

**Interactive Digital Technologies Inc.
and Subsidiaries**

Consolidated Financial Statements

With Independent Auditors' Review Report

For the Nine Months Ended September 30, 2025 and 2024

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.

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Independent Auditors' 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 nine months ended September 30, 2025 and 2024, and the consolidated statement of comprehensive income for the three and nine months ended in September 30, 2025 and 2024, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the nine months ended September 30, 2025 and 2024, and the notes to the financial statements, including a summary of significant accounting policies. The management is responsible for the preparation and fair presentation of the consolidated financial report in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" endorsed and released by the Financial Supervisory Commission, while our responsibility is to make a conclusion on the consolidated financial report based on the review results.

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 report consists of making inquiries (primarily to persons responsible for financial and accounting matters), and performing analytical and other review procedures. As the review work is substantially less in scope than the audit work, we may not be able to observe significant matters that may be identified in an audit, and therefore we are not able to 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, 2025 as well as consolidated financial performances for the three months ended September 30, 2025 and for the nine months ended September 30, 2025, and consolidated cash flow for the nine months ended September 30, 2024.

KPMG Taiwan

Certified Public
Accountant:

Huang, Ming-Hung
Chang, Huei-Chen

Approval reference number
of the securities authority
October 21, 2025

Jin-Guan-Zheng-Shen-Zi No. 1060005191
: (88) Tai-Tsai-Cheng (6) No. 18311

Unit: NTD thousand

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

Accounting Supervisor: Mei-Chi Chen

Interactive Digital Technologies Inc. and Subsidiaries

Consolidated Statement of Comprehensive Income

July 1 to September 30, 2025 and 2024 and January 1 to September 30, 2025 and 2024

Unit: NTD thousand

		July to September 2025		July to September 2024		January to September 2025		January to September 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Note 6 (16) and 7)	\$ 593,342	100	576,994	100	1,493,915	100	1,651,840	100
5000	Operating cost (Notes 6 (3), (11), (12), 7 and 12)	(426,075)	(72)	(409,729)	(71)	(978,560)	(66)	(1,105,875)	(67)
	Gross operating profit	167,267	28	167,265	29	515,355	34	545,965	33
	Operating expenses (Notes 6 (6), (7), (10), (12), (17), 7, and 12):								
6100	Sales expenses	(76,562)	(13)	(73,706)	(13)	(228,581)	(15)	(209,110)	(13)
6200	Administrative expenses	(41,487)	(7)	(40,464)	(7)	(122,799)	(8)	(135,317)	(8)
	Total operating expenses	(118,049)	(20)	(114,170)	(20)	(351,380)	(23)	(344,427)	(21)
	Operating profit	49,218	8	53,095	9	163,975	11	201,538	12
	Non-operating income and expenses (Note 6 (4), (10), (18) and 7):								
7100	Interest income	3,285	1	2,923	1	12,929	1	10,625	1
7010	Other income	815	-	2,278	-	3,247	-	7,763	-
7020	Other gains and losses	26	-	(220)	-	1,348	-	(2,961)	-
7050	Financial cost	(224)	-	(567)	-	(446)	-	(2,716)	-
7375	Share of loss of affiliated companies accounted for using the equity method	(829)	-	-	-	(4,639)	-	-	-
	Total non-operating income and expenses	3,073	1	4,414	1	12,439	1	12,711	1
	Profit before tax	52,291	9	57,509	10	176,414	12	214,249	13
7950	Income tax expenses (Note 6 (13))	(9,161)	(2)	(10,734)	(2)	(29,659)	(2)	(42,998)	(3)
	Profit for the period	43,130	7	46,775	8	146,755	10	171,251	10
	Other comprehensive income (Note 6 (14)):								
8360	Components of other comprehensive income that will be reclassified to profit or loss								
8361	Exchange differences on translation	418	-	113	-	(508)	-	485	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Other comprehensive income for the period	418	-	113	-	(508)	-	485	-
	Total comprehensive income for the period	<u>\$ 43,548</u>	<u>7</u>	<u>46,888</u>	<u>8</u>	<u>146,247</u>	<u>10</u>	<u>171,736</u>	<u>10</u>
	Current profit attributable to:								
8610	Owners of parent	\$ 41,452	7	45,222	8	144,295	10	173,462	10
8615	Equity of previous party under common control	-	-	-	-	-	-	(3,764)	-
	Non-controlling interest	1,678	-	1,553	-	2,460	-	1,553	-
		<u>\$ 43,130</u>	<u>7</u>	<u>46,775</u>	<u>8</u>	<u>146,755</u>	<u>10</u>	<u>171,251</u>	<u>10</u>
	Total comprehensive income attributable to:								
8710	Owners of parent	\$ 41,870	7	45,335	8	143,787	10	173,947	10
8715	Equity of previous party under common control	-	-	-	-	-	-	(3,764)	-
	Non-controlling interest	1,678	-	1,553	-	2,460	-	1,553	-
		<u>\$ 43,548</u>	<u>7</u>	<u>46,888</u>	<u>8</u>	<u>146,247</u>	<u>10</u>	<u>171,736</u>	<u>10</u>
	Earnings per share (Unit: NTD, Note 6 (15))								
9750	Basic earnings per share	<u>\$ 0.81</u>		<u>0.91</u>		<u>2.84</u>		<u>3.60</u>	
9850	Diluted earnings per share	<u>\$ 0.81</u>		<u>0.89</u>		<u>2.82</u>		<u>3.42</u>	

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

Chairperson:

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, 2025 and 2024

Unit: NTD thousand

	Equity attributable to owners of parent							Other equity		Equity of previous party under common control	Non-controlling interest	Total equity
	Share capital		Capital surplus	Retained earnings			Exchange differences on translation	Total equity attributable to owners of parent				
	Ordinary share capital	Capital received in advance		Legal reserve	Special reserves	Undistributed earnings			Total			
Balance as of January 1, 2024	\$ 431,373	27,618	786,038	225,347	489	269,600	495,436	(734)	1,739,731	16,739	-	1,756,470
Profit 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 period	-	-	-	-	-	173,462	173,462	485	173,947	(3,764)	1,553	171,736
Appropriation and distribution of retained earnings:												
Appropriation of legal reserve	-	-	-	26,176	-	(26,176)	-	-	-	-	-	-
Provision of special reserve	-	-	-	-	245	(245)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(238,675)	(238,675)	-	(238,675)	-	-	(238,675)
Cash distribution from capital surplus	-	-	(36,719)	-	-	-	-	-	(36,719)	-	-	(36,719)
Advanced proceeds from shares issued transferred to share capital	52,344	(52,344)	-	-	-	-	-	-	-	-	-	-
Conversion of convertible bonds to ordinary 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
Equity of previous party under common control	-	-	-	-	-	-	-	-	-	(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
Balance on January 1, 2025	\$ 508,933	-	967,454	251,523	734	291,269	543,526	(294)	2,019,619	-	11,714	2,031,333
Profit for the period	-	-	-	-	-	144,295	144,295	-	144,295	-	2,460	146,755
Other comprehensive income for the period	-	-	-	-	-	-	-	(508)	(508)	-	-	(508)
Total comprehensive income for the period	-	-	-	-	-	144,295	144,295	(508)	143,787	-	2,460	146,247
Appropriation and distribution of retained earnings::												
Appropriation of legal reserve	-	-	-	28,677	-	(28,677)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(440)	440	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(258,029)	(258,029)	-	(258,029)	-	-	(258,029)
Cash distribution from capital surplus	-	-	(40,715)	-	-	-	-	-	(40,715)	-	-	(40,715)
Changes in affiliates recognized using the equity method	-	-	1,145	-	-	-	-	-	1,145	-	-	1,145
Balance as of September 30, 2025	\$ 508,933	-	927,884	280,200	294	149,298	429,792	(802)	1,865,807	-	14,174	1,879,981

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

Chairperson: 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, 2025 and 2024

Unit: NTD thousand

	January to September, 2025	January to September, 2024
Cash flow from (used in) operating activities:		
Profit before tax for the period	\$ 176,414	214,249
Adjustments:		
Income and expenses		
Depreciation expense	20,412	20,082
Net loss on financial instruments at fair value through profit or loss	-	33
Interest expense	446	2,716
Interest income	(12,929)	(10,625)
Share of loss of affiliated companies accounted for using the equity method	4,639	-
Losses (gains) from the disposal and scrapping of property, plant and equipment	(47)	575
Gain on lease modification	(3)	(5)
Gain on disposal of investments accounted for using the equity method	(537)	-
Total income and expense	11,981	12,776
Changes in operating assets/liabilities:		
Net changes in assets related to operating activities:		
Notes and accounts receivable	132,666	168,136
Accounts receivable - related parties	27,640	(3,007)
Other receivables	114	(136)
Inventory	(76,967)	(169,149)
Prepayments and other current assets	(32,499)	(4,646)
Total net changes in assets related to operating activities	50,954	(8,802)
Net changes in liabilities related to operating activities:		
Contract liabilities	(54,880)	164,155
Notes and accounts payable	(26,140)	104,667
Accounts payable - related parties	(28,346)	378
Other payables	(62,145)	(63,082)
Provision	(10,683)	(23,989)
Other current liabilities	3,513	(16,236)
Total net changes in liabilities related to operating activities	(178,681)	165,893
Total net changes in assets and liabilities related to operating activities	(127,727)	157,091
Total adjustment items	(115,746)	169,867
Cash inflow from operations	60,668	384,116
Interest received	13,383	10,404
Interest paid	(301)	(407)
Income tax paid	(93,262)	(66,397)
Net cash inflows (outflows) from operating activities	(19,512)	327,716

(continued on next page)

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

Chairperson:
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, 2025 and 2024

Unit: NTD thousand

	<u>January to September, 2025</u>	<u>January to September, 2024</u>
Cash flow from (used in) investing activities:		
Disposal of financial assets measured at amortized cost	-	41,558
Consideration from disposal of investments accounted for using the equity method	4,158	-
Acquisition of property, plant and equipment	(7,045)	(8,038)
Proceeds from the disposal of property, plant and equipment	47	-
Decrease (increase) in refundable deposits	10,345	(40,042)
Decrease in prepaid equipment purchase	855	-
Net cash inflows (outflows) from investing activities	<u>8,360</u>	<u>(6,522)</u>
Cash flows from (used in) financing activities:		
Borrowing of long-term loans	-	25,000
Repayment of long-term borrowings	(25,000)	-
Other payables - decreased loan to related parties	-	(15,000)
Lease principal repayment	(4,296)	(4,317)
Interest paid on leases	(149)	(88)
Decrease in guarantee deposits received	(54)	(169)
Increase of other non-current liabilities	-	11
Distribution of cash dividends	(298,744)	(275,394)
Changes of non-controlling interest	-	10,000
Acquisition of shares of subsidiaries	-	(12,975)
Net cash outflows from financing activities	<u>(328,243)</u>	<u>(272,932)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(500)</u>	<u>476</u>
Increase (decrease) in cash and cash equivalents in the current period	(339,895)	48,738
Opening balance of cash and cash equivalents	<u>1,041,129</u>	<u>900,699</u>
Closing balance of cash and cash equivalents	<u>\$ 701,234</u>	<u>949,437</u>

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

Chairperson:
Wen-Fang Huang

Manager:
Mei-Lang Liu

Accounting Supervisor:
Mei-Chi Chen

Interactive Digital Technologies Inc. and Subsidiaries
Notes to Consolidated Financial Report
For the Nine months ended September 30, 2025 and 2024
(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 report was approved by the Board of Directors on October 21, 2025.

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, 2025, and there was no significant impact on the consolidated financial report.

- Amendments to IAS 21 "Lack of Exchangeability"

- (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, 2026 will not cause significant impact on the consolidated financial statements.

- IFRS No. 17 "Insurance Contract", and amendments to IFRS No. 17
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS No. 9 and IFRS 7 "Nature-dependent Electricity Contracts"

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

(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:

New or amended standards	Major amendments	Effective date of IASB's announcement
IFRS 18 "Presentation and Disclosure in Financial Statements"	<p>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.</p> <ul style="list-style-type: none"> • 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. • Management Performance Measurement (MPMs): 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. • 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. 	<p>January 1, 2027</p> <p>Note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS No. 18 starting from the 2028 fiscal year. If the Company has a need for early adoption, it may choose to apply the standard in advance upon approval by the FSC.</p>

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

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 19 "Subsidiaries without Public Accountability: Disclosure" and the amendments to IFRS 19.

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 report are the same as those in the 2024 consolidated report. For relevant information, please refer to Note 4 for the 2024 consolidated financial report.

(II) Basis for consolidation

1. Subsidiaries included in the consolidated financial statements

Subsidiaries included in the consolidated financial statements include:

Name of Investing Company	Name of subsidiary	Nature of business	Consolidated shareholding percentage			Explanation
			2025.9.30	2024.12.31	2024.9.30	
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%	80.00%	80.00%	-

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

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

(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 estimated average of the expected effective tax rate for the year, and fully recognized as current income tax expenses.

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.

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

When preparing the consolidated financial report, the management complied with IAS No. 34 "Interim Financial Reporting" endorsed and released by the FSC, the management must make judgments, estimates and assumptions that may affect 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 2024 consolidated financial report.

VI. Description of important accounting items

Except for the following, there is no material difference between the major accounting items in the consolidated financial report and the 2024 consolidated financial report. For relevant information, please refer to Note 6 of the 2024 consolidated financial report.

(I) Cash and cash equivalent

	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Cash on hand	\$ 450	450	450
Demand deposits and checking deposits	108,260	154,453	288,202
Time deposits within three months from original maturity date	592,524	886,226	660,785
	<u><u>\$ 701,234</u></u>	<u><u>1,041,129</u></u>	<u><u>949,437</u></u>

(II) Notes and accounts receivable

	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Notes and accounts receivable	\$ 512,248	644,914	446,317
Accounts receivable - related parties	9,626	37,266	31,477
	<u><u>\$ 521,874</u></u>	<u><u>682,180</u></u>	<u><u>477,794</u></u>

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (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:

2025.9.30			
	Carrying amounts of notes and accounts receivable	Weighted average rate of expected credit losses	Allowance for expected credit losses during the duration
Not overdue	\$ 475,503	0%	-
Overdue within 30 days	33,689	0%	-
Overdue 31 to 90 days	10,697	0%	-
Overdue 91 to 120 days	1,985	0%	-
Overdue for more than 181 days	-	100%	-
	<u>\$ 521,874</u>		<u>-</u>
2024.12.31			
	Carrying amounts of notes and accounts receivable	Weighted average rate of expected credit losses	Allowance for expected credit losses during the duration
Not overdue	\$ 633,641	0%	-
Overdue within 30 days	20,363	0%	-
Overdue 31 to 90 days	28,176	0%	-
Overdue for more than 181 days	-	100%	-
	<u>\$ 682,180</u>		<u>-</u>
2024.9.30			
	Carrying amounts of notes and accounts receivable	Weighted average rate of expected credit losses	Allowance for expected credit losses during the duration
Not overdue	\$ 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%	-
	<u>\$ 477,794</u>		<u>-</u>

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

(III) Inventory

	<u>2025.9.30</u>	<u>2024.12.31</u>	<u>2024.9.30</u>
Merchandise inventory	\$ 220,817	59,954	64,802
Consigned goods	198,429	200,269	289,193
Project inventory	358,933	440,989	421,050
	<u>\$ 778,179</u>	<u>701,212</u>	<u>775,045</u>

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:

	<u>July to September, 2025</u>	<u>July to September, 2024</u>	<u>January to September, 2025</u>	<u>January to September, 2024</u>
Cost of sold inventories	\$ 387,354	371,876	857,912	999,777
Inventory valuation losses (reversal gains)	767	(3,533)	1,078	(7,038)
Labor and warranty cost	37,954	41,386	119,570	113,136
	<u>\$ 426,075</u>	<u>409,729</u>	<u>978,560</u>	<u>1,105,875</u>

The above mentioned 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.

(IV) Investments accounted for using the equity method

The consolidated company's investments under the equity method on the reporting date are as follows:

Associate name	Main businesses	principal place of business/ country of incorporation	<u>2025.9.30</u>		<u>2024.12.31</u>	
			% of ownership interests and voting rights held	Carrying amount	% of ownership interests and voting rights held	Carrying amount
Fiber Logic Communications ,Inc. ("Fiber Logic")	Production and sales of wideband communication equipment and service routers	Taiwan	5.76%	<u>\$ 87,353</u>	6.00%	<u>95,818</u>

In Q4 2024, the consolidated company invested NT\$96,930 thousand in cash to acquire a 6% stake in Fiber Logic Communications and became one of the five directors of the company. Therefore, the consolidated company is considered to have significant influence over Fiber Logic Communications, and the equity method is adopted for valuation.

In Q3 of 2025, the consolidated Company disposed of part of its investments accounted for using the equity method for a consideration of NT\$4,158 thousand, resulting in a disposal gain of NT\$537 thousand, which was recognized under "Other gains and losses."

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

For the period of three months and nine month from July 1 to September 30 and January 1 to September 30, 2025, the Group entitled the share of the affiliate's net loss was NT\$829 thousand and NT\$4,639 thousand, respectively.

The summarized financial information of affiliates important to the consolidated company is as follows:

Summary financial information of the smart grid:

	2025.9.30	2024.12.31
Current assets	\$ 523,232	547,560
Non-current assets	462,081	486,845
Current liabilities	(159,013)	(120,480)
Non-current liabilities	(17,473)	(13,618)
Net asset	<u>\$ 808,827</u>	<u>900,307</u>
	July to September, 2025	January to September, 2025
Operating revenue	<u>\$ 109,181</u>	<u>178,113</u>
Net loss for the period	\$ (11,437)	(81,081)
Other comprehensive income for the period	-	-
Total comprehensive income for the current period	<u>\$ (11,437)</u>	<u>(81,081)</u>
		January to September, 2025
The consolidated company's share of the net assets of the affiliated enterprise at the beginning of the period	\$	31,749
Net loss attributable to the consolidated company in the current period		(4,639)
Capital reserve attributable to the consolidated company in the current period		1,145
Dividends receivable from affiliates for the period		(1,350)
The Group's share of the net assets of the affiliates at the end of the period		26,905
Add: Goodwill and others		60,448
The book value of the Group's equity in the affiliated enterprise at the end of the period	<u>\$</u>	<u>87,353</u>

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

(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 NT\$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 above-mentioned 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	\$	<u>-</u>

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%.

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

(VI) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Others	Total
Cost:					
Balance on January 1, 2025	\$ 641,026	155,226	20,318	32,528	849,098
Addition	-	2,813	88	4,144	7,045
Disposal	-	(245)	(772)	(3,133)	(4,150)
Effect of exchange rate changes	-	-	(44)	(7)	(51)
Balance on September 30, 2025	<u>\$ 641,026</u>	<u>157,794</u>	<u>19,590</u>	<u>33,532</u>	<u>851,942</u>
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>
Accumulated depreciation and impairment loss:					
Balance on January 1, 2025	\$ 8,984	54,632	9,930	16,486	90,032
Depreciation	-	7,503	3,201	5,374	16,078
Disposal	-	(245)	(772)	(3,133)	(4,150)
Effect of exchange rate changes	-	-	(37)	(6)	(43)
Balance on September 30, 2025	<u>\$ 8,984</u>	<u>61,890</u>	<u>12,322</u>	<u>18,721</u>	<u>101,917</u>
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>
Carrying amounts:					
January 1, 2025	<u>\$ 632,042</u>	<u>100,594</u>	<u>10,388</u>	<u>16,042</u>	<u>759,066</u>
September 30, 2025	<u>\$ 632,042</u>	<u>95,904</u>	<u>7,268</u>	<u>14,811</u>	<u>750,025</u>
September 30, 2024	<u>\$ 632,042</u>	<u>102,332</u>	<u>11,084</u>	<u>16,500</u>	<u>761,958</u>

(VII) Right-of-use assets

	Buildings and structures	Transportation equipment	Office equipment	Total
Cost:				
Balance on January 1, 2025	\$ 6,859	10,452	224	17,535
Addition	9,092	3,081	-	12,173
Disposal	(3,820)	(6,254)	(224)	(10,298)
Balance on September 30, 2025	<u>\$ 12,131</u>	<u>7,279</u>	<u>-</u>	<u>19,410</u>
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>

**Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial
Report (continued)**

	Buildings and structures	Transportation equipment	Office equipment	Total
Accumulated depreciation:				
Balance on January 1, 2025	\$ 4,291	7,639	184	12,114
Provision of depreciation	2,410	1,884	40	4,334
Disposal	(3,581)	(6,254)	(224)	(10,059)
Balance on September 30, 2025	<u>\$ 3,120</u>	<u>3,269</u>	<u>-</u>	<u>6,389</u>
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>
Carrying amounts:				
January 1, 2025	<u>\$ 2,568</u>	<u>2,813</u>	<u>40</u>	<u>5,421</u>
September 30, 2025	<u>\$ 9,011</u>	<u>4,010</u>	<u>-</u>	<u>13,021</u>
September 30, 2024	<u>\$ 3,318</u>	<u>3,032</u>	<u>60</u>	<u>6,410</u>

(VIII) Corporate bonds payable

	2025.9.30	2024.12.31	2024.9.30
Total amount of convertible bonds issued	\$ -	600,000	600,000
Cumulative converted amount	-	(600,000)	(600,000)
Balance of corporate bonds payable at the end of period	<u>\$ -</u>	<u>-</u>	<u>-</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 ordinary shares.

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.

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

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 three months after the issuance till the maturity date, except for the period of transfer suspension according to laws, the investor may request the Company's stock agency to convert the bond into ordinary shares at any time.

4. Conversion price and execution of conversion

The conversion price per share was initially set at NT\$60.7. Starting from July 23, 2023, the conversion price was adjusted to NT\$56.7, and starting from July 23, 2024, the conversion price was further adjusted to NT\$53.3. As of December 31 and September 30, 2024, the accumulated ordinary shares converted into were both 10,640 thousand shares, respectively.

(IX) Long-term loans

	2025.9.30	2024.12.31	2024.9.30
Unsecured bank borrowings	\$ -	25,000	25,000
Unused long and short term credit limit	\$ 1,088,227	1,177,201	855,206
Interest rate range	-	0.50%~2.22%	0.50%
Year to maturity	-	2029	2029

(X) Lease liabilities

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

	2025.9.30	2024.12.31	2024.9.30
Current	\$ 4,047	3,812	4,477
Non-current	\$ 9,054	1,654	1,974

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

The amounts recognized in profit or loss are as follows:

	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Interest expense of lease liabilities	\$ 66	31	149	88
Expenses of short-term leases	\$ 1,137	824	3,708	2,762

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

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

	January to September, 2025	January to September, 2024
Total cash outflow for leases	<u><u>\$ 8,153</u></u>	<u><u>7,167</u></u>

1. Lease of buildings

The Group 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 five 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 September, 2025	January to September, 2024
Opening balance	\$ 80,169	104,029
Addition in current period	18,592	21,605
Used in current period	(11,194)	(21,226)
Reversal in current period	(18,081)	(24,368)
Closing balance	<u><u>\$ 69,486</u></u>	<u><u>80,040</u></u>
	2025.9.30	2024.12.31
Current	<u><u>\$ 39,457</u></u>	<u><u>34,628</u></u>
Non-current	<u><u>\$ 30,029</u></u>	<u><u>44,471</u></u>
	2024.9.30	

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 and nine months ended September 30, 2025 and

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

2024, the consolidated Company's pension expenses under the defined contribution plan (including amounts capitalized to inventory) were NT\$4,843 thousand, NT\$4,476 thousand, NT\$14,340 thousand, and NT\$13,194 thousand, respectively, and have been contributed to the Bureau of Labor Insurance.

2. For the three months ended September 30, 2025 and 2024 and nine months ended September 30, 2025 and 2024, the Company's subsidiary in China, Hua Chi Communication, in accordance with the local government's retirement plan, made pension contributions of NT\$41 thousand, NT\$42 thousand, NT\$124 thousand, and NT\$123 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>July to September, 2025</u>	<u>July to September, 2024</u>	<u>January to September, 2025</u>	<u>January to September, 2024</u>
Current income tax expense	<u>\$ 9,161</u>	<u>10,734</u>	<u>29,659</u>	<u>42,998</u>

2. The Group has no income tax directly recognized in equity or other comprehensive income from January 1 to September 30, 2025 and 2024.
3. The income tax returns of the Company and Transnet's profit-seeking enterprise income tax was assessed by the tax authorities up to 2023.

(XIV) Capital and other equity

Except for the following, there were no significant changes in the share capital and other equities from January 1 to September 30, 2025 and 2024. For relevant information, please refer to Note 6 (15) to the 2024 Consolidated Financial Report.

1. Common stock capital

On September 30, 2025, December 31 and September 30, 2024, the Company's total authorized capital was NT\$800,000 thousand, with a face value of NT\$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 50,893 thousand shares, 50,893 thousand shares and 48,372 thousand shares, respectively. All of them are common shares.

As a result of the convertible corporate bond holders' exercise of their conversion right from January 1 to September 30, 2024, the Company issued 5,234 thousand new shares at a par value of NT\$10, for a total amount of NT\$52,344 thousand. The statutory registration procedures have been completed.

As of September 30, 2024, for convertible corporate bond holders who have applied for conversion into ordinary shares but the change registration has not been completed, the amount recorded as share capital received in advance was NT\$25,216 thousand.

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

2. Capital surplus

The balance of capital reserves is as follows:

	2025.9.30	2024.12.31	2024.9.30
Issued stock premium	\$ 907,773	948,488	948,488
Recognizing changes in ownership equity in subsidiaries	1,269	1,269	1,269
Changes in affiliates recognized using the equity method	1,145	-	-
Others	17,697	17,697	17,697
	<u>\$ 927,884</u>	<u>967,454</u>	<u>967,454</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 earning 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 Consolidated Financial Report (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 25, 2025 and February 23, 2024, the Board of Directors resolved the amounts of the distribution of cash dividends for 2024 and 2023, respectively; on May 23, 2025 and May 28, 2024, the shareholders resolved other earnings distributable for 2024 and 2023. The related distribution amounts are as follows:

	2024		2023	
	Dividends per share (NTD)	Amount	Dividends per share (NTD)	Amount
Legal reserve		<u>\$ 28,677</u>		<u>26,176</u>
Special reserve appropriated (reversed)		<u>\$ (440)</u>		<u>245</u>
Cash dividends distributed to ordinary share holders	\$ 5.07	258,029	5.2	238,675
Cash distribution from capital surplus	0.8	40,715	0.8	36,719
	<u>\$ 5.87</u>	<u>298,744</u>	<u>6.0</u>	<u>275,394</u>

6. Other equity (net amount after tax)

Exchange differences on translation

	January to September, 2025	January to September, 2024
Opening balance	\$ (294)	(734)
Exchange differences arising from the translation of net assets of foreign operations	(508)	485
Closing balance	<u>\$ (802)</u>	<u>(249)</u>

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

(XV) Earnings per share

1. Basic earnings per share

	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Net profit attributable to the Company's ordinary share holders	\$ 41,452	45,222	144,295	173,462
Weighted average number of outstanding ordinary shares (thousand shares)	50,893	49,820	50,893	48,159
Basic earnings per share (NTD)	\$ 0.81	0.91	2.84	3.60

2. Diluted earnings per share

	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Net profit attributable to the Company's ordinary share holders (basic)	\$ 41,452	45,222	144,295	173,462
Interest expense and valuation profit or loss of convertible corporate bonds	-	284	-	1,800
Net profit attributable to the Company's ordinary share holders (diluted)	\$ 41,452	45,506	144,295	175,262
Weighted average number of outstanding ordinary shares (basic) (thousand shares)	50,893	49,820	50,893	48,159
Effect of potential dilutive ordinary shares (thousand shares):				
Effects of remuneration to employees	265	296	360	387
Effect of conversion of convertible corporate bonds	-	1,033	-	2,626
Weighted average number of ordinary shares outstanding (diluted) (thousand shares)	51,158	51,149	51,253	51,172
Diluted earnings per share (NTD)	\$ 0.81	0.89	2.82	3.42

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

(XVI) Revenue from customer contracts

1. Breakdown of revenue

	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Main product/service lines:				
Revenues from sales of system integration projects	\$ 497,079	471,389	1,186,214	1,355,841
Service revenue	96,263	105,605	307,701	295,999
	<u>\$ 593,342</u>	<u>576,994</u>	<u>1,493,915</u>	<u>1,651,840</u>
Timing of revenue recognition:				
At a certain point in time	\$ 582,335	567,082	1,464,311	1,622,770
Recognized progressively over time	11,007	9,912	29,604	29,070
	<u>\$ 593,342</u>	<u>576,994</u>	<u>1,493,915</u>	<u>1,651,840</u>

2. Contract balance

	2025.9.30	2024.12.31	2024.9.30
Notes and accounts receivable	<u>\$ 521,874</u>	<u>682,180</u>	<u>477,794</u>
	2025.9.30	113.12.31	2024.9.30
Contract liabilities - current	<u>\$ 424,625</u>	<u>479,505</u>	<u>453,493</u>

Please refer to Note 6 (2) for the disclosure of notes and accounts receivable and the impairment thereof.

The opening balances of contract liabilities on January 1, 2025 and 2024 are recognized as income from January 1 to September 30, 2025 and 2024 at the amounts of NT\$263,055 thousand and NT\$270,527 thousand, respectively.

(XVII) Remuneration to employees and directors

According to the Articles of Incorporation, if the Company realizes a profit, 5% to 20% shall be allocated as employee remuneration and no more than 1% as directors' remuneration; however, if the Company has accumulated losses, the amount to cover such losses shall be set aside first. In addition, pursuant to the amendment to the Articles of Incorporation resolved by the Shareholders' meeting on May 23, 2025, the remuneration allocated to non-executive employees shall not be less than 10% of the total employee remuneration mentioned in the preceding paragraph. The employees subject to remuneration in the first paragraph distributed in shares or in cash, may be the employees of the subordinate companies who meet certain criteria.

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

For the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, the estimated amounts of employees' remuneration were NT\$5,680, thousand, NT\$6,230 thousand, NT\$19,480 thousand, and NT\$24,200 thousand, respectively; the estimated amounts of directors' remuneration were NT\$425 thousand, NT\$467 thousand, NT\$1,460 thousand, and NT\$1,815 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.

On February 25, 2025 and February 23, 2024, the Board of Directors resolved to distribute employee remuneration of NT\$39,980 thousand and NT\$36,590 thousand, respectively, and directors' remuneration of NT\$2,997 thousand and NT\$2,744 thousand, for the 2024 and 2023 fiscal years. These amounts were consistent with the estimates recognized in the 2024 and 2023 financial statements and were fully paid in cash. Relevant information is available on MOPS.

(XVIII) Non-operating income and expenses

1. Interest revenue

	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Interest on bank deposits	\$ 3,285	2,923	12,929	10,625

2. Other income

	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Rental income	\$ 430	393	1,234	1,276
Government grant income	112	1,585	219	4,507
Other income	273	300	1,794	1,980
	<u>\$ 815</u>	<u>2,278</u>	<u>3,247</u>	<u>7,763</u>

3. Other gains and losses

	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Gain (loss) on foreign currency exchange	\$ (511)	(232)	761	(2,358)
Net gain (loss) on financial instruments at fair value through profit or loss	-	12	-	(33)
Gains (losses) from the disposal and scrapping of property, plant and equipment	-	-	47	(575)
Gain on lease modification	-	-	3	5
Disposal of investment gains	537	-	537	-
	<u>\$ 26</u>	<u>(220)</u>	<u>1,348</u>	<u>(2,961)</u>

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

4. Financial costs

	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Bank borrowing interest expense	\$ 158	169	297	309
Interest expense of corporate bonds payable	-	367	-	2,217
Interest expense of lease liabilities	66	31	149	88
Interest expense on borrowings from related parties	-	-	-	102
	<u>\$ 224</u>	<u>567</u>	<u>446</u>	<u>2,716</u>

(XIX) Financial instruments

1. Types of financial instruments

(1) Financial assets

	2025.9.30	2024.12.31	2024.9.30
Financial assets measured at amortized cost:			
Cash and cash equivalents	701,234	1,041,129	949,437
Notes and accounts receivable (including related party)	521,874	682,180	477,794
Other receivables (including related parties)	3,234	2,452	1,202
Refundable deposits (accounted for in other non-current assets)	132,931	143,276	145,277
	<u>\$ 1,359,273</u>	<u>1,869,037</u>	<u>1,573,710</u>

(2) Financial liabilities

	2025.9.30	2024.12.31	2024.9.30
Long-term borrowings	\$ -	25,000	25,000
Notes and accounts payable (including related parties)	511,429	565,915	476,202
Other payables (including related parties)	138,232	200,381	143,474
Lease liabilities (including current and non-current)	13,101	5,466	6,451
Guarantee deposits received (recognized in other non-current liabilities)	-	54	54
	<u>\$ 662,762</u>	<u>796,816</u>	<u>651,181</u>

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

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. They can be classified 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: Except for publicly quoted prices included in the first level, the input parameters of assets or liabilities are directly (i.e. price) or indirectly (i.e. derived from price) observable.

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

(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

From January 1 to September 30, 2025 and 2024, no financial assets and liabilities transferred between the fair value levels.

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

(5) Details of changes in level 3

		<u>July to September, 2025</u>	<u>July to September, 2024</u>	<u>January to September, 2025</u>	<u>January to September, 2024</u>
Financial assets at fair value through profit or loss					
Opening balance	\$	-	-	-	55
Recognized in profit or loss for the current period		-	-	-	(55)
Closing balance	<u>\$</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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.

	<u>Contractual cash flow</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
September 30, 2025					
Non-derivative financial liabilities					
Accounts payable	\$ 511,429	511,429	-	-	-
Other payables	138,232	138,232	-	-	-
Lease liabilities	13,601	4,265	3,406	5,930	-
	<u>\$ 663,262</u>	<u>653,926</u>	<u>3,406</u>	<u>5,930</u>	<u>-</u>
December 31, 2024					
Non-derivative financial liabilities					
Long-term borrowings	\$ 26,339	384	555	25,400	-
Accounts payable	565,915	565,915	-	-	-
Other payables	200,381	200,381	-	-	-
Lease liabilities	5,563	3,873	865	825	-
Guarantee deposits received	54	-	54	-	-
	<u>\$ 798,252</u>	<u>770,553</u>	<u>1,474</u>	<u>26,225</u>	<u>-</u>
September 30, 2024					
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>

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 Consolidated Financial Report (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						
2025.9.30						
	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	\$	3,371	30.445	102,630	1%	1,026
<u>Financial liabilities</u>						
<u>Monetary items</u>						
US Dollars	\$	3,534	30.445	107,593	1%	1,076
2024.12.31						
	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	\$	2,093	32.785	68,619	1%	686
<u>Financial liabilities</u>						
<u>Monetary items</u>						
US Dollars	\$	2,088	32.785	68,455	1%	685
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

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 September 30, 2025 and 2024 and nine months ended September 30, 2025 and 2024, please refer to Note 6 (18) for the net foreign currency exchange gains (losses) (including realized and unrealized).

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

(XX) Financial risk management

There was no significant change in the objectives and policies of the Group's financial risk management as disclosed in Note 6 (21) to the 2024 consolidated financial statements.

(XXI) Capital management

The consolidated company's capital management objective, policy and procedures are consistent with those disclosed in the 2024 consolidated financial report, and there is no significant change in the aggregated quantitative information of capital management items with those disclosed in the 2024 consolidated financial report. Please refer to Note 6(22) of the 2024 consolidated financial report 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 September 30, 2025 and 2024.
2. The adjustment of liabilities from financing activities is as follows:

			<u>Non-cash changes</u>		
	<u>2025.1.1</u>	<u>Cash flows</u>	<u>Addition in current period</u>	<u>Others</u>	<u>2025.9.30</u>
Long-term borrowings	\$ 25,000	(25,000)	-	-	-
Lease liabilities	5,466	(4,445)	12,173	(93)	13,101
Guarantee deposits received	54	(54)	-	-	-
Total liabilities from financing activities	<u>\$ 30,520</u>	<u>(29,499)</u>	<u>12,173</u>	<u>(93)</u>	<u>13,101</u>

			<u>Non-cash changes</u>		
	<u>2024.1.1</u>	<u>Cash flows</u>	<u>Addition in current period</u>	<u>Others</u>	<u>2024.9.30</u>
Corporate bonds payable	\$ 264,612	-	-	(264,612)	-
Long-term borrowings	-	25,000	-	-	25,000
Other payables - Related parties	15,000	(15,000)	-	-	-
Lease liabilities	5,189	(4,405)	6,424	(757)	6,451
Guarantee deposits received	223	(169)	-	-	54
Total liabilities from financing activities	<u>\$ 285,024</u>	<u>5,426</u>	<u>6,424</u>	<u>(265,369)</u>	<u>31,505</u>

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (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:

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. (Alpha)	The parent company of Hitron
Other related party:	
Hitron Technologies (Vietnam) Inc. (Hitron Vietnam)	A subsidiary of Hitron
Hitron Technologies (Suzhou Industrial Park) Inc.	A subsidiary of Hitron
Enrich Investment Corporation (Enrich Investment)	Subsidiary of Alpha Networks Inc.
Alpha Networks Vietnam Company Limited (Alpha Vietnam)	Subsidiary of Alpha Networks Inc.
Metaage Corporation (Metaage)	A subsidiary of Qisda
Golden Spirit Co., Ltd. (Golden Spirit)	A subsidiary of Qisda
BenQ Asia Pacific Corp. (BenQ Asia Pacific)	A subsidiary indirectly held by Qisda
Ace Energy Co., Ltd. (Ace Energy)	A subsidiary indirectly held by Qisda
Topview Optronics Corporation (Topview)	Affiliates of Qisda
Global Intelligence Network Co., Ltd.	Subsidiary of Metaage
Darwin Precision Corporation (Darwin Precision)	A subsidiary of AUO Corporation (corporate director of Qisda)
Affiliated enterprise:	
Fiber Logic Communications	Affiliated enterprise of the consolidated company since November 19, 2024

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

(II) Material transactions with related parties.

1. Operating revenue

	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Parent company	\$ 11,821	7,870	34,792	29,355
The parent company of Hitron	30,753	4,850	36,736	8,000
Other related party	1,362	8,887	3,929	12,289
	\$ 43,936	21,607	75,457	49,644

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, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Parent company	\$ 634	-	676	-
The parent company of Hitron	1,643	-	2,257	4,883
Affiliated enterprise	30,294	-	30,294	-
Other related party	5,726	13,007	60,318	46,027
	\$ 38,297	13,007	93,545	50,910

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 related parties and contractual liabilities due to the aforementioned projects' operating revenues are as follows:

Accounting entry	Category of related party	2025.9.30	2024.12.31	2024.9.30
Accounts receivable	Parent company	\$ 8,193	7,701	5,556
	The parent company of Hitron	77	25,969	24,885
	Other related party	1,356	3,596	1,036
		\$ 9,626	37,266	31,477
Other receivables	Other related party	\$ 175	364	220
Dividends receivable (accounted in other receivables)	Affiliated enterprise	\$ 1,350	-	-
Contract liabilities - current	Parent company	\$ 96	20	35
	The parent company of Hitron	-	28,168	21,910
	Other related party	79	-	-
		\$ 175	28,188	21,945

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

4. Payables to related parties and prepaid purchase payment

The Group's payables to related parties and advanced purchase payment are as follows:

Accounting entry	Category of related party	2025.9.30	2024.12.31	2024.9.30
Accounts payable	The parent company of Hitron	\$ 1,726	-	-
	Other related party	4,435	12,472	10,193
	Affiliated enterprise	299	22,334	-
		<u>\$ 6,460</u>	<u>34,806</u>	<u>10,193</u>
Prepayments for goods (recognized in prepayments and other current assets)	Affiliated enterprise	<u>\$ 9,534</u>	-	-

5. Property transactions

The Group purchased office equipment from the parent company and other related parties for the amounts of NT\$406 thousand and NT\$2,190 thousand between January 1 to September 30, 2025 and 2024, respectively, recognized in the "Accounts payable - related parties" account.

6. Leases

The Group leased offices from the parent company of Hitron, Alpha Networks Inc., for a short term based on the rent in the neighborhood. Rent expense for the nine months ended September 30, 2025 and 2024 amounted to NT\$56 thousand and NT\$43 thousand, respectively.

The consolidated Company leased office space to its parent company, and the rental income for the periods from January 1 to September 30, 2025 and 2024 was NT\$463 thousand for each period. As of September 30, 2025, December 31, 2024, and September 30, 2024, prepaid rent amounted to NT\$154 thousand, NT\$0 thousand, and NT\$154 thousand, respectively, and was recorded under other current liabilities.

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 NT\$12,975 thousand in June 2024 and the above amount has been paid in full.

8. Loans from related parties

The Group borrowed NT\$15,000 thousand from Enrich Investment Corporation on December 29, 2023, at the interest rate of 1.65%. The Group repaid the loan in Q2 2024.

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

The interest expenses recognized for July 1 to September 30 and January 1 to September 30, 2024 were NT\$0 thousand and NT\$102 thousand, respectively.

(III) Remuneration to key management personnel

	July to September, 2025	July to September, 2024	January to September, 2025	January to September, 2024
Short-term employee benefits and remuneration	\$ 8,679	7,301	40,308	40,327
Post-employment benefits	297	297	891	891
	<u>\$ 8,976</u>	<u>7,598</u>	<u>41,199</u>	<u>41,218</u>

VIII. Mortgage and pledge of assets

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

Asset name	Object of the pledge guarantee	2025.9.30	2024.12.31	2024.9.30
Other non-current assets (bank time deposits)	Customer contract's retention amount	\$ -	-	30,565
Refundable deposits (recognized as other non-current assets)	Customer contract's retention amount	111,941	123,231	114,712
		<u>\$ 111,941</u>	<u>123,231</u>	<u>145,277</u>

IX. Material contingent liabilities and unrecognized contractual commitments

	2025.9.30	2024.12.31	2024.9.30
Guaranteed notes payable from project issuance	<u>\$ 10,250</u>	<u>8,456</u>	<u>18,367</u>
Guarantee letter issued for construction guarantee	<u>\$ 221,773</u>	<u>107,799</u>	<u>79,795</u>

X. Losses due to material disasters: None.

XI. Material events after the reporting period

To strengthen operating capital, on October 21, 2025, the Board of Directors approved a cash capital increase to issue 10,000 thousand common shares with a par value of NT\$10 per share. The actual issuance price and issuance terms will be determined by the Chairman in accordance with applicable regulations after approval by the competent authority.

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

XII. Others

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

Function Nature	July to September, 2025			July to September, 2024		
	Attributable to operating costs	Classified as operating expenses	Total	Attributable to operating costs	Classified as operating expenses	Total
Employee benefit expense						
Salary expenses	31,709	79,071	110,780	30,527	78,007	108,534
Labor and national health insurance expenses	3,243	5,285	8,528	3,019	5,613	8,632
Pension expense	1,614	3,200	4,814	1,532	2,986	4,518
Other employee benefit expenses	1,275	3,154	4,429	1,222	3,006	4,228
Depreciation expense	-	6,871	6,871	-	6,871	6,871
Amortization expense	-	-	-	-	-	-

Function Nature	January to September, 2025			January to September, 2024		
	Attributable to operating costs	Classified as operating expenses	Total	Attributable to operating costs	Classified as operating expenses	Total
Employee benefit expense						
Salary expenses	82,882	240,608	323,490	85,881	234,554	320,435
Labor and national health insurance expenses	8,475	16,338	24,813	8,538	15,738	24,276
Pension expense	4,222	9,666	13,888	4,333	8,984	13,317
Other employee benefit expenses	3,341	9,064	12,405	3,264	8,539	11,803
Depreciation expense	-	20,412	20,412	-	20,082	20,082
Amortization expense	-	-	-	-	-	-

(II) Seasonality of operation:

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

XIII. Disclosures in Notes

(I) Information on significant transactions:

1. Lending funds to others: None.
2. Providing endorsements or guarantees for others: None.
3. Holdings of securities at the end of the period (excluding the portion held due to investment in a subsidiaries, associates, or interests in a joint ventures): None.

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

4. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20 percent of paid-in capital or more: None.
5. Accounts receivable from related parties reaching NT\$100 million or 20 percent of paid-in capital or more: None.
6. Business relationships and important transactions between the parent company and subsidiaries:

Number (Note 1)	Name	Trading counterparty	Relationship with the issuer (Note 2)	Transaction status			
				Title	Amount (Note 3)	Transaction terms and conditions	As a percentage of consolidated total operating revenue or total assets (Note 4)
0	The Company	Hwa Chi Technologies (Shanghai) Inc.	1	Operating revenue	1,074	Under general terms and conditions	0.07%
0	The Company	Hwa Chi Technologies (Shanghai) Inc.	1	Contract liabilities	358	Under general terms and conditions	0.01%

Note 1: The method of entering the serial number is as follows:

1. 0 represents the parent company.

2. Subsidiaries are numbered sequentially starting from 1 according to the company type.

Note 2: The types of relationships with the transaction parties are as follows:

1. Parent company to subsidiary.

2. Subsidiary to parent company.

3. Subsidiary to subsidiary.

Note 3: The above transactions have been written off when preparing the consolidated financial statements.

Note 4: The transaction amount is divided by the consolidated operating revenue or consolidated total assets.

(II) Information on the reinvestment business:

Unit: NTD thousand/Thousand shares

Name of Investing Company	Name of investee company	Location	Main business items	Initial investment amount		Holding 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	36,236	4,000	80.00%	56,698	12,299	9,839	Parent and subsidiary
The Company	Fiber Logic Communications Inc	Taiwan	Production and sales of wideband communication equipment and service routers	93,053	96,930	1,296	5.76%	87,353	(56,021)	(4,639)	Affiliated enterprise

The transactions between the consolidated company listed above have been written off when the consolidated financial statements were prepared.

Interactive Digital Technologies Inc. and Subsidiaries Notes to Consolidated Financial Report (continued)

(III) Information on investments in Mainland China:

1. Information on re-investments in Mainland China:

Unit: NTD thousand/Foreign currency thousand

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	USD 100	Direct investment	8,854	-	-	8,854	856	100.00%	856	8,663	22,730

2. Limits on investment in Mainland China:

Unit: NTD thousand/Foreign currency thousand

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	1,127,989

3. Significant transactions with investee companies in Mainland China:

For the consolidated company's significant transactions with investees in China from January 1 to September 30, 2025 (which have been written off when preparing the consolidated financial statements), please refer to the description of "Business Relations and Significant Transactions Between the Parent Company and Subsidiaries" in the "consolidated financial statements.

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 Group's operational decision-maker evaluates performance based on overall operating results, the Group is a single segment, and the operating segment information for January 1 to September 30, 2025 and 2024 is consistent with the information in the consolidated financial statements.