

**INTERACTIVE DIGITAL TECHNOLOGIES INC.
AND SUBSIDIARIES**

**Consolidated Financial Statements
With Independent Auditors' Review Report
For the Six Months Ended June 30, 2024 and 2023(Restated)**

**Address : No. 38-1, Wugong 5th Road, Wugu District, New Taipei City, Taiwan
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The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

Table of Contents

Item	Page
I.Cover page	1
II.Table of Contents	2
III.Independent Auditors' Review Report	3
IV.Consolidated Balance Sheet	4
V.Consolidated Statement of Comprehensive Income	5
VI.Consolidated Statement of Changes in Equity	6
VII.Consolidated Statements of Cash Flows	7
VIII.Notes to the Consolidated Financial Statements	
(I) Company history	8
(II) Date and procedure for approving the financial statements	8
(III) Application of new and revised standards and interpretations	8
(IV) Summary of significant accounting policies	9~10
(V) Major accounting judgments, estimates, and major sources of uncertainty for assumptions	10
(VI) Description of important accounting items	11~30
(VII) Related party transactions	31~33
(VIII) Mortgage and pledge of assets	33
(IX) Material contingent liabilities and unrecognized contractual commitments	33
(X) Losses due to material disasters	34
(XI) Material events after the reporting period	34
(XII) Others	34
(XIII) Disclosures in Notes	
1. Information on significant transactions	35
2. Information on investees	35
3. Investment information in Mainland China	36
4. Information of major shareholders	36
(XIV) Segment information	36

Independent Auditors' Review Report

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

Foreword

We have reviewed the accompanying consolidated balance sheet of Interactive Digital Technologies Inc. and its subsidiaries for the three months ended June 30, 2024 and the consolidated statement of comprehensive income for the three months ended in June 30, 2024, and the six months ended June 30, 2024, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the six months ended June 30, 2024, as well as the notes to the financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope

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

Conclusion

Based on our review results, the above consolidated financial statements, in all material aspects, were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 — Interim Financial Reporting, and are a fair representation of the consolidated financial situation of Interactive Digital Technologies Inc. and its subsidiaries as of June 30, 2024 as well as financial performances for the three months ended June 30, 2024 and for the six months ended June 30, 2024, and consolidated cash flow for the six months ended June 30, 2024.

Emphasized matters

As stated in Notes 4(2) and (5), Interactive Digital Technologies Inc. acquired 100% equity of Transnet Co., Ltd., a subsidiary of Enrich Investment Corporation, in June 2024. The transaction, with reference to the ROC Accounting Research and Development Foundation Letter No. (2012) Ji-Mi-Zi No. 301 and the IFRS 3 Q&A "Accounting treatment of combination of entities or businesses under common control" published on October 26, 2018, is regarded as an organizational reorganization under common control and should be deemed to have been consolidated from the beginning. Based on this, the 2024 Q2 consolidated financial statements have been prepared and the 2023 Q2 consolidated financial statements restated by Interactive Digital Technologies Inc. and its subsidiaries. We have not revised our audit conclusion for the 2024 Q2 consolidated financial statements for this reason.

Other matters

The 2023 Q2 consolidated financial statements of Interactive Digital Technologies Inc. and its subsidiaries were reviewed by other independent auditors, and they issued a review report with an unqualified opinion on July 26, 2023.

As stated in Notes 4(2) and (5), Interactive Digital Technologies Inc. revised and restated the financial statements of 2023 Q2, but the former CPAs did not re-audit the report. We have conducted the necessary review procedures to review the adjusting entries in the restated consolidated financial statements. Based on our review results, we did not find any deviations from the requirements of the ROC Accounting Research and Development Foundation Letter No. (2012) Ji-Mi-Zi No. 301 and the IFRS 3 Q&A "Accounting treatment of combination of entities or businesses under common control" published on October 26, 2018.

KPMG Taiwan

Certified Public Accountant: Huang, Ming-Hung
Chang, Huei-Chen

Approval reference number of the securities authority : Jin-Guan-Zheng-Shen-Zi No.
1060005191
July 24, 2024 (88) Tai-Tsai-Cheng (6) No. 18311

Interactive Digital Technologies Inc. and Subsidiaries

Consolidated Balance Sheet

June 30, 2024, December 31, 2023, and June 30, 2023

Unit: NTD thousand

Assets		2024.6.30		2023.12.31		2023.6.30					2024.6.30		2023.12.31		2023.6.30				
		Amount	%	Amount	%	Amount	%				Amount	%	Amount	%	Amount	%			
Current assets:																			
1100	Cash and cash equivalents (Note 6(1))	\$	983,172	31	900,699	29	976,870	32	2130	Contract liabilities - current (Note 6(6))	\$	279,930	9	289,338	9	363,265	12		
1136	Financial assets measured at amortized cost - current (Note 6(1))	-	-		20,000	-	20,000	1	2170	Accounts payable	408,306	13	361,342	12	288,561	10			
1170	Notes and accounts receivable, net (Note 6(3) and (16))	469,349	15	614,453	20	298,878	10	2180	Accounts payable - Related parties (Note 7)	20,911	1	9,815	-	3,877	-				
1180	Accounts receivable - related parties, net (Note 6(3), (16) and 7)	21,050	1	28,470	1	5,123	-	2200	Other payables (Note 6(14) and (17))	428,811	14	206,553	7	353,983	12				
1200	Other receivables (Note 7)	998	-	845	-	475	-	2220	Other payables - Related parties (Note 7)	-	-	15,000	-	-	-				
130X	Inventories, net (Note 6(4))	753,063	24	605,793	20	729,123	24	2230	Current income tax liabilities	63,858	2	69,808	2	17,433	1				
1410	Prepayments and other current assets	13,217	-	5,441	-	80,853	3	2250	Provision - current (Note 6(11))	42,073	1	69,388	2	74,069	2				
Total current assets		2,240,849	71	2,175,701	70	2,111,322	70	2280	Lease liabilities - current (Note 6(10))	5,180	-	3,923	-	4,446	-				
Non-current assets:								2300	Other current liabilities	2,693	-	19,641	1	7,413	-				
									Total of current liabilities	1,251,762	40	1,044,808	33	1,113,047	37				
1510		Financial assets at fair value through profit or loss - non-current	-	-	55	-	156	-	Non-current liabilities:										
		(Note 6(2) and (8))	-	-					Corporate bonds payable (Note 6(8))		130,701	4	264,612	9	496,540	16			
1536		Financial assets measured at amortized cost - non-current (Note 6(1)	-	-	21,558	1	558	-	Long-term borrowings (Note 6(9))		25,000	1	-	-	-	-			
		and 8)	-	-					Provision - non-current (Note 6(11))		36,680	1	34,641	1	50,240	2			
1600		Property, plant and equipment (Note 6(6) and 7)	766,338	24	770,338	25	771,634	26	2550	Deferred income tax liabilities	409	-	409	-	119	-			
1755		Right-of-use assets (Note 6(7))	7,899	-	5,159	-	6,145	-	2570	Lease liabilities - non-current (Note 6(10))	2,754	-	1,266	-	1,739	-			
1840		Deferred income tax assets	23,612	1	23,612	1	31,325	1	2580	Other non-current liabilities	54	-	223	-	222	-			
1990		Other non-current assets (Note 8)	137,362	4	106,006	3	93,491	3	2600	Total non-current liabilities	195,598	6	301,151	10	548,860	18			
		Total non-current assets	935,211	29	926,728	30	903,309	30	Total liabilities										
									Equity attributable to owners of the parent company (Note 6(8)		1,447,360	46	1,345,959	43	1,661,907	55			
									and (14)):										
								3100	Share capital										
								3110	Common stock capital	476,857	15	431,373	14	402,532	14				
								3140	Capital received in advance	6,860	-	27,618	1	13,163	-				
								3200	Capital surplus	860,344	27	786,038	25	593,473	20				
								3300	Retained earnings	385,001	12	495,436	16	334,730	11				
								3400	Other equity	(362)	-	(734)	-	(489)	-				
									Total equity attributable to owners of the parent company	1,728,700	54	1,739,731	56	1,343,409	45				
								35XX	Equity of previous party under common control	-	-	16,739	1	9,315	-				
									Total equity	1,728,700	54	1,756,470	57	1,352,724	45				
Total assets		\$	3,176,060	100	3,102,429	100	3,014,631	100	Total liabilities and equity	\$	3,176,060	100	3,102,429	100	3,014,631	100			

(Please refer to the attached Notes to the Consolidated Financial Statements)

Chairman: Wen-Fang Huang

Manager: Mei-Lang Liu

Accounting supervisor: Mei-Chi Chen

Interactive Digital Technologies Inc. and Subsidiaries
Consolidated Statement of Comprehensive Income
April 1 to June 30, 2024 and 2023 and January 1 to June 30, 2024 and 2023

Unit: NTD thousand

		April to June 2024		April to June 2023 (After restatement)		January to June 2024		January to June 2023 (After restatement)	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Note 6(16) and 7)	\$ 640,966	100	475,378	100	1,074,846	100	810,888	100
5000	Operating cost (Notes 6(4), (11), (12), 7, and 12)	(441,392)	(69)	(268,987)	(57)	(696,146)	(65)	(424,667)	(52)
	Gross operating profit	199,574	31	206,391	43	378,700	35	386,221	48
	Operating expenses (Notes 6(3), (6), (7), (10), (12), (17), 7, and 12):								
6100	Sales promotion expenses	(71,345)	(11)	(109,643)	(23)	(135,404)	(12)	(211,510)	(26)
6200	Administrative expenses	(48,836)	(8)	(45,129)	(9)	(94,853)	(9)	(84,231)	(10)
6450	Expected credit impairment loss	-	-	10,000	2	-	-	2,977	-
	Total operating expenses	(120,181)	(19)	(144,772)	(30)	(230,257)	(21)	(292,764)	(36)
	Net operating profit	79,393	12	61,619	13	148,443	14	93,457	12
	Non-operating income and expenses (Note 6(10), (18) and 7):								
7100	Interest revenue	4,519	1	2,653	1	7,702	1	3,696	-
7010	Other income	1,178	-	718	-	5,485	-	1,625	-
7020	Other gains and losses	(1,624)	-	1,495	-	(2,741)	-	3,293	-
7050	Financial cost	(904)	-	(2,707)	(1)	(2,149)	-	(4,588)	-
	Total non-operating income and expenses	3,169	1	2,159	-	8,297	1	4,026	-
	Net income before tax	82,562	13	63,778	13	156,740	15	97,483	12
7950	Less: Income tax expense (profit) (Note 6(13))	(16,311)	(3)	4,041	1	(32,264)	(3)	(3,807)	-
	Net income for the period	66,251	10	67,819	14	124,476	12	93,676	12
	Other comprehensive income (Note 6(14)):								
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of financial statements of foreign operations	87	-	-	-	372	-	-	-
8399	Income tax related to items that may be reclassified	-	-	-	-	-	-	-	-
	Other comprehensive income for the period	87	-	-	-	372	-	-	-
	Total comprehensive income for the current period	<u>\$ 66,338</u>	<u>10</u>	<u>67,819</u>	<u>14</u>	<u>124,848</u>	<u>12</u>	<u>93,676</u>	<u>12</u>
	Net profit for the period attributable to:								
8610	Owner of the parent company	\$ 64,770	10	71,698	15	128,240	12	101,057	13
8615	Equity of previous party under common control	1,481	-	(3,879)	(1)	(3,764)	-	(7,381)	(1)
		<u>\$ 66,251</u>	<u>10</u>	<u>67,819</u>	<u>14</u>	<u>124,476</u>	<u>12</u>	<u>93,676</u>	<u>12</u>
	Total comprehensive income attributable to:								
8710	Owner of the parent company	\$ 64,857	10	71,698	15	128,612	12	101,057	13
8715	Equity of previous party under common control	1,481	-	(3,879)	(1)	(3,764)	-	(7,381)	(1)
		<u>\$ 66,338</u>	<u>10</u>	<u>67,819</u>	<u>14</u>	<u>124,848</u>	<u>12</u>	<u>93,676</u>	<u>12</u>
	Earnings per share (Unit: NTD, Note 6(15))								
9750	Basic earnings per share	<u>\$ 1.35</u>		<u>1.77</u>		<u>2.71</u>		<u>2.50</u>	
9850	Diluted earnings per share	<u>\$ 1.28</u>		<u>1.47</u>		<u>2.54</u>		<u>2.08</u>	

(Please refer to the attached Notes to the Consolidated Financial Statements)

Chairman: Wen-Fang Huang

Manager: Mei-Lang Liu

Accounting supervisor: Mei-Chi Chen

Interactive Digital Technologies Inc. and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to June 30, 2024 and 2023

Unit: NTD thousand

	Equity attributable to owners of the parent							Other equity Exchange differences on translation of financial statements of foreign operations	Total equity attributable to owners of the parent company	Equity of previous party under common control	Total equity
	Share capital		Retained earnings								
	Common stock capital	Capital received in advance	Capital surplus	Legal reserve	Special reserves	Undistributed earnings	Total				
Balance on January 1, 2023 after restatement	\$ 402,499	33	486,890	203,846	674	222,368	426,888	(489)	1,315,821	16,696	1,332,517
Net income for the period	-	-	-	-	-	101,057	101,057	-	101,057	(7,381)	93,676
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the current period	-	-	-	-	-	101,057	101,057	-	101,057	(7,381)	93,676
Appropriation and distribution of earnings:											
Appropriation of legal reserve	-	-	-	21,501	-	(21,501)	-	-	-	-	-
Common stock cash dividends	-	-	-	-	-	(193,215)	(193,215)	-	(193,215)	-	(193,215)
Reversal of special reserve	-	-	-	-	(185)	185	-	-	-	-	-
Cash distribution from capital reserve	-	-	(20,126)	-	-	-	-	-	(20,126)	-	(20,126)
Proceeds from shares issued transferred to share capital	33	(33)	-	-	-	-	-	-	-	-	-
Conversion of convertible bonds to common shares	-	13,163	71,561	-	-	-	-	-	84,724	-	84,724
Share options recognized for issuance of convertible corporate bonds	-	-	55,148	-	-	-	-	-	55,148	-	55,148
Balance on June 30, 2023 after restatement	\$ 402,532	13,163	593,473	225,347	489	108,894	334,730	(489)	1,343,409	9,315	1,352,724
Balance on January 1, 2024 after restatement	\$ 431,373	27,618	786,038	225,347	489	269,600	495,436	(734)	1,739,731	16,739	1,756,470
Net income for the period	-	-	-	-	-	128,240	128,240	-	128,240	(3,764)	124,476
Other comprehensive income for the period	-	-	-	-	-	-	-	372	372	-	372
Total comprehensive income for the current period	-	-	-	-	-	128,240	128,240	372	128,612	(3,764)	124,848
Appropriation and distribution of earnings:											
Appropriation of legal reserve	-	-	-	26,176	-	(26,176)	-	-	-	-	-
Provision of special reserve	-	-	-	-	245	(245)	-	-	-	-	-
Common stock cash dividends	-	-	-	-	-	(238,675)	(238,675)	-	(238,675)	-	(238,675)
Cash distribution from capital reserve	-	-	(36,719)	-	-	-	-	-	(36,719)	-	(36,719)
Proceeds from shares issued transferred to share capital	45,484	(45,484)	-	-	-	-	-	-	-	-	-
Conversion of convertible bonds to common shares	-	24,726	111,025	-	-	-	-	-	135,751	-	135,751
Equity of previous party under common control	-	-	-	-	-	-	-	-	-	(12,975)	(12,975)
Balance as of June 30, 2024	\$ 476,857	6,860	860,344	251,523	734	132,744	385,001	(362)	1,728,700	-	1,728,700

(Please refer to the attached Notes to the Consolidated Financial Statements)

Chairman: Wen-Fang Huang

Manager: Mei-Lang Liu

Accounting supervisor: Mei-Chi Chen

Interactive Digital Technologies Inc. and Subsidiaries

Consolidated Statements of Cash Flows

January 1 to June 30, 2024 and 2023

	Unit: NTD thousand	
	January to June 2024	January to June 2023
	(After restatement)	
Cash flow from operating activities:		
Net income before tax for the period	\$ 156,740	97,483
Adjustments:		
Income and expenses		
Depreciation expense	13,211	11,241
Reversal of expected credit impairment loss	-	(2,977)
Net loss (gain) on financial instruments at fair value through profit or loss	45	(1,895)
Interest expense	2,149	4,588
Interest revenue	(7,702)	(3,696)
Losses (gains) from the disposal and scrapping of property, plant and equipment	575	(1,676)
Gain on lease modification	(5)	-
Total income and expense	<u>8,273</u>	<u>5,585</u>
Changes in operating assets/liabilities:		
Net changes in assets related to operating activities:		
Notes and accounts receivable	145,104	364,021
Accounts receivable - related parties	7,420	1,820
Other receivables	(96)	34
Inventory	(147,167)	(71,389)
Prepayments and other current assets	<u>(7,776)</u>	<u>(1,810)</u>
Total net changes in assets related to operating activities	<u>(2,515)</u>	<u>292,676</u>
Net changes in liabilities related to operating activities:		
Contract liabilities	(9,408)	(62,452)
Accounts payable	46,964	(54,967)
Accounts payable - related parties	11,096	1,906
Other payables	(53,139)	(50,098)
Other payables - Related parties	(15,000)	-
Provision	(25,276)	(24,039)
Other current liabilities	<u>(16,948)</u>	<u>34</u>
Total net changes in liabilities related to operating activities	<u>(61,711)</u>	<u>(189,616)</u>
Total net changes in assets and liabilities related to operating activities	<u>(64,226)</u>	<u>103,060</u>
Total adjustment items	<u>(55,953)</u>	<u>108,645</u>
Cash inflow from operations	100,787	206,128
Interest received	7,645	3,362
Interest paid	(239)	(231)
Income tax paid	<u>(38,214)</u>	<u>(40,614)</u>
Net cash inflow from operating activities	<u>69,979</u>	<u>168,645</u>

(continued on next page)

(Please refer to the attached Notes to the Consolidated Financial Statements)

Chairman: Wen-Fang Huang

Manager: Mei-Lang Liu

Accounting supervisor: Mei-Chi Chen

Interactive Digital Technologies Inc. and Subsidiaries
Consolidated Statement of Cash Flows (continued from previous page)
January 1 to June 30, 2024 and 2023

Unit: NTD thousand

	January to June 2024	January to June 2023 (After restatement)
Cash flow from investing activities:		
Acquisition of financial assets at amortized cost	-	(20,000)
Disposal of financial assets measured at amortized cost	41,558	2,720
Disposal of financial assets at fair value through profit or loss	-	23,767
Acquisition of property, plant and equipment	(7,039)	(18,746)
Proceeds from the disposal of property, plant and equipment	-	1,676
Decrease (increase) in refundable deposits	(31,356)	1,300
Increase of other non-current assets	-	(329)
Decrease in prepaid equipment purchase	-	1,606
Net cash inflows (outflows) from investing activities	3,163	(8,006)
Cash flow from financing activities:		
Increase in long-term borrowings	25,000	-
Decrease in short-term borrowings	-	(150,000)
Issuance of corporate bonds	-	631,884
Borrowing of long-term loans	-	(26,000)
Lease principal repayment	(2,834)	(2,652)
Interest paid on leases	(57)	(37)
Decrease in guarantee deposits received	(169)	-
Acquisition of shares of subsidiaries	(12,975)	-
Net cash inflow from financing activities	8,965	453,195
Effect of exchange rate changes on cash and cash equivalents	366	-
Increase in cash and cash equivalents in the current period	82,473	613,834
Opening balance of cash and cash equivalents	900,699	363,036
Closing balance of cash and cash equivalents	\$ 983,172	976,870

(Please refer to the attached Notes to the Consolidated Financial Statements)

Chairman: Wen-Fang Huang

Manager: Mei-Lang Liu

Accounting supervisor: Mei-Chi Chen

Interactive Digital Technologies Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
For the six months ended June 30, 2024 and 2023 (after restatement)
(Unless otherwise stated, all amounts are in NTD thousand)

I. Company history

Interactive Digital Technologies Inc. (hereinafter referred to as the "Company") was incorporated on May 14, 2003 with the approval of the Ministry of Economic Affairs. The registered address is No. 38-1, Wugong 5th Rd., Wugu Dist., New Taipei City, Taiwan. The Company and its subsidiaries (hereinafter referred to as the "consolidated company") mainly provide telecommunications and broadband network system services, wireless transmission services, digital media system services, cloud information system services and geographic information system services. Qisda Corporation is the ultimate parent company of the Company.

II. Date and procedure for approving the financial statements

This consolidated financial statement was approved by the Board of Directors on July 24, 2024.

III. Application of new and revised standards and interpretations

- (I) The impact of the adoption of the new and revised standards and interpretations approved by the Financial Supervisory Commission (hereinafter referred to as the "FSC")

The consolidated company began to apply the following newly amended IFRS on January 1, 2024, and there was no significant impact on the consolidated financial statements.

- 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"

- (II) The impact of not yet adopting the IFRS endorsed by the FSC

The Group has assessed that the application of the following newly amended IFRSs effective from January 1, 2025 will not cause significant impact on the consolidated financial statements.

- Amendments to IAS 21 "Lack of Exchangeability"

- (III) New and revised standards and interpretations not yet endorsed by the FSC

The Group expects the following new and revised standards that have not yet been endorsed to have no significant impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 "The Sale or Investment of Assets between Investors and Their Affiliates or Joint Ventures"
- Amendments to IFRS 17 "Insurance contracts"
- IFRS 18 "Presentation and Disclosure in Financial Statements"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosure"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards

Interactive Digital Technologies Inc. and subsidiaries

Notes to the consolidated financial statements (continued)

IV. Summary of significant accounting policies

(I) Declaration of compliance

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the "Regulations") and IAS No. 34 "Interim Financial Reporting" endorsed and issued into effect by the FSC. This consolidated financial statements does not include all the necessary information to be disclosed in the annual financial report in accordance with the IFRS, IAS, interpretations and interpretation announcements approved and issued by the FSC (hereinafter collectively referred to as "IFRSs").

Except for the following, the significant accounting policies adopted in this consolidated financial statement are the same as those in the 2023 consolidated financial statements. For relevant information, please refer to Note 4 to the 2023 consolidated financial statements.

(II) Basis for consolidation

1. Subsidiaries included in the consolidated financial statements

Subsidiaries included in the consolidated financial statements include:

<u>Name of Investment Company</u>	<u>Name of subsidiary</u>	<u>Nature of business</u>	<u>Consolidated shareholding percentage</u>			<u>Description</u>
			<u>2024.6.30</u>	<u>2023.12.31</u>	<u>2023.6.30</u>	
The Company	Hwa Chi Technologies (shanghai) Inc. (Hwa Chi Technologies)	Technical consultation, R&D, maintenance and after-sales service of electronic communication products	100.00%	100.00%	100.00%	-
The Company	Transnet Co., Ltd. (Transnet)	Integrated supply of network communication products, system services, and import and export of network equipment	100.00%	-	-	Note 1:

Note 1: As stated in Note 6(5), Interactive Digital Technologies Inc. acquired 100% equity of Transnet Co., Ltd., a subsidiary of Enrich Investment Corporation, in June 2024. The above transaction was an organizational reorganization under common control and should be deemed to have been consolidated from the beginning. When the Group prepared the 2024 Q2 consolidated financial statements, it has retroactively restated the 2023 and 2023 Q2 consolidated financial statements.

2. Subsidiaries not included in the consolidated financial statements: None.

(III) Income tax

The consolidated company measured and disclosed the interim income tax expense in accordance with IAS No. 34 "Interim Financial Report" Paragraph B12.

Income tax expense is measured by multiplying the net profit before tax during the interim reporting period by the management's best estimate of the expected effective tax rate for the year, and fully recognized as current income tax expense.

Income tax expense that is recognized directly in equity or other comprehensive income item is based on the temporary difference between the carrying amount of the relevant assets and liabilities for financial reporting purposes and their taxation bases, which is measured at the tax rate applicable at the time of expected realization or settlement.

Interactive Digital Technologies Inc. and subsidiaries
Notes to the consolidated financial statements (continued)

(IV) Classification criteria for current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current:

1. Assets expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
2. Assets held primarily for the purpose of trading;
3. Assets expected to be realized within twelve months after the reporting period; or
4. The asset is cash or a cash equivalent (as defined in IAS No. 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current:

1. Liabilities expected to be settled in normal a operating cycle;
2. Liabilities held primarily for the purpose of trading;
3. Liabilities due to be settled within twelve months after the reporting period; or
4. Liabilities that do not have the right to unconditionally defer the settlement period for at least 12 months after the reporting period.

(V) Reorganization under common control

The Group acquired 100% equity of Transnet Co., Ltd. from Enrich Investment Corporation, a subsidiary, in June 2024. The transaction, with reference to the ROC Accounting Research and Development Foundation Letter No. (2012) Ji-Mi-Zi No. 301 and the IFRS 3 Q&A "Accounting treatment of combination of entities or businesses under common control" published on October 26, 2018, is regarded as an organizational restructuring under common control and should be deemed to have occurred in the earliest comparable period presented in the financial statements or in the period of joint control; whichever of those two dates is the most recent shall be considered the date of establishment and the comparative information has been restated accordingly. The above assets and liabilities acquired under common control are recognized at the book value in the consolidated financial statements of the controlling shareholder.

When preparing the consolidated balance sheet, the equity of joint control prior to acquisition is attributed to the "equity of the previous party under common control"; when preparing the consolidated statement of comprehensive income, the profit or loss of the former controlling shareholders is classified as "net income (loss) of previous party under common control".

V. Major accounting judgments, estimates, and major sources of uncertainty for assumptions

When preparing the consolidated financial statements, the management has complied with IAS No. 34 "Interim Financial Reporting" endorsed and issued into effect by the FSC, the management must make judgments, estimates and assumptions that may impact the adoption of accounting policies and the reported amount of the assets, liabilities, revenues and expenses. Actual results may differ from estimates.

In preparing the consolidated financial statements, the significant judgments made by the management in adopting the accounting policies of the consolidated company and the main sources of estimation uncertainty are consistent with Note 5 to the 2023 consolidated financial statements.

Interactive Digital Technologies Inc. and subsidiaries
Notes to the consolidated financial statements (continued)

VI. Description of important accounting items

Except for the following, there is no material difference between the major accounting items in the consolidated financial statements and the 2023 consolidated financial statements. For relevant information, please refer to Note 6 of the 2023 consolidated financial statements.

(I) Cash and cash equivalent

	<u>2024.6.30</u>	<u>2023.12.31</u> (After restatement)	<u>2023.6.30</u> (After restatement)
Cash on hand	\$ 450	470	470
Demand deposits and checking deposits	214,782	288,901	275,520
Time deposits within three months from original maturity date	<u>767,940</u>	<u>611,328</u>	<u>700,880</u>
	<u>\$ 983,172</u>	<u>900,699</u>	<u>976,870</u>

As of December 31, 2023 and June 30, 2023, bank time deposits with original maturities over three months to one year amounted to NTD 20,000 thousand, classified under financial assets measured at amortized cost - current; on December 31 and June 30, 2023, bank time deposits with original maturity date of more than one year amounted to NTD 21,558 thousand and NTD 558 thousand, respectively, and are classified under the Financial assets measured at amortized cost - non-current.

(II) Financial instruments measured at fair value through profit or loss

	<u>2024.6.30</u>	<u>2023.12.31</u>	<u>2023.6.30</u>
Financial assets at fair value through profit or loss - non-current:			
Redemption right of convertible corporate bond	<u>\$ -</u>	<u>55</u>	<u>156</u>

(III) Notes and accounts receivable

	<u>2024.6.30</u>	<u>2023.12.31</u> (After restatement)	<u>2023.6.30</u> (After restatement)
Notes and accounts receivable	\$ 469,349	614,453	298,878
Accounts receivable - related parties	<u>21,050</u>	<u>28,470</u>	<u>5,123</u>
	<u>\$ 490,399</u>	<u>642,923</u>	<u>304,001</u>

The consolidated company estimates the expected credit losses using a simplified method for all notes and accounts receivable, that is, using the lifetime expected credit losses to measure, and they have been included in forward-looking information. The expected credit loss of the consolidated company's notes and accounts receivable is analyzed as follows:

Interactive Digital Technologies Inc. and subsidiaries
Notes to the consolidated financial statements (continued)

	2024.6.30		
	Carrying amount of notes and accounts receivable	Weighted average rate of expected credit losses	Allowance for expected credit losses during the duration
Not past due	\$ 398,309	0%	-
Overdue within 30 days	89,313	0%	-
Overdue 31 to 90 days	1,239	0%	-
Overdue for 91 to 180 days	1,538	0%	-
Overdue for more than 181 days	-	100%	-
	<u>\$ 490,399</u>		<u>-</u>
	2023. 12.31 (after restatement)		
	Carrying amount of notes and accounts receivable	Weighted average rate of expected credit losses	Allowance for expected credit losses during the duration
Not past due	\$ 639,430	0%	-
Overdue within 30 days	566	0%	-
Overdue 31 to 90 days	527	0%	-
Overdue for 121 to 180 days	2,400	0%	-
Overdue for more than 181 days	-	100%	-
	<u>\$ 642,923</u>		<u>-</u>
	2023.6.30 (after restatement)		
	Carrying amount of notes and accounts receivable	Weighted average rate of expected credit losses	Allowance for expected credit losses during the duration
Not past due	\$ 289,979	0%	-
Overdue within 30 days	14,007	0%	-
Overdue 31 to 90 days	15	0%	-
Overdue for more than 181 days	-	100%	-
	<u>\$ 304,001</u>		<u>-</u>

Interactive Digital Technologies Inc. and subsidiaries
Notes to the consolidated financial statements (continued)

The changes in the allowance for notes and accounts receivable of the consolidated company are as follows:

	January to June 2024	January to June 2023
Opening balance	\$ -	2,977
Reversal of impairment loss	-	(2,977)
Closing balance	<u><u>\$ -</u></u>	<u><u>-</u></u>

(IV) Inventory

	2024.6.30	2023.12.31 (After restatement)	2023.6.30 (After restatement)
Merchandise inventory	\$ 134,328	22,360	116,043
Deposits	251,529	306,395	242,917
Project inventory	<u>367,206</u>	<u>277,038</u>	<u>370,163</u>
	<u><u>\$ 753,063</u></u>	<u><u>605,793</u></u>	<u><u>729,123</u></u>

Project inventory refers to the labor cost and related inventory that have been invested in projects but have not yet been recognized as revenue.

Details of inventory-related expenses recognized by the consolidated company as operating costs in the current period:

	April to June 2024	April to June 2023 (After restatement)	January to June 2024	January to June 2023 (After restatement)
Cost of sold inventories	\$ 408,168	239,297	627,901	358,166
Inventory valuation losses (reversal gains)	994	5,021	(3,505)	4,154
Labor and warranty cost	<u>32,230</u>	<u>24,669</u>	<u>71,750</u>	<u>62,347</u>
	<u><u>\$ 441,392</u></u>	<u><u>268,987</u></u>	<u><u>696,146</u></u>	<u><u>424,667</u></u>

Interactive Digital Technologies Inc. and subsidiaries
Notes to the consolidated financial statements (continued)

The abovementioned allowance for decline in value of inventories is recognized when the net realizable value of inventories is offset against the decline in value of inventories to the net realizable value recognized as loss on decline in inventory of net realizable value.

(V) Acquisition of subsidiary -Transnet Co., Ltd.

The Company acquired 100% equity of Transnet Co., Ltd., a subsidiary of Enrich Investment Corporation, in June 2024 for NTD 12,975 thousand in cash. Transnet is mainly engaged in the integrated supply of network communication products, systems and services, and the import and export of network equipment. The Group's acquisition of Transnet is to expand the value-added applications and services of the 5G enterprise private network.

The abovementioned Group acquisition of Transnet's equity is an organizational restructuring under common control, and should be deemed to have been consolidated from the beginning. The assets acquired and the liabilities assumed by the Group in June 2024 are as follows:

Transfer consideration:

Cash	12,975
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Assets acquired and liabilities assumed:

Cash and cash equivalents	19,072	
Notes and accounts receivable	28,618	
Inventory	8,158	
Prepayments and other current assets	41	
Other non-current assets	4,828	
Contract liabilities	(34,100)	
Accounts payable	(4,146)	
Accounts payable - -related parties	(615)	
Other payables	(777)	
Other current liabilities	(3,104)	
Long-term borrowings	(5,000)	12,975
Difference		-

(VI) Property, plant and equipment

		<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Others</u>	<u>Total</u>
Cost:						
Balance on January 1, 2024	\$	641,026	153,861	18,649	31,570	845,106
Addition		-	2,202	1,167	3,670	7,039
Disposal		-	-	-	(1,548)	(1,548)
Reclassified to inventories		-	-	(155)	-	(155)
Effect of exchange rate changes		-	-	26	3	29
Balance on June 30, 2024	\$	641,026	156,063	19,687	33,695	850,471

Interactive Digital Technologies Inc. and subsidiaries
Notes to the consolidated financial statements (continued)

			Machinery and equipment	Others	Total
	Land	Buildings			
Balance on January 1, 2023	\$ 641,026	143,253	13,461	29,296	827,036
Addition	-	7,773	6,434	4,539	18,746
Disposal	-	-	(2,533)	(5,864)	(8,397)
Effect of exchange rate changes	-	-	(16)	(3)	(19)
Balance on June 30, 2023	\$ 641,026	151,026	17,346	27,968	837,366
Accumulated depreciation and impairment loss:					
Balance on January 1, 2024	\$ 8,984	47,079	5,778	12,927	74,768
Depreciation	-	4,823	2,049	3,495	10,367
Disposal	-	-	-	(973)	(973)
Reclassified to inventories	-	-	(52)	-	(52)
Effect of exchange rate changes	-	-	20	3	23
Balance on June 30, 2024	\$ 8,984	51,902	7,795	15,452	84,133
Balance on January 1, 2023	\$ 8,984	38,360	4,595	13,634	65,573
Depreciation	-	3,996	1,753	2,826	8,575
Disposal	-	-	(2,533)	(5,864)	(8,397)
Effect of exchange rate changes	-	-	(16)	(3)	(19)
Balance on June 30, 2023	\$ 8,984	42,356	3,799	10,593	65,732
Book value:					
January 1, 2024	\$ 632,042	106,782	12,871	18,643	770,338
June 30, 2024	\$ 632,042	104,161	11,892	18,243	766,338
June 30, 2023	\$ 632,042	108,670	13,547	17,375	771,634

(VII) Right-of-use assets

	Buildings	Transportati on equipment	Office equipment	Total
Cost:				
Balance on January 1, 2024	\$ 5,708	8,192	224	14,124
Addition	4,131	2,293	-	6,424
Disposal	(2,980)	-	-	(2,980)
Balance on June 30, 2024	\$ 6,859	10,485	224	17,568
Balance on January 1, 2023	\$ 5,490	6,799	544	12,833
Addition	168	1,120	-	1,288
Disposal	-	(242)	-	(242)
Balance on June 30, 2023	\$ 5,658	7,677	544	13,879
Accumulated depreciation:				
Balance on January 1, 2024	\$ 3,548	5,312	105	8,965
Provision of depreciation	1,384	1,420	40	2,844
Disposal	(2,140)	-	-	(2,140)
Balance on June 30, 2024	\$ 2,792	6,732	145	9,669

Interactive Digital Technologies Inc. and subsidiaries Notes to the consolidated financial statements (continued)

	Buildings	Transportati on equipment	Office equipment	Total
Balance on January 1, 2023	\$ 1,126	3,935	249	5,310
Provision of depreciation	1,411	1,162	93	2,666
Disposal	-	(242)	-	(242)
Balance on June 30, 2023	<u>\$ 2,537</u>	<u>4,855</u>	<u>342</u>	<u>7,734</u>
Book value:				
January 1, 2024	<u>\$ 2,160</u>	<u>2,880</u>	<u>119</u>	<u>5,159</u>
June 30, 2024	<u>\$ 4,067</u>	<u>3,753</u>	<u>79</u>	<u>7,899</u>
June 30, 2023	<u>\$ 3,121</u>	<u>2,822</u>	<u>202</u>	<u>6,145</u>

(VIII) Corporate bonds payable

	2024.6.30	2023.12.31	2023.6.30
Total amount of convertible bonds issued	\$ 600,000	600,000	600,000
Unamortized balance of corporate bond discount payable	(3,699)	(9,988)	(23,560)
Cumulative converted amount	(465,600)	(325,400)	(79,900)
Balance of corporate bonds payable at the end of period	<u>\$ 130,701</u>	<u>264,612</u>	<u>496,540</u>
Embedded derivatives - redemption option (presented as financial assets measured at fair value through profit or loss)	<u>\$ -</u>	<u>55</u>	<u>156</u>
Equity component - conversion option (presented in capital reserves - share options)	<u>\$ 14,251</u>	<u>29,117</u>	<u>69,990</u>

Conversion right is classified as equity

On October 24, 2022, the Board of Directors resolved to issue the second domestic secured convertible corporate bonds to supplement the working capital. This issue was approved by the FSC on December 19, 2022, and issued from January 11, 2023 to January 11, 2026 with a period of three years, with a total face value of NT\$600,000 thousand and a coupon rate of 0%.

Other conditions for the issuance of corporate bonds are as follows:

1. Repayment method

Except for those converted into the ordinary shares of the Company in accordance with Article 10 of the Regulations, or the shares redeemed by the Company in accordance with Article 18 of the Regulations, or the shares repurchased by the Company from the business place of securities firms for cancellation, the Company will repay the bonds at face value in cash within 10 business days after the maturity date of the convertible bonds.

2. Method of redemption

(1) From the day following the expiration of three months after the issuance to the 40th day prior to the

Interactive Digital Technologies Inc. and subsidiaries Notes to the consolidated financial statements (continued)

expiration date, if the closing price of the Company's ordinary shares has exceeded the current conversion price by 30% (inclusive) for 30 consecutive business days, the outstanding bonds may be recovered in cash based on the par value.

- (2) From the day following expiration of three months after issuance until 40 days prior to maturity, if the outstanding balance of the bonds is less than NT\$60 million, the Company may recover the outstanding bonds in cash based on the par value.

3. Conversion period

From the day following the expiration of three months after the issuance until the maturity date, except for the period of suspension of transfer according to laws, a request for conversion into common shares may be made to the Company's stock agency at any time.

4. Conversion price and execution of conversion

The conversion price per share at the time of issuance was set at NTD 60.7. The conversion price was adjusted to NTD 56.7 on July 23, 2023. As of June 30, 2024, December 31, 2023 and June 30, 2023, the accumulated common shares converted were 8,119 thousand shares, 5,646 thousand shares, and 1,316 thousand shares, respectively.

(IX) Long-term loans

	<u>2024.6.30</u>
Unsecured bank borrowings	<u>\$ 25,000</u>
Unused credit limit	<u>\$ 10,000</u>
Interest rate range	<u>0.50%</u>
Year to maturity	<u>118</u>

(X) Lease liabilities

The carrying amount of the consolidated company's lease liabilities is as follows:

	<u>2024.6.30</u>	<u>2023.12.31</u>	<u>2023.6.30</u>
Current	<u>\$ 5,180</u>	<u>3,923</u>	<u>4,446</u>
Non-current	<u>\$ 2,754</u>	<u>1,266</u>	<u>1,739</u>

Please refer to Note 6(19) for maturity analysis.

The amounts recognized in profit or loss are as follows:

	<u>April to June 2024</u>	<u>April to June 2023</u>	<u>January to June 2024</u>	<u>January to June 2023</u>
Interest expense of lease liabilities	<u>\$ 35</u>	<u>17</u>	<u>57</u>	<u>37</u>
Expenses of short-term leases	<u>\$ 1,131</u>	<u>678</u>	<u>1,938</u>	<u>1,478</u>

Interactive Digital Technologies Inc. and subsidiaries Notes to the consolidated financial statements (continued)

The amounts recognized in the statement of cash flows are as follows:

	January to June 2024	January to June 2023
Total cash outflow for leases	<u>\$ 4,800</u>	<u>4,167</u>

1. Lease of buildings

The consolidated company leases buildings and structures as office space, and the lease terms are usually one to three years.

2. Other leases

The lease term of the transportation equipment leased by the consolidated company is one to three years. Furthermore, the consolidated company leases some of the transportation equipment and office equipment that expire within one year. These leases are short-term leases, and the consolidated company has elected to apply the recognition exemption rules and not recognize its related right-of-use assets and lease liabilities.

(XI) Liabilities reserve - product warranty reserve

	January to June 2024	January to June 2023
Opening balance	\$ 104,029	147,125
New in current period	11,890	16,657
Used in current period	(18,530)	(18,210)
Current period reversal	<u>(18,636)</u>	<u>(21,263)</u>
Closing balance	<u>\$ 78,753</u>	<u>124,309</u>
Current	<u>\$ 42,073</u>	<u>74,069</u>
Non-current	<u>\$ 36,680</u>	<u>50,240</u>

The consolidated company's product warranty reserve is mainly related to project sales. The warranty liabilities are recognized in accordance with the consolidated company's management's best estimate of the expenditure required to settle the warranty obligation.

(XII) Employee benefits

1. Defined appropriation for retirement

The defined contribution retirement plan of the Company and its domestic subsidiaries is in accordance with the Labor Pension Act. An amount equivalent to 6% of each employee's monthly wage is appropriated to the individual labor pension account with the Bureau of Labor Insurance. Under this plan, after appropriating a fixed amount to the Bureau of Labor Insurance, the Company has no legal or constructive obligation to make additional payments. For the three months ended June 30, 2024 and 2023 (after restatement) and six months ended June 30, 2024 and 2023 (after restatement), the pension expenses under the defined contribution plan of the Group were NTD 4,955 thousand, NTD 4,497 thousand, NTD 8,718 thousand, and NTD 8,836 thousand, respectively, and were allocated to the Bureau of Labor Insurance.

2. For the three months ended June 30, 2024 and 2023 and six months ended June 30, 2024 and 2023, the Company's subsidiary in China, Hua Chi Communication, in accordance with the local government's

Interactive Digital Technologies Inc. and subsidiaries Notes to the consolidated financial statements (continued)

retirement plan, made pension contributions of NTD 41 thousand, NTD 41 thousand, NTD 81 thousand, and NTD 82 thousand, respectively, according to the local employees' salaries.

(XIII) Income tax

1. The details of income tax expenses of the consolidated company are as follows:

	<u>April to June 2024</u>	<u>April to June 2023 (After restatement)</u>	<u>January to June 2024</u>	<u>January to June 2023 (After restatement)</u>
Current income tax expense				
Occurred in the current period \$	16,311	12,740	32,264	17,645
Previous period income tax adjustment	-	(17,803)	-	(17,803)
Foreign withheld tax	-	8	-	187
Current income tax expense (profit)	16,311	(5,055)	32,264	29
Deferred income tax expense				
Occurrence and reversal of temporary difference	-	1,014	-	3,778
Income tax expense (profit)	<u>\$ 16,311</u>	<u>(4,041)</u>	<u>32,264</u>	<u>3,807</u>

2. The consolidated company has no income tax directly recognized in equity or other comprehensive income from January 1 to June 30, 2024 and 2023.

3. The income tax returns of the Company's profit-seeking business have been audited and approved by the tax authorities up to 2021.

(XIV) Capital and other equity

Except for the following, there were no significant changes in the share capital and other equities of the consolidated company during the six months ended June 30, 2024 and 2023. For relevant information, please refer to the 2023 Consolidated Financial Note 6(13) to the Report.

1. Common stock capital

On June 30, 2024, December 31, 2023, and June 30, 2023, the Company's total authorized capital was NTD 800,000 thousand, with a face value of NTD 10 per share, divided into 80,000 thousand shares with 8,000 thousand shares reserved for the subscription of share options. The total number of issued shares are 47,686 thousand shares, 43,137 thousand shares and 40,253 thousand shares, respectively. All of them are common shares.

As a result of the convertible corporate bond holders exercising their right of conversion from January 1 to June 30, 2024 and 2023, the Company issued 4,548 thousand shares and 3 thousand new shares, respectively, at a par value of NTD 10, for a total amount of NTD 45,484 thousand and NTD 33 thousand, respectively. The statutory registration procedures have been completed.

Interactive Digital Technologies Inc. and subsidiaries Notes to the consolidated financial statements (continued)

As of June 30, 2024 and December 31, 2023 and June 30, 2023, the convertible corporate bond holders have applied for conversion into common shares but the change registration had not been completed, and the amounts that were recorded as capital collected in advance were NTD 6,860 thousand, NTD 27,618, and NTD 13,163 thousand, respectively.

2. Capital surplus

The balance of capital reserves is as follows:

	<u>2024.6.30</u>	<u>2023.12.31</u>	<u>2023.6.30</u>
Issued stock premium	\$ 828,396	739,224	520,628
Stock options	14,251	29,117	55,148
Others	17,697	17,697	17,697
	<u><u>\$ 860,344</u></u>	<u><u>786,038</u></u>	<u><u>593,473</u></u>

3. Legal reserve

When the Company has no losses, the shareholders' meeting may issue a resolution to distribute new shares or cash out of the legal reserve, provided that such reserve exceeds 25% of the paid-in capital.

4. Special reserve

According to the regulations of the FSC, when the Company distributes the distributable earnings, for the net amount debited to other shareholders' equity in the current year, the net profit after tax of the current period plus the item other than the net profit after tax of the current period is included in the undistributed earnings of the current period and the prior undistributed earnings are made into special reserve; the other shareholders' equity deduction amount accumulated in the prior period shall be added to the special reserve from the undistributed earnings of the prior period and shall not be distributed. When the amount debited to other shareholders' equity is reversed afterwards, the reversed amount may be distributed as earnings.

5. Retained earnings

According to the Company's Articles of Incorporation, if there is a net profit after tax in the current period for the general financial statement, the tax should be paid first, the losses of the previous years should be paid, and then 10% of the legal reserve should be appropriated. However, if the accumulated legal reserve has reached the Company's total paid-in capital, the Company may cease to set aside the legal reserve. In addition, depending on the Company's operational needs and laws and regulations, a special reserve may be set aside. If there is still earnings undistributed at the beginning of the same period, the Board of Directors shall prepare an earnings distribution proposal and submit it to the Shareholders' Meeting for resolution. If the aforementioned appropriation of earnings is in the form of cash dividends, the Board of Directors is authorized to resolve and report the appropriation at the shareholders' meeting.

Interactive Digital Technologies Inc. and subsidiaries Notes to the consolidated financial statements (continued)

The Company may issue new shares or cash out of the legal reserve or capital reserve in accordance with Article 241 of the Company Act. If the foregoing is distributed in cash, the Board of Directors is authorized to resolve and report at the shareholders' meeting.

The Company operates in a volatile market environment and its corporate life cycle is in a stable growth stage. The dividend policy shall take into account the Company's future capital needs and long-term financial planning in order to achieve sustainable operation. The Company adopts a residual dividend policy, and considers the Company's future capital planning. The total amount of dividends to be paid each year shall not be less than 50% of the total distributable earnings for that year, of which cash dividends shall not be less than 10% of the total amount of cash and stock dividends paid in that same year.

On February 23, 2024 and February 22, 2023, the Board of Directors resolved the amounts of the distribution of cash dividends for 2023 and 2022, respectively; on May 28, 2024 and May 30, 2023, the shareholders resolved other earnings distributable for 2023 and 2022. The related distribution amounts are as follows:

	2023		2022	
	Dividends per share (NTD)	Amount	Dividends per share (NTD)	Amount
Legal reserve		<u>\$ 26,176</u>		<u>21,501</u>
Special reserve appropriated (reversed)		<u>\$ 245</u>		<u>(185)</u>
Cash distribution to common shareholders				
Dividend dividends	\$ 5.2	238,675	4.8	193,215
Cash distribution from capital reserve	0.8	36,719	0.5	20,126
	<u>\$ 6.0</u>	<u>275,394</u>	<u>5.3</u>	<u>213,341</u>

6. Other equity (net amount after tax)

Exchange differences on translation of financial statements of foreign operations

	January to June 2024	January to June 2023
Opening balance	\$ (734)	(489)
Exchange differences arising from the translation of net assets of foreign operations	372	-
Closing balance	<u>\$ (362)</u>	<u>(489)</u>

Interactive Digital Technologies Inc. and subsidiaries
Notes to the consolidated financial statements (continued)

(XV) Earnings per share

1. Basic earnings per share

	<u>April to June 2024</u>	<u>April to June 2023</u>	<u>January to June 2024</u>	<u>January to June 2023</u>
Net profit attributable to the Company's common stock shareholders	\$ 64,770	71,698	128,240	101,057
Weighted average number of outstanding common stock (shares in thousands)	47,902	40,409	47,329	40,409
Basic earnings per share (NTD)	\$ 1.35	1.77	2.71	2.50

2. Diluted earnings per share

	<u>April to June 2024</u>	<u>April to June 2023</u>	<u>January to June 2024</u>	<u>January to June 2023</u>
Net profit attributable to the Company's common stock shareholders (Basic)	\$ 64,770	71,698	128,240	101,057
Interest expense and valuation profit or loss of convertible corporate bonds	641	2,151	1,516	3,594
Net profit attributable to the Company's common stock shareholders (diluted)	\$ 65,411	73,849	129,756	104,651
Weighted average number of outstanding common stock (basic) (shares in thousands)	47,902	40,409	47,329	40,409
Effect of potential dilutive ordinary shares (shares in thousands):				
Effects of remuneration to employees	188	150	325	276
Effect of conversion of convertible corporate bonds	2,825	9,729	3,431	9,729
Weighted average number of common shares outstanding (diluted) (thousand shares)	50,915	50,288	51,085	50,414
Diluted earnings per share (NTD)	\$ 1.28	1.47	2.54	2.08

Interactive Digital Technologies Inc. and subsidiaries
Notes to the consolidated financial statements (continued)

(XVI) Revenue from customer contracts

1. Breakdown of revenue

		<u>April to June 2024</u>	<u>April to June 2023 (After restatement)</u>	<u>January to June 2024</u>	<u>January to June 2023 (After restatement)</u>
Main product/service lines:					
Revenues from sales of system integration projects	\$	558,794	389,342	884,452	609,721
Service revenue		82,172	86,036	190,394	201,167
	\$	<u>640,966</u>	<u>475,378</u>	<u>1,074,846</u>	<u>810,888</u>
Timing of revenue recognition:					
At a certain point in time	\$	633,132	457,401	1,055,688	779,305
Recognized progressively over time		7,834	17,977	19,158	31,583
	\$	<u>640,966</u>	<u>475,378</u>	<u>1,074,846</u>	<u>810,888</u>

2. Contract balance

	<u>2024.6.30</u>	<u>2023.12.31 (After restatement)</u>	<u>2023.6.30 (After restatement)</u>
Notes and accounts receivable	\$ 490,399	642,923	304,001
Less: Loss allowance	-	-	-
	<u>\$ 490,399</u>	<u>642,923</u>	<u>304,001</u>
	<u>2024.6.30</u>	<u>2023.12.31</u>	<u>2023.6.30</u>
Contract liabilities - current	<u>\$ 279,930</u>	<u>289,338</u>	<u>363,265</u>

Please refer to Note 6(3) for the disclosure of notes and accounts receivable and the impairment thereof.

The opening balances of contract liabilities on January 1, 2024 and 2023 are recognized as income for the six months ended June 30, 2024 and 2023 in the amounts of NTD 223,598 thousand and NTD 192,426 thousand, respectively.

(XVII) Remuneration to employees and directors

According to the Company's Articles of Incorporation, if there is a profit in the year, 5% - 20% of the profit shall be appropriated as employee remuneration, and no higher than 1% (it was set at 2% before the amendment of the Articles of Incorporation on May 30, 2023) as remuneration to directors. However, if the Company still has accumulated losses, an amount shall be reserved in advance to offset the losses. The employee compensation in the preceding paragraph may be paid in shares or in cash, and the recipients of the payment may include employees of the subordinate companies who meet certain criteria.

Interactive Digital Technologies Inc. and subsidiaries Notes to the consolidated financial statements (continued)

For the three months ended June 30, 2024 and 2023 and for January 1 to June 30, 2023, the estimated amounts of employees' remuneration were NTD 9,080, thousand, NTD 7,570 thousand, NTD 17,970 thousand, and NTD 11,730 thousand, respectively; the estimated amounts of directors' remuneration were NTD 681 thousand, NTD 568 thousand, NTD 1,348 thousand, and NTD 879 thousand, respectively. These amounts were estimated on the basis of multiplying the net profit before tax of the Company for each period by the distribution ratio of remuneration to employees and director before deducting remuneration to employees and directors as set out in the Articles of Incorporation of the Company, and recorded as operating expenses for the period. If there is a discrepancy between the actual distributed amount and the estimated figure in the following year, it shall be treated as a change in accounting estimates and recognized as profit or loss of the following year.

The amount of remuneration distributed to employees and directors for the year 2023, as resolved by the board of directors, amounted to NT\$36,590 thousand and NT\$2,744 thousand, respectively, on February 23, 2024. There is no difference to the estimated amount in the 2023 financial statements, and all the amounts are paid in cash. The relevant information can be obtained from the Market Observation Post System.

(XVIII) Non-operating income and expenses

1. Interest revenue

	April to June 2024	April to June 2023 (After restatement)	January to June 2024	January to June 2023 (After restatement)
Interest on bank deposits	\$ 4,519	2,653	7,702	3,696

2. Other income

	April to June 2024	April to June 2023 (After restatement)	January to June 2024	January to June 2023 (After restatement)
Rental income	\$ 278	528	883	1,057
Other income	900	190	4,602	568
	<u>\$ 1,178</u>	<u>718</u>	<u>5,485</u>	<u>1,625</u>

3. Other gains and losses

	April to June 2024	April to June 2023 (After restatement)	January to June 2024	January to June 2023 (After restatement)
Foreign exchange loss	\$ (1,621)	(165)	(2,126)	(343)
Net gain (loss) on financial instruments at fair value through profit or loss	(18)	119	(45)	1,895
Gains (losses) from the disposal of property, plant and equipment	-	1,476	(575)	1,676
Gain on lease modification			5	
Others	15	65	-	65
	<u>\$ (1,624)</u>	<u>1,495</u>	<u>(2,741)</u>	<u>3,293</u>

4. Financial costs

	April to June 2024	April to June 2023 (After restatement)	January to June 2024	January to June 2023 (After restatement)
Bank borrowing interest	\$ 101	1	140	59

Interactive Digital Technologies Inc. and subsidiaries Notes to the consolidated financial statements (continued)

expense				
Interest expense of corporate bonds payable	728	2,689	1,850	4,492
Interest expense of lease liabilities	35	17	57	37
Interest expense on borrowings from related parties	40	-	102	-
	<u>\$ 904</u>	<u>2,707</u>	<u>2,149</u>	<u>4,588</u>

(XIX) Financial instruments

Except for the following, there was no significant change in the fair value of the consolidated company's financial instruments and the exposure to credit risk and market risk due to the financial instruments. For relevant information, please refer to Note 6(18)(19) of the 2023 consolidated financial statements.

1. Types of financial instruments

(1) Financial assets

	<u>2024.6.30</u>	<u>2023.12.31 (After restatement)</u>	<u>2023.6.30 (After restatement)</u>
Financial assets at fair value through profit or loss - non-current	\$ -	55	156
Financial assets measured at amortized cost:			
Cash and cash equivalents	983,172	900,699	976,870
Financial assets measured at amortized cost (including current and non-current)	-	41,558	20,558
Notes and accounts receivable (including related party)	490,399	642,923	304,001
Other receivables (including related parties)	998	845	475
Refundable deposits (accounted for in other non-current assets)	136,591	105,235	93,162
	<u>\$ 1,611,160</u>	<u>1,691,315</u>	<u>1,395,222</u>

(2) Financial liabilities

	<u>2024.6.30</u>	<u>2023.12.31 (After restatement)</u>	<u>2023.6.30 (After restatement)</u>
Corporate bonds payable	130,701	264,612	496,540
Long-term borrowings	25,000	-	-
Accounts payable (including related parties)	429,217	371,157	292,438

Interactive Digital Technologies Inc. and subsidiaries Notes to the consolidated financial statements (continued)

Other payables (including related parties)	428,811	221,553	353,983
Lease liabilities (including current and non-current)	7,934	5,189	6,185
Guarantee deposits received (recognized in other non-current liabilities)	<u>54</u>	<u>223</u>	<u>222</u>
	<u>\$ 1,021,717</u>	<u>862,734</u>	<u>1,149,368</u>

2. Fair value information

(1) Financial instruments not measured at fair value

The management of the consolidated company believes that the carrying amount of financial assets and financial liabilities measured at amortized cost in the consolidated financial statements approximates their fair value.

(2) Financial instruments measured at fair value

Financial instruments that are measured at fair value through profit or loss of the consolidated company are measured at fair value on a repetitive basis. The following table provides analysis of the financial instruments measured at fair value after initial recognition, and classified them from Level 1 to Level 3 based on the fair value. The fair value hierarchy is defined as follows:

A Level 1: The open quotation (unadjusted) of the same assets or liabilities in an active market.

B Level 2: It refers to the directly (i.e. price) or indirectly (i.e. derived from price) observable input value of assets or liabilities other than the quotation of level 1.

Interactive Digital Technologies Inc. and subsidiaries
Notes to the consolidated financial statements (continued)

C Level 3: The input parameters of the asset or liability are not based on observable market data (non-observable parameters).

2023.12.31				
Fair value				
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Right of redemption of corporate bond payable	\$ -	-	55	55
2023.6.30				
Fair value				
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Right of redemption of corporate bond payable	\$ -	-	156	156

(3) Valuation techniques and assumptions adopted for measuring fair value

If there is a quoted market price for the financial instrument, the quoted price on the active market is used as the fair value.

Except for the above-mentioned financial instruments with active markets, the fair value of the remaining financial instruments is obtained through valuation technique or by referring to the quotations of the counterparties. The fair value obtained through the valuation technique can be referred to the current fair value, the discounted cash flow method or other valuation techniques of other financial instruments with similar conditions and characteristics, including the calculation of the fair value based on the model and the market information available on the merger reporting date.

(4) Transfer between fair value levels

For the six months ended June 30, 2024 and 2023, there were no financial assets and liabilities transferred to the fair value hierarchy.

(5) Details of changes in level 3

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Financial assets at fair value through profit or loss				
Opening balance	\$ 17	60	55	-
Increase in the current period	-	-	-	60
Recognized in profit or loss for the current period	(17)	96	(55)	96
Closing balance	\$ -	156	-	156

Interactive Digital Technologies Inc. and subsidiaries
Notes to the consolidated financial statements (continued)

3. Liquidity risk

The following table shows the consolidated company's remaining contractual maturity analysis for financial liabilities with agreed repayment periods, which is based on the earliest date on which the consolidated company may be required to repay, prepared based on the undiscounted cash flows, and includes estimated interest.

	Contractual cash flow	Within 1 year	1-2 years	2-5 years	Over 5 years
June 30, 2024					
Non-derivative financial liabilities					
Corporate bonds payable	134,400	-	134,400	-	-
Long-term borrowings	25,458	125	125	25,208	-
Accounts payable	429,217	429,217	-	-	-
Other payables	428,811	428,811	-	-	-
Lease liabilities	8,076	5,271	1,949	856	-
Guarantee deposits received	54	-	54	-	-
	\$ 1,026,016	863,424	136,528	26,064	-
December 31, 2023 (after restatement)					
Non-derivative financial liabilities					
Corporate bonds payable	274,600	-	-	274,600	-
Accounts payable	371,157	371,157	-	-	-
Other payables (including related parties)	221,553	221,553	-	-	-
Lease liabilities	5,229	3,957	1,272	-	-
Guarantee deposits received	223	-	223	-	-
	\$ 872,762	596,667	1,495	274,600	-
June 30, 2023 (after restatement)					
Non-derivative financial liabilities					
Corporate bonds payable	520,100	-	-	520,100	-
Accounts payable	292,243	292,243	-	-	-
Other payables	353,983	353,983	-	-	-
Lease liabilities	6,229	4,483	1,615	131	-
Guarantee deposits received	222	-	222	-	-
	\$ 1,172,777	650,709	1,837	520,231	-

The consolidated company does not expect the maturity analysis of cash flows will be significantly early or the actual amount will be significantly different.

Interactive Digital Technologies Inc. and subsidiaries
Notes to the consolidated financial statements (continued)

4. Exchange rate risk

The book value of the Group's significant monetary assets and liabilities denominated in non-functional currencies on the reporting date (including monetary items denominated in non-functional currencies that have been offset in the consolidated statements) and related sensitivity analysis are as follows:

Amount: NTD Thousand					
2024.6.30					
	Foreign currency	Exchange rate	NTD	Range of exchange rate changes	Impact on profit and loss
<u>Financial assets</u>					
<u>Monetary items</u>					
US Dollars	\$ 1,227	32.45	41,439	1%	414
<u>Financial liabilities</u>					
<u>Monetary items</u>					
US Dollars	\$ 1,323	32.45	42,931	1%	429
2023.12.31					
	Foreign currency	Exchange rate	NTD	Range of exchange rate changes	Impact on profit and loss
<u>Financial assets</u>					
<u>Monetary items</u>					
US Dollars	\$ 2,995	30.75	92,096	1%	921
<u>Financial liabilities</u>					
<u>Monetary items</u>					
US Dollars	\$ 2,977	30.75	91,543	1%	915
2023.6.30					
	Foreign currency	Exchange rate	NTD	Range of exchange rate changes	Impact on profit and loss
<u>Financial assets</u>					
<u>Monetary items</u>					
US Dollars	\$ 2,389	31.10	74,298	1%	743
<u>Financial liabilities</u>					
<u>Monetary items</u>					
US Dollars	\$ 2,268	31.10	70,535	1%	705

As the Group has a wide variety of transactions in foreign currencies, for the information on exchange gain or loss of monetary items for the three months ended June 30, 2024 and 2023 and six months ended June 30, 2024 and 2023, please refer to Note 6(18) for the net foreign currency exchange gains (losses) (including realized and unrealized).

(XX) Financial risk management

There is no significant change in the objectives and policies of the consolidated company's financial risk management as disclosed in Note 6(19) to the 2023 consolidated financial statements.

Interactive Digital Technologies Inc. and subsidiaries
Notes to the consolidated financial statements (continued)

(XXI) Capital management

The consolidated company's capital management objectives, policies and procedures are consistent with those disclosed in the 2023 consolidated financial statements; there is no significant change in the aggregated quantitative information of the capital management item with those disclosed in the 2023 consolidated financial statements. Please refer to Note 6(20) of the 2023 consolidated financial statements for relevant information.

(XXII) Financing activities of non-cash transactions

1. Please refer to Note 6(7) for the Group's acquisition of the right-of-use assets by way of lease during January 1 to June 30, 2024 and 2023.
2. The adjustment of liabilities from financing activities is as follows:

	<u>2024.1.1</u>	<u>Cash flow</u>	<u>Non-cash changes</u>		<u>2024.6.30</u>
			<u>New in current period</u>	<u>Others</u>	
Corporate bonds payable	\$ 264,612	-	-	(133,911)	130,701
Long-term borrowings	-	25,000	-	-	25,000
Lease liabilities	5,189	(2,891)	6,424	(788)	7,934
Total liabilities from financing activities	<u>\$ 269,801</u>	<u>22,109</u>	<u>6,424</u>	<u>(134,699)</u>	<u>163,635</u>

	<u>2023.1.1 (After restatement)</u>	<u>Cash flow</u>	<u>Non-cash changes</u>		<u>2023.6.30</u>
			<u>New in current period</u>	<u>Others</u>	
Short-term borrowings	\$ 150,000	(150,000)	-	-	-
Corporate bonds payable	-	631,884	-	(135,344)	496,540
Long-term borrowings	26,000	(26,000)	-	-	-
Lease liabilities	7,547	(2,689)	1,288	39	6,185
Total liabilities from financing activities	<u>\$ 183,547</u>	<u>453,195</u>	<u>1,288</u>	<u>(135,305)</u>	<u>502,725</u>

Interactive Digital Technologies Inc. and subsidiaries
Notes to the consolidated financial statements (continued)

VII. Related party transactions

(I) Names and relationships of related parties

During the period covered by the consolidated financial statements, the related parties that have transactions with the consolidated company are as follows:

<u>Name of related party</u>	<u>Relationship with the consolidated company</u>
Controlling party:	
Qisda Corporation (Qisda)	The consolidated company's ultimate controller
HITRON TECHNOLOGIES INC. (Hitron)	Parent company of the consolidated company
Alpha Networks Inc.	The parent company of Hitron
Other related party:	
HITRON TECHNOLOGIES INC. (Suzhou Industrial Park)	A subsidiary of Hitron
HITRON TECHNOLOGIES INC. (Vietnam)	A subsidiary of Hitron
Metaage Corporation	A subsidiary of Qisda
BenQ Taiwan	A subsidiary of Qisda
Golden Spirit	A subsidiary of Qisda
Alpha Networks Vietnam Company Limited (Alpha Vietnam)	Subsidiary of Alpha Networks Inc.
Enrich Investment Corporation (Enrich Investment)	Subsidiary of Alpha Networks Inc.

(II) Material transactions with related parties.

1. Operating revenue

	<u>April to June 2024</u>	<u>April to June 2023</u>	<u>January to June 2024</u>	<u>January to June 2023</u>
Parent company	\$ 10,452	9,311	21,485	16,860
The parent company of Hitron	3,150	-	3,150	-
Other related party	1,710	1,544	3,402	1,677
	<u>\$ 15,312</u>	<u>10,855</u>	<u>28,037</u>	<u>18,537</u>

The consolidated company's selling prices and trading conditions to the above-mentioned related parties are handled in accordance with the general selling conditions.

2. Purchase

	<u>April to June 2024</u>	<u>April to June 2023 (After restatement)</u>	<u>January to June 2024</u>	<u>January to June 2023 (After restatement)</u>
The parent company of Hitron	\$ 3,033	5	4,883	5
Other related party	16,746	5,436	33,020	7,103
	<u>\$ 19,779</u>	<u>5,441</u>	<u>37,903</u>	<u>7,108</u>

The consolidated company's purchase prices and payment terms for the above companies are based on general purchase terms.

3. Receivables from related parties

Interactive Digital Technologies Inc. and subsidiaries
Notes to the consolidated financial statements (continued)

Presentation account	Category of related party	2024.6.30	2023.12.31 (After restatement)	2023.6.30 (After restatement)
Accounts receivable	Parent company	\$ 8,865	6,723	3,706
	The parent company of Hitron	11,130	21,630	-
	Other related party	1,055	117	1,417
		\$ 21,050	28,470	5,123
Other receivables	Parent company	\$ -	41	-
	Other related party	108	-	-
		\$ 108	41	-

4. Payables to related parties

The consolidated company's payables to related parties are as follows:

Presentation account	Category of related party	2024.6.30	2023.12.31 (After restatement)	2023.6.30 (After restatement)
Accounts payable	Other related party	\$ 17,726	6,691	2,041
	The parent company of Hitron	3,185	3,124	1,836
		\$ 20,911	9,815	3,877

5. Property transactions

The Group purchased office equipment from the parent company and other related parties for the amounts of NTD 1,816 thousand and NTD 4,275 thousand between January 1 to June 30, 2024 and 2023, respectively, recognized in the "Accounts payable - related parties" account.

6. Leases

The Group leased offices from Alpha Networks Inc. for a short term based on the rent in the neighborhood. Rent expense for the six months ended June 30, 2024 and 2023 amounted to NTD 26 thousand and NTD 29 thousand, respectively.

The Group leased offices to the parent company and other related parties for a rent income of NTD 309 thousand for the six months ended June 30, 2024 and 2023.

Interactive Digital Technologies Inc. and subsidiaries
Notes to the consolidated financial statements (continued)

7. Acquisition of subsidiaries

As stated in Note 6(5) to the financial statements, the Group acquired 100% equity of Transnet from Enrich Investment Corporation with cash of NTD 12,975 thousand in June 2024 and the above amount has been paid in full.

8. Loans from related parties

The Group borrowed NTD 15,000 thousand from Enrich Investment Corporation on December 29, 2023, at the interest rate of 1.65%, and it was recognized as other -payables - related party on December 31, 2023. The Group repaid the loan in 2024 Q2. The interest expenses recognized for April 1 to June 30 and January 1 to June 30, 2024 were NTD 40 thousand and NTD 102 thousand, respectively.

(III) Remuneration to key management personnel

	<u>April to June 2024</u>	<u>April to June 2023</u>	<u>January to June 2024</u>	<u>January to June 2023</u>
Short-term employee benefits and remuneration	\$ 13,532	10,714	33,026	35,028
Post-employment benefits	297	323	594	593
	<u>\$ 13,829</u>	<u>11,037</u>	<u>33,620</u>	<u>35,621</u>

VIII. Mortgage and pledge of assets

The book value of the assets pledged by the consolidated company as collateral is as follows:

<u>Asset name</u>	<u>Object of the pledge guarantee</u>	<u>2024.6.30</u>	<u>2023.12.31 (After restatement)</u>	<u>2023.6.30 (After restatement)</u>
Other non-current assets (bank time deposit)	Customer contract's retention amount	\$ 21,000	-	-
Financial assets measured at amortized cost - non-current	Construction contract guarantee	-	558	558
		<u>\$ 21,000</u>	<u>558</u>	<u>558</u>

IX. Material contingent liabilities and unrecognized contractual commitments

	<u>2024.6.30</u>	<u>2023.12.31</u>	<u>2023.6.30</u>
Guaranteed notes payable from project issuance	<u>\$ 16,808</u>	<u>15,256</u>	<u>16,190</u>
Guarantee letter issued for construction guarantee	<u>\$ 76,457</u>	<u>113,771</u>	<u>105,563</u>

Interactive Digital Technologies Inc. and subsidiaries
Notes to the consolidated financial statements (continued)

X. Losses due to material disasters: None.

XI. Material events after the reporting period: None.

XII. Others

(I) The employee benefits, depreciation and amortization expenses by function are summarized as follows:

By nature	By function	April to June 2024			April to June, 2023 (after restatement)		
		Attributable to operating costs	Classified as operating expenses	Total	Attributable to operating costs	Classified as operating expenses	Total
Employee benefit expense							
Salary expenses		37,659	81,413	119,072	-	111,967	111,967
Labor and national health insurance expenses		3,733	5,446	9,179	-	8,147	8,147
Pension expense		1,895	3,101	4,996	-	4,538	4,538
Other employee benefit expenses		1,453	3,197	4,650	-	3,494	3,494
Depreciation expense		-	6,741	6,741	-	5,865	5,865
Amortization expense		-	-	-	-	-	-

By nature	By function	January to June 2024			January to June, 2023 (after restatement)		
		Attributable to operating costs	Classified as operating expenses	Total	Attributable to operating costs	Classified as operating expenses	Total
Employee benefit expense							
Salary expenses		55,354	156,547	211,901	-	208,765	208,765
Labor and national health insurance expenses		5,519	10,125	15,644	-	15,449	15,449
Pension expense		2,801	5,998	8,799	-	8,918	8,918
Other employee benefit expenses		2,042	5,533	7,575	-	6,615	6,615
Depreciation expense		-	13,211	13,211	-	11,241	11,241
Amortization expense		-	-	-	-	-	-

(II) Seasonality of operation:

The operations of the consolidated company are not affected by seasonal or cyclical factors.

Interactive Digital Technologies Inc. and subsidiaries
Notes to the consolidated financial statements (continued)

XIII. Disclosures in Notes

(I) Information on significant transactions:

In accordance with the provisions of the standards of preparation, the Group redisclosed the relevant information of significant transactions from January 1, 2024 to June 30, 2024, as follows:

1. Lending funds to others: None.
2. Providing endorsements or guarantees for others: None.
3. Holding of securities at the end of the period (excluding the portion held due to investment in a subsidiary or an associate, and the portion held due to an interest in a joint venture): None.
4. Aggregate purchases or sales of the same securities reaching NT\$300 million or 20 percent of paid-in capital or more: None.
5. Acquisition of real estate reaching NT\$300 million or 20 percent of paid-in capital or more: None.
6. Disposal of real estate reaching NT\$300 million or 20 percent of paid-in capital or more: None.
7. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20 percent of paid-in capital or more: None.
8. Accounts receivable from related parties reaching NT\$100 million or 20 percent of paid-in capital or more: None.
9. Engagement in derivative transactions: Please refer to Note 6(2).
10. Business relationships and important transactions between the parent company and its subsidiaries: None.

(II) Information on the reinvestment business:

Unit: NTD Thousand/Thousand shares

Name of Investment Company	Name of investee	Location	Main business items	Initial investment amount		Held at end of period			Investee profit or loss for the period	Investment gains and losses recognized in the current period	Remarks
				End of current period	End of last year	Number of shares	Ratio	Carrying amount			
The Company	Transnet	Taiwan	Integrated supply of network communication products, system services, and import and export of network equipment	12,975	-	1,674	100.00%	11,729	(5,010)	(1,246)	

Interactive Digital Technologies Inc. and subsidiaries Notes to the consolidated financial statements (continued)

(III) Information on investments in Mainland China:

1. Information on re-investments in Mainland China:

Unit: NT\$1,000/Foreign currency \$1,000

Investee in China Company Name	Main business items	Paid-up capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of current period	Investment amount remitted or recovered in the current period		Accumulated investment amount remitted from Taiwan at the end of the period	Investee profit or loss for the period	The Company's shareholding ratio in direct or indirect investments	Investment gains (losses) recognized in the current period	Book value of investment at the end of the period	Repatriated investment income up to the current period
					Outward remittance	Recovered						
Hwa Chi Technologies (shanghai) Inc.	Technical consultation, technical research, maintenance and after-sales service of electronic communication products	USD 100	Direct investment	12,048	-	3,194	8,854	555	100.00 %	555	11,322	19,033

2. Limits on investment in Mainland China:

Unit: NT\$1,000/Foreign currency \$1,000

Company Name	Accumulated amount of remittance from Taiwan to Mainland China at the end of the period	Amount of investment approved by the Investment Commission, Ministry of Economic Affairs	The limit on investment in Mainland China stipulated by the Investment Commission of the Ministry of Economic Affairs
Interactive Digital Technologies Inc.	8,854	USD414	1,037,220

3. Significant transactions with investee companies in Mainland China: None.

(IV) Information of major shareholders:

Unit: shares

Name of major shareholder	Shares of Stock	Number of shares held	Shareholding ratio (%)
HITRON TECHNOLOGIES INC.		16,702,600	34.52%
Enrich Investment Corporation		2,575,000	5.32%

XIV. Segment information

The consolidated company's principal businesses are telecommunications and broadband network system services, wireless transmission services, digital media system services, cloud information system services, and geographic information system services. The consolidated company's operational decision-maker evaluates performance based on overall operating results, the consolidated company is a single segment, and the operating segment information for January 1 to June 30, 2024 and 2023 is consistent with the information in the consolidated financial statements.