2	238,676	4.8	193,215
Cash distribution from capital surplus	<u>0.8</u>	<u>36,719</u>	<u>0.5</u>	<u>20,127</u>
	<u>\$ 6.0</u>	<u>275,395</u>	<u>5.3</u>	<u>213,342</u>

On February 25, 2025, the cash dividends appropriated from 2024 earnings approved by the Company's Board of Directors were as follows:

	2024	
	Dividends per share (in NTD)	Amount
Cash dividends distributed to shareholders	<u>\$ 5.07</u>	<u>258,029</u>

(vi) Other equity items (net after tax)

Foreign exchange differences arising from translation of foreign operations

	2024	2023
Balance at January 1	\$ (734)	(489)
Foreign exchange differences arising from translation of foreign operations	<u>440</u>	<u>(245)</u>
Balance at December 31	<u>\$ (294)</u>	<u>(734)</u>

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

(n) Earnings per share (“EPS”)

(i) Basic earnings per share

	<u>2024</u>	<u>2023</u>
Net income attributable to shareholders of the Company	\$ <u>286,766</u>	<u>261,763</u>
Weighted-average number of ordinary shares outstanding (in thousands)	<u>48,843</u>	<u>41,813</u>
Basic earnings per share (in New Taiwan Dollar)	\$ <u>5.87</u>	<u>6.26</u>

(ii) Diluted earnings per share

	<u>2024</u>	<u>2023</u>
Net income attributable to shareholders of the Company (basic)	\$ 286,766	261,763
Effect of dilutive potential ordinary shares:		
Interest expense and valuation loss on convertible bonds	1,800	6,726
Net income attributable to shareholders of the Company (diluted)	\$ <u>288,566</u>	<u>268,489</u>
Weighted-average number of ordinary shares outstanding (basic) (in thousands)	48,843	41,813
Effect on dilutive potential ordinary shares:		
Effect on employee remuneration in stock	550	542
Effects on conversion of convertible bonds	1,966	8,587
Weighted-average number of ordinary shares outstanding (diluted) (in thousands)	<u>51,359</u>	<u>50,942</u>
Diluted earnings per share (in New Taiwan Dollar)	\$ <u>5.62</u>	<u>5.27</u>

(o) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2024</u>	<u>2023</u>
Major products/services lines:		
Sales of system integration projects	\$ 2,067,636	1,835,817
Services	<u>386,886</u>	<u>399,277</u>
	\$ <u>2,454,522</u>	<u>2,235,094</u>
	<u>2024</u>	<u>2023</u>
Timing of revenue recognition:		
Recognized at a point in time	\$ 2,411,420	2,173,742
Recognized over time	<u>43,102</u>	<u>61,352</u>
	\$ <u>2,454,522</u>	<u>2,235,094</u>

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

(ii) Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Notes and accounts receivable	\$ 646,270	601,146	662,227
Less: loss allowance	-	-	(2,976)
	<u>\$ 646,270</u>	<u>601,146</u>	<u>659,251</u>

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities — current	<u>\$ 441,598</u>	<u>289,338</u>	<u>425,717</u>

For details on notes and accounts receivable and its loss allowance, please refer to note 6(c).

The amounts of revenue recognized for the years ended December 31, 2024 and 2023, which were included in the contract liabilities balance at the beginning of the period, were \$284,297 and \$410,371, respectively.

(p) Remuneration to employees and directors

The Company's Articles of Incorporation requires that earnings shall contribute a range from 5% to 20% as remuneration to its employees and no more than 1% to its directors. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. Employees who are entitled to receive the abovementioned employee remuneration, in shares or cash, include the employees of the subsidiaries of the Company who meet certain specific requirement.

For the years ended December 31, 2024 and 2023, the Company accrued its remuneration to employees amounting to \$39,980 and \$36,590, respectively, and the remuneration to directors amounting to \$2,997 and \$2,744, respectively. The estimated amounts mentioned above are calculated based on the income before income tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's Articles of Incorporation, and recognized them as operating expenses. The difference between accrual and actual payment, if any, will be accounted for as change in accounting estimate and be recognized in profit or loss in the following year.

The estimated remuneration to employees and directors for 2024 and 2023 were the same as the amount approved by the Board of Directors and were paid in cash. Related information is available at the Market Observation Post System website.

(q) Non-operating income and loss

(i) Interest income

	2024	2023
Interest income from bank deposits	<u>\$ 14,818</u>	<u>8,799</u>

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

(ii) Other income

	2024	2023
Rental income	\$ 2,144	2,114
Government grant	4,515	5,285
Others	2,370	2,534
	\$ 9,029	9,933

(iii) Other gains and losses

	2024	2023
Foreign currency exchange gains (losses), net	\$ (2,078)	602
Gains (losses) on financial instruments at fair value through profit or loss	(33)	1,849
Gains (losses) on disposal and scrap of property, plant and equipment	(201)	1,676
Gains on lease modifications	5	-
	\$ (2,307)	4,127

(iv) Finance costs

	2024	2023
Interest expense on bank loans	\$ 257	95
Interest expense on bonds payable	2,217	8,482
Interest expense on lease liabilities	116	65
	\$ 2,590	8,642

(r) Financial instruments

(i) Categories of financial instruments

1) Financial assets

	December 31, 2024	December 31, 2023
Financial assets at fair value through other comprehensive income — non-current	\$ -	55
Financial assets measured at amortized cost:		
Cash and cash equivalents	943,734	882,337
Financial assets measured at amortized cost (including current and non-current)	-	41,000
Notes and accounts receivable (including related parties)	646,270	601,146
Other receivables (including related parties)	2,350	845
Refundable deposits (recognized in non-current assets)	137,971	101,441
	\$ 1,730,325	1,626,824

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

2) Financial liabilities

	December 31, 2024	December 31, 2023
Financial liabilities measured at amortized cost:		
Bonds payable	\$ -	264,612
Accounts payable (including related parties)	559,792	362,580
Other payables	193,074	200,634
Lease liabilities (including current and non-current)	5,466	5,189
Guarantee deposits (recognized in non-current liabilities)	94	223
	<u>\$ 758,426</u>	<u>833,238</u>

(ii) Fair value information

1) Financial instruments not measured at fair value

The Company considers that the carrying amounts of financial assets and financial liabilities measured at amortized cost approximate their fair values.

2) Financial instruments measured at fair value

The financial assets at fair value through profit or loss are measured on a recurring basis. The table below analyzes financial instruments that are measured at fair value subsequent to initial recognition, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The different levels have been defined as follows:

- a) Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.
- b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- c) Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	December 31, 2023			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Redemption option of convertible bonds	\$ -	-	55	55

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

3) Valuation techniques and assumptions used in fair value measurement

The fair value of financial instruments traded in active liquid markets is determined with reference to quoted market prices.

For listed companies' stocks with standard terms and conditions and traded in active markets. The fair value is based on quoted market prices.

Except for the abovementioned financial instruments traded in an active market, the fair value of other financial instruments are based on the valuation techniques or the quotation from counterparty. The fair value using valuation techniques refers to the current fair value of other financial instruments with similar conditions and characteristics, or using a discounted cash flow method, or other valuation techniques which include model calculating with observable market data at the reporting date.

4) Transfers between levels of the fair value hierarchy

There was no transfer among fair value hierarchies for the years ended December 31, 2024 and 2023.

5) Movement in financial assets included in Level 3 fair value hierarchy

	<u>2024</u>	<u>2023</u>
Financial assets at fair value through profit or loss		
Balance at January 1	\$ 55	-
Additions	-	60
Disposals	(22)	(79)
Recognized in profit or loss	<u>(33)</u>	<u>74</u>
Balance at December 31	<u><u>\$ -</u></u>	<u><u>55</u></u>

(s) Financial risk management

The Company is exposed to credit risk, liquidity risk, and market risk (including currency risk, interest rate risk, and other market price risk). The Company has disclosed the information on exposure to the aforementioned risks and the Company's policies and procedures to measure and manage those risks as well as the quantitative information below.

The Board of Directors is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor adherence to the controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's operations.

The Company's management monitors and reviews financial activities in accordance with procedures required by relevant regulations and internal controls. Internal auditors undertake both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty of a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalents, receivables from customers, and other receivables. The maximum exposure to credit risk is equal to the carrying amount of the Company's financial assets.

The Company maintains cash and cash equivalents with reputable financial institutions. Therefore, the exposure related to potential default by those counter-parties is not considered significant.

In order to reduce credit risk of accounts receivable, the Company has established a credit policy under which each customer is analyzed individually for creditworthiness for the purpose of setting the credit limit. As of December 31, 2024 and 2023, 71% and 61%, respectively, of accounts receivable were from top five customers; thus, credit risk was significantly centralized. The Company continuously evaluates the credit quality of customers to minimize the credit risk.

Please refer to note 6(c) for credit risk exposure of accounts receivable. Other financial assets amortized at cost includes other receivables and refundable deposits (included in other financial assets – non-current). The abovementioned financial assets are considered low-credit risk financial assets; therefore, the loss allowances are measured using 12 months ECL.

(ii) Liquidity risk

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments, including principal and interest.

	Contractual cash flows	Within 1 year	1-2 years	2-5 years	More than 5 years
December 31, 2024					
Non-derivative financial liabilities:					
Accounts payable	\$ 559,792	559,792	-	-	-
Other payables	193,074	193,074	-	-	-
Lease liabilities	5,563	3,873	865	825	-
Guarantee deposits	94	-	94	-	-
	<u>\$ 758,523</u>	<u>756,739</u>	<u>959</u>	<u>825</u>	<u>-</u>
December 31, 2023					
Non-derivative financial liabilities:					
Bonds payable	\$ 274,600	-	-	274,600	-
Accounts payable	362,580	362,580	-	-	-
Other payables	200,634	200,634	-	-	-
Lease liabilities	5,229	3,957	1,272	-	-
Guarantee deposits	223	-	223	-	-
	<u>\$ 843,266</u>	<u>567,171</u>	<u>1,495</u>	<u>274,600</u>	<u>-</u>

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

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

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Foreign currency risk

The Company is exposed to foreign currency risk on sales, purchases and bank loans that are denominated in a currency other than the respective functional currency of the Company.

At the reporting date, the carrying amounts of the Company's significant monetary assets and liabilities denominated in a currency, other than the functional currencies of the Company and the sensitivity analysis were as follows:

December 31, 2024					
	Foreign currency (in thousands)	Exchange rate	NTD (in thousands)	Change in magnitude	Pre-tax effect on profit or loss (in thousands)
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$ 2,093	32.785	68,619	1 %	686
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	\$ 2,088	32.785	68,455	1 %	685
December 31, 2023					
	Foreign currency (in thousands)	Exchange rate	NTD (in thousands)	Change in magnitude	Pre-tax effect on profit or loss (in thousands)
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$ 2,995	30.75	92,096	1 %	921
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	\$ 2,977	30.75	91,543	1 %	915

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

As the Company deals in diverse foreign currencies, gains and losses on foreign exchange were summarized as a single amount. Please refer to note 6(q) for the aggregate of realized and unrealized foreign exchange gain (loss) for the years ended December 31, 2024 and 2023.

2) Interest rate risk

The Company's bank loans carried floating interest rates. To manage the interest rate risk, the Company periodically assesses the interest rates of bank loans and maintains good relationships with financial institutions to obtain lower financing costs. The Company also strengthens the management of working capital to reduce the dependence on bank loans, as well as the risk arising from fluctuation of interest rates. As of December 31, 2024 and 2023, there are no liabilities bearing floating interest rates at the end of the reporting period. The changes in interest rate would not cause significant potential financial impact on the Company's financial assets, and therefore the management believes that there is no significant interest risk.

(t) Capital management

In consideration of the industry dynamics and future developments, as well as external environment factors, the Company maintains an optimal capital structure to enhance long-term shareholder value by managing its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital needs, capital expenditures, repayment of debts, dividend payments, and other business requirements for continuing operations and to reward shareholders and take into consideration the interests of other stakeholders. The Company monitors its capital through reviewing the liability-to-equity ratio periodically.

The Company's liability-to-equity ratio at the end of each reporting period was as follows:

	December 31, 2024	December 31, 2023 (Restated)
Total liabilities	<u>\$ 1,337,775</u>	<u>1,297,668</u>
Total equity	<u>\$ 2,019,619</u>	<u>1,756,470</u>
Liability-to-equity ratio	<u>66.24 %</u>	<u>73.88 %</u>

(u) Financing activities not affecting current cash flow

(i) For acquisition of right-of-use assets under lease for the years ended December 31, 2024 and 2023 please refer to note 6(g).

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

	January 1, 2024	Cash flows	Non-cash changes		December 31, 2024
			Additions	Others	
Bonds payable	\$ 264,612	-	-	(264,612)	-
Lease liabilities	5,189	(5,942)	6,946	(727)	5,466
Guarantee deposits received	223	(129)	-	-	94
Total liabilities from financing activities	<u>\$ 270,024</u>	<u>(6,071)</u>	<u>6,946</u>	<u>(265,339)</u>	<u>5,560</u>

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

	January 1, 2023	Cash flows	Non-cash changes		December 31, 2023
			Additions	Others	
Short-term loans	\$ 150,000	(150,000)	-	-	-
Bonds payable	-	631,884	-	(367,272)	264,612
Lease liabilities	7,547	(5,448)	3,025	65	5,189
Guarantee deposits received	223	-	-	-	223
Total liabilities from financing activities	<u>\$ 157,770</u>	<u>476,436</u>	<u>3,025</u>	<u>(367,207)</u>	<u>270,024</u>

7. Related-party transactions

(a) Parent company and ultimate controlling party

Hitron Technologies Inc. (“Hitron”) is the parent company of the Company and owns 32.81% and 36.38%, respectively, of the outstanding shares of the Company as of both December 31, 2024 and 2023. Qisda Corporation (“Qisda”) is the ultimate controlling party of the Company. Hitron and Qisda have issued the consolidated financial statements for public use.

(b) Name and relationship with related parties

The followings are subsidiaries and other related parties that have had transactions with the Company during the reporting periods.

Name of related party	Relationship with the Company
Hwa Chi Technologies (Shanghai) Inc. (“Hwa Chi Technologies”)	The Company’s subsidiary
Transnet Corporation (“Transnet”)	The Company’s subsidiary
Hitron Technologies Inc. (“Hitron”)	The Company’s parent company
Alpha Networks Inc. (“Alpha”)	Hitron’s parent company
Qisda Corporation (“Qisda”)	The Company’s ultimate controlling party
Other related parties:	
Hitron Technologies (Vietnam) Inc. (“HVN”)	Hitron’s subsidiary
Alpha Networks Vietnam Company Limited (“Alpha VN”)	Alpha’s subsidiary
Enrich Investment Corporation	Alpha’s subsidiary
Metaage Corporation (“MTG”)	Qisda’s subsidiary
Golden Spirit Co., Ltd. (“GSC”)	Qisda’s subsidiary
BenQ Asia Pacific Corp. (“BQP”)	Qisda’s subsidiary
Global Intelligence Network Co., Ltd. (“Ginnet”)	MTG’s subsidiary
Associates:	
Fiber Logic Communications, Inc. (“Fiber Logic ”)	Starting November 19, 2024, Fiber Logic became an associate of the Company.

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

(c) Significant related-party transactions

(i) Revenue

	2024	2023
Parent company	\$ 40,050	24,296
Hitron's parent company	7,175	-
Other related parties	5,936	24,671
Subsidiaries	1,405	1,407
	<u>\$ 54,566</u>	<u>50,374</u>

The selling prices and payment terms of sales to related parties are not different from those with third-party customers.

(ii) Purchases

	2024	2023
Parent company	\$ 93	-
Other related parties	64,436	18,460
Associates	21,270	-
	<u>\$ 85,799</u>	<u>18,460</u>

The purchase prices and payment terms of related parties are not different from those with third-party vendors.

(iii) Receivables from related parties and contract liabilities

Account	Related-party categories	December 31, 2024	December 31, 2023
Accounts receivable	Parent company	\$ 7,701	6,723
	Hitron's parent company	446	1,680
	Other related parties	2,034	-
		<u>\$ 10,181</u>	<u>8,403</u>
Other receivables	Parent company	\$ -	41
	Other related parties	364	-
		<u>\$ 364</u>	<u>41</u>
Contract liabilities — current	Parent company	\$ 20	120
	Hitron's parent company	200	1,600
		<u>\$ 220</u>	<u>1,720</u>

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

(iv) Payables to related parties

The payables to related parties were as follows:

<u>Account</u>	<u>Related-party categories</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes and accounts payable	Other related parties	\$ 12,472	6,681
	Associates	22,334	-
		<u>\$ 34,806</u>	<u>6,681</u>

(v) Property transactions

For the years ended December 31, 2024 and 2023, the Company purchased furniture and fixtures amounting to \$2,527 and \$6,178, respectively, from parent company and other related parties.

(vi) Lease

The Company leased its office to its parent company and subsidiaries. For the years ended December 31, 2024 and 2023, the rental income amounted to \$1,074 and \$617, respectively.

(vii) Acquisition of subsidiary

As stated in Note 6(e), the Company acquired 100% equity ownership of Transnet, a subsidiary of Enrich Investment Corporation in June 2024, for a consideration of \$12,975, which was fully paid.

(d) Compensation for key management personnel

	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 51,015	56,948
Post-employment benefits	1,188	1,187
	<u>\$ 52,203</u>	<u>58,135</u>

8. Pledged assets

The carrying amounts of the assets pledged as collateral are detailed below:

<u>Pledged assets</u>	<u>Pledged to secure</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Refundable deposits (recognized in other non-current assets)	Warranty bond for contracts with customers	\$ 118,525	92,632

9. Significant commitments and contingencies

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Guarantee notes submitted for projects	\$ 7,176	15,256
Guarantee for construction	<u>\$ 107,709</u>	<u>113,771</u>

10. Significant losses due to major disasters: None

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to the Parent-Company-Only Financial Statements

11. Significant subsequent events: None

12. Others:

Employee benefits, depreciation, and amortization categorized by function were as follows:

	2024			2023		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits:						
Salaries	118,325	300,631	418,956	-	431,745	431,745
Insurance	11,876	22,290	34,166	-	32,709	32,709
Pension	6,036	11,293	17,329	-	17,382	17,382
Remuneration to directors	-	12,307	12,307	-	10,186	10,186
Others	4,601	11,616	16,217	-	14,324	14,324
Depreciation	-	26,694	26,694	-	23,845	23,845
Amortization	-	-	-	-	-	-

Additional information related to the number of employees and employee benefits of 2024 and 2023, was as follows:

	2024	2023
The number of employees	<u>370</u>	<u>366</u>
The number of non-employee directors	<u>6</u>	<u>6</u>
Average employee benefits	<u>\$ 1,337</u>	<u>1,378</u>
Average employee salaries	<u>\$ 1,151</u>	<u>1,199</u>
Average employee salaries increased (decreased) by	<u>(0.04)%</u>	<u>6.39 %</u>
Supervisors' remuneration	<u>\$ -</u>	<u>-</u>

The Company's salary and remuneration policies (including directors, managers and employees) were as follows:

The Company's salary and remuneration policies include directors, managers and employees are reviewed and stipulated regularly based on the participation and contribution to the operation, the industry norms, individual performance, the Company's overall operating performance and the rationality of future risks.

(a) Directors:

The reasonable remuneration is provided in accordance with "Remuneration Policy to the Directors and Functional Committee Members", including salaries, transportation allowances and the remuneration to directors. Pursuant to the Company's Articles of Incorporation, when there is profit for the year, the Company should distribute the remuneration to directors.

(b) Managers and employees:

The reasonable remuneration is provided in accordance with "Remuneration Policy to the Managers and Performance Measurement", including salaries, bonuses and the remuneration to employees based on the industry norms, individual performance and contribution to the Company's operational objective. Pursuant to the Company's Articles of Incorporation, when there is profit for the year, the Company should distribute the remuneration to employees.

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to Parent-Company-Only Financial Statements

13. Additional disclosures:

- (a) Information on significant transactions:
- (i) Financing provided to other parties: None
 - (ii) Guarantee and endorsement provided to other parties: None
 - (iii) Marketable securities held at the reporting date (excluding investments in subsidiaries, associates, and jointly controlled entities): None
 - (iv) Marketable securities for which the accumulated purchase or sale amounts exceed \$300 million or 20% of the paid-in capital: None
 - (v) Acquisition of real estate which exceeds \$300 million or 20% of the paid-in capital: None
 - (vi) Disposal of real estate which exceeds \$300 million or 20% of the paid-in capital: None
 - (vii) Total purchases from and sales to related parties which exceed \$100 million or 20% of the paid-in capital: None
 - (viii) Receivables from related parties which exceed \$100 million or 20% of the paid-in capital: None
 - (ix) Information about derivative instrument transactions: Please refer to note 6(b)
- (b) Information on investees:

(In Thousands of New Taiwan Dollar/shares)

Investor	Investee	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2024			Net Income (Loss) of the Investee	Share of Profits/ (Losses) of the Investee	Note
				December 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Value			
The Company	Transnet	Taiwan	Operating in network communication products, provide system support services, integrated supply and import and export of network equipment	36,236	-	4,000	80.00 %	46,859	8,573	9,354	Parent-subsidiary
The Company	Fiber Logic	Taiwan	Manufacture and sales of broadband transmission equipment and routers	96,930	-	1,350	6.00 %	95,818	79,846	1,588	Associate

(Continued)

INTERACTIVE DIGITAL TECHNOLOGIES INC.
Notes to Parent-Company-Only Financial Statements

(c) Information on investment in Mainland China:

(i) Information on investments in Mainland China:

(In Thousands of New Taiwan Dollar/foreign currency)

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 (Loss) of the Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024
					Outflow	Inflow						
Hwa Chi Technologies	Technical consultation on electronic communication, technology research and development, maintenance and after-sale service	USD 100	Direct investment	12,048	-	3,194	8,854	1,177	100.00 %	1,177	9,390	21,654

(ii) Limits on investment in Mainland China:

(In Thousands of New Taiwan Dollar/foreign currency)

Company Name	Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
Interactive Digital Technologies Inc.	8,854	USD 414	1,211,771

(iii) Significant transactions with investee companies in Mainland China:

Name of Associates	Relationship	Transaction Terms					Notes and Accounts Receivable (Payable)		
		Type	Amount	Price	Payment Terms	Transaction with Others	Balance	Percentage	Unrealized Gain (loss)
Hwa Chi Technologies	Subsidiary	Sales	1,405	Mutual agreement	OA60	-	-	-	-

(d) Major shareholders:

Major Shareholder's Name	Shareholding	Shares	Percentage
Hitron Technologies Inc.		16,702,600	32.81 %
Enrich Investment Corporation		2,575,000	5.05 %

14. Segment information

Please refer to the consolidated financial statements for the year ended December 31, 2024.

Interactive Digital Technologies Inc.
Statement of Cash and Cash Equivalents
December 31, 2024
(Expressed in Thousands of New Taiwan Dollar)

Item	Description	Amount
Cash on hand		\$ 450
Demand deposits and checking accounts		126,749
Foreign currency deposits (Note)	USD: 9 thousand	309
Time deposits with original maturities less than three months		750,000
Foreign currency time deposits (Note)	USD: 2,020 thousand	66,226
		<u><u>\$ 943,734</u></u>

Note: Foreign currency deposits were translated at the spot exchange rate on December 31, 2024 as follows:
 USD:NTD=1:32.785

Statement of Notes and Accounts Receivable

Client Name	Amount
Customer A	\$ 244,814
Customer B	87,907
Customer C	67,049
Customer D	37,913
Others (Note)	198,406
	<u><u>\$ 636,089</u></u>

Note: The amount of each item in others does not exceed 5% of the account balance.

(Continued)

Interactive Digital Technologies Inc.
Statement of Other Receivables
December 31, 2024
(Expressed in Thousands of New Taiwan Dollar)

Item	Amount
Interest receivable	\$ 1,916
Others	434
	<u>\$ 2,350</u>

Statement of Inventories

Item	Description	Amount	
		Carrying Amount	Net realizable Value
Merchandise		\$ 58,990	59,619
Consignment inventories		193,285	193,285
Project inventories		434,482	434,482
		<u>\$ 686,757</u>	<u>687,386</u>

Note: Provision of inventory obsolescence has been deducted.

(Continued)

Interactive Digital Technologies Inc.

Statement of Prepayments and Other Current Assets

December 31, 2024

(Expressed in Thousands of New Taiwan Dollar)

Item	Amount
Prepayment for purchase	\$ 386
Others	7,537
	\$ 7,923

Statement of Other Non-Current Assets

Item	Amount
Prepayments for equipment	\$ 855
Refundable deposits	137,971
	\$ 138,826

(Continued)

Interactive Digital Technologies Inc.

Statement of Changes in Investments Accounted for Using the Equity Method

For the year ended December 31, 2024

(Expressed in Thousands of New Taiwan Dollar/shares)

Name of Investee	Balance at January 1, 2024		Addition		Decrease		Investment Income (Loss)	Earnings Distribution	Other Adjustments (Note 1)	Balance at December 31, 2024			Net Assets Value		
	Shares	Amount	Shares	Amount	Shares	Amount				Shares	Percentage of Ownership	Amount	Unite Price (in NTD)	Total Amount	Collateral
Hwa Chi Technologies (Shanghai) Inc.	(Note)	\$ 13,588	-	-	-	(3,194)	1,177	(2,621)	440	(Note)	100.00 %	9,390	-	9,390	-
Transnet Corporation	1,674	16,739	2,326	36,236	-	-	5,590	-	(11,706)	4,000	80.00 %	46,859	11.71	46,859	-
Fiber Logic Communications, Inc.	-	-	1,350	96,930	-	-	1,588	(2,700)	-	1,350	6.00 %	95,818	70.98	95,818	-
		<u>\$ 30,327</u>		<u>133,166</u>		<u>(3,194)</u>	<u>8,355</u>	<u>(5,321)</u>	<u>(11,266)</u>			<u>152,067</u>		<u>152,067</u>	

Note: There were no shares as the company is a limited liability company.

Note 1: Other adjustments:

Foreign currency translation differences	\$ 440
Changes in ownership interests in subsidiaries	1,269
Organizational restructuring under common control	<u>(12,975)</u>
	<u>\$ (11,266)</u>

Interactive Digital Technologies Inc.
Statement of Contract Liabilities — Current
December 31, 2024
(Expressed in Thousands of New Taiwan Dollar)

Item	Description	Amount
Revenue received in advance	Client A	\$ 189,036
	Client B	68,871
	Client C	63,270
	Client D	32,692
Others (Note)		87,729
		<u><u>\$ 441,598</u></u>

Note: The amount of each item in others does not exceed 5% of the account balance.

Statement of Accounts Payable

Vendor Name	Description	Amount	Note
Vendor A		\$ 196,605	
Vendor B		26,313	
Other (Note)		302,068	
		<u><u>\$ 524,986</u></u>	

Note: The amount of each item in others does not exceed 5% of the account balance.

(Continued)

Interactive Digital Technologies Inc.
Statement of Other Payables
December 31, 2024
(Expressed in Thousands of New Taiwan Dollar)

Item	Amount
Salaries payable	\$ 116,706
Remuneration to employees	39,980
Sales tax payables	16,434
Others (Note)	19,954
	<u><u>\$ 193,074</u></u>

Note: The amount of each item in others does not exceed 5% of the account balance.

Statement of Lease Liabilities

Item	Lease Term	Discount Rate	Ending Balance
Buildings	2022/08~2026/03	0.95%~2.05%	\$ 2,588
Transportation equipment	2020/03~2029/02	1.20%~2.05%	2,838
Office equipment	2022/07~2025/06	0.95%~1.20%	40
			<u><u>\$ 5,466</u></u>
Current			<u><u>\$ 3,812</u></u>
Non-current			<u><u>\$ 1,654</u></u>

(Continued)

Interactive Digital Technologies Inc.
Statement of Other Current Liabilities
December 31, 2024
(Expressed in Thousands of New Taiwan Dollar)

Item	Amount
Temporary received	<u><u>\$ 1,573</u></u>

Statement of Non-Current Liabilities

Item	Amount
Guarantee deposits	<u><u>\$ 94</u></u>

Interactive Digital Technologies Inc.
Statement of Operating Revenue
For the year ended December 31, 2024
(Expressed in Thousands of New Taiwan Dollar)

Item	Amount
Revenue	\$ 2,067,635
Service income	386,887
Revenue, net	<u>\$ 2,454,522</u>

Statement of Operating Costs

Item	Amount
Inventory, beginning of year	\$ 604,578
Add: Purchases	1,686,722
Other transfer in	117,747
Less: Inventory, end of year	(690,002)
Other transfer out	<u>(199,342)</u>
Cost of goods sold	1,519,703
Reversal of write-down of inventories	(9,312)
Service costs	2,386
Warranty costs	<u>153,894</u>
Operating costs	<u>\$ 1,666,671</u>

Statement of Selling Expenses

Item	Amount
Salaries	\$ 195,993
Insurance expense	16,993
Others (Note)	<u>59,271</u>
	<u>\$ 272,257</u>

Note: The amount of each item in others does not exceed 5% of the account balance.

(Continued)

Interactive Digital Technologies Inc.
Statement of Administrative Expenses
For the year ended December 31, 2024
(Expressed in Thousands of New Taiwan Dollar)

Item	Amount
Salaries	\$ 128,238
Depreciation expense	14,738
Others (Note)	46,804
	<u><u>\$ 189,780</u></u>

Note: The amount of each item in others does not exceed 5% of the account balance.

For details on statement of Accounts Receivable (Payable) from (to) Related Parties and Other Payables to Related Parties, please refer to note 7.

For details on statement of Changes in Property, Plant and Equipment, please refer to note 6(f).

For details on statement of Changes in Right-of-Use Assets, please refer to note 6(g).

For details on statement of Changes in Deferred Income Tax Assets, please refer to note 6(l).

For details on statement of Provisions — Current and Non-Current, please refer to note 6(j).

For details on statement of Bonds Payable, please refer to note 6(h).

For details on statement of Deferred Income Tax Liabilities, please refer to note 6(l).

For details on statement of Operating Revenue, please refer to note 6(o).

For details on statement of Non-Operating Income and Loss, please refer to note 6(q).