Stock Code:2364

TWINHEAD INTERNATIONAL CORP.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2022 and 2021

Address: 11F., No.550, Ruiguang Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)

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The independent auditors' review 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' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors
Twinhead International Corp.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Twinhead International Corp. ("the Company) and its subsidiaries ("the Group") as of September 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2022 and 2021, as well as the changes in equity and cash flows for the nine months ended September 30, 2022 and 2021, and notes to the consolidated 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 International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standards 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4 (b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to $154,665 thousand and $93,093 thousand, constituting 12.83% and 7.97% of the consolidated total assets; and the total liabilities amounting to $22,210 thousand and $9,671 thousand, constituting 2.49% and 1.09% of the consolidated total liabilities as of September 30, 2022 and 2021, respectively; as well as the total comprehensive income (loss) amounting to $(19,102) thousand, $3,101 thousand, $(34,916) thousand and $12,038 thousand, constituting (69.07)%, 30.68%, (67.11)% and 50.76% of the consolidated total comprehensive income (loss) for the three months and nine months ended September 30, 2022 and 2021, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2022 and 2021, and of its consolidated financial performance for the three months and nine months ended September 30, 2022 and 2021, as well as its consolidated cash flows for the nine months ended September 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the audit resulting in this independent auditors' report are Po-Shu Huang and Yuan-Sheng Yin.

KPMG

Taipei, Taiwan (Republic of China)
November 11, 2022

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' review 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' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Reviewed only, not audited in accordance with the generally accepted auditing standards as of September 30, 2022 and 2021

TWINHEAD INTERNATIONAL CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2022, December 31 and September 30, 2021

(Expressed in Thousands of New Taiwan Dollar)

		September 30, 2022		December 31, 2021		September 30, 2021	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (note 6(a))	$ 261,246	22	236,489	21	257,284	22
1150	Notes receivable, net (notes 6(b) and 6(o))	171	-	116	-	-	-
1170	Accounts receivable, net (notes 6(b) and 6(o))	78,094	6	70,836	6	44,922	4
1180	Accounts receivable－related parties, net (notes 6(b), 6(o) and 7)	194	-	-	-	-	-
1200	Other receivables	91	-	1,222	-	1,224	-
130x	Inventories (note 6(c))	276,417	23	212,209	19	249,214	21
1470	Prepayments and other current assets	12,735	1	13,452	1	13,584	1
	Total current assets	628,948	52	534,324	47	566,228	48
	Non-current assets:						
1517	Non-current financial assets at fair value through other comprehensive income (note 6(d))	774	-	1,803	-	3,191	-
1600	Property, plant and equipment (notes 6(e) and 8)	274,657	23	278,146	25	280,233	24
1755	Right-of-use assets (note 6(f))	31,212	2	43,142	4	47,216	4
1760	Investment property, net (notes 6(g), (j) and 8)	194,338	16	194,842	17	194,952	17
1840	Deferred income tax assets	44,540	4	43,045	4	43,108	4
1920	Refundable deposits	7,246	1	7,071	1	7,081	1
1995	Other non-current assets	23,453	2	24,526	2	26,559	2
	Total non-current assets	576,220	48	592,575	53	602,340	52
	Total assets	$ 1,205,168	100	1,126,899	100	1,168,568	100

		September 30, 2022		December 31, 2021		September 30, 2021	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (notes 6(h) and 8)	$ 620,000	51	620,000	55	620,000	53
2150	Notes payable	234	-	177	-	211	-
2170	Accounts payable	142,957	12	75,461	7	124,841	11
2200	Other payables (note 6(p))	58,478	5	61,523	5	50,802	4
2250	Provisions－current	8,726	1	7,389	1	7,891	1
2280	Current lease liabilities (note 6(i))	17,307	1	16,774	1	16,685	1
2300	Other current liabilities (note 7)	25,440	2	28,946	3	25,839	2
	Total current liabilities	873,142	72	810,270	72	846,269	72
	Non-Current liabilities:						
2540	Long-term borrowings (note 6(h))	-	-	-	-	6,724	1
2550	Provisions－non-current	6,861	1	5,669	1	5,604	-
2580	Non-current lease liabilities (note 6(i))	4,497	-	17,148	1	21,501	2
2645	Guarantee deposits received	6,781	1	6,676	1	6,639	1
2670	Other non-current liabilities	1,414	-	1,525	-	1,688	-
	Total non-current liabilities	19,553	2	31,018	3	42,156	4
	Total liabilities	892,695	74	841,288	75	888,425	76
	Equity attributable to owners of parent (note 6(m)):						
	Share capital:						
3110	Ordinary shares	247,993	21	247,993	22	247,993	21
3120	Preference shares	11	-	11	-	11	-
		248,004	21	248,004	22	248,004	21
3200	Capital surplus	35	-	-	-	-	-
	Retained earnings:						
3310	Legal reserve	2,818	-	-	-	-	-
3350	Retained earnings	70,018	6	28,182	3	21,009	2
		72,836	6	28,182	3	21,009	2
	Other equities:						
3410	Exchange differences on translation of foreign financial statements	28,393	2	42,201	4	43,456	3
3420	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	(18,020)	(1)	(16,991)	(3)	(15,603)	(1)
		10,373	1	25,210	1	27,853	2
	Total equity attributable to owners of parent	331,248	28	301,396	26	296,866	25
36xx	**Non-controlling interests**	(18,775)	(2)	(15,785)	(1)	(16,723)	(1)
	Total equity	312,473	26	285,611	25	280,143	24
	Total liabilities and equity	$ 1,205,168	100	1,126,899	100	1,168,568	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Reviewed only, not audited in accordance with generally accepted auditing standards

TWINHEAD INTERNATIONAL CORP. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended September 30, 2022 and 2021 and the nine months ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollar , Except for Earnings Per Ordinary Share)

		For the three months ended September 30				For the nine months ended September 30			
		2022		2021		2022		2021	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenues (notes 6(o) and 7)**	$ 227,466	100	243,212	100	663,372	100	664,343	100
5000	**Operating costs (notes 6(c), 6(i) and 6(k))**	152,789	67	174,486	72	461,175	70	467,408	70
5900	**Gross profit**	74,677	33	68,726	28	202,197	30	196,935	30
6000	**Operating expenses (notes 6(i), 6(k), 6(p) and 7):**								
6100	Selling expenses	14,629	6	12,842	5	42,412	6	39,382	6
6200	Administrative expenses	33,063	15	29,937	12	95,012	15	86,789	13
6300	Research and development expenses	21,374	10	18,912	8	62,289	9	57,945	9
	Total operating expenses	69,066	31	61,691	25	199,713	30	184,116	28
6900	**Net operating income**	5,611	2	7,035	3	2,484	-	12,819	2
7000	**Non-operating income and expenses (notes 6(d), 6(i) and 6(q)):**								
7100	Interest income	250	-	34	-	387	-	123	-
7010	Other income	9,080	4	7,175	3	30,175	4	26,659	4
7020	Other gains and losses	23,339	10	(1,533)	(1)	44,684	7	(13,401)	(2)
7050	Finance costs	(2,991)	(1)	(2,724)	(1)	(8,356)	(1)	(8,238)	(1)
	Total non-operating income and expenses	29,678	13	2,952	1	66,890	10	5,143	1
	Income from continuing operations before tax	35,289	15	9,987	4	69,374	10	17,962	3
7950	**Less: Income tax expense (note 6(l))**	1	-	156	-	134	-	216	-
	Net income	35,288	15	9,831	4	69,240	10	17,746	3
8300	**Other comprehensive income (loss) (note 6(m)):**								
8310	**Components of other comprehensive income (loss) that will not be reclassified to profit or loss**								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(96)	-	(382)	-	(1,029)	-	1,896	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss	(96)	-	(382)	-	(1,029)	-	1,896	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**								
8361	Exchange differences on translation of foreign financial statements	(7,536)	(3)	659	-	(16,180)	(2)	4,073	1
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss	(7,536)	(3)	659	-	(16,180)	(2)	4,073	1
8300	**Other comprehensive income (loss), net**	(7,632)	(3)	277	-	(17,209)	(2)	5,969	1
	Total comprehensive income (loss)	**$ 27,656**	**12**	**10,108**	**4**	**52,031**	**8**	**23,715**	**4**
	Net income (loss) attributable to:								
8610	Owners of parent	$ 35,575	15	10,869	4	69,858	10	21,009	3
8620	Non-controlling interests	(287)	-	(1,038)	-	(618)	-	(3,263)	-
		$ 35,288	**15**	**9,831**	**4**	**69,240**	**10**	**17,746**	**3**
	Comprehensive income (loss) attributable to:								
8710	Owners of parent	$ 29,140	13	11,141	4	55,021	8	26,649	4
8720	Non-controlling interests	(1,484)	(1)	(1,033)	-	(2,990)	-	(2,934)	-
		$ 27,656	**12**	**10,108**	**4**	**52,031**	**8**	**23,715**	**4**
9750	**Basic earnings per share (in New Taiwan dollar) (note 6(n))**	**$**	**1.43**		**0.44**		**2.82**		**0.85**
9850	**Diluted earnings per share (in New Taiwan dollar) (note 6(n))**	**$**	**1.43**		**0.43**		**2.80**		**0.82**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Reviewed only, not audited in accordance with generally accepted auditing standards

TWINHEAD INTERNATIONAL CORP. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollar)

	Equity attributable to owners of parent												
	Share capital				Retained earnings			Total other equity interest					
	Ordinary shares	Preference share	Total share capital	Capital surplus	Legal reserve	Retained earnings (accumulated deficits)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2021	$ 1,959,240	84	1,959,324	-	-	(1,711,320)	(1,711,320)	39,712	(17,499)	22,213	270,217	(13,789)	256,428
Net income (loss)	-	-	-	-	-	21,009	21,009	-	-	-	21,009	(3,263)	17,746
Other comprehensive income (loss)	-	-	-	-	-	-	-	3,744	1,896	5,640	5,640	329	5,969
Total comprehensive income (loss)	-	-	-	-	-	21,009	21,009	3,744	1,896	5,640	26,649	(2,934)	23,715
Capital reduction to offset accumulated deficits	(1,711,247)	(73)	(1,711,320)	-	-	1,711,320	1,711,320	-	-	-	-	-	-
Balance at September 30, 2021	**$ 247,993**	**11**	**248,004**	**-**	**-**	**21,009**	**21,009**	**43,456**	**(15,603)**	**27,853**	**296,866**	**(16,723)**	**280,143**
Balance at January 1, 2022	$ 247,993	11	248,004	-	-	28,182	28,182	42,201	(16,991)	25,210	301,396	(15,785)	285,611
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	-	-	2,818	(2,818)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(24,799)	(24,799)	-	-	-	(24,799)	-	(24,799)
Cash dividends of preference share	-	-	-	-	-	(405)	(405)	-	-	-	(405)	-	(405)
Due to donated assets received	-	-	-	35	-	-	-	-	-	-	35	-	35
Net income (loss)	-	-	-	-	-	69,858	69,858	-	-	-	69,858	(618)	69,240
Other comprehensive income (loss)	-	-	-	-	-	-	-	(13,808)	(1,029)	(14,837)	(14,837)	(2,372)	(17,209)
Total comprehensive income (loss)	-	-	-	-	-	69,858	69,858	(13,808)	(1,029)	(14,837)	55,021	(2,990)	52,031
Balance at September 30, 2022	**$ 247,993**	**11**	**248,004**	**35**	**2,818**	**70,018**	**72,836**	**28,393**	**(18,020)**	**10,373**	**331,248**	**(18,775)**	**312,473**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

Reviewed only, not audited in accordance with generally accepted auditing standards

TWINHEAD INTERNATIONAL CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollar)

	For the nine months ended September 30	
	2022	**2021**
Cash flows from (used in) operating activities:		
Net income before tax	$ 69,374	17,962
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation	20,986	21,712
Amortization	8,839	8,934
Interest expense	8,356	8,238
Interest income	(387)	(123)
Dividend income	(480)	-
Total adjustments to reconcile profit	37,314	38,761
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Notes receivable	(55)	-
Accounts receivable	(7,258)	15,656
Accounts receivable－related parties	(194)	2,848
Other receivables	1,222	(1,209)
Inventories	(64,208)	(41,786)
Prepayments and other current assets	730	1,096
Total changes in operating assets, net	(69,763)	(23,395)
Net changes in operating liabilities:		
Notes payable	57	24
Accounts payable	67,496	(5,018)
Other payables	(3,094)	(6,811)
Provisions	2,529	1,872
Other current liabilities	(3,475)	(8,061)
Other non-current liabilities	(111)	318
Total changes in operating liabilities, net	63,402	(17,676)
Total changes in operating assets and liabilities, net	(6,361)	(41,071)
Total adjustments	30,953	(2,310)
Cash inflow generated from operating activities	100,327	15,652
Interest received	296	108
Interest paid	(7,791)	(7,600)
Income taxes paid	(179)	(474)
Net cash flows from operating activities	92,653	7,686
Cash flows from (used in) investing activities:		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	5,186
Acquisition of property, plant and equipment	(2,701)	(1,645)
Increase in refundable deposits	(5)	-
Increase in other non-current assets	(7,766)	(5,554)
Dividends received	480	-
Net cash flows used in investing activities	(9,992)	(2,013)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	-	110,000
Decrease in short-term borrowings	-	(110,000)
Proceeds from long-term debt	-	6,891
Decrease in guarantee deposits received	-	(107)
Payment of lease liabilities	(12,501)	(12,166)
Cash dividends paid	(25,204)	-
Interest paid	(481)	(754)
Net cash flows used in financing activities	(38,186)	(6,136)
Effect of exchange rate changes on cash and cash equivalents	(19,718)	5,179
Net increase in cash and cash equivalents	24,757	4,716
Cash and cash equivalents at beginning of period	236,489	252,568
Cash and cash equivalents at end of period	**$ 261,246**	**257,284**

See accompanying notes to consolidated financial statements.

TWINHEAD INTERNATIONAL CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

September 30, 2022 and 2021

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

(1) Company history

TWINHEAD INTERNATIONAL CORP. (the Company) was incorporated on February 27, 1984, as a company limited by shares under the laws of the Republic of China (ROC). The consolidated financial statements comprise the Company and its subsidiaries (the Group). The Group is mainly engaged in the design, manufacture, sale and development of computers, computer components, peripherals, software, ASIC chips and workstations, and operation of telecommunication-related business.

(2) Approval date and procedures of the consolidated financial statements

The consolidated financial statements were reported to the Board of Directors and issued on November 11, 2022.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2021:

- Amendments to IAS 16 "Property, Plant and Equipment—Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

TWINHEAD INTERNATIONAL CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	After reconsidering certain aspects of the 2020 amendments1, new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability' s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024

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

The Group does not expect the other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

TWINHEAD INTERNATIONAL CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(4) Summary of significant accounting policies

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2021. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2021.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

(b) Basis of consolidation

Principles of preparation of the consolidated financial statements are the same as those of the consolidated financial statements for the year ended December 31, 2021. For the related information, please refer to note 4(c) of the consolidated financial statements for the year ended December 31, 2021.

The consolidated entities were as follows:

Name of investor	Name of subsidiary	Principal activity	Percentage of ownership September 30, 2022	December 31, 2021	September 30, 2021	Remarks
The Company	Durabook Americas Inc. (Durabook)	The trading of computers and computer peripheral equipment	80.000 %	80.000 %	80.000 %	Note 1
The Company	Twinhead (Asia) Pte Ltd. (Twinhead (Asia))	Investment holding	100.000 %	100.000 %	100.000 %	Note 1
Twinhead (Asia) Pte Ltd.	Twinhead Enterprises (BVI) Ltd.	Investment holding	100.000 %	100.000 %	100.000 %	Note 1
Twinhead (Asia) Pte Ltd.	Twinhead Kunshan Technology Co., Ltd. (Twinhead Kunshan)	Sales and production of PDAs, calculators and their parts, and computer keyboards	100.000 %	100.000 %	100.000 %	Note 1
Twinhead (Asia) Pte Ltd.	Kunshan Lun Teng System Co., Ltd. (Kunshan Lun Teng)	Import and export of computers, electronic components, and digital cameras, and technical consultant services	100.000 %	100.000 %	100.000 %	Note 1

Note 1: Because they are non-significant subsidiaries, their financial statements were not reviewed by independent auditors.

(c) Income taxes

Tax expense in the consolidated financial statements is measured and disclosed according to paragraph B12 of IAS 34 "Interim Financial Reporting".

Income tax expense for the period is best estimated by multiplying pretax income of the reporting period by the effective annual tax rate which was forecasted by the management. The outcome is then fully recognized as current tax expense.

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Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 "Interim Financial Reporting" and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2021. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2021.

(6) Explanation of significant accounts

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2021. Please refer to note 6 of the consolidated financial statements for the year ended December 31, 2021.

(a) Cash and cash equivalents

	September 30, 2022	December 31, 2021	September 30, 2021
Petty cash	$ 302	289	297
Checking and demand deposits	197,444	236,200	256,987
Time deposits	63,500	-	-
Cash and cash equivalents per consolidated statements of cash flows	**$ 261,246**	**236,489**	**257,284**

(b) Accounts receivables and notes receivable (including related parties)

	September 30, 2022	December 31, 2021	September 30, 2021
Notes receivable	$ 171	116	-
Accounts receivable	78,094	70,836	44,922
Accounts receivable－related parties	194	-	-
	$ 78,459	**70,952**	**44,922**

(Continued)

TWINHEAD INTERNATIONAL CORP. AND SUBSIDIARIES
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The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all accounts receivables and notes receivable. To measure the expected credit losses, accounts receivable and notes receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision was determined as follows:

(i) Normal customers

	September 30, 2022		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 64,998	-	-
1 to 30 days past due	12,850	-	-
91 to 180 days past due	1	-	-
181 to 365 days past due	416	-	-
	$ 78,265		**-**

	December 31, 2021		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 47,745	-	-
1 to 30 days past due	22,323	-	-
31 to 60 days past due	884	-	-
	$ 70,952		**-**

	September 30, 2021		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 41,955	-	-
1 to 30 days past due	2,514	-	-
31 to 60 days past due	453	-	-
	$ 44,922		**-**

(ii) Related parties

	September 30, 2022		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
1 to 30 days past due	**$ 194**	-	**-**

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As of December 31 and September 30, 2021, the Group had no accounts receivable－related parties.

The Group did not hold any collateral for the collectible amounts.

(c) Inventories

The components of the Group's inventories were as follows:

		September 30, 2022	December 31, 2021	September 30, 2021
Merchandise	$	8,173	4,660	6,793
Finished goods		54,925	57,960	50,593
Work in progress		38,287	4,572	25,850
Raw materials and supplies		172,892	143,114	163,667
Goods in transit		2,140	1,903	2,311
Total	**$**	**276,417**	**212,209**	**249,214**

As of September 30, 2022, December 31 and September 30, 2021, the Group's inventories were not provided as pledged assets.

Except for operating costs arising from the ordinary sale of inventories, other losses directly recorded under operating costs were as follows:

		For the three months ended September 30		For the nine months ended September 30	
		2022	2021	2022	2021
Loss on decline in market value of inventory	**$**	**981**	**1,828**	**8,828**	**3,424**

(d) Non-current financial assets at fair value through other comprehensive income

		September 30, 2022	December 31, 2021	September 30, 2021
Equity investments at fair value through other comprehensive income:				
Unlisted stocks (domestic)	$	720	1,744	3,130
Unlisted stocks (overseas)		54	59	61
Total	**$**	**774**	**1,803**	**3,191**

(i) Equity investments at fair value through other comprehensive income

The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.

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EUROC Venture Capital Corp. reduced its capital by cash based on the resolutions approved during the its shareholders' meeting held on June 29, 2021, resulting in the Group to receive the refunds of $5,186 thousand in August 2021. In addition, EUROC Venture Capital Corp. was dissolved on May 10, 2022 by a resolution decided during its shareholders' meeting, with the base date set on May 31, 2022. The dividend income from the company was amounted to $480 thousand for the nine months ended September 30, 2022.

No strategic investments were disposed for the nine months ended September 30, 2022 and 2021, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

(ii) For credit risk and market risk, please refer to note 6(r).

(iii) The Group did not provide the financial assets as collateral.

(e) Property, plant and equipment

	Land	Buildings	Machinery	Other equipment	Total
Carrying value:					
January 1, 2022	$ 107,832	161,136	3,811	5,367	278,146
September 30, 2022	$ 107,832	157,660	4,216	4,949	274,657
January 1, 2021	$ 107,832	165,606	3,817	8,523	285,778
September 30, 2021	$ 107,832	162,300	3,980	6,121	280,233

For the nine months ended September 30, 2022 and 2021, the Group did not have any significant purchase, disposal, or provision (reversal) of impairment on property, plant and equipment. For the information on depreciation expenses for the three months ended September 30, 2022 and 2021 and the nine months ended September 30, 2022 and 2021, please refer to note 12; for pledged property, plant and equipment, please refer to note 8; for other related information, please refer to note 6(e) of the consolidated financial statements for the year ended December 31, 2021.

(f) Right-of-use assets

	Land	Building	Transportation equipment	Total
Carrying value:				
January 1, 2022	$ 10,037	31,811	1,294	43,142
September 30, 2022	$ 10,140	20,174	898	31,212
January 1, 2021	$ 10,349	47,855	1,822	60,026
September 30, 2021	$ 9,990	35,800	1,426	47,216

For the nine months ended September 30, 2022 and 2021, the Group did not have any significant purchase, disposal, or provision (reversal) of impairment on right-of-use assets. For the information on depreciation expenses of right-of-use assets for the three months ended September 30, 2022 and 2021 and the nine months ended September 30, 2022 and 2021, please refer to note 12; for other related information, please refer to note 6(f) of the consolidated financial statements for the year ended December 31, 2021.

(g) Investment property

For the nine months ended September 30, 2022 and 2021, the Group did not have any significant purchase, disposal, or provision (reversal) of impairment on investment properties. For the information on depreciation expenses of investment property for the three months ended September 30, 2022 and 2021 and the nine months ended September 30, 2022 and 2021, please refer to note 12; for pledged investment properties, please refer to note 8; for other related information, please refer to note 6(g) of the consolidated financial statements for the year ended December 31, 2021.

The fair value of the Group's investment properties does not significantly differ from the information disclosed in note 6(g) of the consolidated financial statements for the year ended December 31, 2021.

(h) Long-term and short-term borrowings

The details of the Group's long-term and short-term borrowings were as follows:

(i) Short-term borrowings

	September 30, 2022			
	Currency	**Range of interest rates (%)**	**Year of maturity**	**Amount**
Unsecured loans	TWD	1.85~2.03	2022	$ 190,000
Secured bank loans	TWD	1.79~1.91	2022~2023	430,000
Total				**$ 620,000**

	December 31, 2021			
	Currency	**Range of interest rates (%)**	**Year of maturity**	**Amount**
Unsecured loans	TWD	1.51~1.65	2022	$ 210,000
Secured bank loans	TWD	1.41~1.50	2022	410,000
Total				**$ 620,000**

	September 30, 2021			
	Currency	**Range of interest rates (%)**	**Year of maturity**	**Amount**
Unsecured loans	TWD	1.60~1.70	2021	$ 250,000
Secured bank loans	TWD	1.41~1.58	2021~2022	370,000
Total				**$ 620,000**

As of September 30, 2022, December 31 and September 30, 2021, the unused credit facilities amounted to $407,400 thousand, $496,120 thousand and $476,800 thousand, respectively.

(ii) Long-term borrowings

	September 30, 2021			
	Currency	**Range of interest rates (%)**	**Year of maturity**	**Amount**
Unsecured loans	USD	1.00	2026	$ 6,724

As of September 30, 2022 and December 31, 2021, the Group had no long-term borrowings.

(iii) Collateral of loans

The Group has pledged certain assets against the loans; please refers to note 8 for additional information.

(i) Lease liabilities

The Group's lease liabilities were as follow:

	September 30, 2022	**December 31, 2021**	**September 30, 2021**
Current	$ 17,307	16,774	16,685
Non-current	$ 4,497	17,148	21,501

For the maturity analysis, please refer to note 6(r) financial instruments.

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30		**For the nine months ended September 30**	
	2022	**2021**	**2022**	**2021**
Interest on lease liabilities	$ 137	227	481	754
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 122	128	395	313

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

	For the nine months ended September 30	
	2022	**2021**
Total cash outflow for leases	$ 13,377	13,233

(i) Real estate leases

The Group leases land and buildings for its office space. The leases of its office space typically run for a period of 5 to 7 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Group leases vehicles, with lease terms of three years. The Group has options to purchase the assets at the end of the contract term.

The Group also leases office and dormitory with contract terms of 1 to 2 years. These leases are leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(j) Operating leases

The Group leases out its investment property. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(g) for the information of investment property.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date is as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Less than one year	$ 21,371	23,904	15,530
One to two years	10,032	17,677	11,102
Two to three years	1,671	9,196	-
Total undiscounted lease payments	**$ 33,074**	**50,777**	**26,632**

(k) Employee benefits

The Group recognized pension costs of the defined contribution plans in profit or loss as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2022	**2021**	**2022**	**2021**
Operating costs	$ 398	384	1,173	1,126
Operating expenses	1,532	1,491	4,561	4,460
	$ 1,930	**1,875**	**5,734**	**5,586**

For other related information, please refer to note 6(l) to the consolidated financial statements for the year ended December 31, 2021.

(l) Income taxes

Income tax expense was best estimated by multiplying pretax gain for the interim reporting period by the effective tax rate which was forecasted by the management.

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The Group's income tax expense is as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2022	**2021**	**2022**	**2021**
Current income tax expense				
Current period	$ 1	156	115	179
Adjustment for prior periods	-	-	19	37
Income tax expense from continuing operations	**$ 1**	**156**	**134**	**216**

The ROC income tax authorities have examined the Company's income tax returns for all years through 2019.

(m) Capital and other equity

The total value of authorized ordinary shares amounted to $7,000,000 thousand, with par value of $10 per share, divided into 700,000 thousand shares. The number of authorized shares included ordinary shares and preference shares, of which 24,799 thousand ordinary shares were issued. In addition, 1 thousand preference shares were issued. All issued capital was fully paid in. The preference shares were classified under equity.

For the nine months ended September 30, 2022 and 2021, the reconciliation of outstanding shares of the Company was as follows:

(Express in thousand shares)

	Ordinary shares		Preference shares	
	2022	**2021**	**2022**	**2021**
Beginning balance on January 1	24,799	195,924	1	8
Capital reduction to offset accumulated deficits	-	(171,125)	-	(7)
Balance at September 30	**24,799**	**24,799**	**1**	**1**

(i) Capital stock

According to the Company's articles of incorporation, the rights and obligations of the 20% cumulative convertible preference shareholders are as follows:

1) Annual earnings, after making up accumulated deficits and appropriating legal reserve, are distributed, at 20% of par value, as dividends and bonus to the cumulative convertible preference shareholders.

2) Dividends and bonus are paid annually after being approved and declared in the annual ordinary shareholders' meeting. Dividends are calculated based on the prior year's days outstanding; however, upon conversion of their preference shares into ordinary shares, the cumulative convertible preference shareholders waive their rights to the current year's profit distribution.

3) Dividends and bonus in arrears must be made up in a later year before profits are distributed to ordinary shareholders. Upon conversion of preference shares into ordinary shares, dividends and bonus in arrears should be paid in full, and a cumulative convertible preference shareholders is precluded from sharing in the prior years' profit distribution with the ordinary shareholders. Except for the differences in dividend distribution, a 20% cumulative convertible preference shareholder shares the same rights or obligations as the ordinary stockholders.

4) One year after issuance, the cumulative convertible preference shareholders may, at their option, in June of every year, exchange their convertible preference shares for ordinary shares at a 1:1 ratio.

5) A cumulative convertible preference shareholder has a higher claim than the ordinary shareholders to the remaining assets in the event of the Company's liquidation, and is limited to the issuance amount of the cumulative convertible preference shares. Unless otherwise stipulated in the articles of incorporation, a cumulative preference shareholder has no other rights or obligations.

6) In order to build up a sound financial structure, the Company offset its capital against its accumulated deficits based on a resolution approved during the shareholders' meeting held on July 15, 2021, resulting in its share capital to reduce by 171,125 thousand ordinary shares and 7 thousand preference shares, approximately 87.34% of the total shares, amounting to $1,711,320 thousand. Thereafter, the numbers of issued shares were 24,799 thousand ordinary shares and 1 thousand preference shares. The above transaction has been approved by the Financial Supervisory Commission, with August 13, 2021 set as the base date of capital reduction. All relevant statutory registration procedures have been completed.

(ii) Capital sarplus

The Company's capital surplus were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Donation from shareholders	$ 35	-	-

(iii) Retained earnings－Distribution of retained earnings

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders’ meeting for approval.

The remainder can be distributed as dividends in consideration of the overall industry circumstances, the Company's financial structure, and the investors' best interests, but at least 50% of the remainder should be distributed. Such distribution, considering the capital surplus, retained earnings, future profitability, and maintenance of the dividend distribution level, shall be no more than 40% in cash and the rest in stock dividends.

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The appropriation of 2021 earnings as dividends to ordinary shareholders that was approved by the Company's shareholders during their meetings on June 10, 2022 was as follows:

		2021
Dividends distributed to common shareholders:		
Cash	$	24,799

As of December 31, 2020, the Company had incurred accumulated deficits. Therefore, no dividends were distributed. Related information would be available at the Market Observation Post System Website.

The Company's accumulated undistributed preference shares dividend of $2 thousand, $405 thousand and $404 thousand as of September 30, 2022, December 31 and September 30, 2021, respectively. The appropriation of dividend of $405 thousand to preference shareholders from 2008 to 2021 was decided during the Company’s shareholders’ meeting held on June 10, 2022.

(iv) Other equities (net of tax)

		Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Non-controlling interests	Total
Balance at January 1, 2022	$	42,201	(16,991)	2,335	27,545
Foreign exchange differences arising from foreign operation		(13,808)	-	(2,372)	(16,180)
Unrealized losses from financial assets measured at fair value through other comprehensive loss		-	(1,029)	-	(1,029)
Balance at September 30, 2022	$	28,393	(18,020)	(37)	10,336
Balance at January 1, 2021	$	39,712	(17,499)	1,921	24,134
Foreign exchange differences arising from foreign operation		3,744	-	329	4,073
Unrealized gains from financial assets measured at fair value through other comprehensive income		-	1,896	-	1,896
Balance at September 30, 2021	$	43,456	(15,603)	2,250	30,103

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(n) Earnings per share

The calculations of the Company's basic earnings per share and diluted earnings per share were as follows:

(i) Basic earnings per share

	For the three months ended September 30		For the nine months ended September 30	
	2022	**2021**	**2022**	**2021**
Net income of the Company	$ 35,575	10,869	69,858	21,009
Dividends on non-redeemable preference shares	(1)	(1)	(2)	(2)
Net income attributable to ordinary shareholders of the Company	**$ 35,574**	**10,868**	**69,856**	**21,007**
Weighted average number of ordinary shares	**24,799**	**24,799**	**24,799**	**24,799**
Basic earnings per share (in NTD)	**$ 1.43**	**0.44**	**2.82**	**0.85**

(ii) Diluted earnings per share

	For the three months ended September 30		For the nine months ended September 30	
	2022	**2021**	**2022**	**2021**
Net income attributable to ordinary shareholders of the Company (basic)	$ 35,574	10,868	69,856	21,007
Dividends on non-redeemable preference shares	1	1	2	2
Net income attributable to ordinary shareholders of the Company (diluted)	**$ 35,575**	**10,869**	**69,858**	**21,009**
Weighted average number of ordinary shares outstanding (basic)	24,799	24,799	24,799	24,799
Effect of dilutive potential ordinary shares				
Effect of remuneration to employees	67	768	115	768
Effect of convertible preference shares	1	1	1	1
Weighted average number of shares outstanding (diluted)	**24,867**	**25,568**	**24,915**	**25,568**
Diluted earnings per share (in NTD)	**$ 1.43**	**0.43**	**2.80**	**0.82**

(Continued)

TWINHEAD INTERNATIONAL CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended September 30		For the nine months ended September 30	
	2022	**2021**	**2022**	**2021**
Primary geographical markets:				
United States	$ 55,276	65,038	190,705	223,874
Taiwan	28,032	19,066	69,424	62,784
Germany	47,649	20,419	118,881	88,819
China	16,293	15,563	44,011	38,918
France	14,917	8,736	47,711	39,408
Others	65,299	114,390	192,640	210,540
	$ 227,466	**243,212**	**663,372**	**664,343**
Major products/services lines:				
Laptop	$ 181,433	199,897	536,689	536,584
Mainboard	22,507	21,485	54,151	61,798
Sales of materials and others	23,526	21,830	72,532	65,961
	$ 227,466	**243,212**	**663,372**	**664,343**

(ii) Contract Balance

	September 30, 2022	December 31, 2021	September 30, 2021
Notes receivable	$ 171	116	-
Accounts receivable	78,094	70,836	44,922
Accounts receivable－related parties	194	-	-
Total	**$ 78,459**	**70,952**	**44,922**

Please refer to the note 6(b) for the details on notes receivable, accounts receivables and allowance for impairment.

(p) Remunerations to employees and directors

In accordance with the Articles of incorporation before amended, the Company should contribute no less than 10% of the profit as employee remuneration and less than 2% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and of remuneration for employees entitled to receive the abovementioned employee remuneration is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's controlling or affiliated companies who meet certain conditions.

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In accordance with the Articles of incorporation amended on June 10, 2022 the Company should contribute no less than 5% of the profit as employee remuneration and less than 4% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and of remuneration for employees entitled to receive the abovementioned employee remuneration is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's controlling or affiliated companies who meet certain conditions.

For the three months ended September 30, 2022 and 2021 and the nine months ended September 30, 2022 and 2021, the estimated employee remuneration amounted to $2,858 thousand, $2,335 thousand, $6,349 thousand and $2,335 thousand and the estimated directors' remuneration amounted $1,601 thousand, $0 thousand, $3,175 thousand and $0 thousand, respectively. The estimated amounts mentioned above were calculated based on the net profit before tax, excluding the remuneration to employees and directors, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles, and expensed under operating expenses for each period. If there are any subsequent adjustments to the actual remuneration amount, the adjustments will be regarded as changes in accounting estimate and will be reflected in profit or loss in the following year.

For the year ended December 31, 2021, the estimated employee remuneration amounted to $3,203 thousand and the estimated directors' remuneration amounted $640 thousand. The amounts, as stated in the consolidated financial statements, were identical to those of the actual distributions for 2021. As of December 31, 2020, the Company had incurred accumulated deficits. Therefore, no remuneration to employees and directors were accrued by the Company. Related information would be available at the Market Observation Post System Website.

(q) Non-operating income and expenses

(i) Interest income

	For the three months ended September 30		For the nine months ended September 30	
	2022	**2021**	**2022**	**2021**
Interest income from bank deposits	**$ 250**	**34**	**387**	**123**

(ii) Other income

	For the three months ended September 30		For the nine months ended September 30	
	2022	**2021**	**2022**	**2021**
Rental income	$ 6,943	6,839	20,821	20,705
Dividend income	-	-	480	-
Other income－other	2,137	336	8,874	5,954
Total other income	**$ 9,080**	**7,175**	**30,175**	**26,659**

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(iii) Other gains and losses

	For the three months ended September 30		For the nine months ended September 30	
	2022	**2021**	**2022**	**2021**
Foreign exchange gain and losses, net	$ 24,026	(856)	49,603	(11,362)
Others	(687)	(677)	(4,919)	(2,039)
Other gains and losses, net	**$ 23,339**	**(1,533)**	**44,684**	**(13,401)**

(iv) Finance costs

	For the three months ended September 30		For the nine months ended September 30	
	2022	**2021**	**2022**	**2021**
Interest expense	**$ (2,991)**	**(2,724)**	**(8,356)**	**(8,238)**

(r) Financial instruments

Except as noted below, there were no significant changes in the Group's exposure to credit risk due to financial instruments. Please refer to note 6(s) of the consolidated financial statements for the year ended December 31, 2021.

(i) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments but excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
September 30, 2022						
Non-derivative financial liabilities						
Short-term borrowings	$ 620,000	620,969	620,969	-	-	-
Notes payable	234	234	234	-	-	-
Accounts payable	142,957	142,957	142,957	-	-	-
Other payables	58,478	58,478	58,478	-	-	-
Lease liabilities	21,804	22,135	17,620	4,515	-	-
Guarantee deposits received	6,781	6,781	3,574	474	2,733	-
Preference shares (including preference shares dividends)	11	13	13	-	-	-
	$ 850,265	**851,567**	**843,845**	**4,989**	**2,733**	**-**

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	Carrying amount	Contractual cash flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
December 31, 2021						
Non-derivative financial liabilities						
Short-term borrowings	$ 620,000	623,179	623,179	-	-	-
Notes payable	177	177	177	-	-	-
Accounts payable	75,461	75,461	75,461	-	-	-
Other payables	61,523	61,523	61,523	-	-	-
Lease liabilities	33,922	34,719	17,362	17,126	231	-
Guarantee deposits received	6,676	6,676	100	3,469	3,107	-
Preference shares (including preference shares dividends)	11	416	416	-	-	-
	$ 797,770	**802,151**	**778,218**	**20,595**	**3,338**	**-**
September 30, 2021						
Non-derivative financial liabilities						
Short-term borrowings	$ 620,000	621,067	621,067	-	-	-
Long-term borrowings	6,724	7,021	67	67	6,887	-
Notes payable	211	211	211	-	-	-
Accounts payable	124,841	124,841	124,841	-	-	-
Other payables	50,802	50,802	50,802	-	-	-
Lease liabilities	38,186	39,190	17,367	17,367	4,456	-
Guarantee deposits received	6,639	6,639	2,733	3,432	474	-
Preference shares (including preference shares dividends)	11	415	415	-	-	-
	$ 847,414	**850,186**	**817,503**	**20,866**	**11,817**	**-**

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

(ii) Currency risk

1) Exposure to foreign currency risk

The Group's financial assets and financial liabilities exposed to significant currency risk were as follows:

	Foreign currency	Exchange rate	TWD
September 30, 2022			
Financial assets:			
Monetary assets:			
USD	$ 20,015	31.75	635,476
Financial liabilities:			
Monetary liabilities:			
USD	$ 2,532	31.75	80,391

		Foreign currency	Exchange rate	TWD
December 31, 2021				
Financial assets:				
Monetary assets:				
USD	$	19,893	27.68	550,638
Financial liabilities:				
Monetary liabilities:				
USD	$	1,276	27.68	35,320
September 30, 2021				
Financial assets:				
Monetary assets:				
USD	$	19,711	27.85	548,951
Financial liabilities:				
Monetary liabilities:				
USD	$	2,139	27.85	59,571

2) Sensitivity analysis

The Group's exposure to foreign currency risk arose from cash and cash equivalents, accounts receivable, accounts payable and other payables that were denominated in foreign currencies. 1% appreciation (depreciation) of the TWD against the USD as of September 30, 2022 and 2021, with all other variable factors remaining constant, would have (decreased) increased the net income before tax by $5,551 thousand and $4,894 thousand, respectively. The analysis was performed on the same basis for both periods with all other variable factors remaining constant.

3) Foreign exchange gain and loss on monetary item

Due to the numerous types of functional currency of the Group, the Group aggregately discloses its exchange gains and losses on monetary items. The Group's exchange losses, including realized and unrealized, were $24,026 thousand, $(856) thousand, $49,603 thousand and $(11,362) thousand for the three months and nine months ended September 30, 2022 and 2021, respectively.

(iii) Interest rate risk analysis

Please refer to the notes on liquidity risk management for the interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to interest rates of the derivative and non-derivative financial instruments on the reporting date. For floating-rate instruments, the sensitivity analysis assumes the liabilities with a floating rate as of the reporting date are outstanding for the whole year.

(Continued)

If the interest rate had increased/decreased by 1%, the Group's net income before tax would have increased/decreased by $4,650 thousand and $4,700 thousand for the nine months ended September 30, 2022 and 2021, respectively, with all other variable factors remaining constant. This is mainly due to the Group's borrowings at floating rates.

(iv) Fair value

1) Categories and fair value of financial instruments

The carrying amount and fair value of the Group's financial assets and liabilities were as follows, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, disclosure of fair value information is not required:

	September 30, 2022				
	Carrying amount	**Fair value**			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income					
Unlisted stocks (domestic)	$ 720	-	-	720	720
Unlisted stocks (overseas)	54	-	-	54	54
Subtotal	774	-	-	774	774
Financial assets measured at amortized cost					
Cash and cash equivalents	261,246	-	-	-	-
Notes and accounts receivable (including related parties)	78,459	-	-	-	-
Other receivables	91	-	-	-	-
Refundable deposits	7,246	-	-	-	-
Subtotal	347,042	-	-	-	-
Total	**$ 347,816**	**-**	**-**	**774**	**774**
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 620,000	-	-	-	-
Notes and accounts payable	143,191	-	-	-	-
Other payables	58,478	-	-	-	-
Lease liabilities	21,804	-	-	-	-
Guarantee deposits received	6,781	-	-	-	-
Preference shares	11	-	-	-	-
Total	**$ 850,265**	**-**	**-**	**-**	**-**

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	December 31, 2021				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Unlisted stocks (domestic)	$ 1,744	-	-	1,744	1,744
Unlisted stocks (overseas)	59	-	-	59	59
Subtotal	1,803	-	-	1,803	1,803
Financial assets measured at amortized cost					
Cash and cash equivalents	236,489	-	-	-	-
Notes and accounts receivable	70,952	-	-	-	-
Other receivables	1,222	-	-	-	-
Refundable deposits	7,071	-	-	-	-
Subtotal	315,734	-	-	-	-
Total	**$ 317,537**	**-**	**-**	**1,803**	**1,803**
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 620,000	-	-	-	-
Notes and accounts payable	75,638	-	-	-	-
Other payables	61,523	-	-	-	-
Lease liabilities	33,922	-	-	-	-
Guarantee deposits received	6,676	-	-	-	-
Preference shares	11	-	-	-	-
Total	**$ 797,770**	**-**	**-**	**-**	**-**

	September 30, 2021				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Unlisted stocks (domestic)	$ 3,130	-	-	3,130	3,130
Unlisted stocks (overseas)	61	-	-	61	61
Subtotal	3,191	-	-	3,191	3,191
Financial assets measured at amortized cost					
Cash and cash equivalents	257,284	-	-	-	-
Accounts receivable	44,922	-	-	-	-
Other receivables	1,224	-	-	-	-
Refundable deposits	7,081	-	-	-	-
Subtotal	310,511	-	-	-	-
Total	**$ 313,702**	**-**	**-**	**3,191**	**3,191**

(Continued)

TWINHEAD INTERNATIONAL CORP. AND SUBSIDIARIES
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	September 30, 2021				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 620,000	-	-	-	-
Long-term borrowings	6,724	-	-	-	-
Notes and accounts payable	125,052	-	-	-	-
Other payables	50,802	-	-	-	-
Lease liabilities	38,186	-	-	-	-
Guarantee deposits received	6,639	-	-	-	-
Preference shares	11	-	-	-	-
Total	$ **847,414**	**-**	**-**	**-**	**-**

2) Valuation techniques for financial instruments measured at fair value－Non-derivative financial instruments

If there are quoted prices in active markets for financial instruments, the fair value of those prices may be based on the quoted market prices. The market prices announced by Securities Exchange and Over the Counter are the benchmarks used for the fair value of equity instruments and liability instruments traded in active markets.

If the quoted prices from stock exchanges, brokers, underwriters, industry associations, pricing agencies or authorities are timely and frequently, and that the price fairly presents the market transaction, the financial instrument is regarded to have a quoted price in an active market. If the aforementioned conditions are not fulfilled, the market is regarded as inactive. Generally, large or significantly widen bid-ask spread, or significantly low trading volume are indications of an inactive market.

If the financial instrument held by the Group is an equity investment without an active market, its fair value will have to be derived using the market approach. The fair value can be estimated based on the valuation of the comparable company and the quoted price provided by third parties, as well as the equity value of the comparable company and its operating performances. Whereas the liquidity discount is a significant unobservable input in valuing equity investment, its potential changes will not cause material impact on financial figures, and therefore, its quantitative information need not be disclosed.

(Continued)

TWINHEAD INTERNATIONAL CORP. AND SUBSIDIARIES
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3) Reconciliation of Level 3 fair values

		Fair value through other comprehensive income
		Unquoted equity instruments
Balance at January 1, 2022	$	1,803
Total loss recognized:		
In other comprehensive income		(1,029)
Balance at September 30, 2022	**$**	**774**
Balance at January 1, 2021	$	6,481
Total gain recognized:		
In other comprehensive income		1,896
Return of capital for the period		(5,186)
Balance at September 30, 2021	**$**	**3,191**

The aforementioned total income (loss) was included in unrealized gains and losses from financial assets at fair value through other comprehensive income.

4) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income－equity investments without an active market	Comparative listed company	· Multiplier of price-to-book ratio (As of September 30, 2022, December 31 and September 30, 2021 was 0.08~1.00, 0.08~1.00 and 0.08~1.01, respectively.) · Market illiquidity discount rate (As of September 30, 2022, December 31 and September 30, 2021 were 20%)	The estimated fair value would increase (decrease) if · the multiplier were higher (lower) · the market illiquidity discount were lower (higher)

(Continued)

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5) Fair value measurements in Level 3— sensitivity analysis of reasonably possible alternative assumptions.

The Group's measurement of the fair value of financial instruments is reasonable, but the use of different evaluation models or parameters may result in different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

			Other comprehensive income	
	Input	**Assumptions**	**Favorable**	**Unfavorable**
September 30, 2022				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Market liquidity discount at 20%	5%	$ 48	(48)
December 31, 2021				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Market liquidity discount at 20%	5%	113	(113)
September 30, 2021				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Market liquidity discount at 20%	5%	199	(199)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique.

(s) Financial risk management

The objectives and policies of the Group's financial risk management are the same as these in note 6(t) of the consolidated financial statements for the year ended December 31, 2021.

(t) Capital management

The objectives, policies, and procedures of the Group's capital management are the same as those in the consolidated financial statements for the year ended December 31, 2021. There were no material changes in the Group's quantitative information from that disclosed in the consolidated financial statements for the year ended December 31, 2021. For further information, please refer to note 6(u) to the consolidated financial statements for the year ended December 31, 2021.

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(u) Investing and financing activities not affecting current cash flow

For the nine months ended September 30, 2022 and 2021, the reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2022	Cash flows	Non-cash changes Foreign exchange movement	September 30, 2022
Short-term borrowings	$ 620,000	-	-	620,000
Lease liabilities	33,922	(12,501)	383	21,804
Total liabilities from financing activities	$ **653,922**	**(12,501)**	**383**	**641,804**

	January 1, 2021	Cash flows	Non-cash changes Foreign exchange movement	September 30, 2021
Long-term borrowings (including current portion)	$ -	6,891	(167)	6,724
Short-term borrowings	620,000	-	-	620,000
Lease liabilities	50,465	(12,166)	(113)	38,186
Total liabilities from financing activities	$ **670,465**	**(5,275)**	**(280)**	**664,910**

(7) Related-party transactions

(a) Name and relationship with related party

In this consolidated financial report, the related party having transactions with the Group was listed as below:

Name of related party	Relationship with the Group
NCS Technologies, Inc. (NCS)	Other related party of the Group (The president of NCS is the director of the Company)

(b) Significant transactions with related party

(i) Operating revenue

The amounts of significant sales by the Group to related party were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2022	**2021**	**2022**	**2021**
NCS	$ **1,270**	**-**	**1,315**	**5,685**

The sales price with related party was not significantly different from normal transactions, and the payment term was 30 days after sales.

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(ii) Accounts receivable-related parties

The details of the Group's accounts receivable from related party were as follows:

Accounts	Type of related parties	September 30, 2022	December 31, 2021	September 30, 2021
Accounts receivable－related parties	Other related parties	$ 194	-	-

(iii) Advance sales receipts (recognized under other current liabilities)

The details of the Group's advance sales receipts from related party were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
NCS	$ -	6,880	6,918

(c) Key management personnel transactions

The compensation of the key management personnel comprised the following:

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Short-term employee benefits	$ 6,424	6,207	18,389	15,194
Post-employment benefits	54	54	162	162
	$ 6,478	6,261	18,551	15,356

(8) Pledged assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	September 30, 2022	December 31, 2021	September 30, 2021
Land	Short-term borrowings	$ 107,832	107,832	107,832
Buildings	Short-term borrowings	156,656	159,997	161,111
Investment property	Short-term borrowings	98,868	142,763	143,114
		$ 363,356	410,592	412,057

(9) Commitments and contingencies: None.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

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(12) Other

(a) The employee benefit expenses, depreciation, and amortization, categorized by function, were as follows:

By function / By nature	Three months ended September 30, 2022			Three months ended September 30, 2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	7,121	36,598	43,719	6,942	34,555	41,497
Labor and health insurance	806	2,965	3,771	781	2,749	3,530
Pension	398	1,532	1,930	384	1,491	1,875
Remuneration of directors	-	2,344	2,344	-	730	730
Others	467	910	1,377	497	898	1,395
Depreciation (note)	1,238	5,137	6,375	1,219	5,218	6,437
Amortization	-	3,149	3,149	-	2,955	2,955

By function / By nature	Nine months ended September 30, 2022			Nine months ended September 30, 2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	21,568	108,467	130,035	21,047	102,733	123,780
Labor and health insurance	2,379	8,805	11,184	2,282	8,619	10,901
Pension	1,173	4,561	5,734	1,126	4,460	5,586
Remuneration of directors	-	5,308	5,308	-	2,345	2,345
Others	1,368	2,710	4,078	1,388	2,613	4,001
Depreciation (note)	3,693	15,233	18,926	3,638	16,035	19,673
Amortization	-	8,839	8,839	-	8,934	8,934

Note: Depreciation expenses for investment property recognized under other income and expenses amounted to $687 thousand, $677 thousand, $2,060 thousand and $2,039 thousand for the three months and nine months ended September 30, 2022 and 2021, respectively.

(b) Seasonality or cyclicality of interim operations

The business of the Group is neither seasonal nor cyclical.

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(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the nine months ended September 30, 2022:

(i) Loans extended to other parties: None.

(ii) Guarantees and endorsements for other parties: None.

(iii) Securities held as of September 30, 2022 (excluding investment in subsidiaries, associates and joint ventures):

(in Thousands of New Taiwan Dollars / in thousands of sharers)

Name of holder	Nature and name of security	Relationship with the security issuer	Account name	Ending balance				Remarks
				Number of shares	Book value	Holding percentage	Market value	
The Company	EUROC Venture Capital Corp.	-	Non-current financial assets at fair value through other comprehensive income	80	720	10.000 %	720	
The Company	I1, Inc.	-	Non-current financial assets at fair value through profit or loss	400	-	2.125 %	-	
The Company	Trigem Computer Inc.	-	Non-current financial assets at fair value through profit or loss	-	-	0.006 %	-	
The Company	Ambicion Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1	54	0.691 %	54	
The Company	Adolite Inc.	-	Non-current financial assets at fair value through other comprehensive income	400	-	0.535 %	-	
The Company	Durabook Federal, Inc	-	Non-current financial assets at fair value through other comprehensive income	19	-	19.000 %	-	

(iv) Accumulated holding amount of a single security in excess of NT$300 million or 20% of the Company's issued share capital: None.

(v) Acquisition of real estate in excess of NT$300 million or 20% of the Company's issued share capital: None.

(vi) Disposal of real estate in excess of NT$300 million or 20% of the Company's issued share capital: None.

(vii) Sales to and purchases from related parties in excess of $100 million or 20% of the Company's issued share capital:

(in Thousands of New Taiwan Dollars)

Name of company	Counter-party	Relationship	Transaction details				Status and reason for deviation from arm's-length transaction		Accounts / notes receivable (payable)		Remarks
			Purchase / (sale)	Amount	Percentage of total purchases (sales)	Credit period	Unit price	Credit period	Balance	Percentage of total accounts / notes receivable (payable)	
The Company	Durabook	Subsidiary	(Sale)	(76,315)	(12) %	The receivables can be offset with accounts payable from purchase or be O/A 60 days	Not significantly differences	The receivables can be offset with accounts payable from purchase or be O/A 60 days	67,217 (Note 1)	31 %	Note 2
Durabook Americas Inc.	The Company	Parent company	Purchase	76,315	97 %	The payables can be offset with accounts receivables from sales or be O/A 60 days	Not significantly differences	The payables can be offset with accounts receivables from sales or be O/A 60 days	(147,995)	(99) %	Note 2

Note 1: As of September 30, 2022 , the Company's accounts receivable was offset against the investments of Durabook, accounted for using the equity method.

Note 2: The transactions within the Group were eliminated in the consolidated financial statements.

(viii) Receivables from related parties in excess of NT$100 million or 20% of the Company's issued share capital:

(in Thousands of New Taiwan Dollars)

Name of related party	Counter-party	Relationship	Balance of receivables from related party (Notes 1 and 5)	Turnover rate	Overdue amount		Amounts received in subsequent period (Note 2)	Allowances for bad debts
					Amount	Action taken		
The Company	Twinhead Kunshan Technology Co., Ltd.	Indirect subsidiary	337,422 (Note 3)	-	337,422 (Note 3)	The receivable has been traced and recognized as long-term accounts receivable	-	-
The Company	Durabook	Subsidiary	147,995 (note 4)	0.78	77,541 (Note 4)	The receivable has been traced and recognized as long-term accounts receivable	5,661	-

(Continued)

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Note 1: Includes the amount recorded under long-term accounts receivables.

Note 2: Until November 11, 2022.

Note 3: It represents the net amount of accounts receivable of the Company derived from the purchase of supplies on behalf of Twinhead Kunshan Technology Co., Ltd. and accounts payable derived from purchase of goods from Twinhead Kunshan Technology Co., Ltd. in prior years. Twinhead Kunshan Technology Co., Ltd. pays the Company with the rental income according to the capital plan.

Note 4: As of September 30, 2022, the Company's accounts receivable from Durabook were $147,995 thousand. The overdue receivables of $77,541 thousand were reclassified to long-term receivables.

Note 5: The transactions within the Group were eliminated in the consolidated financial statements.

(ix) Information regarding trading in derivative financial instruments: None.

(x) Business relationships and significant intercompany transactions:

(in Thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Existing relationship with the counter-party (Note 2)	Transaction details			
				Account name	Amount (Note 5)	Trading terms	Percentage of the total consolidated revenue or total assets
0	The Company	Durabook	1	Sales revenue	76,315	The transaction is not significantly different from normal transactions	11.50%
0	The Company	Kunshan Lun Teng	1	Sales revenue	39,854	The transaction is not significantly different from normal transactions	6.01 %
0	The Company	Durabook	1	Accounts receivable －related parties	67,217 (Note 3)	The receivables can be offset with accounts payable from purchase or be O/A 60 days	5.58 %
0	The Company	Twinhead Kunshan Technology Co., Ltd.	1	Long-term accounts receivable－related parties	80,094 (Note 4)	The receivables can be offset with accounts payable from purchase or be O/A over 180 days. The payment is arranged according to the capital plan.	6.65 %

Note 1: Company numbering is as follows:
(1) Parent company is 0.
(2) Subsidiary starts from 1.

Note 2: The number of the relationship with the transaction counterparty represents the following:
(1) 1 represents downstream transactions.
(2) 2 represents upstream transactions.
(3) 3 represents sidestream transactions.

Note 3: As of September 30, 2022, the Company's accounts receivable was offset against the investments of Durabook, accounted for using the equity method.

Note 4: It represents the net amount of accounts receivable of the Company derived from the purchase of supplies on behalf of Twinhead Kunshan Technology Co., Ltd. and accounts payable derived from purchase of goods from Twinhead Kunshan Technology Co., Ltd. in prior years after offsetting against the investment of Twinhead Kunshan Technology Co., Ltd., accounted for using the equity method.

Note 5: The transactions within the Group were eliminated in the consolidated financial statements.

Note 6: For balance sheet items, over 1% of total consolidated assets, and for profit or loss item, over 1% of total consolidated revenues were selected for disclosure.

(b) Information on investees:

The following is the information on investees for the nine months ended September 30, 2022 (excluding information on investees in Mainland China):

(in Thousands of New Taiwan Dollars / in Thousands of shares)

Name of investor	Name of investee	Location	Scope of business	Original cost		Ending balance			Net income (loss) of investee	Investment income (losses)	Remarks
				September 30, 2022	December 31, 2021	Shares	Percentage of ownership	Book value			
The Company	Durabook	U.S.A.	The trading of computers and computer peripheral equipment	73,442	73,442	769	80.000 %	- (note 3)	(3,091)	(2,473)	Subsidiary (note 2)
The Company	Twinhead (Asia)	Singapore	Investment holding	539,919	539,919	5,872	100.000 %	- (note 4)	(15,645)	(15,645)	Subsidiary (note 2)
Twinhead (Asia)	Twinhead Enterprises (BVI) Ltd.	British Virgin Islands	Investment holding	1,388	1,388	50	100.000 %	1,299	104	104	Indirect subsidiary (note 2)

Note 1: The exchange rate as of September 30, 2022 : USD1=TWD31.75.

Note 2: The transactions within the Group were eliminated in the consolidated financial statements.

Note 3: Please refer to note 13(a)(x) note 3.

TWINHEAD INTERNATIONAL CORP. AND SUBSIDIARIES
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Note 4: Please refer to note 13(a)(x) note 4.

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(in Thousands of New Taiwan Dollars / in thousands of USD)

Name of investee in Mainland China	Scope of business	Issued capital	Method of investment (Note 1)	Cumulative investment (amount) from Taiwan as of January 1, 2022	Investment flow during current period		Cumulative investment (amount) from Taiwan as of September 30, 2022	Net income (losses) of investee	Direct / indirect investment holding percentage	Investment income (losses) (Note 2)	Book value as of September 30, 2022	Accumulated remittance of earnings in current period
					Remittance amount	Repatriation amount						
Twinhead Kunshan Technology Co., Ltd.	Sales and production of PDAs, calculators and their parts, and computer keyboards	396,875 (USD12,500)	(2)	396,875 (USD12,500)	-	-	396,875 (USD12,500)	(16,623)	100.00 %	(16,623)	(275,926)	-
Twinhead Huazhong Technology Limited Corp.	Installation and sales of laptop parts and accessories; sales and production of related software	127,000 (USD4,000)	(2)	63,500 (USD2,000)	-	-	63,500 (USD2,000)	-	- %	-	-	-
Kunshan Lun Teng	Import and export of computers, electronic components, and digital cameras, and technical consultant services	6,668 (USD210)	(2)	6,668 (USD210)	-	-	6,668 (USD210)	911	100.00 %	911	20,588	-

Note 1: The method of investment is divided into the following four categories:

(1) Remittance from third-region companies to invest in Mainland China (Through Twinhead (Asia) Ptd Ltd. invest in Mainland china).

(2) Through transferring the investment to third-region existing companies then investing in Mainland China.

(3) Through the establishment of third-region companies then investing in Mainland China.

(4) Other methods: EX: delegated investments.

Note 2: The amounts of investment income (loss), were recognized under the equity method based on the financial statements which were not reviewed by the auditors of the Company.

Note 3: The exchange rate as of September 30, 2022 : USD1=TWD31.75.

Note 4: The transactions within the Group were eliminated in the consolidated financial statements.

(ii) Limitation on investment in Mainland China:

Company name	Accumulated investment amount in Mainland China as of September 30, 2022 (Note 1)	Investment (amount) approved by Investment Commission, Ministry of Economic Affairs	Maximum investment amount set by Investment Commission, Ministry of Economic Affairs
The Company	508,318 (USD16,010)	508,318 (USD16,010)	- (Note 3)

Note 1: Including the amount of USD1,300 thousand wired to Twinhead Beijing Technology Co., Ltd.

Note 2: The exchange rate as of September 30, 2022: USD1=TWD31.75.

Note 3: In accordance with the "Regulations on Permission for Investment or Technical Cooperation in Mainland China" and the Principles for Examination of Applications for Investment or Technical Cooperation in Mainland China amended and ratified by the Executive Yuan on August 22, 2008, the Company met the criteria for operational headquarters under the Statute for Industrial Innovation and obtained approval from the Industrial Development Bureau Ministry of Economic Affairs, on June 12, 2020. As it has an operational headquarters status, the Company is not subject to the limitation as to the amount of investment in Mainland China during the period from June 9, 2020 to June 8, 2023.

(iii) Significant transactions with investees in Mainland China:

Related information is provided in note 13(a)(x).

TWINHEAD INTERNATIONAL CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Major shareholders:

Unit: share

Shareholding / Shareholder's Name	Shares	Percentage
Kaos Enterprise Co., Ltd.	3,973,315	16.02 %
Protegas Futuro Holdings, LLC	3,802,355	15.33 %
Outstanding Corporation	1,644,480	6.63 %
KANG EEL SHIUAN Co., Ltd.	1,391,327	5.61 %

(14) Segment information

The Group is mainly engaged in the design, manufacture and sale of computers, as well as related products. The management regularly reviews the Group's overall performance to evaluate the efficiency of each segment and allocate its resources accordingly. The Group is identified as a sole operating segment.