

**INTERACTIVE DIGITAL TECHNOLOGIES INC.  
AND SUBSIDIARIES**

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

**Address: No. 38-1, Wugong 5th Road, Wugu District, New Taipei City, Taiwan  
Tel: (02)2298-3456**

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	8~9
(IV) Summary of significant accounting policies	10~11
(V) Major accounting judgments, estimates, and major sources of uncertainty for assumptions	11
(VI) Description of important accounting items	11~26
(VII) Related party transactions	26~28
(VIII) Mortgage and pledge of assets	28
(IX) Material contingent liabilities and unrecognized contractual commitments	29
(X) Losses due to material disasters	29
(XI) Material events after the reporting period	29
(XII) Others	29
(XIII) Disclosures in Notes	
1. Information on significant transactions	30
2. Information on investees	30
3. Investment information in Mainland China	30
4. Information of major shareholders	31
(XIV) Segment information	31

## 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 September 30, 2024 and the consolidated statement of comprehensive income for the three months ended in September 30, 2024, and the nine months ended September 30, 2024, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the nine months ended September 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 September 30, 2024 as well as financial performances for the three months ended September 30, 2024 and for the nine months ended September 30, 2024, and consolidated cash flow for the nine months ended September 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 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 Q3 consolidated financial statements have been prepared and the 2023 Q3 consolidated financial statements restated by Interactive Digital Technologies Inc. and its subsidiaries. We have not revised our audit conclusion for the 2024 Q3 consolidated financial statements for this reason.

### Other matters

The 2023 Q3 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 October 25, 2023.

As stated in Notes 4(2) and (5), Interactive Digital Technologies Inc. revised and restated the financial statements of 2023 Q3, 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 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 (88) Tai-Tsai-Cheng (6) No. 18311
October 23, 2024	

## Unit: NTD thousand

~4~

**Interactive Digital Technologies Inc. and Subsidiaries**

**Consolidated Statement of Comprehensive Income**

**July 1 to September 30, 2024 and 2023, and January 1 to September 30, 2024 and 2023**

**Unit: NTD thousand**

		July to September 2024		July to September 2023 (After restatement)		January to September 2024		January to September 2023 (After restatement)	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Note 6(17) and 7)	\$ 576,994	100	378,534	100	1,651,840	100	1,189,422	100
5000	Operating cost (Notes 6(4), (12), (13), 7, and 12)	(409,729)	(71)	(205,563)	(54)	(1,105,875)	(67)	(630,230)	(53)
	Gross operating profit	167,265	29	172,971	46	545,965	33	559,192	47
	Operating expenses (Notes 6(3), (6), (7), (11), (13), (18), 7, and 12):								
6100	Sales promotion expenses	(73,706)	(13)	(116,757)	(31)	(209,110)	(13)	(328,267)	(27)
6200	Administrative expenses	(40,464)	(7)	(31,938)	(8)	(135,317)	(8)	(116,169)	(10)
6450	Reversal of expected credit impairment gain (loss)	-	-	(1)	-	-	-	2,976	-
	Total operating expenses	(114,170)	(20)	(148,696)	(39)	(344,427)	(21)	(441,460)	(37)
	Net operating profit	53,095	9	24,275	7	201,538	12	117,732	10
	Non-operating income and expenses (Note 6(11), (19) and 7):								
7100	Interest revenue	2,923	1	2,255	1	10,625	1	5,951	1
7010	Other income	2,278	-	4,327	1	7,763	-	5,952	1
7020	Other gains and losses	(220)	-	(140)	-	(2,961)	-	3,153	-
7050	Financial cost	(567)	-	(2,167)	(1)	(2,716)	-	(6,755)	(1)
	Total non-operating income and expenses	4,414	1	4,275	1	12,711	1	8,301	1
	Net income before tax	57,509	10	28,550	8	214,249	13	126,033	11
7950	Income tax expenses (Note 6(14))	(10,734)	(2)	(6,957)	(2)	(42,998)	(3)	(10,764)	(1)
	Net income for the period	46,775	8	21,593	6	171,251	10	115,269	10
	Other comprehensive income (Note 6(15)):								
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of financial statements of foreign operations	113	-	-	-	485	-	-	-
8399	Income tax related to items that may be reclassified	-	-	-	-	-	-	-	-
	Other comprehensive income for the period	113	-	-	-	485	-	-	-
	Total comprehensive income for the current period	\$ 46,888	8	21,593	6	171,736	10	115,269	10
	Net profit for the period attributable to:								
8610	Owner of the parent company	\$ 45,222	8	25,674	7	173,462	10	126,731	11
8615	Equity of previous party under common control	-	-	(4,081)	(1)	(3,764)	-	(11,462)	(1)
	Non-controlling interest	1,553	-	-	-	1,553	-	-	-
		\$ 46,775	8	21,593	6	171,251	10	115,269	10
	Total comprehensive income attributable to:								
8710	Owner of the parent company	\$ 45,335	8	25,674	7	173,947	10	126,731	11
8715	Equity of previous party under common control	-	-	(4,081)	(1)	(3,764)	-	(11,462)	(1)
	Non-controlling interest	1,553	-	-	-	1,553	-	-	-
		\$ 46,888	8	21,593	6	171,736	10	115,269	10
	Earnings per share (Unit: NTD, Note 6(16))								
9750	Basic earnings per share	\$ 0.91		0.62		3.60		3.08	
9850	Diluted earnings per share	\$ 0.89		0.54		3.42		2.59	

(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 September 30, 2024 and 2023

Unit: NTD thousand

	Equity attributable to owners of the parent							Other equity	Total equity attributable to owners of the parent company	Equity of previous party under common control	Non-controlling interest	Total equity
	Share capital		Retained earnings					Exchange differences on translation of financial statements of foreign operations				
	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	-	-	-	-	-	126,731	126,731	-	126,731	(11,462)	-	115,269
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the current period	-	-	-	-	-	126,731	126,731	-	126,731	(11,462)	-	115,269
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	13,162	15,679	150,361	-	-	-	-	-	179,202	-	-	179,202
Share options recognized for issuance of convertible corporate bonds	-	-	45,722	-	-	-	-	-	45,722	-	-	45,722
Rounding difference to the nearest thousand	-	-	-	-	-	(1)	(1)	-	(1)	-	-	(1)
Balance on September 30, 2023 after restatement	\$ 415,694	15,679	662,847	225,347	489	134,567	360,403	(489)	1,454,134	5,234	-	1,459,368
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	-	-	-	-	-	173,462	173,462	-	173,462	(3,764)	1,553	171,251
Other comprehensive income for the period	-	-	-	-	-	-	-	485	485	-	-	485
Total comprehensive income for the current period	-	-	-	-	-	173,462	173,462	485	173,947	(3,764)	1,553	171,736
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	52,344	(52,344)	-	-	-	-	-	-	-	-	-	-
Conversion of convertible bonds to common shares	-	49,942	216,866	-	-	-	-	-	266,808	-	-	266,808
Changes in ownership equity in subsidiaries	-	-	1,269	-	-	-	-	-	1,269	-	(1,269)	-
Increase of non-controlling interest	-	-	-	-	-	-	-	-	-	-	10,000	10,000
Organizational reorganization	-	-	-	-	-	-	-	-	-	(12,975)	-	(12,975)
Balance as of September 30, 2024	\$ 483,717	25,216	967,454	251,523	734	177,966	430,223	(249)	1,906,361	-	10,284	1,916,645

(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 September 30, 2024 and 2023**

**Unit: NTD thousand**

	<b>January to September 2024</b>	<b>January to September 2023 (After restatement)</b>
<b>Cash flow from operating activities:</b>		
Net income before tax for the period	\$ 214,249	126,033
<b>Adjustments:</b>		
Income and expenses		
Depreciation expense	20,082	17,529
Reversal of expected credit impairment loss	-	(2,976)
Net loss (gain) on financial instruments at fair value through profit or loss	33	(33)
Interest expense	2,716	6,755
Interest revenue	(10,625)	(5,951)
Losses (gains) from the disposal and scrapping of property, plant and equipment	575	(1,676)
Gain on lease modification	(5)	-
Disposal of investment gains	-	(1,775)
Total income and expense	<u>12,776</u>	<u>11,873</u>
<b>Changes in operating assets/liabilities:</b>		
Net changes in assets related to operating activities:		
Notes and accounts receivable	168,136	393,272
Accounts receivable - related parties	(3,007)	(16,271)
Other receivables	(136)	(864)
Inventory	(169,149)	(220,639)
Prepayments and other current assets	(4,646)	5,763
Total net changes in assets related to operating activities	<u>(8,802)</u>	<u>161,261</u>
Net changes in liabilities related to operating activities:		
Contract liabilities	164,155	14,461
Accounts payable	104,667	19,291
Accounts payable - related parties	378	7,006
Other payables	(63,082)	(70,497)
Other payables - Related parties	(15,000)	-
Provision	(23,989)	(27,028)
Other current liabilities	(16,236)	(106)
Total net changes in liabilities related to operating activities	<u>150,893</u>	<u>(56,873)</u>
Total net changes in assets and liabilities related to operating activities	<u>142,091</u>	<u>104,388</u>
Total adjustment items	<u>154,867</u>	<u>116,261</u>
Cash inflow from operations	369,116	242,294
Interest received	10,404	5,523
Interest paid	(407)	(249)
Income tax paid	(66,397)	(41,031)
<b>Net cash inflow from operating activities</b>	<u>312,716</u>	<u>206,537</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 September 30, 2024 and 2023**

**Unit: NTD thousand**

	<b>January to September 2024</b>	<b>January to September 2023 (After restatement)</b>
<b>Cash flow from investing activities:</b>		
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	(8,038)	(26,727)
Proceeds from the disposal of property, plant and equipment	-	1,676
Decrease (increase) in refundable deposits	(40,042)	3,304
Decrease in prepaid equipment purchase	-	1,604
<b>Net cash outflow from investing activities</b>	<b>(6,522)</b>	<b>(13,656)</b>
<b>Cash flow from financing activities:</b>		
Decrease in short-term borrowings	-	(140,000)
Issuance of corporate bonds	-	631,884
Borrowing of long-term loans	25,000	-
Repayment of long-term borrowings	-	(26,000)
Lease principal repayment	(4,317)	(4,009)
Interest paid on leases	(88)	(51)
Increase (decrease) in guarantee deposits received	(169)	31
Increase of other non-current liabilities	11	-
Distribution of cash dividends	(275,394)	(213,342)
Changes of non-controlling interest	10,000	-
Acquisition of shares of subsidiaries	(12,975)	-
<b>Net cash inflow (outflow) from financing activities</b>	<b>(257,932)</b>	<b>248,513</b>
Effect of exchange rate changes on cash and cash equivalents	476	-
Increase in cash and cash equivalents in the current period	48,738	441,394
Opening balance of cash and cash equivalents	900,699	363,036
Closing balance of cash and cash equivalents	<b>\$ 949,437</b>	<b>804,430</b>

(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 nine months ended September 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 October 23, 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 standards and interpretations that have been issued and amended by the IASB but have not yet been approved by the FSC may be relevant to the consolidated company as follows:

<b>New or amended standards</b>	<b>Major amendments</b>	<b>Effective date of IASB's announcement</b>
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three types of income and expense, two income statement subtotals, and a single note regarding management's performance measures. These three amendments and enhancements in the guidelines for segmenting information in financial statements lay the groundwork for providing users with more refined and consistent information, impacting all companies.	January 1, 2027

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

<b>New or amended standards</b>	<b>Major amendments</b>	<b>Effective date of IASB's announcement</b>
IFRS 18 "Presentation and Disclosure in Financial Statements"	<ul style="list-style-type: none"> <li>• More structured income statement: Under current standards, companies use varying formats to present their operating results, making it difficult for investors to compare financial performance across different companies. The new standards adopt a more structured income statement format, introducing a newly defined "operating income" subtotal and requiring all income and expenses to be classified into three distinct categories based on the Company's main operating activities.</li> <li>• Management Performance Measurement (MPM): The new standards introduce a definition for management performance measures, requiring companies to provide a single note in their financial statements explaining each measure, detailing why it provides useful information, how it is calculated, and how the measure reconciles with amounts recognized under IFRS.</li> <li>• Detailed information: The new standards include guidance on how companies should enhance the grouping of information within financial statements. This includes guidance on whether the information should be included in the main financial statements or further detailed in notes.</li> </ul>	January 1, 2027

The consolidated company is currently evaluating the impact of the above standards and interpretations on the financial position and operating results of the consolidated company. The relevant impact will be disclosed when the evaluation is completed.

The consolidated company expects the following new and amendments to standards that have not yet been approved 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"
- IFRS No. 17 "Insurance Contract", and amendments to IFRS No. 17
- 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:

Name of Investment company	Name of subsidiary	Nature of business	Consolidated shareholding percentage			Description
			2024.9.30	2023.12.31	2023.9.30	
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	80.00%	-	-	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 consolidated company prepared the 2024 Q3 consolidated financial statements, it has retroactively restated the 2023 and 2023 Q3 consolidated financial statements. In Q3 of 2024, Transnet conducted a cash capital increase. However, the consolidated company did not subscribe to the increase in proportion to its shareholding, resulting in a reduction of the consolidated company's equity interest in Transnet to 80%.

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.

(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.

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

(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.

**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>2024.9.30</u>	<u>2023.12.31</u> (After restatement)	<u>2023.9.30</u> (After restatement)
Cash on hand	\$ 450	470	470
Demand deposits and checking deposits	288,202	288,901	341,282
Time deposits within three months from original maturity date	660,785	611,328	462,678
	<u><b>\$ 949,437</b></u>	<u><b>900,699</b></u>	<u><b>804,430</b></u>

As of December 31, 2023 and September 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 September 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>2024.9.30</u>	<u>2023.12.31</u>	<u>2023.9.30</u>
Financial assets at fair value through profit or loss - non-current:			
Redemption right of convertible corporate bond	\$ -	55	43

(III) Notes and accounts receivable

	<u>2024.9.30</u>	<u>2023.12.31</u> (After restatement)	<u>2023.9.30</u> (After restatement)
Notes and accounts receivable	\$ 446,317	614,453	269,627
Accounts receivable - related parties	31,477	28,470	23,214
	<u><b>\$ 477,794</b></u>	<u><b>642,923</b></u>	<u><b>292,841</b></u>

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

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:

	<b>2024.9.30</b>		
	<b>Carrying amount of notes and accounts receivable</b>	<b>Weighted average rate of expected credit losses</b>	<b>Allowance for expected credit losses during the duration</b>
Not past due	\$ 459,896	0%	-
Overdue within 30 days	16,460	0%	-
Overdue 31 to 90 days	1,438	0%	-
Overdue for more than 181 days	-	100%	-
	<b>\$ 477,794</b>		<b>-</b>

	<b>2023. 12.31 (after restatement)</b>		
	<b>Carrying amount of notes and accounts receivable</b>	<b>Weighted average rate of expected credit losses</b>	<b>Allowance for expected credit losses during the duration</b>
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%	-
	<b>\$ 642,923</b>		<b>-</b>

	<b>September 30, 2023 (after restatement)</b>		
	<b>Carrying amount of notes and accounts receivable</b>	<b>Weighted average rate of expected credit losses</b>	<b>Allowance for expected credit losses during the duration</b>
Not past due	\$ 279,945	0%	-
Overdue within 30 days	9,498	0%	-
Overdue 31 to 90 days	998	0%	-
Overdue for 91 to 180 days	2,400	0%	-
Overdue for more than 181 days	-	100%	-
	<b>\$ 292,841</b>		<b>-</b>

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

	<b>January to September 2024</b>	<b>January to September 2023</b>
Opening balance	\$ -	2,976
Reversal of impairment loss	-	(2,976)
Closing balance	<b>\$ -</b>	<b>-</b>

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

(IV) Inventory

	<b>2024.9.30</b>	<b>2023.12.31 (After restatement)</b>	<b>2023.9.30 (After restatement)</b>
Merchandise inventory	\$ 64,802	22,360	137,580
Consigned goods	289,193	306,395	360,996
Project inventory	421,050	277,038	379,797
	<b><u>\$ 775,045</u></b>	<b><u>605,793</u></b>	<b><u>878,373</u></b>

Consigned goods and 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:

	<b>July to September 2024</b>	<b>July to September 2023 (After restatement)</b>	<b>January to September 2024</b>	<b>January to September 2023 (After restatement)</b>
Cost of sold inventories	\$ 371,876	179,774	999,777	537,940
Inventory valuation losses (reversal gains)	(3,533)	(3,243)	(7,038)	911
Labor and warranty cost	41,386	29,032	113,136	91,379
	<b><u>\$ 409,729</u></b>	<b><u>205,563</u></b>	<b><u>1,105,875</u></b>	<b><u>630,230</u></b>

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) Subsidiaries

1. 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

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		<u>-</u>

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

2. Changes in all equity in subsidiaries that do not result in loss of control

In Q3 of 2024, the consolidated company, Transnet, conducted a cash capital increase. However, the consolidated company did not subscribe to the increase in proportion to its shareholding, resulting in a reduction of the consolidated company's equity interest in Transnet to 80%.

(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	-	2,837	1,412	3,789	8,038
Disposal	-	(90)	-	(2,073)	(2,163)
Reclassified to inventories	-	-	(155)	-	(155)
Effect of exchange rate changes	-	-	37	3	40
Balance on September 30, 2024	<u>\$ 641,026</u>	<u>156,608</u>	<u>19,943</u>	<u>33,289</u>	<u>850,866</u>
Balance on January 1, 2023	\$ 641,026	143,253	13,461	29,296	827,036
Addition	-	10,481	7,692	8,554	26,727
Disposal	-	(29)	(2,531)	(6,000)	(8,560)
Balance on September 30, 2023	<u>\$ 641,026</u>	<u>153,705</u>	<u>18,622</u>	<u>31,850</u>	<u>845,203</u>
Accumulated depreciation and impairment loss:					
Balance on January 1, 2024	\$ 8,984	47,079	5,778	12,927	74,768
Depreciation	-	7,287	3,105	5,357	15,749
Disposal	-	(90)	-	(1,498)	(1,588)
Reclassified to inventories	-	-	(52)	-	(52)
Effect of exchange rate changes	-	-	28	3	31
Balance on September 30, 2024	<u>\$ 8,984</u>	<u>54,276</u>	<u>8,859</u>	<u>16,789</u>	<u>88,908</u>
Balance on January 1, 2023	\$ 8,984	38,360	4,595	13,634	65,573
Depreciation	-	6,360	2,739	4,411	13,510
Disposal	-	(29)	(2,531)	(6,000)	(8,560)
Balance on September 30, 2023	<u>\$ 8,984</u>	<u>44,691</u>	<u>4,803</u>	<u>12,045</u>	<u>70,523</u>
Book value:					
January 1, 2024	<u>\$ 632,042</u>	<u>106,782</u>	<u>12,871</u>	<u>18,643</u>	<u>770,338</u>
September 30, 2024	<u>\$ 632,042</u>	<u>102,332</u>	<u>11,084</u>	<u>16,500</u>	<u>761,958</u>
September 30, 2023	<u>\$ 632,042</u>	<u>109,014</u>	<u>13,819</u>	<u>19,805</u>	<u>774,680</u>

(VII) Right-of-use assets

	<u>Buildings</u>	<u>Transportati on equipment</u>	<u>Office equipment</u>	<u>Total</u>
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 September 30, 2024	<u>\$ 6,859</u>	<u>10,485</u>	<u>224</u>	<u>17,568</u>
Balance on January 1, 2023	\$ 5,490	6,799	544	12,833
Addition	168	1,120	-	1,288
Disposal	-	(242)	-	(242)
Balance on September 30, 2023	<u>\$ 5,658</u>	<u>7,677</u>	<u>544</u>	<u>13,879</u>

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

	<u>Buildings</u>	<u>Transportati on equipment</u>	<u>Office equipment</u>	<u>Total</u>
Accumulated depreciation:				
Balance on January 1, 2024	\$ 3,548	5,312	105	8,965
Provision of depreciation	2,133	2,141	59	4,333
Disposal	(2,140)	-	-	(2,140)
Balance on September 30, 2024	<u>\$ 3,541</u>	<u>7,453</u>	<u>164</u>	<u>11,158</u>
Balance on January 1, 2023	\$ 1,126	3,935	249	5,310
Provision of depreciation	2,138	1,742	139	4,019
Disposal	-	(242)	-	(242)
Balance on September 30, 2023	<u>\$ 3,264</u>	<u>5,435</u>	<u>388</u>	<u>9,087</u>
Book value:				
January 1, 2024	<u>\$ 2,160</u>	<u>2,880</u>	<u>119</u>	<u>5,159</u>
September 30, 2024	<u>\$ 3,318</u>	<u>3,032</u>	<u>60</u>	<u>6,410</u>
September 30, 2023	<u>\$ 2,394</u>	<u>2,242</u>	<u>156</u>	<u>4,792</u>

(VIII) Short-term borrowings

	<b>2023.9.30 (After restatement)</b>
Unsecured bank borrowings	<u>\$ 10,000</u>
Unused credit limit	<u>902,797</u>
Interest rate range	<u>1.7%</u>

(IX) Corporate bonds payable

	<b>2024.9.30</b>	<b>2023.12.31</b>	<b>2023.9.30</b>
Total amount of convertible bonds issued	\$ 600,000	600,000	600,000
Unamortized balance of corporate bond discount payable	-	(9,988)	(17,604)
Cumulative converted amount	(600,000)	(325,400)	(168,800)
Balance of corporate bonds payable at the end of period	<u>\$ -</u>	<u>264,612</u>	<u>413,596</u>
Embedded derivatives - redemption option (presented as financial assets measured at fair value through profit or loss)	<u>\$ -</u>	<u>55</u>	<u>43</u>
Equity component - conversion option (presented in capital reserves - share options)	<u>\$ -</u>	<u>29,117</u>	<u>45,722</u>

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%. The Company exercised its bond redemption rights in Q3 of 2024. Before the bonds were delisted, all bondholders had fully converted their bonds into common shares.

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

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 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 was initially set at NTD 60.7. Starting from July 23, 2023, the conversion price was adjusted to NTD 56.7, and starting from July 23, 2024, the conversion price was further adjusted to NTD 53.3. As of September 30, 2024, December 31, 2023 and September 30, 2023, the accumulated common shares converted were 10,640 thousand shares, 5,646 thousand shares, and 2,884 thousand shares, respectively.

(X) Long-term borrowings

	<b>2024.9.30</b>
Unsecured bank borrowings	\$ <u><u>25,000</u></u>
Unused credit limit	\$ <u><u>10,000</u></u>
Interest rate range	<u><u>0.50%</u></u>
Year to maturity	<u><u>118</u></u>

(XI) Lease liabilities

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

	<b>2024.9.30</b>	<b>2023.12.31</b>	<b>2023.9.30</b>
Current	\$ <u><u>4,477</u></u>	<u><u>3,923</u></u>	<u><u>3,780</u></u>
Non-current	\$ <u><u>1,974</u></u>	<u><u>1,266</u></u>	<u><u>1,046</u></u>

Please refer to Note 6(20) for maturity analysis.

The amounts recognized in profit or loss are as follows:

	<b>July to September 2024</b>	<b>July to September 2023</b>	<b>January to September 2024</b>	<b>January to September 2023</b>
Interest expense of lease liabilities	\$ <u><u>31</u></u>	<u><u>14</u></u>	<u><u>88</u></u>	<u><u>51</u></u>
Expenses of short-term leases	\$ <u><u>824</u></u>	<u><u>686</u></u>	<u><u>2,762</u></u>	<u><u>2,164</u></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:

	<b>January to September 2024</b>	<b>January to September 2023</b>
Total cash outflow for leases	<b>\$ 7,167</b>	<b>6,224</b>

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.

(XII) Provision - product warranty reserve

	<b>January to September 2024</b>	<b>January to September 2023</b>
Opening balance	\$ 104,029	147,125
New in current period	21,605	27,664
Used in current period	(21,226)	(24,067)
Current period reversal	(24,368)	(30,625)
Closing balance	<b>\$ 80,040</b>	<b>120,097</b>
Current	<b>\$ 35,569</b>	<b>78,372</b>
Non-current	<b>\$ 44,471</b>	<b>41,725</b>

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.

(XIII) 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 September 30, 2024 and 2023 (after restatement) and nine months ended September 30, 2024 and 2023 (after restatement), the pension expenses under the defined contribution plan of the consolidated company were NTD 4,476 thousand, NTD 4,594 thousand, NTD 13,194 thousand, and NTD 13,430 thousand, respectively, and were allocated to the Bureau of Labor Insurance.

2. For the three months ended September 30, 2024 and 2023 and nine months ended September 30, 2024 and 2023, the Company's subsidiary in China, Hua Chi Communication, in accordance with the local government's retirement plan, made pension contributions of NTD 42 thousand, NTD 40 thousand, NTD 123 thousand, and NTD 122 thousand, respectively, according to the local employees' salaries.

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

(XIV) Income tax

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

	<u>July to September 2024</u>	<u>July to September 2023 (After restatement)</u>	<u>January to September 2024</u>	<u>January to September 2023 (After restatement)</u>
Current income tax expense				
Occurred in the current period \$	10,734	5,257	42,998	22,902
Previous period income tax adjustment	-	-	-	(17,803)
Foreign withheld tax	-	(131)	-	56
Current income tax expense	<u>10,734</u>	<u>5,126</u>	<u>42,998</u>	<u>5,155</u>
Deferred income tax expense				
Occurrence and reversal of temporary difference	-	1,831	-	5,609
Income tax expense	<u><u>\$ 10,734</u></u>	<u><u>6,957</u></u>	<u><u>42,998</u></u>	<u><u>10,764</u></u>

2. The consolidated company has no income tax directly recognized in equity or other comprehensive income from January 1 to September 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.

(XV) 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 nine months ended September 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 September 30, 2024, December 31, 2023, and September 30, 2023, the Company's total authorized capital was NTD 800,000 thousand, with a par 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 were 48,372 thousand shares, 43,137 thousand shares and 41,569 thousand shares, respectively, all of which are common shares.

As a result of the convertible corporate bond holders exercising their right of conversion from January 1 to September 30, 2024 and 2023, the Company issued 5,234 thousand shares and 1,319 thousand new shares, respectively, at a par value of NTD 10, for a total amount of NTD 52,344 thousand and NTD 13,195 thousand, respectively. The statutory registration procedures have been completed.

As of September 30, 2024 and December 31, 2023 and September 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 25,216 thousand, NTD 27,618, and NTD 15,679 thousand, respectively.

2. Capital surplus

The balance of capital reserves is as follows:

	<u>2024.9.30</u>	<u>2023.12.31</u>	<u>2023.9.30</u>
Issued stock premium	\$ 948,488	739,224	599,428
Recognizing changes in ownership equity in subsidiaries	1,269	-	-
Stock options	-	29,117	45,722
Others	17,697	17,697	17,697
	<u><u>\$ 967,454</u></u>	<u><u>786,038</u></u>	<u><u>662,847</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.

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

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.

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 dividends distributed to common shareholders	\$ 5.2	238,675	4.8	193,215
Cash distribution from capital reserve	0.8	36,719	0.5	20,127
	<u>\$ 6.0</u>	<u>275,394</u>	<u>5.3</u>	<u>213,342</u>

6. Other equity (net amount after tax)

Exchange differences on translation of financial statements of foreign operations

	January to September 2024	January to September 2023
Opening balance	\$ (734)	(489)
Exchange differences on translation of financial statements of foreign operations	485	-
Closing balance	<u>\$ (249)</u>	<u>(489)</u>

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

(XVI) Earnings per share

1. Basic earnings per share

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Net profit attributable to the Company's common stock shareholders	\$ 45,222	25,674	173,462	126,731
Weighted average number of outstanding common stock (shares in thousands)	49,820	41,116	48,159	41,116
Basic earnings per share (NTD)	\$ 0.91	0.62	3.60	3.08

2. Diluted earnings per share

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Net profit attributable to the Company's common stock shareholders (basic)	\$ 45,222	25,674	173,462	126,731
Interest expense and valuation profit or loss of convertible corporate bonds	284	1,707	1,800	5,301
Net profit attributable to the Company's common stock shareholders (diluted)	\$ 45,506	27,381	175,262	132,032
	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Weighted average number of outstanding common stock (basic) (shares in thousands)	49,820	41,116	48,159	41,116
Effect of potential dilutive ordinary shares (shares in thousands):				
Effects of remuneration to employees	296	219	387	302
Effect of conversion of convertible corporate bonds	1,033	9,626	2,626	9,626
Weighted average number of common shares outstanding (diluted) (thousand shares)	51,149	50,961	51,172	51,044
Diluted earnings per share (NTD)	\$ 0.89	0.54	3.42	2.59

(XVII) Revenue from customer contracts

1. Breakdown of revenue

	July to September 2024	July to September 2023 (After restatement)	January to September 2024	January to September 2023 (After restatement)
Main product/service lines:				
Revenues from sales of system integration projects	\$ 471,389	275,134	1,355,841	884,855
Service revenue	105,605	103,400	295,999	304,567
	\$ 576,994	378,534	1,651,840	1,189,422
Timing of revenue recognition:				
At a certain point in time	\$ 567,082	355,207	1,622,770	1,134,512
Recognized progressively over time	9,912	23,327	29,070	54,910
	\$ 576,994	378,534	1,651,840	1,189,422

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

2. Contract balance

	2024.9.30	2023.12.31 (After restatement)	2023.9.30 (After restatement)
Notes and accounts receivable	\$ 477,794	642,923	292,841
Less: Loss allowance	-	-	-
	<u>\$ 477,794</u>	<u>642,923</u>	<u>292,841</u>
	2024.9.30	2023.12.31	2023.9.30
Contract liabilities - current	<u>\$ 453,493</u>	<u>289,338</u>	<u>440,178</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 nine months ended September 30, 2024 and 2023 in the amounts of NTD 270,527 thousand and NTD 196,811 thousand, respectively.

(XVIII) 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.

For the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the estimated amounts of employees' remuneration were NTD 6,230 thousand, NTD 3,650 thousand, NTD 24,200 thousand, and NTD 15,380 thousand, respectively; the estimated amounts of directors' remuneration were NTD 467 thousand, NTD 274 thousand, NTD 1,815 thousand, and NTD 1,153 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.

(XIX) Non-operating income and expenses

1. Interest revenue

	July to September 2024	July to September 2023 (After restatement)	January to September 2024	January to September 2023 (After restatement)
Interest on bank deposits	<u>\$ 2,923</u>	<u>2,255</u>	<u>10,625</u>	<u>5,951</u>

2. Other income

	July to September 2024	July to September 2023 (After restatement)	January to September 2024	January to September 2023 (After restatement)
Rental income	\$ 393	529	1,276	1,586
Government grant income	-	3,231	-	3,231
Other income	1,885	567	6,487	1,135
	<u>\$ 2,278</u>	<u>4,327</u>	<u>7,763</u>	<u>5,952</u>

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

3. Other gains and losses

	July to September 2024	July to September 2023 (After restatement)	January to September 2024	January to September 2023 (After restatement)
Gain (loss) on foreign currency exchange	\$ (232)	12	(2,358)	(331)
Net gain (loss) on financial instruments at fair value through profit or loss	12	(1,862)	(33)	33
Gains (losses) from the disposal of property, plant and equipment	-	-	(575)	1,676
Disposal of investment gains	-	1,775	-	1,775
Gain on lease modification	-	-	5	-
Others	-	(65)	-	-
	<u>\$ (220)</u>	<u>(140)</u>	<u>(2,961)</u>	<u>3,153</u>

4. Financial costs

	July to September 2024	July to September 2023 (After restatement)	January to September 2024	January to September 2023 (After restatement)
Bank borrowing interest expense	\$ 169	18	309	77
Interest expense of corporate bonds payable	367	2,135	2,217	6,627
Interest expense of lease liabilities	31	14	88	51
Interest expense on borrowings from related parties	-	-	102	-
	<u>\$ 567</u>	<u>2,167</u>	<u>2,716</u>	<u>6,755</u>

(XX) Financial instruments

1. Types of financial instruments

(1) Financial assets

	2024.9.30	2023.12.31 (After restatement)	2023.9.30 (After restatement)
Financial assets at fair value through profit or loss - non-current	\$ -	55	43
Financial assets measured at amortized cost:			
Cash and cash equivalents	949,437	900,699	804,430
Financial assets measured at amortized cost (including current and non-current)	-	41,558	20,558
Notes and accounts receivable (including related party)	477,794	642,923	292,841
Other receivables (including related parties)	1,202	845	1,467
Refundable deposits (accounted for in other non-current assets)	145,277	105,235	91,160
	<u>\$ 1,573,710</u>	<u>1,691,315</u>	<u>1,210,499</u>

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

(2) Financial liabilities

	<u>2024.9.30</u>	<u>2023.12.31</u> (After restatement)	<u>2023.9.30</u> (After restatement)
Short-term borrowings	\$ -	-	10,000
Corporate bonds payable	-	264,612	413,596
Long-term borrowings	25,000	-	-
Accounts payable (including related parties)	476,202	371,157	371,797
Other payables (including related parties)	143,474	221,553	124,212
Lease liabilities (including current and non-current)	6,451	5,189	4,826
Guarantee deposits received (recognized in other non-current liabilities)	54	223	255
	<u><b>\$ 651,181</b></u>	<u><b>862,734</b></u>	<u><b>924,686</b></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.

B Level 2: In addition to the publicly quoted prices included in Level 1, the input parameters of assets or liabilities are directly (i.e. prices) or indirectly (i.e. derived from prices) observable.

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

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

	<u>2023.9.30</u>			
	<u>Fair value</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss:				
Right of redemption of corporate bond payable	\$ -	-	43	43

(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.

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

(4) Transfer between fair value levels

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

(5) Details of changes in level 3

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Financial assets at fair value through profit or loss				
Opening balance	\$ -	156	55	-
Increase in the current period	-	-	-	60
Recognized in profit or loss for the current period	-	(113)	(55)	(17)
Closing balance	<u>\$ -</u>	<u>43</u>	<u>-</u>	<u>43</u>

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
<b>September 30, 2024</b>					
Non-derivative financial liabilities					
Long-term borrowings	\$ 25,438	125	125	25,188	-
Accounts payable	476,202	476,202	-	-	-
Other payables	143,474	143,474	-	-	-
Lease liabilities	6,561	4,548	1,240	773	-
Guarantee deposits received	54	-	54	-	-
	<u>\$ 651,729</u>	<u>624,349</u>	<u>1,419</u>	<u>25,961</u>	<u>-</u>
<b>December 31, 2023 (after restatement)</b>					
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	-	-
	<u>\$ 872,762</u>	<u>596,667</u>	<u>1,495</u>	<u>274,600</u>	<u>-</u>
<b>September 30, 2023 (after restatement)</b>					
Non-derivative financial liabilities					
Short-term borrowings	\$ 10,003	10,003	-	-	-
Corporate bonds payable	431,200	-	-	431,200	-
Accounts payable	371,797	371,797	-	-	-
Other payables	124,212	124,212	-	-	-
Lease liabilities	4,857	3,807	1,009	41	-
Guarantee deposits received	255	-	255	-	-
	<u>\$ 942,324</u>	<u>509,819</u>	<u>1,264</u>	<u>431,241</u>	<u>-</u>

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

2024.9.30					
	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	\$	2,946	31.65	93,241	1% 932
<u>Financial liabilities</u>					
<u>Monetary items</u>					
US Dollars	\$	2,934	31.65	92,861	1% 929
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
2023.9.30					
	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	\$	1,970	32.27	63,572	1% 636
<u>Financial liabilities</u>					
<u>Monetary items</u>					
US Dollars	\$	1,831	32.27	59,086	1% 591

As the consolidated company has a wide variety of transactions in foreign currencies, for the information on exchange gain or loss of monetary items for three months ended September 30, 2024 and 2023 and nine months ended September 30, 2024 and 2023, please refer to Note 6(19) for the net foreign currency exchange gains (losses) (including realized and unrealized).

(XXI) 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.

(XXII) 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.

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

(XXIII) Financing activities of non-cash transactions

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

	2024.1.1	Cash flow	Non-cash changes		2024.9.30
			New in current period	Others	
Corporate bonds payable	\$ 264,612	-	-	(264,612)	-
Long-term borrowings	-	25,000	-	-	25,000
Lease liabilities	5,189	(4,405)	6,424	(757)	6,451
Total liabilities from financing activities	<u>\$ 269,801</u>	<u>20,595</u>	<u>6,424</u>	<u>(265,369)</u>	<u>31,451</u>

	2023.1.1 (After restatement)	Cash flow	Non-cash changes		2023.9.30
			New in current period	Others	
Short-term borrowings	\$ 150,000	(140,000)	-	-	10,000
Corporate bonds payable	-	631,884	-	(218,288)	413,596
Long-term borrowings	26,000	(26,000)	-	-	-
Lease liabilities	7,547	(4,060)	1,288	51	4,826
Total liabilities from financing activities	<u>\$ 183,547</u>	<u>461,824</u>	<u>1,288</u>	<u>(218,237)</u>	<u>428,422</u>

**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:

Name of related party	Relationship with the consolidated company
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.
Darwin Precision Corporation	Subsidiary of AUO (which evaluates Qisda using the equity method)

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

(II) Material transactions with related parties.

1. Operating revenue

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Parent company	\$ 7,870	7,907	29,355	24,767
The parent company of Hitron	4,850	-	8,000	-
Other related party	8,887	21,534	12,289	23,211
	<u>\$ 21,607</u>	<u>29,441</u>	<u>49,644</u>	<u>47,978</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

	July to September 2024	July to September 2023 (After restatement)	January to September 2024	January to September 2023 (After restatement)
The parent company of Hitron	\$ -	-	4,883	5
Other related party	13,007	6,224	46,027	13,327
	<u>\$ 13,007</u>	<u>6,224</u>	<u>50,910</u>	<u>13,332</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 and contract liabilities

The consolidated Company's receivables from the related parties and contractual liabilities due to the aforementioned project operating revenue are as follows:

Presentation account	Category of related party	2024.9.30	2023.12.31 (After restatement)	2023.9.30
Accounts receivable	Parent company	\$ 5,556	6,723	5,725
	The parent company of Hitron	24,885	21,630	-
	Other related party	1,036	117	17,489
		<u>\$ 31,477</u>	<u>28,470</u>	<u>23,214</u>
Other receivables	Parent company	\$ -	41	60
	Other related party	220	-	-
		<u>\$ 220</u>	<u>41</u>	<u>60</u>
Contract liabilities - current	Parent company	35	120	158
	The parent company of Hitron	21,910	14,210	-
		<u>\$ 21,945</u>	<u>14,330</u>	<u>158</u>

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

4. Payables to related parties

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

<b>Presentation account</b>	<b>Category of related party</b>	<b>2024.9.30</b>	<b>2023.12.31 (After restatement)</b>	<b>2023.9.30 (After restatement)</b>
Accounts payable	The parent company of Hitron	\$ -	3,124	3,018
	Other related party	10,193	6,691	5,960
		<b>\$ 10,193</b>	<b>9,815</b>	<b>8,978</b>

5. Property transactions

The consolidated company purchased office equipment from the parent company and other related parties for the amounts of NTD 2,190 thousand and NTD 6,080 thousand between January 1 to September 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 nine months ended September 30, 2024 and 2023 amounted to NTD 43 thousand and NTD 43 thousand, respectively.

The consolidated company leased offices to the parent company and other related parties for a rent income of NTD 463 thousand for the nine months ended September 30, 2024 and 2023.

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 July 1 to September 30 and January 1 to September 30, 2024 were NTD 0 thousand and NTD 102 thousand, respectively.

(III) Remuneration to key management personnel

	<b>July to September 2024</b>	<b>July to September 2023</b>	<b>January to September 2024</b>	<b>January to September 2023</b>
Short-term employee benefits and remuneration	\$ 7,301	8,817	40,327	43,845
Post-employment benefits	297	297	891	890
	<b>\$ 7,598</b>	<b>9,114</b>	<b>41,218</b>	<b>44,735</b>

**VIII. Mortgage and pledge of assets**

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

<b>Asset name</b>	<b>Object of the pledge guarantee</b>	<b>2024.9.30</b>	<b>2023.12.31 (After restatement)</b>	<b>2023.9.30 (After restatement)</b>
Bank time deposits (recognized as other non-current assets)	Customer contract's retention amount	\$ 30,565	-	-
Refundable deposits (recognized as other non-current assets)	Customer contract's retention amount	114,712	105,235	91,160
Financial assets measured at amortized cost - non-current	Construction contract guarantee	-	558	558
		<b>\$ 145,277</b>	<b>105,793</b>	<b>91,718</b>

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

**IX. Material contingent liabilities and unrecognized contractual commitments**

	2024.9.30	2023.12.31	2023.9.30
Guaranteed notes payable from project issuance	\$ 18,367	15,256	16,190
Guarantee letter issued for construction guarantee	\$ 79,795	113,771	107,203

**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	July to September 2024			July to September 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		30,527	78,007	108,534	-	97,036	97,036
Labor and national health insurance expenses		3,019	5,613	8,632	-	8,821	8,821
Pension expense		1,532	2,986	4,518	-	4,634	4,634
Other employee benefit expenses		1,222	3,006	4,228	-	3,476	3,476
Depreciation expense		-	6,871	6,871	-	6,288	6,288
Amortization expense		-	-	-	-	-	-

By nature	By function	January to September 2024			January to September 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		85,881	234,554	320,435	-	305,801	305,801
Labor and national health insurance expenses		8,538	15,738	24,276	-	24,270	24,270
Pension expense		4,333	8,984	13,317	-	13,552	13,552
Other employee benefit expenses		3,264	8,539	11,803	-	10,091	10,091
Depreciation expense		-	20,082	20,082	-	17,529	17,529
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 consolidated company redisclosed the relevant information of significant transactions from January 1, 2024 to September 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 Company	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	36,236	-	4,000	80.00%	41,137	1,421	3,632	

(III) Information on investments in Mainland China:

1. Information on re-investments in Mainland China:

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

Name of investee company in Mainland China	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	Withdrawal						
Hwa Chi Technologies (shanghai) Inc.	Technical consultation, technical research, maintenance and after-sales service of electronic communication products	USD100	Direct investment	12,048	-	3,194	8,854	836	100.00 %	836	9,094	21,654

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	USD 414	1,143,817

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

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

(IV) Information of major shareholders:

			Unit: shares
<b>Name of major shareholder</b>	<b>Shares of Stock</b>	<b>Number of shares held</b>	<b>Shareholding ratio (%)</b>
HITRON TECHNOLOGIES INC.		16,702,600	32.81%
Enrich Investment Corporation		2,575,000	5.05%

**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 September 30, 2024 and 2023 is consistent with the information in the consolidated financial statements.