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This report has been prepared in Mandarin and English respectively. In case of any discrepancy or inconsistency between the Mandarin and the English versions, the Mandarin version shall prevail.

Taiwan Stock Exchange Market Observation Post System: mops.twse.com.tw
Nien Made Enterprise's annual report is available at: www.nienmade.com.tw

2022

ANNUAL REPORT

Nien Made Enterprise Co., Ltd.

Printed on May 19, 2023

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Not Applicable

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TABLE OF CONTENTS

CHAIRMAN'S LETTER...4
HISTORY...8
ORGANIZATION...10
BOARD MEMBERS...13
MANAGEMENT TEAM...22
CORPORATE GOVERNANCE...29
CAPITAL AND SHARES...63
DIVIDEND POLICY...69
COMPENSATION POLICY...70
OPERATIONAL HIGHLIGHTS...71
HUMAN CAPITAL...84
RISK MANAGEMENT AND OTHERS...86
FINANCIAL HIGHLIGHTS...90
SUBSIDIARY INFORMATION...102
APPENDIX...112

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear shareholders:

In 2022, the global COVID-19 pandemic showed a sign of easing, and sales growth in the window covering market was resilient in the beginning and then cooled off. NM's consolidated revenue totaled NT\$28.95bn (-0.3% YoY; -6.0% YoY in US\$). Revenues of custom-made window coverings were impacted by 3 unfavorable factors: 1) suspension and resumption of work for 3 times in response to anti-epidemic prevention measures; 2) shortage of inland transport capacity in the U.S and extended lead-time; and 3) declined consumer purchasing power derived from inflation in the European market, leading to the decline of 4.9% of US\$ revenues of custom-made window coverings. In terms of ready-made window coverings, major retailers experienced vigorous restocking in 1H22 and destocking in 2H22, which altogether led to a -10.7% YoY in the US\$ revenues of ready-made window coverings.

Despite the fact that the US\$ revenue decreased 6.0%, an unexpected undergrowth, our consolidated net income to parent shareholders increased to a record high of NT\$6.17bn (+16.0%YoY) and EPS to NT\$21.07/share, mainly benefiting from the recognition of non-operational foreign exchange gains in 2022, the increased proportion of custom-made window coverings, and the decline of freight rates.

In terms of marketing activities, our Free Shade Giveaway Campaign promoting window covering safety for families with young children launched in 2022 attracted the participation of 90,000+ households to grant free window coverings. In 2023, we launched a new generation of Motorized Cellular Shade and other Motorized Shades with the industry's 1st Charging Wand, enabling safe and easy charging of built-in lithium batteries within motorized shades, making it more convenient for smart home upgrades without high-priced installation of wires and home décor incongruity concerns.

NM expects to enter an active capacity expansion period for custom-made products in 2023-2024. We successfully started the custom-made window coverings production in our 1st phase production base in Mexico, which will help increase the capacity of custom-made shutters and blinds organically. Our 2nd phase production base in Mexico is scheduled to be completed and put into operation in 2H23.

NM will continue to pay close attention to the fluctuation of mortgage interest rates and real estate transaction conditions to make timely inventory adjustment for ready-made window coverings. In addition, as the capital market focuses on global carbon reduction issues and extreme climate, we have also put forth corresponding sustainability strategies.

Business Report (2022)

Overview of business

Looking back on 2022, due to the multiple disruptions in the production of custom-made products and the inventory adjustment of the ready-made window coverings, the overall revenue growth was below our expectations.

Financial summary & profitability

NM's consolidated operating revenues of 2022 were NT\$28.95bn (-0.3% YoY) while the consolidated operating income for 2022 was NT\$7.37bn (-5.0% YoY). For the non-operating items, compared with the exchange loss of NT\$~330mn in 2021, NM had NT\$~630mn in exchange gain in 2022. On the whole, NM's consolidated net income to parent shareholders in 2022 increased to NT\$6.17bn (+16.0% YoY) and EPS to NT\$21.07/share.

Profitability

The changes in our product mix and the efficiency improvement of lean production have alleviated the negative effect of the slightly reduced revenue scale. NM's consolidated gross margin rebounded to 54.9% in 2022 from 54.4% in 2021.

Financial budgeting

Not applicable. The Company does not publicly prepare financial budgets.

Technological developments

Our emphasis on R&D in 2023 includes the followings: 1) To develop new and upgrade the existing custom-made window coverings (including smart motorized products) to complete the product line; 2) To enhance the quality and options of the existing products to improve customer satisfaction; and 3) To develop new generation of cutting machines for window coverings in retailers to increase our market share in the ready-made business.

Business Outlook (2023)

Operating strategies & focuses

Looking into 2023, the capacity expansion of custom-made window coverings in Mexico will enable NM to provide more high-quality products to the North American customers with a greatly reduced lead time. In the custom-made window covering markets outside the U.S., including Europe, Japan, and Australia, we continue to adopt the B2C (Business-to-Customer) model for the expansion of business opportunities. For the ready-made window covering market up to 1Q23, our major retailer customers are still in the inventory adjustment period. NM will closely observe the up-coming inventory adjustment situation for active capacity adjustment.

Macro dynamics & competition

The new housing starts in the U.S. dropped from 1.59mn in 2021 to 1.55mn in 2022. The cooled-off housing market and the increase in mortgage rates may have caused slow growth in the custom-made window covering market. On the other hand, ready-made window coverings are affordable products, and we have to grasp the inventory adjustment status of ready-made customers.

To pursue sustainable development, NM is actively making its international deployment. In the capacity expansion period for custom-made products in 2023-2024, the organic contribution of our new plant in Mexico will continue to increase. Such an operation plan can lower the risk of uncertain delivery NM has faced in recent years. For users in North America, they can enjoy the convenience of 2-week delivery of high-quality custom shutters instead of the 5-7 week wait.

The newly designed Motorized Cellular Shade equipped with Jam Protection and Single Tap Control was launched in Jan, 2023, enabling users to enjoy safer and smarter motorized shades. NM also overcame technical difficulties and launched the long-awaited MDF Shutters with ultra-long width.

Regulation changes

NM has always regarded the health and safety of customers its top priority. To alleviate safety concerns of our users with young children and pets, NM provides a complete series of diverse cordless window treatments that meet the latest regulations and highest standards for window coverings in North America. We have introduced lean production management, upgraded quality and craftsmanship and also reduced waste. NM published the ESG Report to transparently disclose our non-financial information and every endeavor made in climate change mitigation.

NM's business policies

Safe Production and Quality First are NM's fundamental concepts. Providing "excellent quality" products is an absolute necessity for the sustainable development of a company. Dedicating on quality paves a shortcut to cost and delivery satisfaction.

- n NM shall provide competitive products and customer-first services to fulfill customer needs.
- n NM shall strengthen the firm's corporate constitution for sustainable development amidst the rapidly changing environment.
- n NM shall add value, fulfill the firm's social responsibility and make contributions to the development of the society.

Cordially,

Howard Nien

Chairman

Nien Made Enterprise



Safety Charging Wand



reddot winner 2022

NM's Motorized Cellular Shade

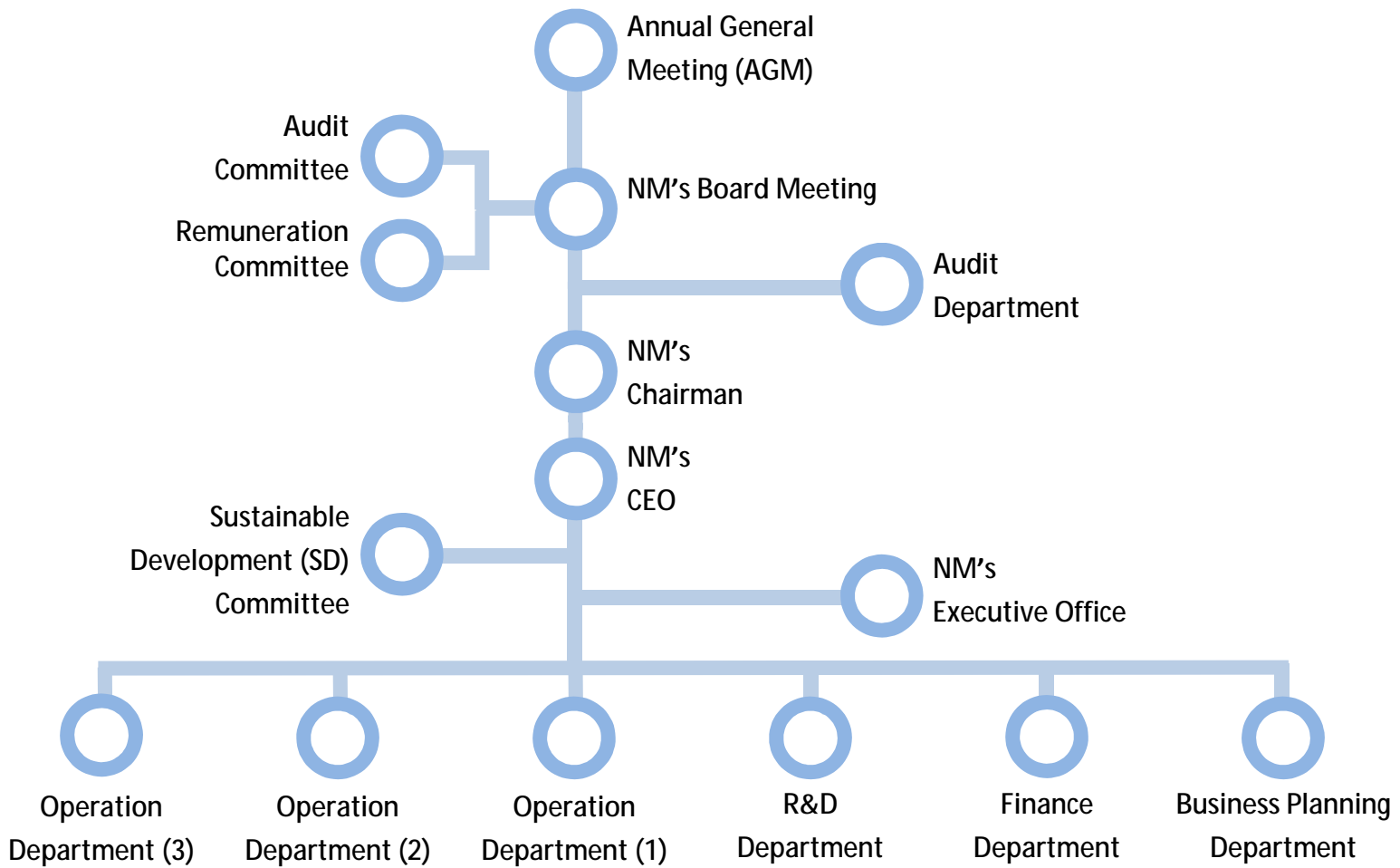
NM'S HISTORY

2007	<ul style="list-style-type: none"> n Date of Establishment: July 26, 2007 n The Company, originally named Global Viewcomp Co., Ltd., was founded in July, 2007, and the purpose of its establishment was for the M&A of Nien Made Enterprise Co. Ltd (hereinafter referred to as "Former NM"), a listed Company in Taiwan. The main businesses included manufacturing, processing and import & export trading of various window coverings and component parts, with the paid-in capital of NT\$ 1mn at the time of establishment. n In October, with the issuance of NT\$ 1.5bn of preferred stock for cash, the paid-in capital increased to NT\$ 1,501mn. n In November, with the issuance of NT\$ 6,149mn of common stock for cash, the paid-in capital increased to NT\$ 7,650mn. n The Board of Directors of Nien Made Enterprise Co. Ltd convened the first provisional Shareholders' Meeting on December 7, 2007 and passed the resolution of the merger. The Board of Directors set March 1st, 2008, as the reference date pursuant to the Merger Agreement.
2008	<ul style="list-style-type: none"> n On March 1st, 2008, the Company completed the acquisition of all the outstanding shares of Former NM in accordance with legal procedures, and the date was set as the merger reference date for the de facto merger of Former NM. The legal procedures for the merger were completed on April 22, 2008. After the merger, Former NM (Nien Made Enterprise Co. Ltd would be the dissolved company while the Company would be the surviving company. After the merger, the Company was renamed Nien Made Enterprise Co., Ltd. (hereinafter referred to as NM or Nien Made). n In April, in order to consolidate the marketing bases across the U.S. for the marketing in the U.S. market, the 100% owned subsidiary, Norman International, Inc., purchased 48% of the equity interest in the capital of Custom Craft Company from the Company. n After purchasing 57.47% of the equity of Original Source Investments Limited in September, 2008, NM obtained 100% of the equity of Original Source Investments Limited and indirectly obtained Nien Made (Wulian) Window Fashions Co., Ltd. in China through it.
2009	<ul style="list-style-type: none"> n With the issuance of NT\$ 900mn of preferred shares, the NM's paid-in capital increased to NT\$ 8,550mn.
2011	<ul style="list-style-type: none"> n With the issuance of NT\$ 830mn of common stock for cash, the paid-in capital increased to NT\$9,380mn. n NM purchased 100% of the equity of Global Viewcomp (Hong Kong) Company Limited, and indirectly assumed the investment of Dongguan Fanchang Curtain Product Co., Ltd, in China through Billion Coins Development Limited, the subsidiary of Global Viewcomp (Hong Kong) Company Limited.
2012	<ul style="list-style-type: none"> n To enter the Japanese market, NM indirectly invested in Norman Japan Limited through NM's 100% owned subsidiary, Norman International Limited.
2013	<ul style="list-style-type: none"> n NM obtained 100% of the equity of Capital Lance Limited through its fully controlled subsidiary, I Yang Enterprises Co., Ltd. NM indirectly invested in San Feng (Cambodia) Company Limited, through Capital Darren Limited, subsidiary of Capital Lance Limited.
2014	<ul style="list-style-type: none"> n NM's Dutch shareholder, Global Viewcomp Holdings B.V. which held a substantial shareholding in NM, transferred all its shares of the Company. n NM filed an IPO application with the Financial Supervisory Commission (FSC), and the registration became effective on August 28, 2014. n Independent directors were elected and an Audit Committee was set up to replace the supervisors' functions. n NM's Dutch shareholders, Admentus Investments B.V. and Briareus Investments B.V. which held a substantial shareholding in the Company, transferred all their shares of the Company.
2015	<ul style="list-style-type: none"> n In January, NM was officially registered on the emerging stock board. n Acquired building area and land in Dallas, USA, with the land size of 1,100,458 sqf. n The Company was listed on the Taiwan Stock Exchange (TWSE) in December.
2017	<ul style="list-style-type: none"> n Three of NM's products won the 2017 Red Dot Product Design Award. n Honored the Asian 3rd of Best IR Professionals (Consumer/Discretionary - Sell Side Analyst) conducted by Institutional Investor (II) Magazine. n Published Corporate Sustainability Report in both English and Mandarin.
2018	<ul style="list-style-type: none"> n Honored by Institutional Investor (II) Magazine (Developed Markets - Small & Midcap Sector) <ul style="list-style-type: none"> - Taiwan's 1st of Best ESG/SRI Metrics - Taiwan's 3rd of Best IR Programs - Taiwan's 2nd of Best Analyst Days - Taiwan's 3rd of Best IR Professionals
2019	<ul style="list-style-type: none"> n Acquired land for the new headquarters in Taiwan with the building area of 2,961.64 sqm. n Obtained the right-of-use asset in Myanmar, with the land area of 285,416 square meters. n Honored by Institutional Investor (II) Magazine (Developed Markets - Small & Midcap Sector) <ul style="list-style-type: none"> -Taiwan's 1st Best ESG/SRI Metrics; -Taiwan's 1st Best Corporate Governance; -Taiwan's 1st Best IR Professionals; -Taiwan's 3rd Best CEO; -Taiwan's 2nd Best CFO; n -Taiwan's 1st Best IR Professionals

NM'S HISTORY (CONTINUED)

2020	<ul style="list-style-type: none"> n NM's SmartDrape™ Shades won the Best of the Best in the Red Dot Product Design Award. n The production capacity in Mexico for custom-made window coverings has started smoothly. n The new North American headquarters is based in California, USA. n Honored with Harvard Business Review's Taiwan Top 100 Best Performing CEOs. n Recognized by Asiamoney as the winner in Taiwan - Consumer Discretionary Sector in its Asia's Outstanding Companies Poll 2020. n Honored with the IR Magazine Awards – Greater China 2020 for the best Investor Relations in Taiwan during its virtual award ceremony.
2021	<ul style="list-style-type: none"> n The registered business address is changed to 23F-1, No. 98, Shizheng N. 7th Rd., Xitun Dist., Taichung City, Taiwan. n Expansion of the warehouse and light assembly production line in Texas, USA, was completed. n Honored by Institutional Investor (II) Magazine(Consumer Sector): <ul style="list-style-type: none"> -Best of Asia's 4th Most Honored Company; -Rest of Asia's 3rd Best ESG (Combined); -Rest of Asia's 3rd Best ESG (Buyside); -Rest of Asia's 2nd Best CEO (Buyside); -Rest of Asia's 3rd Best IR Programs (Combined); -Rest of Asia's 3rd Best IR Programs (Buyside); and -Rest of Asia's 3rd Best IR Professionals (Buyside). n Honored in Asiamoney as the winner in Taiwan - Consumer Discretionary Sector in its Asia's Outstanding Companies Poll 2021.
2022	<ul style="list-style-type: none"> n NM's Motorized Cellular Shade won the Red Dot Design Award 2022. n WCMA Product Awards – <ul style="list-style-type: none"> "Best New Technical Innovation" on Cellular & Pleated Shades; "Best Technical Innovation" on Horizontal Blinds; "Best New Style Concept" on Verticals/Panel Tracks; "Best Marketing Technology" on Marketing & Merchandising Programs; and "Best Point of Sale Display" on Marketing & Merchandising Programs.

NM'S ORGANIZATION



Audit Department	<ul style="list-style-type: none"> n Responsible for implementation of audit policies and preparation of audit reports.
Executive Office	<ul style="list-style-type: none"> n In charge of the NM Group's strategies for brand management, marketing, client/channel relationships and business development as well as objectives for products and capacity expansion; n Establishment of the Group's R&D strategy and the management and preservation mechanism of the Group's intangible assets; n Formulation of goals of the existing and new markets in response to market demand and development of corresponding production capacity/ line expansion; n Setup of objectives for human resources allocation/ dispatching and expansion of human resources to meet market demands; n Setup of goals for the improvement of production and plant performance; n Setup of procurement strategy for raw materials and policies for global logistics; n Setting corporate sustainability goals, including the development of environmentally friendly manufacturing process, reduction of wastes of raw materials, creating a safer working environment, and manufacturing secured products for customers; n Advance the material information management; n Commit to realizing environmental sustainability(E), responding to social responsibilities(S), and implementing effective corporate governance(G). Establish dedicated personnel for ESG planning, implementation and report.
Business Planning Department	<ul style="list-style-type: none"> n Integration and review of production process and plant related projects in accordance with the strategic goals; n Supervising the NM Group's Toyota Production System (TPS)/Lean Production management policy; n Continuous execution of Toyota Production System (TPS)/Lean Production, establishment of targets for the raw material input plan for the production line, controlling and improving the production efficiency by order; n Analyzing and evaluating process efficiency and proposing improvement plans for the production flow; n Implementing personnel affairs, stock affairs, asset management, materials, IT, education and training, maintenance of rules, general affairs, promotion of integrity/corporate governance in business and others; n Implementing production technology improvement, manpower survey, technical management and manufacturing of hose/tube.
Finance Department	<ul style="list-style-type: none"> n Working capital management; n Establishment and implementation of the finance system; n In charge of cost and management accounting; n Compliance with global operating taxes and risk management.
R&D Department	<ul style="list-style-type: none"> n Collection of product's market data to understand the trends of customer preferences; n Research and development of new materials, new equipment and new formulations; n Patent analysis and trial production of samples; n Preparation of on-site production pilot run and establishment of standard specification; n Controlling R&D schedule and reducing development costs; n Responsible for the R&D and improvement of window treatment products; n Introduction of new production process, planning and implementation of mass production tests, and promotion of process technology and industrial standardization; n Management of company patents, trademarks, business secrets and other intellectual property and contract review and litigation process.
Operation Department (1)	<ul style="list-style-type: none"> n Formulation and implementation of marketing and sales plans in accordance with the strategic goals; n Collection of product's market trends and intelligence; n The launch of exhibition and marketing activities; n Coordinating production and sales and mastering the delivery of orders; n Providing market opinions in the R&D and design phases; n Handling customer complaints and design changes; n According to the production plans and goals: <ul style="list-style-type: none"> - Comprehensively managing and implementing the operation plans of each factory; - Managing and maintaining the human resources system of each factory; - Controlling and managing the coordination of process, materials, manpower, technology and shipment; - Organizing quality related problems for reviews and improvement.
Operation Department (2)	<ul style="list-style-type: none"> n Formulation and implementation of marketing and sales plans in accordance with the strategic goals; n Collection of product's market trends and intelligence; n The launch of exhibition and marketing activities; n Coordinating production and sales and mastering the delivery of orders; n Providing market opinions in the R&D and design phases; n Handling customer complaints and design changes; n Organizing quality related problems for reviews and improvement.
Operation Department (3)	<ul style="list-style-type: none"> n Formulation and implementation of marketing and sales plans in accordance with the strategic goals; n Collection of product's market trends and intelligence; n The launch of exhibition and marketing activities; n Coordinating production and sales and mastering the delivery of orders; n Handling customer complaints and design changes; n Organizing quality related problems for reviews and improvement.



reddot winner 2020
best of the best

NM's SmartDrape™

NM'S

BOARD MEMBERS

Directors of Nien Made

Title/ Name	Nationality/ Place of Registration	Gender Age	Date Elected	Term	First Elected Date	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangements		Education & Past Positions	Current Positions at NM & Other Companies	Managers/ Directors or Supervisors who are spouse or relative within the second-degree of kinship		
						Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman Nien Keng-Hao (Howard)	ROC	Male 51-60 y/o	Jun 16 2020	3	Mar 1 2008	28,927,263	9.87	28,927,263	9.87	-	-	-	-	n B.L., Tunghai University n L.L.M., Southern Methodist University, US n VP and executive assistant of NM	CEO Note 1 and 2	Director VP	Michael Nien Ron Nien	Brother Brother
Director Nien Chao-Hung (Michael)	ROC	Male 51-60 y/o	Jun 16 2020	3	Mar 1 2008	28,737,263	9.81	27,687,263	9.45	-	-	-	-	n B.S., Department of Electrical Engineering, National Taiwan University n M.B.A., Boston University, US n AVP of NM	VP and Note 1, Note 2	Chairman VP	Howard Nien Ron Nien	Brother Brother
Director Chuang Hsi-Chin (Ken)	ROC	Male 61-70 y/o	Jun 16 2020	3	Mar 1 2008	25,595,047	8.73	17,999,047	6.14	-	-	-	-	n B.S., Department of Business Administration, National Chung Hsin University n AVP, factory director and manager of NM	VP and Note 1	-	-	-
Director Peng Ping (Benson)	ROC	Male 61-70 y/o	Jun 16 2020	3	Jun 30 2008	144,658	0.05	146,658	0.05	40,000	0.01	-	-	n B.S., Hsiuping University of Science and Technology n Director of Production Survey Department, manager of Business Planning & Cost Deputy manager of Automobile Department, division manager, of Elite Sewing Machine MFG. Co., Ltd.	EVP and Note 1	-	-	-
Director Lee Ming-Shan	ROC	Male 51-60 y/o	Jun 16 2020	3	Jun 03 2015	-	-	-	-	-	-	-	-	n MBA of National Chengchi University n Head of Investment Banking in the Greater China Region, Yuanta Securities n Managing director of Citibank	Note 1	-	-	-
Director Jok Chung-Wai (Edward)	Canada	Male 51-60 y/o	Jun 16 2020	3	Jun 28 2017	262,000	0.09	262,000	0.09	-	-	24,000	0.01	n B.S., Computer Science, University of California Berkeley n M.B.A., University of British Columbia n CPA, PwC (Canada) n M&A advisor, Ernst & Young (HK) n CFO of Ming Pao Newspaper (Canada) n CFO of EMI (Hong Kong/ China) n Treasurer of Sun Microsystems (Asia)	CFO and Note 1	-	-	-
Independent Director Lin Chi-Wei	ROC	Male 61-70 y/o	Jun 16 2020	3	Nov 10 2014	-	-	-	-	-	-	-	-	n B.A. of Accounting Department, National Cheng Kung University n CPA and Partner, Diwan & Company	Convener of Audit & Remuneration Committees and Note 1	-	-	-

Directors of Nien Made (Continued)

Title/ Name	Nationality/ Place of Registration	Gender Age	Date Elected	Term	First Elected Date	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding held by the person under others' names		Education & Past Positions	Current Positions at NM & Other Companies	Managers/ Directors or Supervisors who are spouse or relative within the second-degree of kinship		
						Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Independent Director Huang Shen-Yi	ROC	Male 51-60 y/o	Jun 16 2020	3	Nov 10 2014	-	-	-	-	-	-	-	-	<ul style="list-style-type: none"> n B.A. of Accounting Department, Business School of National Chung Hsing University n MA of Graduate Institute of Management Sciences, Tamkang University n Deputy manager of KPMG n CPA of Pan-China (TW) CPAs n CPA of Crowe Horwath International n Assistant Professor-level Technical Expert of Asia University. 	Member of Audit & Remuneration Committees, Director of Taichung Office of Crowe (TW) CPAs and Note 1	-	-	-
Independent Director Hung Chung-Ching	ROC	Male 51-60 y/o	Jun 16 2020	3	Nov 10 2014	-	-	-	-	-	-	-	-	<ul style="list-style-type: none"> n Bachelor of Law, National Chengchi University n Practicing Lawyer of Tai An Law Firm 	Member of Audit & Remuneration Committees Practicing Lawyer of Tai An Law Firm	-	-	-

Apr 23, 2023 (Unit: share or %)

Directors Are Representatives of Institutional Shareholders		
Representative Institutional Shareholders	Principal Shareholders in Representative Institutional Shareholders	Main Shareholders of Principal Shareholders in Representative Institutional Shareholders
None	None	Not Applicable

Apr 23, 2023

Note 1: The duties concurrently holding in other companies are as follows

Chairman Nien Keng-Hao (Howard)	Director: Global Viewcomp (Hong Kong) Company Limited, Billion Coins Development Limited, New Legend Enterprises Limited, Legal Representative of Dongguan Fanchang Curtain Product Co., Ltd., Legal Representative of Nien Made (Dong Guan) Window Fashions Co., Ltd., Legal Representative of Zhao Feng (Dong Guan) Window Fashions Co., Ltd., Original Source Investments Limited, Legal Representative of Nien Made (Wulian) Window Fashions Co., Ltd., Norman International Inc., International Window Treatments, Inc., Nien Advanced Solutions, Norman Australia Pty Ltd, Capital Darren Limited, Legal Representative of Norm Pacific Technology Ltd., Capital Might Limited, and I ZHAO INVESTMENT CO., LTD. Supervisor: Yi Hsin Investment Co., Ltd.
Director Nien Chao-Hung (Michael)	Director: Legal Representative of Dongguan Fanchang Curtain Product Co., Ltd., Legal Representative of Norm Pacific Automation Corp., Norman International Inc., International Window Treatments, Inc., Nien Advanced Solutions, Capital Darren Limited, San Feng (Cambodia) Company Limited, Capital Might Limited, Yi Hsin Investment Co., Ltd., I ZHAO INVESTMENT CO., LTD ,and Yong An Industrial Co. Ltd.
Director Chuang Hsi-Chin (Ken)	Director: Global Viewcomp (Hong Kong) Company Limited, Billion Coins Development Limited, New Legend Enterprises Limited, Legal Representative of Dongguan Fanchang Curtain Product Co., Ltd., Legal Representative of Nien Made (Dong Guan) Window Fashions Co., Ltd., Legal Representative of Zhao Feng (Dong Guan) Window Fashions Co., Ltd., Original Source Investments Limited, Legal Representative of Nien Made (Wulian) Window Fashions Co., Ltd., Norman International Inc., International Window Treatments, Inc., Nien Advanced Solutions, Capital Darren Limited, San Feng (Cambodia) Company Limited, Legal Representative of Norm Pacific Automation Corp., Legal Representative of Norm Pacific Technology Ltd., Legal Representative of E-Shine Technology Ltd., Capital Might Limited, Giga Resource(Cambodia) Co., Ltd, and Great Harvest International Resource Company Limited.
Director Peng Ping (Benson)	Chairman: Legal Representative of E-Shine Technology Ltd. Director: Legal Representative of Norm Pacific Automation Corp.
Director Lee Ming-Shan	Chairman: Legal Representative of Magicapital Financial Advisory Co., Ltd., Legal Representative of MagiCapital, Legal Representative of Prometheus Capital, Legal Representative of Belos Investments Ltd., Legal Representative of Gordias Investments Ltd., Legal Representative of Hyllus Investments Ltd., and AchiCapital Management Limited Vice-chairman: Legal Representative of Ili Technology Corp. Director: DFI Inc. Independent Director: Wistron Corporation
Director Jok Chung-Wai (Edward)	Director: Global Viewcomp (Hong Kong) Company Limited, Billion Coins Development Limited, New Legend Enterprises Limited, Elite Idea Limited, Essential Care Limited, Kolombangara Forest Products Limited., Norman Australia Pty Ltd., Norman Myanmar Service Co. Ltd., Bay Blinds Limited, and Santa Fe Shutters Limited
Independent Director Lin Chi-Wei	Independent Director: Lelon Electronics Corp. Convener: Audit Committee of Lelon Electronics Corp. Member: Remuneration Committee of Lelon Electronics Corp.
Independent Director Huang Shen-Yi	Director: Horwath HTL Corp., Ruihua International Consultancy Service Co., Ltd., and Quan Ying Investment Ltd. Independent Director: SINON CORPORATION Convener: Audit Committee and Remuneration Committee of SINON CORPORATION

Note 2:

On May 4, 2023, NM's Board of Directors approved the adjustment of positions in accordance with the provisions of Article 4 of the " Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers". Nien Chao-Hung (Michael), VP, will assume the position of CEO, effective from Jun 21, 2023.

Directors' Professional Qualifications and Independent Analysis

Diversification Policy and Goals	Achievement Status	Independent Analysis
<p>In addition to the "Articles of Association", the Company has also formulated NM's Procedures for Election of Directors which clearly stipulates that the election of directors shall be based on the candidate nomination system for nomination and qualification review. Article 2 of NM's Procedures for Election of Directors stipulates that the composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following 2 general standards:</p> <ol style="list-style-type: none"> 1. Basic requirements and values: Gender, age, nationality, and culture. 2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology, professional skills, or industry experience). <p>Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:</p> <ol style="list-style-type: none"> 1. The ability to make judgments about operations. 2. Accounting and financial analysis ability. 3. Business management ability. 4. Crisis management ability. 5. Knowledge of the industry. 6. An international market perspective. 7. Leadership ability. 8. Decision-making ability. 	<p>The current board of directors of the Company consists of 6 directors and 3 independent directors, 8 members with accounting/finance expertise; 2 members with legal expertise; and 9 members with operational judgment experience.</p>	<p>The current board of directors consists of 9 directors, including 3 independent directors (33%). The 3 independent directors do not have conditions specified in Article 26-3, Paragraph 3 and 4 of the Securities and Exchange Act, where it is clearly stipulated that the relationships of a spousal relationship or a familial relationship within the second degree of kinship may not exist among the directors, supervisors, or among directors and supervisors.</p>

Directors' Professional Qualifications and Independent Analysis (Continued)

	Profile								Industrial Knowledge					Professional Competency	
	Nationality	Gender	Employed by NM	Age			Independent Director Tenure		Operational Judgment/ Management	Leadership/ Decision Making	Global Market View	Environmental Protection/ Lean Manufacturing	Legal & Compliance	Finance/ Accounting	Risk/Crisis Management
				40-50 y/o	51-60 y/o	61-70 y/o	Less than 3 years	6-9 years							
Chairman Nien Keng-Hao (Howard)	ROC	Male	V		V				V	V	V	V	V	V	
Director Nien Chao-Hung (Michael) Note 1	ROC	Male	V		V				V	V	V		V	V	
Director Chuang Hsi-Chin (Ken)	ROC	Male	V			V			V	V	V		V	V	
Director Peng Ping (Benson)	ROC	Male	V			V			V	V	V		V	V	
Director Lee Ming-Shan	ROC	Male			V				V	V	V		V		
Director Jok Chung-Wai (Edward)	Canada	Male	V		V				V	V	V		V	V	
Independent Director Lin Chi-Wei	ROC	Male				V		V	V	V			V		
Independent Director Huang Shen-Yi	ROC	Male			V			V	V	V			V		
Independent Director Hung Chung-Ching	ROC	Male			V			V	V			V			

Apr 23, 2023

Directors' Professional Qualifications and Independent Analysis (Continued)

Title/ Name	Professional Qualification and Experience (Note)	Criteria	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Chairman Nien Keng-Hao (Howard)	Information on page 18 of this Annual Report.	N/A	0
Director Nien Chao-Hung (Michael)	Information on page 18 of this Annual Report.	N/A	0
Director Chuang Hsi-Chin (Ken)	Information on page 18 of this Annual Report.	N/A	0
Director Peng Ping (Benson)	Information on page 18 of this Annual Report.	N/A	0
Director Lee Ming-Shan	Information on page 18 of this Annual Report.	N/A	1
Director Jok Chung-Wai (Edward)	Information on page 18 of this Annual Report.	N/A	0
Independent Director Lin Chi-Wei	Information on page 18 of this Annual Report.	1. The person (himself or herself), his/her spouse, or relative within the second degree of kinship does NOT serve as a director, supervisor, or employee of the Company or its affiliated companies. 2. The person (himself or herself), his/her spouse, or relative within the second degree of kinship (or the person under other's names) does NOT hold shares in the Company. 3. NOT serving as a director, supervisor, or employee of a Company having specific relations with the Company (please refer to the provisions of Article 3, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. The amount of compensation received in the past 2 years WITHOUT providing commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company.	1
Independent Director Huang Shen-Yi	Information on page 18 of this Annual Report.		1
Independent Director Hung Chung-Ching	Information on page 18 of this Annual Report.		0

Apr 23, 2023

Note: Not been a person of any conditions defined in Article 30 of the Company Law.

Remuneration Paid to Directors and Independents Directors

Title/ Name	Director's Remuneration								Total Remuneration (A+B+C+D) as a % of Annual Net Income		Other Remuneration								Total Remuneration (A+B+C+D+E+F+G) as a % of Annual Net Income		Compensation Paid to Directors from Non-Consolidated Affiliates
	Base Compensation (A)		Severance Pay & Pensions (B)		Compensation to Directors (C)		Allowances (D)				Base Compensation, Bonuses, and Allowances (E) (Note 1)		Severance Pay and Pensions (F)		Other Compensation(G)						
	NM	From Consolidated Entities	NM	From Consolidated Entities	NM	From Consolidated Entities	NM	From Consolidated Entities	NM	From Consolidated Entities	NM	From Consolidated Entities	NM	From Consolidated Entities	From Consolidated Entities		NM	From Consolidated Entities			
															Cash	Stock Value	Cash	Stock Value			
Chairman Nien Keng-Hao (Howard)																					
Director Nien Chao-Hung (Michael)																					
Director Chuang Hsi-Chin (Ken)	1,440	1,440	0	0	36,589	36,589	0	0	38,029 0.6161	38,029 0.6161	17,897	30,980	228	228	0	0	0	0	56,154 0.9097	69,237 1.1216	-
Director Peng Ping (Benson)																					
Director Lee Ming-Shan																					
Director Jok Chung-Wai (Edward)																					
Independent Director Lin Chi-Wei																					
Independent Director Huang Shen-Yi	3,600	3,600	0	0	4,260	4,260	0	0	7,860 0.1273	7,860 0.1273	0	0	0	0	0	0	0	0	7,860 0.1273	7,860 0.1273	-
Independent Director Hung Chung-Ching																					

(Unit: NT\$'000; the content of the remuneration disclosed in this table differs from that of the income tax law. Therefore, the purpose of this table is for information disclosure, not for taxation.)

1. Please specify the policy, system, standards and structure of independent directors' remuneration and describe the correlation with the amount of remuneration based on responsibilities and risks assumed, time spent, etc. "The Corporation may also, in accordance with procedures prescribed by law, consider providing remuneration for independent directors in the form of a fixed monthly salary, rather than as distributions from the earnings of the Company."
2. Remuneration to directors providing services to entities within the Company's most recent financial reporting period (such as serving as a non-employee consultant to the parent company/all the companies in the financial report/invested businesses) in addition to remuneration disclosed in the above table: None.

Remuneration Paid to Directors – By Range

Range	Total Remuneration (A+B+C+D)		Total Compensation (A+B+C+D+E+F+G)	
	NM	From Consolidated Entities	NM	From Consolidated Entities
NT\$0 - NT\$999,999				
NT\$1,000,000 - NT\$1,999,999	Lee Ming-Shan	Lee Ming-Shan	Lee Ming-Shan	Lee Ming-Shan
NT\$2,000,000 - NT\$3,499,999	Lin Chi-Wei Huang Shen-Yi Hung Chung-Ching	Lin Chi-Wei Huang Shen-Yi Hung Chung-Ching	Lin Chi-Wei Huang Shen-Yi Hung Chung-Ching	Lin Chi-Wei Huang Shen-Yi Hung Chung-Ching
NT\$3,500,000 - NT\$4,999,999				
NT\$5,000,000 - NT\$9,999,999	Nien Keng-Hao (Howard) Peng Ping (Benson) Nien Chao-Hung (Michael) Chuang Hsi-Chin (Ken) Jok Chung-Wai (Edward)	Nien Keng-Hao (Howard) Peng Ping (Benson) Nien Chao-Hung (Michael) Chuang Hsi-Chin (Ken) Jok Chung-Wai (Edward)	Jok Chung-Wai (Edward)	
NT\$10,000,000 - NT\$14,999,999			Nien Keng-Hao (Howard) Peng Ping (Benson) Nien Chao-Hung (Michael) Chuang Hsi-Chin (Ken)	Nien Keng-Hao (Howard) Peng Ping (Benson) Nien Chao-Hung (Michael) Chuang Hsi-Chin (Ken)
NT\$15,000,000 - NT\$29,999,999				Jok Chung-Wai (Edward)
NT\$30,000,000 - NT\$49,999,999				
NT\$50,000,000 - NT\$99,999,999				
NT\$100,000,000+				
Total Counts	9	9	9	9

Note:

A Lexus car was offered to Nien Keng-Hao (Howard), the chairman of NM on Nov 25, 2021, with the book value at about NTD 4,473k as of the publication date of the annual report.; A Lexus car was offered to Peng Ping (Benson), the director and Executive Vice President (EVP) of NM on Aug 5, 2015, with the book value at about NTD 0 as of the publication date of the annual report.

The content of remuneration disclosed in this table differs from the concept of income under the Income Tax Act. Therefore, this table is intended for information disclosure instead of for taxation purposes.



NM's Roller Shade

NM'S MANAGEMENT TEAM

Management Team of Nien Made

Title/ Name	Nationality	Gender	On-board Date	Shareholding		Spouse & Minor		Shareholding by Nominee Arrangements		Profile	Current Positions at Other Companies	Managers Who are Spouses or within Second-degree Relative of Consanguinity to Each Other		
				Shares	%	Shares	%	Shares	%			Title	Name	Relation
CEO Nien Keng-Hao (Howard)	ROC	Male	Jun 1 2008	28,927,263	9.87	-	-	-	-	n B.L., Tunghai University n L.L.M., Southern Methodist University, US n VP and executive assistant of NM	Note 1 and 2	VP VP	Michael Nien Ron Nien	Brother Brother
EVP Peng Ping (Benson)	ROC	Male	Mar 1 2008	146,658	0.05	40,000	0.01	-	-	n B.S., Hsiuping University of Science and Technology n Director of Production Survey Department, manager of Business Planning & Cost Deputy manager of Automobile Department, division manager, of Elite Sewing Machine MFG. Co., Ltd.	Note 1			
VP Nien Chao-Hung (Michael)	ROC	Male	Mar 1 2008	27,687,263	9.45	-	-	-	-	n B.S., Department of Electrical Engineering, National Taiwan University n M.B.A., Boston University, US n AVP of NM	Note 1 and 2	CEO VP	Howard Nien Ron Nien	Brother Brother
VP Nien Kai-Lung (Ron)	ROC	Male	Apr 1 2011	28,597,263	9.76	-	-	-	-	n B.A., Department of Economics, National Taiwan University n M.B.A., Kellogg School of Management, Northwestern University n Executive assistant of NM	Note 1	CEO VP	Howard Nien Michael Nien	Brother Brother
VP Chuang Hsi-Chin (Ken)	ROC	Male	Mar 1 2008	17,999,047	6.14	-	-	-	-	n B.S., Department of Business Administration, National Chung Hsin University n AVP, factory director and manager of NM	Note 1			
VP Wu Tai-Fung (T.F.)	ROC	Male	Mar 1 2008	7,277	0.00	80,000	0.03	-	-	n B.S., Department of Mechanical Engineering, National Taiwan University n Chief manager, factory director and deputy factory director of Four Pillars Enterprise Co., Ltd. n Production manager, factory director of Trend Tone Imaging, Inc. n General manager of Pro Accutech Co., Ltd.				
VP Chiu Tzu-Hao (Oliver)	ROC	Male	Nov 10 2020	177,566	0.06	-	-	-	-	n M.B.A., Fullerton, California State University n B.S., Fullerton, California State University				
VP Lu Chin-Tai (Ted)	ROC	Male	Feb 01 2023	1,000	0.00	-	-	-	-	n Textile Industry Department/Textile Chemistry Section, National Taipei Institute of Technology n AVP, factory director and manager of NM	Note 1			

Management Team of Nien Made (Continued)

Title/ Name	Nationality	Gender	On-board Date	Shareholding		Spouse & Minor		Shareholding by Nominee Arrangements		Profile	Current Positions at Other Companies	Managers Who are Spouses or within Second-degree Relative of Consanguinity to Each Other		
				Shares	%	Shares	%	Shares	%			Title	Name	Relation
CFO Jok Chung-Wai (Edward)	Canada	Male	Dec 1 2008	262,000	0.09	-	-	24,000	0.01	<ul style="list-style-type: none"> n B.S., University of California Berkeley, Computer Science n M.B.A., University of British Columbia n CPA, PwC (Canada) n M&A advisor, Ernst & Young (HK) n CFO of Ming Pao Newspaper (Canada) n CFO of EMI (Hong Kong/ China) n Treasurer of Sun Microsystems (Asia) 	Note 1			
AVP Hsu Wen-Che (Wen)	ROC	Male	Feb 1 2011	7,000	0.00	-	-	-	-	<ul style="list-style-type: none"> n Electronics Department, Lee-Ming Institute of Technology n Manager, assistant manager, division head, deputy division head of NM 				
AVP Chuang Yi-Sheng (Johnson)	ROC	Male	Feb 1 2011	62,207	0.02	-	-	-	-	<ul style="list-style-type: none"> n Electronics Department, Dong Feng Industrial High School n Manager, assistant manager, division head, deputy division head, team Leader and deputy team leader of NM 				
AVP Liu Chien-Cheng (Alex)	ROC	Male	Feb 1 2014	29,000	0.01	24,256	0.01	-	-	<ul style="list-style-type: none"> n MBA, Da-Yeh University n Manager, assistant manager and division head of NM 				
AVP Hung Wen-Chin (Hanks)	ROC	Male	Mar 5 2015	34,000	0.01	1,000	0.00	-	-	<ul style="list-style-type: none"> n Taichung Industrial High School n Manager, assistant manager and division head of NM 				
AVP Lee Ho-Fai (Albert)	HK	Male	Oct 8 2015	403,000	0.14	-	-	-	-	<ul style="list-style-type: none"> n Doctor of Business Administration City University of Hong Kong 	Note 1			
AVP Ou Yueh-Liang (Ohya)	ROC	Male	Feb 1 2019	-	-	22,000	0.01	-	-	<ul style="list-style-type: none"> n B.S., Department of Applied Mathematics, Tunghai University n Manager of NM 				
AVP Lin Hsien-Ju (Felix)	ROC	Male	Feb 1 2019	3,000	0.00	91,347	0.03	-	-	<ul style="list-style-type: none"> n B.A. of Accounting Department, National Taiwan University n Assistant Manager of Deloitte Touche Tohmatsu Limited n Manager of NM 				
AVP Liu Yu-Sha (Lisa)	ROC	Female	Feb 1 2019	16,000	0.01	-	-	-	-	<ul style="list-style-type: none"> n B.A. of Foreign Languages and Literatures, National Chung Hsing University Department n Manager of NM 				
AVP Peng Chih-Ping (Peter)	ROC	Male	Feb 1 2020	-	-	-	-	-	-	<ul style="list-style-type: none"> n B.L., Tunghai University n M.A. of Graduate Institute of Political Science, Tunghai University n Manager of NM 				

Management Team of Nien Made (Continued)

Title/ Name	Nationality	Gender	On-board Date	Shareholding		Spouse & Minor		Shareholding by Nominee Arrangements		Profile	Current Positions at Other Companies	Managers Who are Spouses or within Second-degree Relative of Consanguinity to Each Other		
				Shares	%	Shares	%	Shares	%			Title	Name	Relation
AVP Huang Chien-Wei (KC)	ROC	Male	Nov 10 2020	-	-	3,000	0.00	-	-	n EMBA, UCLA Extension n Bachelor of Art, UC Berkeley				
AVP Chang, Cheng-Li (Leo)	ROC	Male	Nov 8 2021	-	-	2,000	0.00	-	-	n Master of Political Science, Fu Hsing Kang College n Adjunct teacher of Hsinchu's World Senior High School n Manager of NM				
Audit Division Manager Chao Pei-Chun (Watson)	ROC	Male	Mar 16 2015	-	-	29,093	0.01	-	-	n B.A. of Accounting Department, National Taiwan University n M.S. of Graduate Institute of Accounting, Soochow University n Team leader, PwC Taiwan n Specialist, Transcend Information, Inc. n Passed CPA Examination				
Accounting Division Manager Chen Yung-Chuan (Albert)	ROC	Male	Nov 27 2014	-	-	56,000	0.02	-	-	n B.A. of Accounting Department, National Taiwan University n Manager of KPMG n Passed CPA Examination				
Chief Corporate Governance Officer Wang Shu-Chuan (Jane)	ROC	Female	Jan 27 2021	3,766	0.00	19,000	0.01	-	-	n International Trade Department, National Open College of Continuing Education Affiliated to National Taichung University of Science and Technology n Assistant Manager of NM				

Apr 23, 2023

Note 1: The duties concurrently holding in other companies are as follows

CEO Nien Keng-Hao (Howard)	Director: Global Viewcomp (Hong Kong) Company Limited, Billion Coins Development Limited, New Legend Enterprises Limited, Legal Representative of Dongguan Fanchang Curtain Product Co., Ltd., Legal Representative of Nien Made (Dong Guan) Window Fashions Co., Ltd., Legal Representative of Zhao Feng (Dong Guan) Window Fashions Co., Ltd., Original Source Investments Limited, Legal Representative of Nien Made (Wulian) Window Fashions Co., Ltd., Norman International Inc., International Window Treatments, Inc., Nien Advanced Solutions, Norman Australia Pty Ltd, Capital Darren Limited, Legal Representative of Norm Pacific Technology Ltd., Capital Might Limited, and I ZHAO INVESTMENT CO., LTD. Supervisor: Yi Hsin Investment Co., Ltd
EVP Peng Ping (Benson)	Chairman: Legal Representative of E-Shine Technology Ltd. Director: Legal Representative of Norm Pacific Automation Corp.
VP Nien Chao-Hung (Michael)	Director: Legal Representative of Dongguan Fanchang Curtain Product Co., Ltd., Legal Representative of Norm Pacific Automation Corp., Norman International Inc., International Window Treatments, Inc., Nien Advanced Solutions, Capital Darren Limited, San Feng (Cambodia) Company Limited, Capital Might Limited, Yi Hsin Investment Co., Ltd., I ZHAO INVESTMENT CO., LTD., and Yong An Industrial Co. Ltd.
VP Nien Kai-Lung (Ron)	Director: Norman International Inc., International Window Treatments, Inc., Nien Advanced Solutions, Capital Darren Limited, Capital Might Limited, Yi Hsin Investment Co., Ltd., and Lin Yong Investment Co., Ltd. Supervisor: Norm Pacific Automation Corp., and I ZHAO INVESTMENT CO., LTD. Representative: Norman Japan Limited
VP Chuang Hsi-Chin (Ken)	Director: Global Viewcomp (Hong Kong) Company Limited, Billion Coins Development Limited, New Legend Enterprises Limited, Legal Representative of Dongguan Fanchang Curtain Product Co., Ltd., Legal Representative of Nien Made (Dong Guan) Window Fashions Co., Ltd., Legal Representative of Zhao Feng (Dong Guan) Window Fashions Co., Ltd., Original Source Investments Limited, Legal Representative of Nien Made (Wulian) Window Fashions Co., Ltd., Norman International Inc., International Window Treatments, Inc., Nien Advanced Solutions, Capital Darren Limited, San Feng (Cambodia) Company Limited, Legal Representative of Norm Pacific Automation Corp., Legal Representative of Norm Pacific Technology Ltd., Legal Representative of E-Shine Technology Ltd., Capital Might Limited, Giga Resource (Cambodia) Co., Ltd, and Great Harvest International Resource Company Limited.
CFO Jok Chung-Wai (Edward)	Director: Global Viewcomp (Hong Kong) Company Limited, Billion Coins Development Limited, New Legend Enterprises Limited, Elite Idea Limited, Essential Care Limited, Kolombangara Forest Products Limited, Norman Australia Pty Ltd., and Norman Myanmar Service Co. Ltd.
VP Lu Chin-Tai (Ted)	Supervisor: Nien Made (Wulian) Window Fashions Co., Ltd.
AVP Lee Ho-Fai (Albert)	Director: Global Viewcomp (Hong Kong) Company Limited, Norman Myanmar Company Limited, Billion Coins Development Limited, New Legend Enterprises Limited, Elite Idea Limited, Kolombangara Forest Products Limited, and Norman Ghana Company Limited.
VP Chiu Tzu-Hao (Oliver)	Director: Norman Myanmar Service Co. Ltd., Bay Blinds Limited and Santa Fe Shutters Limited

Note 2:

On May 4, 2023, NM's Board of Directors approved the adjustment of positions in accordance with the provisions of Article 4 of the " Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers". Nien Chao-Hung (Michael), VP, will assume the position of CEO, effective from Jun 21, 2023.

Compensation Paid to CEO, EVP and VP

Title/ Name	Salary (A)		Severance Pay and Pensions (B)		Bonuses and Allowances (C) (Note)		Other Remuneration (D)				Total Compensation as a % of Net Income (A+B+C+D)		Compensation Paid from Non-Consolidated Affiliates
	NM	From Consolidated Entities	NM	From Consolidated Entities	NM	From Consolidated Entities	NM		From Consolidated Entities		NM	From Consolidated Entities	
							Cash	Stock Value	Cash	Stock Value			
CEO Nien Keng-Hao (Howard)													
EVP Peng Ping (Benson)													
VP Nien Chao-Hung (Michael)													
VP Chuang Hsi-Chin (Ken)													
VP Nien Kai-Lung (Ron)	23,373	26,816	644	644	6,672	8,225	20,000	0	20,000	0	50,688 0.8211	55,684 0.9021	-
VP Wu Tai-Fung (T.F.)													
VP Chen Tung-Rong (Rong)													
VP Chiu Tzu-Hao (Oliver)													
VP Lu Chin-Tai (Ted)													

(Unit: NT\$'000; the content of the compensation disclosed in this table differs from that of the income tax law. Therefore, the purpose of this table is for information disclosure, not for taxation.)

Range	NM	From Consolidated Entities
NT\$0 - NT\$999,999	Chen Tung-Rong (Rong)	Chen Tung-Rong (Rong)
NT\$1,000,000 - NT\$1,999,999		
NT\$2,000,000 - NT\$3,499,999		
NT\$3,500,000 - NT\$4,999,999	Peng Ping (Benson) Nien Chao-Hung (Michael) Chuang Hsi-Chin (Ken)	Peng Ping (Benson) Nien Chao-Hung (Michael) Chuang Hsi-Chin (Ken)
NT\$5,000,000 - NT\$9,999,999	Nien Keng-Hao (Howard)	Nien Keng-Hao (Howard)
NT\$10,000,000 - NT\$14,999,999	Nien Kai-Lung (Ron) Wu Tai-Fung (T.F.) Chiu Tzu-Hao (Oliver)	Nien Kai-Lung (Ron) Wu Tai-Fung (T.F.) Chiu Tzu-Hao (Oliver)
NT\$15,000,000 - NT\$29,999,999		
NT\$30,000,000 - NT\$49,999,999		
NT\$50,000,000 - NT\$99,999,999		
NT\$100,000,000+		
Total Counts	8	8

Note :

A Lexus car was offered to Nien Keng-Hao (Howard), the chairman of NM on Nov 25, 2021, with the book value at about NTD 3,479k as of the publication date of the annual report.; A Lexus car was offered to Peng Ping (Benson), the director and Executive Vice President (EVP) of NM on Aug 5, 2015, with the book value at about NTD 0 as of the publication date of the annual report.

The VP and above were jointly provided with 4 drivers, whose remuneration was NTD 2,682k.

Remuneration refers to the compensation received by the CEO or VP by serving as a director, supervisor, or manager in the invested businesses other than the subsidiaries or in the parent company, the compensation (including the compensation for employees, directors, and supervisors), and expenses for execution of business.

On Apr 30, 2022, Chen Tung-Rong (Rong) retired and on Feb 1, 2023, the Company newly assigned Lu Chin-Tai (Ted) to be VP.

The content of remuneration disclosed in this table differs from the concept of income under the Income Tax Act. Therefore, this table is intended for information disclosure instead of for taxation purposes.

Compensation Paid to Management Team

Title/ Name	Stock Value	Cash	Sum	Total Compensation Paid to Management Team as a % of Net Income
VP Nien Kai-Lung (Ron)				
VP Wu Tai-Fung (T.F.)				
VP Chiu Tzu-Hao (Oliver)				
VP Lu Chin-Tai (Ted)				
AVP Hsu Wen-Che (Wen)				
AVP Chuang Yi-Sheng (Johnson)				
AVP Liu Chien-Cheng (Alex)				
AVP Hung Wen-Chin (Hanks)				
AVP Lee Ho-Fai (Albert)	0	87,180	87,180	1.4123
AVP Ou Yueh-Liang (Ohya)				
AVP Lin Hsien-Ju (Felix)				
AVP Liu Yu-Sha (Lisa)				
AVP Huang Chien-Wei (KC)				
AVP Peng Chih-Ping (Peter)				
AVP Chang, Cheng-Li (Leo)				
Audit Division Manager Chao Pei-Chun (Watson)				
Accounting Division Manager Chen Yung-Chuan (Albert)				
Chief Corporate Governance Officer Wang Shu-Chuan (Jane)				

Dec 31, 2022 (Unit: share or NT\$'000)

On Feb 1, 2023, the Company newly assigned Lu Chin-Tai (Ted) to be VP.



NM's Motorized Shutters

NM'S

CORPORATE GOVERNANCE

Compensation Paid to Directors, CEO, EVP and VP

Title	Compensation as a % of Annual Net Income				Remuneration/compensation policies, standards and packages, the procedure for setting remuneration/compensation, and linkage to business performance and future risks:
	2021		2022		
	NM	Consolidated Entities	NM	Consolidated Entities	
Director	0.8606	0.8606	0.7434	0.7434	<p>Director:</p> <p>As prescribed in the Articles of Incorporation, remunerations are paid to the Directors after taking into account the operating performance for the year and the extent of participation and contribution of the directors and by referring to the industry standards. The remuneration of the independent directors of the Company shall be provided in accordance with the provisions of the Articles of Incorporation or the resolution approved by the Board meeting; it is advisable to set a reasonable remuneration different from that of directors. Such remuneration of the independent directors shall be determined as a fixed monthly payment through relevant statutory procedure, not being included in the surplus distribution.</p>
CEO, EVP and VP	0.9589	1.0516	0.8211	0.9021	<p>CEO and VP</p> <p>Compensations of the CEO and VP include salaries, retirement and separation pay, bonuses and special expenses. The level of compensation shall be based on the contributions to NM and with reference to the industry standards. The distribution standards for employee bonuses should be as prescribed in the Articles of Incorporation, submitted to the Board of Directors and approved in the shareholders' meeting before distribution.</p>

(Unit: %)

Director's Attendance to the Board Meetings

Title/ Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (B/A)	More Information	Note:
Chairman Nien Keng-Hao (Howard)	7	0	100%	The frequency of attendance in 2022 shall be 7 times.	A= The Board of Directors held 7 board meetings in 2022.
Director Nien Chao-Hung (Michael)	7	0	100%	The frequency of attendance in 2022 shall be 7 times.	
Director Chuang Hsi-Chin (Ken)	7	0	100%	The frequency of attendance in 2022 shall be 7 times.	
Director Peng Ping (Benson)	7	0	100%	The frequency of attendance in 2022 shall be 7 times.	
Director Lee Ming-Shan	6	1	86%	The frequency of attendance in 2022 shall be 7 times.	
Director Jok Chung-Wai (Edward)	7	0	100%	The frequency of attendance in 2022 shall be 7 times.	
Independent Director Lin Chi-Wei	7	0	100%	The frequency of attendance in 2022 shall be 7 times.	
Independent Director Huang Shen-Yi	7	0	100%	The frequency of attendance in 2022 shall be 7 times.	
Independent Director Hung Chung-Ching	6	1	86%	The frequency of attendance in 2022 shall be 7 times.	

Dec 31, 2022

Major Resolutions of Board Meetings & Shareholders' Meetings and Implementation Status

Board Meetings	Major Resolutions	Shareholders' Meetings	Major Resolutions	Implementation Status
Jan 12, 2022	<p><u>Other Important Matters to be Reported:</u></p> <ol style="list-style-type: none"> 1. As prescribed in NM's Measures for Whistleblowing, the Administration Department has NOT received any reported case regarding investigations on integrity and fraud in 2021. 2. USD 3mn of Directors & Officers Liability Insurance; the insurance period: Jan 15, 2022 - Jan 15, 2023. 3. NM follows the prescriptions stipulated in the Cybersecurity Risk Management, and there were NO complaints concerning invasion of privacy or data leakage from clients in 2021. Acer Cyber Security Inc. has been entrusted to assist us in the handling with information security issues to enhance the security protection. <p>NM will continue to pay close attention to information security related issues and learn from major information security disasters in history to constantly check and ensure the real-time updates of our internal hardware and software to protect us from threats of viruses or attacks from hackers.</p> <ol style="list-style-type: none"> 4. As of the end of 2021, NM has accumulated 1,500+ patent applications worldwide, and the number of approved patents totaled nearly 1,000. We obtained 20+ patents in various countries in 2021. After evaluation, all the applications requiring defend are discussed by relevant departments to obtain the advantageous protection scope of the core technologies. Through NM's comprehensive monitoring of patents, potential risks are reduced, and the technical innovation also shares to relevant departments. 5. Summary of Questionnaire of Self-Evaluation of Performance of the Board. 6. Summary of Questionnaire of Self-Evaluation of Performance of Board Members. 7. Summary of Questionnaire of Self-Evaluation of Performance of NM's Audit Committee. 8. The Company received a letter from the Securities and Futures Investors Protection Center on Dec 15, 2021, Document No. Zheng Bao Fa Zi No. 1100005702, concerning the case of Manager Liu Chien-Cheng's exercising the right of disgorgement. The manager had remitted the difference amount of NTD 97,657 and interest of NTD 2,984, totaling NTD 100,641 into the Company's account on Dec 16, 2021. NM replied to the Securities and Futures Investors Protection Center on Dec 16, 2021 by letter (Document No. (110) Feng Cai Zi No. 030) to confirm the remittance with the case officer. <p><u>Proposed Resolutions and Discussed Items:</u></p> <ol style="list-style-type: none"> 1. Compensation adjustment of managers and bonus distribution. 2. Proposal to keep the short-term general credit limit in Mizuho Bank. 3. Proposal to apply for the short-term general credit limit in Taipei Fubon Bank. 			

Major Resolutions of Board Meetings & Shareholders' Meetings and Implementation Status (Continued)

Board Meetings	Major Resolutions	Shareholders' Meetings	Major Resolutions	Implementation Status
Mar 16, 2022	<p><u>Proposed Resolutions and Discussed Items:</u></p> <ol style="list-style-type: none"> 1. Business Report (2021) and Financial Statements (2021). 2. Reviewing effective internal control systems and the Statement of Internal Control System (2021). 3. Business Outlook (2022). 4. Earnings Distribution Proposal (2021). 5. Employees' compensation and directors' remuneration (2021). 6. Adjustment, Evaluation of the Suitability and Independence and the Hiring and Compensation of the CPAs. 7. Partial amendment of the Articles of Incorporation. 8. Title Changes and Amendment to the Corporate Social Responsibility Best Practice Principles 9. Drafting of relevant items of the 2022 Shareholders' Meeting, Time Period for Shareholders' Submission of Proposals and Venue of the meeting. 			
May 4, 2022	<p><u>Proposed Resolutions and Discussed Items:</u></p> <ol style="list-style-type: none"> 1. Consolidated Financial Statements (1Q22). 2. Review of Shareholders' Submission of Proposals. 3. Proposal of acquiring real estate. 4. Proposal to increase the investment amount in San Feng (Cambodia) Company Limited for operational needs. 5. Preliminary planning of NM's GHG inventory and verification schedule. 6. Dismissal of the manager. 			
Jun 21, 2022	<p><u>Proposed Resolutions and Discussed Items:</u></p> <ol style="list-style-type: none"> 1. Establish ex-dividend date and related affairs. 2. Established NM's Sustainable Development Committee Charter. 3. Proposal to increase investment in the production base in Mexico. 	Jun 21, 2022	<p><u>Report Items:</u></p> <ol style="list-style-type: none"> 1. Business Report (2021). 2. Audit Committee's Review Report (2021). 3. Employees' compensation and directors' remuneration (2021). 4. Title Change and Amendments to the Corporate Social Responsibility Best Practice Principles. <p><u>Proposed Resolutions:</u></p> <ol style="list-style-type: none"> 1. Business Report (2021) and Financial Statement (2021). <p>2. Earnings Distribution Proposal (2021).</p>	<p>Relevant statements and records have been reported to the regulator and publicly announced in accordance with Company Act and relevant rules prescribed.</p> <p>Set Jul 16, 2022, as the ex-dividend date and Aug 5, 2022, the payment date of cash dividend (NT\$11/ share).</p>

Major Resolutions of Board Meetings & Shareholders' Meetings and Implementation Status (Continued)

Board Meetings	Major Resolutions	Shareholders' Meetings	Major Resolutions	Implementation Status
Jun 21, 2022		Jun 21, 2022	<u>Discussed Items:</u> 1. Partial amendment of the Articles of Incorporation.	Received the Letter Jing Shou Shang Zi No. 11101114930 issued by the Ministry of Economic Affairs on Jul 4, 2022, announced it on the Company's official website, and processed in accordance with the revised procedures.
Aug 2, 2022	<u>Other Important Matters to be Reported:</u> Updates regarding the GHG inventory and verification schedule. <u>Proposed Resolutions and Discussed Items:</u> 1. Consolidated Financial Statements (2Q22). 2. Appointment of the 1st Sustainable Development Committee members. 3. Proposal to keep the short-term general limit at CTBC Bank Co., Ltd. 4. Proposal to keep the short-term general credit limit at Cathay United Bank.			
Sep 16, 2022	<u>Proposed Resolutions and Discussed Items:</u> 1. NM intends to agree to acquire 100% equity of 2 New Zealand companies, Santa Fe Shutters Limited and Bay Blinds Limited. 2. NM intends to agree its subsidiary, Dongguan Fanchang Curtain Product Co., Ltd., on the disposal of part of land's leasehold right and buildings. 3. Dismissal of the manager			
Nov 11, 2022	<u>Other Important Matters to be Reported:</u> Sustainable Development Committee: 1. The 2021 Sustainability Report was approved in the 1st meeting of the 1st term of the Sustainable Development Committee on Sep 27, 2022, and its Mandarin and English versions were uploaded onto the MOPS (Market Observation Post System) on Sep 30 and Oct 31, 2022 respectively. 2. NM recruited an ESG analyst in 2Q22 for realizing environmental sustainability(E), responding to social responsibilities(S), and implementing effective corporate governance(G). GHG inventories and verification plans were reported. <u>Proposed Resolutions and Discussed Items:</u> 1. Consolidated Financial Statements (3Q22). 2. Audit Plan (2023). 3. Proposal to keep the short-term general credit limit at Taishin International Bank. 4. Amendment to Measures for Preventing Illegal Insider Trading. 5. Proposal to increase investment in the production base in Mexico.			

Major Resolutions of Board Meetings & Shareholders' Meetings and Implementation Status (Continued)

Board Meetings	Major Resolutions	Shareholders' Meetings	Major Resolutions	Implementation Status
Jan 4, 2023	<p><u>Other Important Matters to be Reported:</u></p> <ol style="list-style-type: none"> 1. As prescribed in NM's Measures for Whistleblowing, the Administration Department has NOT received any reported case regarding investigations on integrity and fraud in 2022. 2. USD 3mn of Directors & Officers Liability Insurance; the insurance period: Jan 15, 2023 - Jan 15, 2024. 3. NM follows the prescriptions stipulated in the Cybersecurity Risk Management, and there were NO complaints concerning invasion of privacy or data leakage from clients in 2022. Acer Cyber Security Inc. has been entrusted to assist us in the handling with information security issues to enhance the security protection. <p>NM will continue to pay close attention to information security related issues and learn from major information security disasters in history to constantly check and ensure the real-time updates of our internal hardware and software to protect us from threats of viruses or attacks from hackers.</p> <ol style="list-style-type: none"> 4. As of the end of 2022, NM has accumulated 1,500+ patent applications worldwide, and the number of approved patents totaled nearly 1,000. We obtained 40+ patents in various countries in 2022. After evaluation, all the applications requiring defend are discussed by relevant departments to obtain the advantageous protection scope of the core technologies. Through NM's comprehensive monitoring of patents, potential risks are reduced, and the technical innovation also shares to relevant departments. 5. Summary of Questionnaire of Self-Evaluation of Performance of the Board. 6. Summary of Questionnaire of Self-Evaluation of Performance of NM's Audit Committee. 7. Summary of Questionnaire of Self-Evaluation of Performance of NM's Remuneration Committee. 8. Conclusions of the external evaluation report on the board of directors and functional committees of NM after being evaluated by Ernst & Young Enterprise Management Consulting Services Co., Ltd. <p><u>Proposed Resolutions and Discussed Items:</u></p> <ol style="list-style-type: none"> 1. Compensation adjustment of managers and bonus distribution. 2. Proposal to keep the short-term general credit limit at Mizuho Bank, Ltd. 3. Amendment to the following acts: <ul style="list-style-type: none"> - Rules of Procedure for Board of Directors Meetings. - Regulations Governing Loaning of Funds; - Regulations Governing Making of Endorsements/Guarantees; and - Regulations Governing the Acquisition and Disposal of Assets (including derivatives). 4. Promotion of the managers. 			

Major Resolutions of Board Meetings & Shareholders' Meetings and Implementation Status (Continued)

Board Meetings	Major Resolutions	Shareholders' Meetings	Major Resolutions	Implementation Status
Mar 14, 2023	<p><u>Other Important Matters to be Reported:</u> Sustainable Development Committee:</p> <ol style="list-style-type: none"> 1. NM conducted a stakeholder questionnaire to identify material topics for the 2022 Sustainability Report. 280 valid questionnaires were received as of end Jan, 2023 (312 copies were received in the previous year). 2. In 2022/2021, NM was invited to 7/9 investor conferences respectively and communicated with 400+/520+ investors respectively. 3. Updates regarding the GHG inventory and verification schedule (parent company and subsidiaries). <p><u>Proposed Resolutions and Discussed Items:</u></p> <ol style="list-style-type: none"> 1. Business Report (2022) and Financial Statement (2022). 2. Reviewing effective internal control systems and the Statement of Internal Control System (2022). 3. Business Outlook (2023). 4. Earnings Distribution Proposal (2022). 5. Employees' compensation and directors' remuneration (2022). 6. Adjustment, Evaluation of the Suitability and Independence and the Hiring and Compensation of the CPAs. 7. Proposal to reappoint a dedicated custodian for seal for making endorsements and guarantees. 8. Full-Reelection of Directors (Including Independent Directors) and nomination. 9. Removal of new directors from Non-competition restrictions. 10. Drafting of relevant items of the 2023 Shareholders' Meeting, time period for Shareholders' submission of Proposal and venue of the meeting. 			
May 4, 2023	<p><u>Other Important Matters to be Reported:</u> Sustainable Development Committee:</p> <ol style="list-style-type: none"> 1. Updates regarding NM's GHG inventory and verification schedule (parent company and subsidiaries). 2. The Company did NOT receive any shareholder nominations or proposals during the submission period. <p><u>Proposed Resolutions and Discussed Items:</u></p> <ol style="list-style-type: none"> 1. Consolidated Financial Statements (1Q23). 2. Proposal to apply for the short-term general credit limit in Taipei Fubon Bank. 3. Appointment of CEO, Chairman, and CEO's salary and compensation proposal. 4. Earnings Distribution - Cash Dividend (2022). 5. Additional matters related to the convening of the Company's 2023 Annual Shareholders' Meeting. 			

Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof:

None

Agreed matters with the record or written statement which the independent directors express objections or reservation about:

None

A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the Company's chairman, general manager, principal accounting officer, principal financial officer, chief internal auditor, and principal research, chief governance officer and development officer:

Title/ Name	Date of Appointment	Date of Resignation/ Dismissal	Reason for Resignation/Dismissal
CEO Nien Keng-Hao (Howard)	Jun 1, 2018	Jun 21, 2023	Appointment adjustment
CEO Nien Chao-Hung (Michael)	Jun 21, 2023		Appointment adjustment

Other Disclosure of Board Meetings

Date	Contents and Implementation Status	Issues specified in Article 14-3 of the Securities and Exchange Act	Independent directors express objections or reservation
Jan 12, 2022 7th Term 14th Session	Remuneration adjustment of managers and bonus distribution.	V	-
	Independent Director's Comments:		None
	NM's Reaction to Independent Director's Comments:		None
	Conclusion	All independent directors attended the board meeting and passed resolution without conflicts of interests.	
Mar 16, 2022 7th Term 15th Session	1. Employees' compensation and directors' remuneration (2021).	V	-
	2. Adjustment, Evaluation of the Suitability and Independence and the Hiring and Compensation of the CPAs.	V	-
	3. Partial amendment of the Articles of Incorporation.	V	-
	Independent Director's Comments:		None
	NM's Reaction to Independent Director's Comments:		None
	Conclusion	All independent directors attended the board meeting and passed resolution without conflicts of interests.	
May 4, 2022 7th Term 16th Session	1. Proposal of acquiring real estate.	V	-
	2. Proposal to increase the investment amount in San Feng (Cambodia) Company Limited for operational needs.	V	-
	Independent Director's Comments:		None
	NM's Reaction to Independent Director's Comments:		None
	Conclusion	All independent directors attended the board meeting and passed resolution.	
Jun 21, 2022 7th Term 17th Session	1. Proposal to increase investment in the production base in Mexico.	V	-
	Independent Director's Comments:		None
	NM's Reaction to Independent Director's Comments:		None
	Conclusion	All independent directors attended the board meeting and passed resolution.	

Measures for Strengthening Board Meeting's Execution
The Company called a provisional shareholders' meeting for the election of 3 independent directors on Nov 10, 2014 and established an Audit Committee. This Audit Committee is composed of 3 independent directors responsible for the responsibilities of supervisors, and at least one meeting should be convened every quarter. The 3 independent directors were appointed to from the 2nd Audit Committee on Jun 28, 2017. To operate in coordination with the re-election of the Board of Directors of the Company, the 3 independent directors were appointed to form the 3rd Audit Committee on Jun 16, 2020, being responsible for the fair presentation of NM's financial statements, the hiring/dismissal, independence and performance of the CPAs of NM, the effective implementation of NM's internal control, compliance with relevant laws & regulations and management of the existing/potential risks. The 1st Audit Committee was until Jun 27, 2017, and a total of 22 meetings were convened with the attendance of the 3 committee members reached 100%. From Jun 28, 2017, to Dec 31, 2020, the 2nd Audit Committee convened 16 meetings. From Jun 16, 2020, to Dec 31, 2022, the 3rd Audit Committee convened 19 meetings with the attendance of the 3 committee members reached 98%. The operation of the committee was smooth.

The 1st Remuneration Committee was established on Nov 27, 2014 with the approved resolution of the Board of Directors. The 2nd Remuneration Committee was appointed by the Board of Directors on Jul 18, 2017. To operate in coordination with the re-election of the Board of Directors of the Company, the 3rd Remuneration Committee was appointed on Jun 30, 2020, responsible for setting & regularly reviewing the annual and long-term performance goals, policy, system, standards and structure of the remunerations of the directors and managers for regular assessment of the directors' and managers' status of target achievement. The aforementioned committee is also in charge of regulating the content/ amount of individual remunerations of directors and managers. As of Jul 17, 2017, 10 meetings were convened with the attendance of the 3 committee members reached 100%. From Jul 18, 2017, to Jun 29, 2020, the 2nd Remuneration Committee convened 7 meetings with the attendance of the 3 committee members reached 100%. From Jun 30, 2020, to Dec 31, 2022, the 3rd Remuneration Committee convened 7 meetings with attendance of the 3 committee members reached 95%. The operation of the committee was smooth.

Other Disclosure of Board Meetings (Continued)

Date	Contents and Implementation Status	Issues specified in Article 14-3 of the Securities and Exchange Act	Independent directors express objections or reservation
Aug 2, 2022 7th Term 18th Session	1. Appointment of the 1st Sustainable Development Committee members.	V	-
	Independent Director's Comments:		None
	NM's Reaction to Independent Director's Comments:		None
	Conclusion	All independent directors attended the board meeting and passed resolution.	
Sep 16, 2022 7th Term 19th Session	1. NM intends to agree to acquire 100% equity of 2 New Zealand companies, Santa Fe Shutters Limited and Bay Blinds Limited.	V	-
	2. NM intends to agree its subsidiary, Dongguan Fanchang Curtain Product Co., Ltd., on the disposal of part of land's leasehold right and buildings.	V	-
	Independent Director's Comments:		None
	NM's Reaction to Independent Director's Comments:		None
	Conclusion	All independent directors attended the board meeting and passed resolution.	
Nov 10, 2022 7th Term 20th Session	1. Proposal to increase investment in the production base in Mexico.	V	-
	Independent Director's Comments:		None
	NM's Reaction to Independent Director's Comments:		None
	Conclusion	All independent directors attended the board meeting and passed resolution.	

Board Member's Action for Conflict of Interest Prevention

Date	Related Board Member (Title/ Name)	Resolutions and Discussed Items	Reason for Conflict Interest Prevention	Member's action for voting
Jan 12, 2022	Chairman Nien Keng-Hao (Howard) Director Nien Chao-Hung (Michael) Director Chuang Hsi-Chin (Ken) Director Peng Ping (Benson) Director Jok Chung-Wai (Edward)	Compensation adjustment of managers and bonus distribution.	Items related to personal interests.	Refused and not participated in the discussion and voting.
Mar 16, 2022	Chairman Nien Keng-Hao (Howard) Director Nien Chao-Hung (Michael) Director Chuang Hsi-Chin (Ken) Director Peng Ping (Benson) Director Jok Chung-Wai (Edward) Independent Director Lin Chi-Wei Independent Director Huang Shen-Yi Independent Director Hung Chung-Ching	Employees' compensation and directors' remuneration (2021).	Items related to personal interests.	Refused and not participated in the discussion and voting.
Aug 2, 2022	Director Nien Chao-Hung (Michael) Director Peng Ping (Benson)	Appointment of the 1st Sustainable Development Committee members.	Items related to personal interests.	Refused and not participated in the discussion and voting.

The Evaluation of Performance of the Board (Execution Details)

Evaluation Cycles	Evaluation Periods	Evaluation Scope	Evaluation Methods	Criteria for Performance Evaluation	Results for Performance Evaluation
The Company's board of directors shall conduct a performance evaluation of the board at least once a year.	Jan 1, 2022 - Dec 31, 2022	The Board	Internal evaluation.	Performance evaluation of the board of directors: 1. The participation in the operation of the Company. 2. The improvement of the quality of the board of directors' decision making. 3. The composition and structure of the board. 4. The election and continuing education of the directors. 5. The internal control.	NM's Board of Directors has a good grasp of corporate governance and performance. We have established the Regulations Governing the Board Performance Evaluation. The content of aspects and scope is disclosed on our official website (https://www.nienmade.com.tw). We reviewed the operational decision-making considerations through the self-evaluation in 2022. In the 5-point scale (the higher, the better corporate governance), we had a result of 4.8 points.
The performance evaluation of individual directors should be carried out at least once a year.	Jan 1, 2022 - Dec 31, 2022	Board of members	Internal evaluation.	1. The alignment of the goals and missions of the Company. 2. The awareness of the duties of a director. 3. The participation in the operation of the Company 4. The management of internal relationship and communication 5. The director's professionalism and continuing education 6. The internal control	NM's board members reviewed the operational decision-making considerations through the self-evaluation in 2022. In the 5-point scale (the higher, the better corporate governance), we had a result of 4.96 points, indicating that the logic of decision-making conforms to the Company's governance norms and the trend of board performance.
The Company's board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years.	Jan 1, 2022 - Dec 31, 2022	The Board Board of members Audit Committee Remuneration Committee	Evaluation by appointed external professional institutions/ experts.	At the end of 2022, NM entrusted EY Business Advisory Services Inc. with the Board's external performance evaluation across 3 aspects, namely "Structure", "People", and "Process and Information" of the Board of Directors and the Functional Committees, by means of document reviews, self-assessment questionnaires of directors and functional committee members, and onsite interviews. The evaluation of the Board of Directors and Functional Committees encompassed 8 items, including "Structure and Process", "Members", "Legal Representatives and Organizational Structure", "Roles and Responsibilities", "Conduct and Culture", "Training and Development", "Supervision of Risk Management", and "Declaration, Disclosure, and Performance Supervision".	EY Business Advisory Services Inc., NM's performance further evaluated NM's performance based on qualitative standard grading levels (Basic, Advanced, and Outstanding). NM's performance in the 3 main dimensions of "Structure", "People", and "Process and Information" were rated as "Basic", "Advanced", and "Basic" respectively.
The performance evaluation of each committee shall be conducted at least once a year.	Jan 1, 2022 - Dec 31, 2022	Audit Committee Remuneration Committee	Internal evaluation.	1. The participation in the operation of the Company. 2. The awareness of the duties of the functional committee. 3. The quality of decisions made by the functional committee. 4. The makeup of the functional committee and election of its members. 5. The internal control.	The Remuneration Committee and the Audit Committee both scored 5 points averagely, with excellent evaluation results, indicating that the functional committees have positive evaluation of both the efficiency and effectiveness of the operation in all evaluation indexes.

Communication of Division Managers of Accounting & Audit Departments and Independent Directors

Date	Communication Between NM's <u>Audit Division</u> Manager & Independent Directors	Date	Communication Between NM's <u>Accounting Division</u> Manager & Independent Directors	<p>Independent directors and the CPAs hold an audit committee meeting at least once a year. The CPAs report to the independent directors on the NM financial status, the financial & overall operation of the subsidiaries and the result of the internal control audit and fully communicate for the major adjustment/ the impact of the amendment act. In case of major anomalies, meetings may be held at any time.</p> <p>Independent directors may set forth their opinions on the audited financial statement and audit opinion issued by the appointed accounting firm.</p> <p>NM's audit division manager meets with the independent directors at least quarterly, and reports the execution status of NM's annual Audit Plan and the internal control system. In case of major anomalies, meetings may be held at any time.</p> <p>The monthly audit/follow-up reports shall be submitted to independent directors for reference by the end of the following month upon completion.</p>
Mar 16, 2022 Audit Committee	Statement of internal control system Revision of management measures.	Mar 16, 2022	Independence of the CPA. Content of customer declaration. Auditing scope of the Group. Test execution and results of internal control Report analysis. Key Audit Matter (KAM). Audit difference identified in the audit (none). Independent auditors' opinion of the Group (2021). Updates of related securities laws. Updates of related tax law.	
Mar 16, 2022 Board Meeting	Audit plan implementation (Oct - Dec, 2021). Reviewing effective internal control systems and the statement of internal control system.			
May 4, 2022 Board Meeting	Report of audit implementation (Jan - Mar, 2022).	Nov 10, 2022	Independence of the CPA. Content of customer declaration. Audit report to be issued by the CPA. Report analysis. Annual auditing scope and schedule planning Preliminary views on Key Audit Matters (KAM). Updates of related securities laws.	
Aug 2, 2022 Board Meeting	Report of audit implementation (Apr - Jun, 2022).			
Nov 10, 2022 Audit Committee	Audit plan (2023).			
Nov 10, 2022 Board Meeting	Report of audit implementation (Jul - Sep, 2022). Audit plan (2023).			

Audit Committee Member's Attendance to the Audit Committee Meetings

Title/ Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (B/A)	More Information
Independent Director Lin Chi-Wei	7	0	100%	-
Independent Director Huang Shen-Yi	7	0	100%	-
Independent Director Hung Chung-Ching	6	1	86%	-

A= The Audit Committee held 7 meetings in 2022.

The Audit Committee was formally established on Nov 10, 2014, the 2nd Term Audit Committee was re-elected on Jun 28, 2017, and the 3rd Term Audit Committee is composed of 3 independent directors on Jun 16, 2020. This Committee consists of 3 independent directors. The independent director, Lin Chi-Wei was selected to serve as the convener, and at least one meeting should be convened every quarter. The Committee is responsible for the fair presentation of NM's financial statements, the hiring/dismissal, independence and performance of the CPAs of NM, the effective implementation of NM's internal control, compliance with relevant laws & regulations and management of the existing/potential risks. The major responsibilities of this Committee are as follows.

1. The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
4. Matters in which a director is an interested party.
5. Asset transactions or derivatives trading of a material nature.
6. Loans of funds, endorsements, or provision of guarantees of a material nature.
7. The offering, issuance, or private placement of equity-type securities.
8. The hiring or dismissal of a certified public accountant, or their compensation.
9. The appointment or discharge of a financial, accounting, or internal audit officer.
10. Annual financial report signed or stamped by the chairman, manager and accounting supervisor and the Q2 financial report audited and verified by the CPA.
11. Other material matters as may be required by this Company or by the competent authority.

Dec 31, 2022

Other Disclosure of Audit Committee

Date	Contents and Implementation Status	Issues specified in Article 14-5 of the Securities and Exchange Act	The matters not approved by the Audit Committee and were adopted with the approval of two thirds or more of the entire board of directors	The matters not approved by the Audit Committee and were adopted with the approval of two thirds or more of the entire board of directors: None.
Mar 16, 2022 3rd Term 14th Session	1. Business Report (2021) and Financial Statement (2021).	V	-	<p>In case of an independent director being an interested party in relation to an agenda item, the name of such independent director, the content of such agenda item, the reasons why the independent director was required to enter recusal and the voting results shall be clarified: No such situation. The members of the Audit Committee all fully expressed their opinions in the meetings.</p>
	2. Reviewing effective internal control systems and the Statement of Internal Control System (2021).	V	-	
	3. Adjustment, Evaluation of the Suitability and Independence and the Hiring and Compensation of the CPAs.	V	-	
	Audit Committee's Conclusion:	All members of audit committee attended the board meeting and passed resolution.		
NM's Reaction to Audit Committee's Comments:	All directors of board approved the resolution.			
May 4, 2022 3rd Term 15th Session	1. Consolidated Financial Statements (1Q22).	V	-	
	2. Proposal of acquiring real estate.	V	-	
	3. Proposal to increase the investment amount in San Feng (Cambodia) Company Limited for operational needs	V	-	
	Audit Committee's Conclusion:	All members of audit committee attended the board meeting and passed resolution.		
NM's Reaction to Audit Committee's Comments:	All directors of board approved the resolution.			
Jun 21, 2022 3rd Term 16th Session	1. Proposal to increase investment in the production base in Mexico.	V	-	
	Audit Committee's Conclusion:	All members of audit committee attended the board meeting and passed resolution.		
	NM's Reaction to Audit Committee's Comments:	All directors of board approved the resolution.		
Aug 2, 2022 3rd Term 17th Session	1. Consolidated Financial Statements (2Q22).	V	-	
	Audit Committee's Conclusion:	All members of audit committee attended the board meeting and passed resolution.		
	NM's Reaction to Audit Committee's Comments:	All directors of board approved the resolution.		
Sep 16, 2022 3rd Term 18th Session	1. NM intends to agree to acquire 100% equity of 2 New Zealand companies, Santa Fe Shutters Limited and Bay Blinds Limited.	V	-	
	2. NM intends to agree its subsidiary, Dongguan Fanchang Curtain Product Co., Ltd., on the disposal of part of land's leasehold right and buildings.	V	-	
	Audit Committee's Conclusion:	All members of audit committee attended the board meeting and passed resolution.		
	NM's Reaction to Audit Committee's Comments:	All directors of board approved the resolution.		
Nov 10, 2022 3rd Term 19th Session	1. Consolidated Financial Statements (3Q22).	V	-	
	2. Proposal to increase investment in the production base in Mexico.	V	-	
	Audit Committee's Conclusion:	All members of audit committee attended the board meeting and passed resolution.		
	NM's Reaction to Audit Committee's Comments:	All directors of board approved the resolution.		

Remuneration Committee Member's Attendance to the Remuneration Committee Meetings

Title/ Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (B/A)	More Information
Convener Lin Chi-Wei	2	0	100%	--
Member Huang Shen-Yi	2	0	100%	--
Member Hung Chung-Ching	1	1	50%	--

A= The Remuneration Committee (term: Jun 30, 2020 - Jun 15, 2023) held 2 meetings in 2022.

If the Board of Directors did not adopt or amend the recommendations of the Remuneration Committee, the date, period, contents of the motion, the results of the board resolution, and the Company's handling of the opinion of the Remuneration Committee shall be stated (if the Board approved better remuneration terms than those suggested by the Remuneration Committee, the difference and reasons shall be clarified):

None.

If any members express objections or reservation about the resolved matters of the Remuneration Committee with the recorded or written statement, the date, period, contents of the matter, all the members' opinions and the handling of the opinions should be stated:

None.

Terms of reference for the Remuneration Committee

The Committee shall exercise the care of a good administrator to faithfully perform the following duties and present its recommendations to the board of directors for discussion.

1. Periodically reviewing this Charter and making recommendations for amendments.
2. Establishing and periodically reviewing the annual and long-term performance goals for the directors and managerial officers and the policies, systems, standards, and structure for their compensation.
3. Periodically assessing the degree to which performance goals for the directors and managerial officers of this Corporation have been achieved and setting the types and amounts of their individual compensation.

The Committee shall perform the duties under the preceding paragraph in accordance with the following principles:

1. Ensuring that the compensation arrangements of this Corporation comply with applicable laws and regulations and are sufficient to recruit outstanding talent.
2. Performance assessments and compensations levels of directors and managerial officers shall take into account the general pay levels in the industry. Reasonableness of the correlation between the individual performance, the Corporation's operational performance and future risk exposure shall also be put into consideration.
3. There shall be no incentive for the directors or managerial officers to pursue compensation by engaging in activities that exceed the tolerable risk level of this Corporation.
4. For directors and senior managerial officers, the percentage of bonus to be distributed based on their short-term performance and the time for payment of any variable compensation shall be decided with regard to the characteristics of the industry and the nature of this Corporation's business.
5. No member of the Committee may participate in discussion and voting when the Committee is deciding on that member's individual compensation.

"Compensation" as used in the preceding two paragraphs includes cash compensation, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures. Its scope shall be consistent with the compensation for directors and managerial officers as set out in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

When deliberating the recommendations of the remuneration committee, the board of directors shall give comprehensive consideration to matters including amounts of remuneration, payment methods, and the Company's future risk.

If the board of directors will decline to adopt, or will modify, a recommendation of the remuneration committee, it shall require the consent of a majority of the directors in attendance at a meeting attended by two-thirds or more of the entire board, which in its resolution shall give the comprehensive consideration under the preceding paragraph and shall specifically explain whether the remuneration passed by it exceeds in any way the recommendation of the remuneration committee.

If the remuneration passed by the board of directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified in the board meeting minutes.

If decision-making and handling of any matter relating to the remuneration of directors and managerial officers of a subsidiary is delegated to the subsidiary but requires ratification by the board of directors of the parent company, the parent company's remuneration committee shall be asked to make recommendations before the matter is submitted to the board of directors for deliberation.

Dec 31, 2022

Major Resolutions of the Remuneration Committee and the Implementation Status

Date	Contents and Implementation Status	
Jan 12, 2022 3rd Term 6th Session	1. Compensation adjustment of managers and bonus distribution.	
	Remuneration Committees' Comments:	None
	NM's Reaction to Remuneration Committees' Comments:	None
	Conclusion	All members present agreed to pass.
Mar 16, 2022 3rd Term 7th Session	1. Employees' compensation and directors' remuneration (2021). 2. Partial amendment of the Articles of Incorporation.	
	Remuneration Committees' Comments:	None
	NM's Reaction to Remuneration Committees' Comments:	None
	Conclusion	All members present agreed to pass.

Remuneration Committee Member's Professional Qualifications and Independent Analysis

Title/ Name	Professional Qualification and Experience	Independent Analysis	Number of Other Taiwanese Public Companies Concurrently Serving as the Remuneration Committee Member
Independent Director Lin Chi-Wei (Convener)	Mr. Lin has 20+ years of experience in Operational Judgment, Management, Finance and Accounting, passed the CPA examination, holds a CPA certificate, and has NO conditions specified in Article 30 of the Company Act.	1.The person (himself or herself), his/her spouse, or relative within the second degree of kinship does NOT serve as a director, supervisor, or employee of the Company or its affiliated companies. 2.The person (himself or herself), his/her spouse, or relative within the second degree of kinship (or the person under other's names) does NOT hold shares in the Company. 3.NOT serving as a director, supervisor, or employee of a company having specific relations with the Company (please refer to the provisions of Article 6, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange). 4.The amount of compensation received in the past 2 years WITHOUT providing commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company.	1
Independent Director Huang Shen-Yi	Mr. Huang has 20+ years of experience in Operational Judgment, Management, Finance and Accounting, passed the CPA examination, holds a CPA certificate, and has NO conditions specified in Article 30 of the Company Act.		1
Independent Director Hung Chung-Ching	Mr. Hung has 20+ years of experience in Operational Judgment, Management and Legal & Compliance, passed the Attorney Qualification Examination and holds a certification to practice law, , and has NO conditions specified in Article 30 of the Company Act.		0

Apr 23, 2023

Corporate Governance Implementation as Required by Taiwan Financial Supervisory Commission (FSC)

Assessment Item	Implementation Status (Note 1)			Non Implementation Explanation & the Reason(s)
	Yes	No	Explanation	
1. Did NM set up its Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies?	V		NM has established the Corporate Governance Best-Practice Principles, which has been disclosed as prescribed.	None
2. Shareholding Structure & Shareholders' Rights				
1) Does NM have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters? If yes, have these procedures been implemented accordingly?	V		To safeguard the rights and interests of the shareholders, NM has specialized staff and a spokesman system to deal with the shareholders' doubts and disputes. The shareholders' suggestions can be received through proposals.	None
2) Does NM possess a list of major shareholders and beneficial owners of these major shareholders?	V		The information of the major shareholders with substantial control over NM has been disclosed in the Annual Report.	
3) Has NM built and executed a risk management system and "firewall" between the Company and its affiliates?	V		NM has established the "Operating Regulations of Supervision and Management of Subsidiaries" for the management of operational risks.	
4) Has NM established internal rules prohibiting insider trading on undisclosed information?	V		To prevent insider trading, NM has established the Measures for Preventing Illegal Insider Trading and disclosed information on NM's official website at the same time. The shareholding status of the NM's insiders is declared, announced, and maintained in a transparent manner to protect our investors' rights and interests. To familiarize the insiders with the norms, we actively remind them of the Lock-up Period (e.g. 30 days before the public announcement of the Annual Financial Report). We also invited an external lecturer to lecture on Instruction on Management of Equity Transactions of Insiders of Listed Companies in the 2-hour seminar in Jan, 2022, attended by a total of 25 participants. There was also an in-class quiz to confirm our associates' understanding of the norms.	
3. Composition and Responsibilities of the Directors of the Board				
1) Has NM established a diversification policy and has it been implemented accordingly?	V		NM's highest governance body, the NM Board, is composed of 9 directors appointed in accordance with NM's Procedures for Election of Directors, and the election of Board members takes into account the multi-disciplinary professional competence and experiences (such as ages, nationality, experiences and background in industries, professional skills, law, accounting, finance and so on). The NM Board members were reelected in 2020 by the shareholders' meeting. NM's 3 seats of independent directors (Lin Chi-Wei, Huang Shen-Yi and Hung Chung-Ching) are experienced in finance/accounting, business management and legal affairs. The other 6 directors include one external director who is experienced in industrial management. Among the board members, one holds Canada and the other holds Cambodian nationality.	None

Corporate Governance Implementation as Required by Taiwan Financial Supervisory Commission (FSC) (Continued)

Assessment Item	Implementation Status (Note 1)			Non Implementation Explanation & the Reason(s)
	Yes	No	Explanation	
2) Other than the Remuneration Committee and the Audit Committee which are required by law, does NM plan to set up other committees?	V		Besides appointing the Remuneration Committee and Audit Committee as required by law, NM also appointed the Sustainable Development Committee. NM may set up other functional committees for the needs of business operations in the future.	None
3) Dose NM formulate a regulation governing the board performance evaluation and the method of such evaluation and dose NM conducts annual performance evaluation and reports the results of performance evaluation to the board of directors as well as makes use of such results as reference for the remuneration of individual directors as well as renewal nomination?	V		In Aug, 2016, the Board of Directors passed the "Regulations Governing the Board Performance Evaluation" for regular performance evaluation of the board. The contents of the self-evaluation include the cognition of directors' duties, the understanding of the objectives and tasks of the Company, the degree of participation in the Company's operations, the management & communication of the internal relationship, the professionalism of the directors, continuing education and internal control. The result of the 2022 self-evaluation was submitted to the board of directors and disclosed on our official website on Jan 4, 2023.	
4) Does NM regularly evaluate its external auditors' independence?	V		The Board of Directors evaluates the independence of the CPAs annually in accordance with the relevant laws and regulations and based on the internal Independence Assessment Form. The latest independence assessment has been approved by the Audit Committee and the Board of Directors on Mar 14, 2023. Important assessment procedures include obtaining the CPA's Independence Declaration and Audit Quality Indicators (AQI), evaluating whether the CPA holds shares in the Company, whether there is lending and borrowing between the Company and the CPA, whether the CPA has any joint investment or share interest with the Company, whether the CPA's continuous auditing exceeds 7 years, etc.	
4. Dose NM has an adequate number of corporate governance personnel with appropriate qualifications based on the size of the Company and dose NM appoints a chief corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, assisting directors and supervisor with legal compliance, handling matters relating to meetings and shareholders meetings, producing minutes of board meetings and shareholders meetings, etc.) as a TWSE/TPEX listed company?	V		<p>NM's Business Planning Department is the unit that also implements corporate governance. Its authority includes assisting the Sustainable Development Committee and implementing with the planning, review and execution of corporate governance. After discussions with the Sustainable Development Committee, the Business Planning Department reports the implementation plans and results to the Board regularly. In 2017, NM released its first English version of the financial reports and CSR Report to provide more transparent financial and non-financial information to institutional investors / shareholders and also to enhance the corporate governance of the Company.</p> <p>It was approved by the board of director on Jan 27, 2021 that Jane Wang, Manager, was appointed as the Chief Corporate Governance Officer. Jane has followed legal regulations and handled matters/ meeting minutes of board meetings and shareholders' meetings, assisted directors with appointment and further education, provided directors with necessary information for the execution of business and assisted directors in the compliance with laws and regulations for over 6 years, and has been able to strengthen the protection of shareholders' equity and functions of board of directors. The number of training hours of the Chief Corporate Governance Officer in 2022 was 19 hours.</p>	None

Corporate Governance Implementation as Required by Taiwan Financial Supervisory Commission (FSC) (Continued)

Assessment Item	Implementation Status (Note 1)			Non Implementation Explanation & the Reason(s)		
	Yes	No	Explanation			
5. Has NM established communication channels with stakeholders (including, but not limited to, shareholders, employees, customers, and suppliers) and set up an area dedicated to stakeholders on the Company website and does NM respond appropriately to corporate social responsibility issues that stakeholders consider important?	V		NM has a spokesman and deputy spokesman system that regularly discloses transparent financial information of the Company. The Section for Stakeholders was established in 2015 and open to the public on our official website.	None		
6. Has NM designated a share administration agency to handle shareholder meeting affairs?	V		NM commissioned the Stock Affairs Department of Fubon Securities Co., Ltd. to handle affairs of the shareholders' meeting.	None		
7. Information disclosure						
1) Has NM established a public website to disclose operational, financial, and corporate governance information?	V		NM has an official website for real-time updates of important financial information, and issues related to sustainability (including corporate governance) in the ESG/CSR Section.			
2) Has NM adopted other methods of information disclosure (e.g., setting up an English website, designating a specialist responsible for gathering and disclosing Company information, setting up a spokesperson system, uploading recordings of investor conferences onto the Company website)?	V		NM discloses the information of corporate governance on MOPS (mops.twse.com.tw).	None		
3) Has the Company publicly announces and registers the financial reports within two months after the close of each fiscal year and publicly announces and registers the financial reports of the first, second and third quarters as well as the operating status of each month earlier than the stipulated deadline?	V		NM makes the public disclosure within a prescribed time limit			

Corporate Governance Implementation as Required by Taiwan Financial Supervisory Commission (FSC) (Continued)

Assessment Item	Implementation Status (Note 1)		Non Implementation Explanation & the Reason(s)	
	Yes	No		
8. Does NM have other important information to facilitate better understanding of the Company's corporate governance practices (including, but not limited to current status of employee rights, employee care, investor relations, supplier relations, stakeholder rights, director and supervisor training regimes, risk management policies, and risk measurement standards as well as the implementation of client policies and the Company's purchase of liability insurance for its directors and supervisors)?	V		<p>1) <u>Care for the Employees' Rights and Benefits:</u> NM has established an Employee Welfare Committee and relevant personnel laws and regulations as prescribed to protect the employees' rights and interests and to maintain a good communication channel between the employer and the employees.</p> <p>2) <u>Investor Relations:</u> NM has a spokesman system dedicated to the handling of shareholders' proposals.</p> <p>3) <u>Stakeholders and Supplier Relationship:</u> Suggestions from all the stakeholders are obtained through the Stakeholders Section on the official website.</p> <p>4) <u>Continuing Education of Directors and Executive Officers:</u> The directors and executive officers of NM all completed the education and training hours for 2022 (Note), and they are also informed of the latest laws and regulations concerning corporate governance by the management at any time.</p> <p>5) <u>Implementation of Risk Management Policies and Risk Measurement Standards:</u> Various internal regulations (such as the Operating Regulations of Supervision and Management of Subsidiaries) were stipulated in accordance with relevant law and regulations for the management and evaluation of risks.</p> <p>6) <u>Implementation of Customer Policies:</u> NM attaches great importance to the maintenance of customer relationships. To meet the customers' needs, NM is devoted to providing high quality products and effective grievance channels for our products and services (such as the B2B customer complaint web page and the Stakeholders Section).</p> <p>7) <u>Status of Liability Insurance for Directors and Executive Officers:</u> D&O Liability Insurance is purchased for the directors and managers of NM, with the current coverage of US\$ 3 mn.</p>	None
9. Please explain improvements that have been made as well as priorities to improve the results of the Corporate Governance Evaluation issued by the Taiwan Stock Exchange Corporate Governance Center.			Nien Made updates its internal organization system and information in accordance with the Corporate Governance Evaluation and relevant regulations every year. For example, the online complaint window and the whistle-blowing system have been added on the official website in recent years.	

Note: Continuing Education/Training of Directors and Executive Officers

Title/ Name	Date	Organizer	Training	Duration (Hours)
Chairman Nien Keng-Hao (Howard)	Aug 2, 2022	Taiwan Corporate Governance Association	M&A trends and practical sharing Business management practice: Industry 4.0 is not what you expect	6
Director Nien Chao-Hung (Michael)	Aug 2, 2022	Taiwan Corporate Governance Association	M&A trends and practical sharing Business management practice: Industry 4.0 is not what you expect	6
Director Chuang Hsi-Chin (Ken)	Aug 2, 2022	Taiwan Corporate Governance Association	M&A trends and practical sharing Business management practice: Industry 4.0 is not what you expect	6
Director Peng Ping (Benson)	Aug 2, 2022	Taiwan Corporate Governance Association	M&A trends and practical sharing Business management practice: Industry 4.0 is not what you expect	6
Director Lee Ming-Shan	Sep 30, 2022	Taiwan Corporate Governance Association	Public relations handling principles for corporate legal incidents 2030/2050 Green industrial revolution	6
Director Jok Chung-Wai (Edward)	Aug 2, 2022	Taiwan Corporate Governance Association	M&A trends and practical sharing Business management practice: Industry 4.0 is not what you expect	6
Independent Director Lin Chi-Wei	Aug 2, 2022	Taiwan Corporate Governance Association	M&A trends and practical sharing Business management practice: Industry 4.0 is not what you expect	6
Independent Director Huang Shen-Yi	Jun 24, 2022	Taiwan Corporate Governance Association	Discussion on the operational risk and legal responsibility of directors and supervisors under corporate Governance Trends and challenges of information security governance	6
	Aug 2, 2022	Taiwan Corporate Governance Association	M&A trends and practical sharing Business management practice: Industry 4.0 is not what you expect	6
	Oct 6, 2022	Co-organized by Taiwan Stock Exchange and Taipei Exchange	Release of reference guidelines for independent directors and audit committees to exercise their powers and directors and supervisors promotion meeting	3
	Oct 12, 2022	Securities and Futures Institute	2022 Annual insider equity transaction legal compliance publicity briefing	3
Independent Director Hung Chung-Ching	Aug 2, 2022	Taiwan Corporate Governance Association	M&A trends and practical sharing Business management practice: Industry 4.0 is not what you expect	6
Chief Corporate Governance Officer Wang Shu-Chuan (Jane)	May 12, 2022	Co-organized by Taiwan Stock Exchange, Alliance Advisors and Taiwan Corporate Governance Association	International double summit online forum	2
	May 20, 2022	Taiwan Corporate Governance Association	2022 Annual prevention of insider trading promotion conference	3
	Jul 27, 2022	Co-organized by Taiwan Stock Exchange and Taipei Exchange	Sustainable development roadmap publicity conference	2
	Aug 2, 2022	Taiwan Corporate Governance Association	M&A trends and practical sharing Business management practice: Industry 4.0 is not what you expect	6
	Oct 6, 2022	Co-organized by Taiwan Stock Exchange and Taipei Exchange	Release of reference guidelines for independent directors and audit committees to exercise their powers and directors and supervisors promotion meeting	3
	Oct 12, 2022	Securities and Futures Institute	2022 Annual insider equity transaction legal compliance publicity briefing	3
Accounting Division Manager Chen Yung-Chuan (Albert)	Nov 17-18, 2022	Accounting Research and Development Foundation	Continuing training course for accounting supervisors of issuers, securities firms and stock exchanges	12
Audit Division Manager Chao Pei-Chun (Watson)	Aug 31, 2022	Institute of Internal Auditors	Financing and real estate, plant and equipment cycle audit practice	6
	Oct 18, 2022	Institute of Internal Auditors	Risk oriented internal audit methods and practices	6

Sustainable Development Implementation Status as Required by the Taiwan Financial Supervisory Commission (FSC)

Assessment Item	Implementation Status			Non Implementation Explanation & the Reason(s)		
	Yes	No	Explanation			
1. Does NM have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors	V		NM's Sustainable Development Committee is in charge of matters concerning sustainable development, social responsibility, and corporate governance. The members of the renamed committee will take effect from Aug 2, 2022 after being confirmed by the board of directors. NM's board instructs relevant strategies based on various internal department's reports			
			<table border="1"> <thead> <tr> <th>Head of NM's SD Committee</th> <th>Commissioner</th> <th>Implementation status</th> </tr> </thead> <tbody> <tr> <td>VP Nien Chao-Hung (Michael)</td> <td> EVP Peng Ping (Benson) Chief Corporate Governance Officer Wang Shu-Chuan (Jane) Executive Secretary Liao Wei-Chih (David) </td> <td> <ul style="list-style-type: none"> n The Chief Corporate Governance Officer, Jane Wang (Manager), was approved in the board meeting in 2021. n NM's MSCI ESG Ratings was upgraded to BBB (from BB) in Mar, 2021. n The Administration Department reported to NM's board regarding the status of integrity management in Jan, 2023. NM did NOT receive any integrity or fraud investigation cases in 2023. n The Business Planning Department reported to NM's board regarding the Cybersecurity Risk Management and status in Jan, 2023. In 2022, NM did NOT receive any complaints about privacy infringement or data leakage from our customers. n IPR & Legal Department reported to NM's board regarding IP management plans in Jan, 2023. As of 2022, NM's patent applications in the world exceeded 1,500, and nearly 1,000 patents had been approved. n Preliminary planning of NM's GHG inventory and verification schedule was submitted in the board meeting in Mar, 2022. <p>The 2021 Sustainability Report was approved by the 1st term 1st session of the Sustainable Development Committee in Sep, 2022. The Mandarin and English reports were submitted to MOPS in Sep and Oct, 2022, respectively.</p> <p>An ESG analyst was employed in 2022 to assist in realizing environmental sustainability(E), responding to social responsibilities(S), and implementing effective corporate governance(G).</p> </td> </tr> </tbody> </table>		Head of NM's SD Committee	Commissioner
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Sustainable Development Implementation Status as Required by the Taiwan Financial Supervisory Commission (FSC) (Continued)

Assessment Item	Implementation Status			Non Implementation Explanation & the Reason(s)
	Yes	No	Explanation	
2. Does NM conduct risk assessment on environmental, social and corporate governance issues in accordance with the principle of materiality and has the Company set relevant risk management policies or strategies?	V		<p>Since the first publication of its Corporate Social Responsibility Report, NM has adopted the questionnaire survey for the identification of the material topics of concern of its internal and external stakeholders. In response to common material topics (such as environmental protection, legal compliance, and Marketing and Labeling), every department at NM continues to promote improvement (Kaizen), and 2,000-3,000 improvement cases are implemented annually to reduce various potential risks. Considering the significance and the resource limitation, the existing reporting scope in NM's Sustainability Report includes Nien Made's Headquarters and Changhua Plant (PVC pipes) in Taiwan, Dongguan Fanchang Plant (blinds), Dongguan Yifeng Plant (shutters), Dongguan Zhaofeng Plant (shades) and Shandong Wulian Plant (wooden components) in China, and Sanfeng Plant (blinds) in Cambodia. Data in the operating bases in the U.S. and Mexico are not included.</p> <p>In 2021, NM conducted risk assessments of material topics based on the materiality principle of corporate social responsibility and 6 material topics, including Customer Health and Safety, Corporate Governance, Socioeconomic Compliance, Patent Right, Effluents and Waste and Anti-corruption were identified. Disclosure on Management Approach (DMA) of each topic is all included in the 2021 Sustainability Report.</p> <p>Take the social issue, Customer Health & Safety, as an example, NM has stringent requirements and standards for the production process, including the Management Measures for In-Coming Procurement and Inspection (Aug, 2019 version), Control Procedure of Non-conforming Products (Jun, 2018 version), Supplier Management Practices (May, 2020 version), and the Product Identification Management Procedures (Jun, 2018 version). Our risk management policy/strategy also includes that when purchasing from suppliers, we require that all the raw materials should comply with legal regulations and requirements for the contents of 8 major heavy metals. We also conduct internal & external sampling tests to check on the health, safety and quality of our products at the sources.</p>	None
3. Environmentally Sustainable Development				
1) Has NM established an environmental management system that is specifically designed with the window covering industry's operations?	V		NM regulates various environmental management systems in accordance with Fire Services Act, Occupational Safety and Health Act, and Waste Disposal Act required by the local competent authorities.	
2) Has NM endeavored to make more efficient use of resources and use renewable materials that have a lower impact on the environment?	V		In order to fulfill our environmental responsibility as a global citizen, in some factories of NM, the steam and heat energy is generated from the residual materials (such as wood scraps/flour) from the manufacturing process.	
3) Does NM make assessment of the current and future potential risks and opportunities of climate change for the Company and take corresponding measures to respond to climate-related issues?	V		NM's window treatments have the functions of regulating indoor temperature, reducing the use of energy consuming air-conditioners (heaters) in summer (winter). In the future, NM will continue to develop new window treatment products to facilitate the sustainable development of the environment. To reduce the environmental impact on forest resources, Forest Stewardship Council (FSC) certified wood materials and large amount of environmentally-friendly building material, Medium-Density Fiberboard (MDF) are used in NM's shutters to reduce the impact of the products on environmental changes. Due to the fact that the weight of the components is far lighter than that of the renewable materials of wood, MDF and paper packaging materials, the proportion of renewable materials of NM's shutter products and other renewable materials account for 90+% of the total weight.	None

Sustainable Development Implementation Status as Required by the Taiwan Financial Supervisory Commission (FSC) (Continued)

Assessment Item	Implementation Status		Non Implementation Explanation & the Reason(s)																			
	Yes	No		Explanation																		
4) Has NM gathered statistics of GHG emissions, water consumption and total weight of waste for the past two years and developed policies for energy saving and carbon reduction, GHG reduction, water use reduction or other waste management?	V		<p>In the second half of every year, the Company releases a Sustainability Report (download at: https://www.nienmade.com/ESG.aspx) assured externally (by an independent third party). As of the publication of this annual report, the figures for 2021 Sustainability Report are still being verified. In 2021, the energy consumption in the major operating bases within NM Group reached 752,668GJ (1GJ=1bn Joule), with a total of 133k tons of CO₂ emissions, an increase of +9% YoY. The water used within NM Group comes from tap water and ground water (the majority of water used is tap water). The water consumption in major operating bases in 2021/2020 was 885/1,081 megaliters respectively, and the annual consumption of water declined by -18% YoY.</p> <p>Waste generated in NM Group amounted to 13,361 tons in 2021, and hazardous waste amounted to 338 tons (i.e. 2.5% of total waste). We entrust qualified service providers for the disposal of hazardous waste. For recyclable waste (9,890 tons, accounting for 74% of total waste), most of it is disposed by qualified service providers.</p>	None																		
4. Promotion of Social Welfare																						
1) Has NM established management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		<p>In addition to the reference to the International Human Rights Convention (e.g. Universal Declaration of Human Rights, United Nations) and the implementation of basic human rights, such as the ban on child labor and the elimination of all types of forced labor, NM complies with local labor laws and regulations. In Taiwan, NM has set up "Working Rules" in accordance with the Labor Standards Act and related laws and maintained a great working environment by complying with "Act of Gender Equality in Employment" and "Sexual Harassment Prevention Act".</p> <p>In response to client requests, NM engages external third-party independent organizations to conduct human rights audits annually. In 2022, NM's facilities underwent 40+ external audits on environmental, emissions, wastewater, waste, human rights, etc.</p> <table border="1"> <thead> <tr> <th></th> <th>Internal requirement</th> <th>External Inspection</th> </tr> </thead> <tbody> <tr> <td>No Use of Child Labor</td> <td>V</td> <td>V (Retailer's Factory Audits)</td> </tr> <tr> <td>No Forced Labor</td> <td>V</td> <td>V (Retailer's Factory Audits)</td> </tr> <tr> <td>Secure Working Environment</td> <td>V (Lean Production)</td> <td>V (Sustainability Report Assurance)</td> </tr> <tr> <td>Equal Pay for Equal Work</td> <td>V</td> <td></td> </tr> <tr> <td>Security Practices (Human Rights)</td> <td>V</td> <td>V (Sustainability Report Assurance)</td> </tr> </tbody> </table>		Internal requirement	External Inspection	No Use of Child Labor	V	V (Retailer's Factory Audits)	No Forced Labor	V	V (Retailer's Factory Audits)	Secure Working Environment	V (Lean Production)	V (Sustainability Report Assurance)	Equal Pay for Equal Work	V		Security Practices (Human Rights)	V	V (Sustainability Report Assurance)	None
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Security Practices (Human Rights)	V	V (Sustainability Report Assurance)																				
2) Has NM established and implemented reasonable employee benefit packages (including compensation, vacations and other benefits) and appropriately reflected the operating performance and results in the employee compensation?	V		<p>It was disclosed in NM's 2021 Sustainability Report that our employees get 20% of the NM's direct economic value generated & distributed. Based on the Human Capital ROI, we obtained NT\$2.36 benefit in return for every NT\$1 invested in labor cost in 2021. In the "full-time employee salary for non-supervised positions" announced by TWSE in 2022, the average salary revealed by NM was far higher than the average salary of NT\$940,000/year among TWSE-listed companies. Among all the 883 listed companies in Taiwan, NM was ranked the 103th while its remuneration belonged to the top group.</p>																			

Sustainable Development Implementation Status as Required by the Taiwan Financial Supervisory Commission (FSC) (Continued)

Assessment Item	Implementation Status			Non Implementation Explanation & the Reason(s)
	Yes	No	Explanation	
3) Does NM provide employees with a safe and healthy working environment and regularly implement safety and health training for employees?	V		The main reasons for work injury include collision, crush and contusion or cut caused when changing mold/lane. To safeguard our employees' health and to reduce the risks, injury prevention as well as education and training are our top priorities. In the log cutting process, we improve equipment to reduce operational risks; during the processing of wood scraps and short wood, we adopt safety measures to prevent the rebound of materials to improve work safety. We also improved the loading and unloading of materials and the way of handling and moving the materials to reduce the labor intensity. NM set up a safety and health organization that corresponds to the scale of the enterprise and also set up the occupational safety/health management system and safety programs in accordance with the Occupational Safety and Health Act. NM organizes employee health examinations and annual fire safety advocacy and fire drills as prescribed by law. We also encourage our employees to reduce work-related risks in the workplace through proposals for improvement (Kaizen). There were more than 2,000+ improvement (Kaizen) proposals in 2021.	
4) Has NM established an effective career skill development training program for employees?	V		<p>Employees are an important asset of NM. We strive to combine the Company's visions with the employees' development goals. Talents are cultivated through on-the-job training and rotation, and the employees can have regular meetings with their supervisors for career planning. We enable the employees to understand the Company's regulations and system, work content and precautions through the new employee orientation, job-related training, on-the-job training, training for new cadre members and cadre training. In addition, NM also accepts professional training from external training units to obtain the latest information and enhance the employees' professional skills and competitiveness. The hours of personnel training in 2021 totaled 71,309 hours, with the average training hours of 8 hours/ 5 hours of male/female employees respectively. Due to more heavy work on-site, male employees receive longer hours of training than female employees to avoid occupational injuries.</p> <p>We treat employees of different genders equally in terms of the male/female remunerations, benefits and promotion. It is also expected to maintain the male/female ratio at 50/50 by 2025E (2021 combination: 49/51). NM's staffs at different operating bases are mainly full-time employees (temporary employees only account for 0.26%).</p>	None
5) Does NM comply with relevant regulations and international standards and has it formulated relevant policies and procedures for the protection of consumer rights in terms of customer health and safety, customer privacy and marketing and labeling in products and services?	V		To protect the environment, NM is dedicated to the innovation of the production process and aims at providing safe and harmless, low-carbon footprint, green and energy-saving products. In the selection of raw materials, NM insists on the use of materials and paint harmless to human bodies, and strictly tests the incoming materials and finished products with the highest and latest European and American standards. Consumers' health and safety have always been the priority at NM. NM conducts internal sampling tests on an occasional basis together with regular external testing to ensure that the assembled products are free of toxic substances and harmful gases. NO harmful gases, toxic substance and heavy metals (among 8 major heavy metals) or soluble lead were detected in the products sent to SGS and TUV, the third-party testing for inspection of compliance with REACH and RoHS. The lead test results were superior to our standards for lead content in the procurement of raw materials (Pb≤90 ppm; European Standard EN-71 Part 3). In Japan, NM voluntarily tested its products at the Boken Quality Evaluation Institute (BOKEN), and formaldehyde test results adhere to Japan's highest standards for building materials, F4 Stars (F☆☆☆☆).	

Sustainable Development Implementation Status as Required by the Taiwan Financial Supervisory Commission (FSC) (Continued)

Assessment Item	Implementation Status			Non Implementation Explanation & the Reason(s)
	Yes	No	Explanation	
6) Has NM established supplier management policies requiring suppliers to comply with relevant regulations on environmental protection, occupational safety and health and labor human rights, and the implementation status?	V		NM is in the process of including the suppliers' labor health/ safety, compliance with human rights norms (such as non-discrimination), environmental standards such as eco-friendly environment into the Supplier Management Practices of all the plants for the management of operational risks in the supply chain. The percentage of the Supplier Code of Conduct signed and returned to NM is currently at 20%. According to the survey of our suppliers in terms of 5 major aspects (environment, labor rights, human rights, society and product liability), the average score of NM's suppliers was 89.7 points in 2021. Looking closely at each aspect, our suppliers performed relatively well in product liability, society, labor rights and human rights. However, there is still room for improvement in the environmental aspect.	
5. Does NM refer to general international standard or guidelines in the preparation of the corporate Sustainability Report/ ESG Report that discloses the Company's non-financial information? Does such report obtain assurance or assurance opinions from a third-party verification unit?	V		Every year, NM's Sustainability Report (formerly the Corporate Social Responsibility Report) is assured by a third-party verification unit. As of the publication of this annual report, the 2022 Sustainability Report is still being complied. Concerning the contents of the 2021 Sustainability Report, it was stated by the third-party validation unit that "Based on our procedures and obtained evidence, nothing has come our attention that causes us to believe that any material modifications or adjustments should be made to the selected sustainability indicators in accordance with applicable criteria. In addition, nothing has come our attention that causes us to believe that any material modifications or adjustments should be made to the Report in accordance with GRI Standards the core option".	None
6. If the Company has established its Sustainable Development rules according to "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies," please describe the operational status and differences.			NM passed the "Corporate Governance Best-Practice Principles" in the board meeting dated on Mar 23, 2016, and the implementation of it started after it was reported in the shareholders' meeting on Jun 28, 2016. In addition, on Mar 16, 2022, NM's board renamed Corporate Social Responsibility Best-Practice Principles as "Sustainable Development Best Practice Principles" and approved the revision of some provisions. Such changes will take effect after being reported in the shareholders' meeting on Jun 21, 2022.	
7. Other important information for facilitating the understanding of CSR and its implementation			To achieve the goal of sustainable development, NM purchases eco-friendly FSC certified wood and develops various cordless blinds for child safety and protection. Some of our factories are equipped with water-cooled air-conditioning/ negative pressure fans and multiple strategies for the improvement of the working environment.	



2021

Sustainability Report



Nien Made's Sustainability Report

https://www.nienmade.com/file/CoprorateRule/NM_Sustainability_Report_EN_2021.pdf

Climate-related Information

Assessment Item	Implementation Status
<ol style="list-style-type: none"> 1. Clarify the oversight and governance of climate-related risks and opportunities by the Board of Directors and management. 2. Describe how identified climate risks and opportunities impact the Company's business, strategy, and finances (short-term, medium-term, long-term). 3. Explain the financial impacts of extreme climate events and transition actions. 4. Outline how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system. 5. If scenario analysis is used to assess resilience to climate change risks, provide information on the scenarios, parameters, assumptions, analysis factors, and key financial impacts used. 6. If there is a transition plan to manage climate-related risks, explain the plan's content and the indicators and targets used to identify and manage physical and transition risks. 7. If internal carbon pricing is used as a planning tool, clarify the pricing basis. 8. If climate-related targets are set, provide information on the covered activities, scope of greenhouse gas emissions, planning timeline, progress achieved annually, etc. If carbon offsets or renewable energy certificates (RECs) are used to achieve the targets, explain the sources and quantities of carbon offsets or the number of RECs used. 9. Greenhouse gas inventory and assurance status. 	<p>Starting from 2023, Nien Made has initiated climate change research to analyze the impacts of climate change on its facilities (10 locations) and identify risks related to <u>Floods</u>, <u>Extreme Heat</u>, <u>Drought</u>, and <u>Extreme Cold</u>, etc. The climate matrix risk (i.e. Floods, Extreme Heat, Drought, and Extreme Cold) leans towards <u>Low to Moderate Severity</u>. The conclusion will be reported to Nien Made's Sustainable Development Committee and Board of Directors.</p> <p>Taking the risk analysis of <u>Floods</u> as an example, Nien Made assesses the risk level of each key location based on historical flooding potential, topography/slope, and heavy rainfall, categorizing them as high (3), medium (2), or low (1) risk. The flood risk of the group is then calculated by weighted average. The analysis shows a <u>Low to Moderate of flood risk</u>, with NO accumulated financial losses in the past 5 years. For areas with potential flood risks, Nien Made has already implemented measures such as floodgates and water barriers to mitigate potential impacts in the future.</p> <p>Although the risks are categorized as <u>Low to Moderate Severity</u>, climate change can still affect Nien Made's financial performance through increased demand for water pumping equipment (Floods), air conditioning/negative pressure fans (Extreme Heat), water transportation trucks (Drought), heating devices (Extreme Cold), etc. In addition to optimizing processes through lean production practices (improving quality, reducing waste), Nien Made has actively expanded its presence in regions with smaller climate change risks, increasing production capacity and diversifying risks. For example, Nien Made's self-built Phase 1 and Phase 2 factories in Mexico have a pleasant climate with a maximum temperature of 35°C (95% confidence interval) during hot months. The exposure to heatwaves decreases as production capacity gradually increases. As of Nov 2022, Nien Made's total accumulated investment in the Mexican factory has exceeded US\$10+ mn. On the opportunity side, consumer concerns about the insulation/thermal efficiency of curtains will increase due to heatwaves and extreme cold, which will benefit Nien Made's window covering sales.</p>

	GHG Emissions (Ton CO ₂ e)	GHG Emissions Intensity (Ton CO ₂ e /NT\$m)	External Assurance/ Validation	Validation Status
Scope 1 of NM's Main Facilities	36,412	--	Ernst & Young Taiwan	Concerning the contents of NM's 2021 Sustainability Report, it was stated by the third-party validation unit that "Based on our procedures and obtained evidence, nothing has come our attention that causes us to believe that any material modifications or adjustments should be made to the selected sustainability indicators in accordance with applicable criteria. In addition, nothing has come our attention that causes us to believe that any material modifications or adjustments should be made to the Report in accordance with GRI Standards the core option".
Scope 2 of NM's Main Facilities	96,782	--		
Total	133,193	4.59		

Note: NM's total paid-up capital is below NT\$ 5bn; In terms of the boundary of main facilities, facilities cover the data of Nien Made's Headquarters and Changhua Plant (PVC pipes) in Taiwan; Dongguan Fanchang Plant (blinds), Dongguan Yifeng Plant (shutters), Dongguan Zhaofeng Plant (shades) and Shandong Wulian Plant (wood parts) in China; and Sanfeng Plant (blinds) in Cambodia. Data in the operating bases in the U.S. and Mexico are yet to be included.

Nien Made's Climate Change Risk & Opportunity Analysis (Task Force on Climate-Related Financial Disclosures/TCFD format)

Risk				Opportunity		
Short-time Horizon (Less than 3 Years)	Medium-time Horizon (3-7 Years)	Long term-time Horizon (7+ Years)		Short-time Horizon (Less than 3 Years)	Medium-time Horizon (3-7 Years)	Longterm-time Horizon (7+ Years)
	<ul style="list-style-type: none"> ● Carbon taxes 	<ul style="list-style-type: none"> ● Carbon taxes ● Zero-emission target ● Customer requests carbon reduction 	GHG Emissions		<ul style="list-style-type: none"> ● Carbon taxes (Lean production) 	<ul style="list-style-type: none"> ● Carbon taxes (Lean production)
○ Floods (Water pumping)	○ Floods (Water pumping)	○ Floods (Water pumping)		○ Floods (Transnational strategies)	○ Floods (Transnational strategies)	○ Floods (Transnational strategies)
○ Extreme Heat (Air conditioning, negative pressure fans)	○ Extreme Heat (Air conditioning, negative pressure fans)	○ Extreme Heat (Air conditioning, negative pressure fans)				<ul style="list-style-type: none"> ● Customer requests carbon reduction (Lean Production)
○ Extreme Cold (Heating devices)	○ Extreme Cold (Heating devices)	○ Extreme Cold (Heating devices)		○ Extreme Cold (Transnational strategies)	○ Extreme Cold (Transnational strategies)	○ Extreme Cold (Transnational strategies)
○ Floods (Water pumping)	○ Floods (Water pumping)	○ Floods (Water pumping)	Energy			
○ Extreme Heat (Air conditioning, negative pressure fans)	○ Extreme Heat (Air conditioning, negative pressure fans)	○ Extreme Heat (Air conditioning, negative pressure fans)		○ Extreme Heat (Energy-efficient window coverings)	○ Extreme Heat (Energy-efficient window coverings)	○ Extreme Heat (Energy-efficient window coverings)
○ Drought (Water transportation trucks)	○ Drought (Water transportation trucks)	○ Drought (Water transportation trucks)				
○ Extreme Cold (Heating devices)	○ Extreme Cold (Heating devices)	○ Extreme Cold (Heating devices)				
			Water Dependencies	● Water recycling (Lean production)	● Water recycling (Lean production)	● Water recycling (Lean production)
● Increase in raw material costs	● Increase in raw material costs	● Increase in raw material costs	Others			
● Increase in electricity costs	● Increase in electricity costs	● Increase in electricity costs				
● Increase in water costs	● Increase in water costs	● Increase in water costs			<ul style="list-style-type: none"> ● Corporate image (Sustainability rating upgrade) 	<ul style="list-style-type: none"> ● Corporate image (Sustainability rating upgrade)
					<ul style="list-style-type: none"> ● Changes in consumer behavior (Energy-efficient window coverings) 	<ul style="list-style-type: none"> ● Changes in consumer behavior (Energy-efficient window coverings)

● Transition Risk ○ Physical Risk

Conduct & Ethics Implementation Status as Required by the Taiwan Financial Supervisory Commission (FSC)

Assessment Item	Implementation Status			Non Implementation Explanation & the Reason(s)
	Yes	No	Explanation	
1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures				
1) Has NM established integrity management policy approved by the board of directors, and stated such policy and practices as well as the board and senior management's commitments to active implementation of the management policy in the regulations or external documents?	V		For NM's sustainable development, the Company has set the "Ethical Corporate Management Best Practice Principles" to implement good faith management and prevent and prohibit the occurrence of dishonest behavior. The Company has established an internal audit system, various management measures and the "Guidelines for the Adoption of Codes of Ethical Conduct" to prevent possible abuses. In terms of the avoidance of conflict of interest, directors, supervisors and managers shall not participate in the decision making when there is any conflict of interest in the decision or transaction.	None
2) Has NM established a risk assessment mechanism against unethical conduct, analyzed and assess on a regular basis the business activities within its business scope which are at a higher risk of being involved in unethical conduct, and established prevention programs accordingly that at least include preventive measures against all the behavior listed in Item 2 of Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?	V		The sections concerning attendance, assessment, reward and punishment and promotion in the Working Rules stipulate the punishment of the act of fraud in the name of the Company. The managers and employees of the Company shall not directly or indirectly offer, promise to offer, request or accept any improper benefits when engaging in commercial activities. Meanwhile, the importance of integrity is also advocated and emphasized in the education and training of newcomers.	
3) Does NM specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the prevention programs against unethical conduct and implement these programs as well as review and revise such programs regularly?	V		NM does not provide illegal political donations or improper charitable donations. In the prevention of dishonest behavior, NM has made it clear to the suppliers that NM shall not accept any presents and hospitality. Our stakeholders can directly complain or report the dishonest behavior of the employee(s) in the Company in the Stakeholders' Area on our official website.	
2. Ethic Management Practice				
1) Does NM assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	V		NM implements integrity management and provisions of relevant laws and regulations are clearly stipulated in the contract with our trading counterparties (such as retailers).	None
2) Does NM set up a dedicated unit under the board of directors to be in charge of the promotion of corporate integrity management and regularly (at least once a year) report to the board of directors its integrity management policies and prevention programs against unethical conduct as well as the implementation status?	V		NM's Administration Department serves as an adjunct unit promoting integrity management. Relevant strategies and measures (e.g. educational training, the maintenance of rules and regulations, and suspected fraud investigations) are taken and the head of the department, Jane Wang, will periodically report to the board after discussions at the Sustainable Development Committee. Every year, as prescribed in NM's Measures for Whistleblowing, at least one summary report of cases accepted in NM's whistle-blowing system will be submitted to the board of directors. According to NM's Administration Department, NM has not received any reported case regarding anti-integrity. Further, 29 people participated in education training on integrity management in 2022.	
3) Does NM establish policies to prevent conflict of interests provide appropriate communication and complaint channels and implement such policies properly?	V		In accordance with NM's "Ethical Corporate Management Best Practice Principles", when there is any conflict of interest in the decision-making or transaction, the director(s), supervisor(s) and manager(s) shall not participate in the discussion of or voting on the decision(s).	
4) Has NM established an effective accounting system and internal control system for the implementation of integrity management and are relevant audit plans drawn up by the internal audit unit based on the assessment results of the risk of unethical conducts, and then entrust CPAs to perform the audit to check the compliance status with the prevention programs against unethical conduct?	V		NM has formulated the accounting system, internal control system, internal audit system and various management measures, and the audit staff will check the implementation status irregularly.	

Conduct & Ethics Implementation Status as Required by the Taiwan Financial Supervisory Commission (FSC)(Continued)

Assessment Item	Implementation Status			Non Implementation Explanation & the Reason(s)												
	Yes	No	Explanation													
5) Does NM provide internal and external ethical conduct training programs on a regular basis?			<p>NM continues to promote ethical corporate management and corporate social responsibility education and training (including corporate governance) to its employees. The process is as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date</th> <th>Explanation</th> </tr> </thead> <tbody> <tr> <td>Mar 2016</td> <td>Management of Headquarters in Taiwan</td> </tr> <tr> <td>Apr 2016</td> <td>Overseas management</td> </tr> <tr> <td>Apr 2017</td> <td>Overseas management: during the year, NM's internal/external education and training hours amounted to 90,000-100,000 hours (10,000 people in total)</td> </tr> <tr> <td>Mar 2018</td> <td>Management of Headquarters in Taiwan and overseas management</td> </tr> <tr> <td>Mar 2020</td> <td>Management of Headquarters in Taiwan and overseas management</td> </tr> </tbody> </table>	Date	Explanation	Mar 2016	Management of Headquarters in Taiwan	Apr 2016	Overseas management	Apr 2017	Overseas management: during the year, NM's internal/external education and training hours amounted to 90,000-100,000 hours (10,000 people in total)	Mar 2018	Management of Headquarters in Taiwan and overseas management	Mar 2020	Management of Headquarters in Taiwan and overseas management	None
Date	Explanation															
Mar 2016	Management of Headquarters in Taiwan															
Apr 2016	Overseas management															
Apr 2017	Overseas management: during the year, NM's internal/external education and training hours amounted to 90,000-100,000 hours (10,000 people in total)															
Mar 2018	Management of Headquarters in Taiwan and overseas management															
Mar 2020	Management of Headquarters in Taiwan and overseas management															
3. Implementation of Complaint Procedures																
1) Does NM establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?			The prosecution system of NM regulates the handling unit, dedicated personnel for different issues, and the protection and whistle blowing incentive of the whistleblower.	None												
2) Does NM establish standard operation procedures for investigating the complaints received and ensuring such complaints are handled in a confidential manner?																
3) Does NM adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?																
4. Information Disclosure																
Does NM disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System (MOPS)	V		Nien Made has set up an official website and information is open to the public, and the information is also disclosed on the Market Observation Post System (MOPS) as prescribed by law and regulation.	None												
5. If NM has established corporate governance policies based on the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe any discrepancy between the policies and their implementation.			As approved in the board resolution on Mar 16, 2015, NM has set up the "Ethical Corporate Management Best Practice Principles" and "Guidelines for the Adoption of Codes of Ethical Conduct" to reinforce the Company's determination and mechanism of integrity management. There has not been any difference in the implementation so far.													
6. Other important information to facilitate better understanding of NM's corporate conduct and ethics compliance practices (e.g., review NM's corporate conduct and ethics policy).			None.													

Note: The "Ethical Corporate Management Best Practice Principles" and "Guidelines for the Adoption of Codes of Ethical Conduct" set up by the Company were approved by the Board on Mar 16, 2015 and after submitted and reported in the General Shareholders' Meeting on Jun 3, 2015, the two guidelines were disclosed on the MOPS and open to the public at <http://mops.twse.com.tw/mops/web/index>.

Statement of Internal Control System / Audit Fee Details

Statement of Internal Control System	Audit Fees																	
<p>Nien Made Enterprise Co., Ltd. Statement of Internal Control</p> <p>Based on the self-evaluation of Nien Made Enterprise Co., Ltd. (the “Company”)’s internal control system as of Dec 31, 2022, we hereby state that:</p> <ol style="list-style-type: none"> 1. The Company understands that the Board and management of the Company are responsible for establishing, implementing and maintaining adequate internal control. The Company has established an effective internal control system which aims to provide reasonable assurance regarding operational results and effectiveness (e.g., profitability, performance safeguarding of assets), reliability, timeliness and transparency of its financial reporting and the compliance with applicable laws and regulations. 2. Due to its inherent limitations, an effective internal control system can only reasonably ensure the achievement of the three objectives above, no matter how complete and perfect the design of the system is. Also, the effectiveness of the internal control system may vary due to changes in the environment or conditions. However, the Company has set up a self-monitoring mechanism on the internal control system, which allows the Company to take corrective actions as soon as any error or inadequacy is identified. 3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the “Regulations Governing the Establishment of Internal Control Systems by Public Companies” (the “Regulations”). The criteria adopted by the Regulations identify five key components of the managerial control processes: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring. Each of the five components has several items respectively; please refer to the Regulations for such items. 4. The Company has evaluated the effectiveness of the design and operation of its internal control system based on the aforementioned criteria. 5. Based on the assessment mentioned above, we conclude that the Company maintains an effective design and operation of its internal control system (including supervisory and management of subsidiaries) as of Dec 31, 2021, which provides reasonable assurance regarding the achievement of the following objectives: understanding the effectiveness and efficiency of operations, the status of goal achievement, reporting reliability, timeliness and transparency of financial reporting, and compliance with applicable laws and regulations. 6. This statement shall be included as an integral part of the Annual Report and the prospectus of the Company and be disclosed to the public. Any false or fraudulent representations and concealment of information in this statement shall be subject to the legal liabilities prescribed by Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act. 7. The Company hereby declares that this statement had been approved by the Board of Directors on Mar 14, 2023. Among the 9 attending Directors, no one raised any objection to the contents of this statement. <p style="text-align: right; margin-right: 20px;">Chairman: Howard Nien CEO: Howard Nien Nien Made Enterprise Co., Ltd. Mar 14, 2023</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #d9e1f2;"> <th style="width: 10%;">Accounting Firm</th> <th style="width: 15%;">Name of CPA</th> <th style="width: 15%;">Period Covered</th> <th style="width: 15%;">Audit Fees</th> <th style="width: 15%;">Non-Audit Related Fees</th> <th style="width: 10%;">Total</th> <th style="width: 20%;">Note</th> </tr> </thead> <tbody> <tr> <td rowspan="2" style="text-align: center; vertical-align: middle;">Ernst & Young</td> <td style="text-align: center;">Huang Tzu-Ping</td> <td style="text-align: center;">Jan 1, 2022 - Dec 31, 2022</td> <td rowspan="2" style="text-align: center; vertical-align: middle;">11,910</td> <td rowspan="2" style="text-align: center; vertical-align: middle;">950</td> <td rowspan="2" style="text-align: center; vertical-align: middle;">12,860</td> <td style="text-align: center;">Certification on tax (NT\$680k)</td> </tr> <tr> <td style="text-align: center;">Chen Ming-Hung</td> <td style="text-align: center;">Jan 1, 2022 - Dec 31, 2022</td> <td style="text-align: center;">Assurance of Sustainability Report (NT\$270k)</td> </tr> </tbody> </table>	Accounting Firm	Name of CPA	Period Covered	Audit Fees	Non-Audit Related Fees	Total	Note	Ernst & Young	Huang Tzu-Ping	Jan 1, 2022 - Dec 31, 2022	11,910	950	12,860	Certification on tax (NT\$680k)	Chen Ming-Hung	Jan 1, 2022 - Dec 31, 2022	Assurance of Sustainability Report (NT\$270k)
Accounting Firm	Name of CPA	Period Covered	Audit Fees	Non-Audit Related Fees	Total	Note												
Ernst & Young	Huang Tzu-Ping	Jan 1, 2022 - Dec 31, 2022	11,910	950	12,860	Certification on tax (NT\$680k)												
	Chen Ming-Hung	Jan 1, 2022 - Dec 31, 2022				Assurance of Sustainability Report (NT\$270k)												
Please specify the content of non-audit services: (e.g. certification on tax, assurance, or other financial advisory services)																		
If there has been any legal penalty against the Company or its internal personnel, or any disciplinary penalty by the Company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, where the result of such penalty could have a material effect on shareholder equity or securities prices, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement. Not Applicable.																		
If CPA was engaged to conduct a special audit of internal control system, provide its audit report. None																		
When the Company changes its accounting firm and the audit fees paid for the financial year in which the change took place are lower than those paid for the financial year immediately preceding the change, the reduced amount of the audit fees and the reason shall be disclosed: The Company did not change its accounting firm.																		
When the audit fees paid for the current financial year are lower than those paid for the immediately preceding financial year by 10 percent or more, the amount and percentage of and reason for the reduction in audit fees shall be disclosed: Not Applicable.																		
Change in CPA: Detailing in table of Information on Change in CPA																		
Evaluation of the External Auditor’s Independence: The board of directors evaluates the independence of the CPAs annually in accordance with the relevant laws and regulations and based on the internal Independence Assessment Form. The latest independence assessment has been approved by the Audit Committee and the BoD on Mar 14, 2023. Important assessment procedures include obtaining the CPA’s Independence Declaration and Audit Quality Indicators (AQI), evaluating whether the CPA holds shares in the Company, whether there is lending and borrowing between the Company and the CPA, whether the CPA has any joint investment or share interest with the Company, whether the CPA’s continuous auditing exceeds 7 years, etc.																		
Did NM’s Chairman, Directors, CEO, CFO, and Managers in Charge of Its Finance and Accounting Operations Hold any Positions within NM’s Independent Audit Firm or Its Affiliates in the Most Recent Year: No																		

Information on Change in CPA

Former CPA			Successor CPA			
Date of the change in CPA		Approved by BoD on Mar 14, 2023		Date of engagement	Approved by BoD on Mar 14, 2023	
Reason for the change in CPA		Due to the cooperation with the securities authority for the reinforcement of the dependence of CPAs and to implement the CPAs' self-rotation mechanism, the CPAs in charge of the financial statement audit were changed from Huang Tzu-Ping and Chen Ming-Hong to Chen Ming-Hong and Tu Ching-Yuan from 1Q23.			Names of the successor accounting firm	Ernst & Young
Description of whether the CPA or the mandate terminated or discontinued the engagement		Involved Persons			Names of the successor CPA	Chen Ming-Hong Tu Ching-Yuan
		CPA	Mandate			
Circumstance	Terminated	Not Applicable			Disclosure of those consultations and the consultation results regarding the prospective accounting treatment of or application of accounting principles to a specific transaction, or the type of audit opinion that might be rendered on the firm's financial report prior to the formal engagement of the successor CPA.	Not Applicable
	Discontinued					
If the former CPA issued an audit report during the most recent 2 years containing an opinion other than an unqualified opinion		None			Written views from the successor CPA regarding the matters on which the firm disagreed with the former CPA	Not Applicable
Disagreement between the Company and the former CPA		Yes	Accounting principles or practices			
			Financial report disclosure			
		Auditing scope or procedure				
		Others				
		No	V			
		Explanation: No Disagreement				

Other disclosures (those that should be disclosed as described in Item 1-4 and Item 7 of Paragraph 6 in Article 10 of the regulations): No

NM'S CAPITAL AND SHARES

Capital Formation and Trading Information

Capital Formation								
Date	Issue Price (NT\$/Share)	Authorized Share Capital		Capital Stock		Remark		
		Shares ('000 shares)	Amount (NT\$'000)	Shares ('000 shares)	Amount (NT\$'000)	Sources of Capital (NT\$'000)	Capital raised by Assets Other than Cash	Date of Approval & Approval Document No
Jul 2007	10	100	1,000	100	1,000	Establishment	None	Jul 26, 2007 (Fu-Jien-Shan-Tzu No. 09687423210)
Oct 2007	10	150,100	1,501,000	150,100	1,501,000	Fund Raising 1,500,000	None	Oct 29, 2007 (Jin- Sou-Shan-Tzu No. 09601265210)
Nov 2007	10	765,000	7,650,000	760,000	7,650,000	Fund Raising 6,149,000	None	Nov 7, 2007 (Jin- Sou-Shan-Tzu No. 09601274320)
May 2009	10	855,000	8,550,000	855,000	8,550,000	Fund Raising 900,000	None	May 20, 2009 (Jin- Sou-Shan-Tzu No. 09801099670)
Jun 2011	10	938,000	9,380,000	938,000	9,380,000	Fund Raising 830,000	None	Jun 15, 2011 (Jin- Sou-Shan-Tzu No. 10001121920)
Apr 2012	10	938,000	9,380,000	847,014	8,470,140	Capital Reduction 909,860	None	Apr 23, 2012 (Jin- Sou-Shan-Tzu No. 10101071640)
Dec 2013	10	938,000	9,380,000	630,294	6,302,940	Withdrew Preferred Shares 2,167,200	None	Dec 5, 2013 (Jin- Sou-Shan-Tzu No. 10201246780)
Dec 2013	10	938,000	9,380,000	250,000	2,500,000	Capital Reduction to make up for losses 3,802,940	None	Dec 18, 2013 (Jin- Sou-Shan-Tzu No. 10201255680)
May 2014	10	938,000	9,380,000	257,188	2,571,875	Fund Raising 71,875	None	Jun 16, 2014 (Jin- Sou-Shan-Tzu No. 10301102820)
Dec 2014	10	938,000	9,380,000	227,188	2,271,875	Capital Reduction to make up for losses 300,000	None	Dec 10, 2014 (Jin- Sou-Shan-Tzu No. 10301253620)
Aug 2015	10	938,000	9,380,000	260,462	2,604,622	Capitalization of retained earnings 332,747	None	Aug 20, 2015 (Jin- Sou-Shan-Tzu No. 10401174920)
Jan 2016	10	938,000	9,380,000	293,020	2,930,202	Fund Raising 325,580	None	Jan 11, 2016 (Jin- Sou-Shan-Tzu No. 10401278810)

Capital and Shares				
Type of Stock	Authorized Share Capital			Remark
	Outstanding Shares	Unissued Shares	Total	
Common Stock	293,020,200	644,979,800	938,000,000	Listed Stocks

NM's Stock Price, Net Worth, Earnings and Dividends				
Item		2021	2022	Jan 1, 2023 - Mar 31, 2023
Share Price (NT\$/share)	Highest	499.50	415.00	348.00
	Lowest	318.50	230.50	287.50
	Average	402.24	304.88	322.96
Book Value Per Share (BVPS, NT\$/share)	Before Distribution	59.72	73.32	77.43
	After Distribution	48.72	62.32	
Earnings Per Share (EPS, NT\$/share)	Weighted Average Shares ('000 shares)	293,020	293,020	293,020
	EPS (NT\$/share)	18.15	21.07	3.85
Dividend Per Share (DPS, NT\$/share)	Cash DPS (NT\$/share)	11	11	
	Stock DPS From Retained Earnings (NT\$/share)	0	0	
	From Capital Surplus (NT\$/share)	0	0	
	Accumulated Undistributed Dividends	0	0	
Return on Investment	P/E Ratio (x)	22	14	
	P/D Ratio (x)	37	28	
	Cash Dividend Yields (%)	2.7	3.6	

Profile of Share Ownership

Distribution Profile of Share Ownership			
Shareholder Ownership (Shares)	No. of Shareholders	Ownership	
		(Shares)	(%)
1 - 999	1,212	162,002	0.06
1,000 - 5,000	1,108	2,042,591	0.70
5,001 - 10,000	181	1,368,937	0.47
10,001 - 15,000	70	899,215	0.31
15,001 - 20,000	63	1,125,444	0.38
20,001 - 30,000	78	1,962,709	0.67
30,001 - 40,000	48	1,722,198	0.59
40,001 - 50,000	24	1,089,206	0.37
50,001 - 100,000	94	6,654,979	2.27
100,001 - 200,000	75	10,841,135	3.70
200,001 - 400,000	48	13,417,953	4.58
400,001 - 600,000	24	11,614,799	3.96
600,001 - 800,000	12	8,377,698	2.86
800,001 - 1,000,000	9	7,942,000	2.71
1,000,001+	44	223,799,334	76.37
Total	3,090	293,020,200	100.00

Preferred stock: Not applicable.
Apr 23, 2023

Major Shareholders (Top 10) & Related Party Relationship among the 10 Top Shareholders											
Name	Ownership (Shares)	Ownership (%)	Spouse & Minor Shareholding		Shareholding by Nominee Arrangements		Name and Relationship between NM's Shareholders		Remark		
			(Shares)	(%)	(Shares)	(%)	Name	Relation			
Nien Keng-Hao (Howard)	28,927,263	9.87	-	-	-	-	Nien Chao-Hung Nien Kai-Lung	Brother Brother			
Nien Kai-Lung (Ron)	28,597,263	9.76	-	-	-	-	Nien Keng-Hao Nien Chao-Hung	Brother Brother			
Nien Chao-Hung (Michael)	27,687,263	9.45	-	-	-	-	Nien Keng-Hao Nien Kai-Lung	Brother Brother			
Chuang Hsi-Chin (Ken)	17,999,047	6.14	-	-	-	-	Chuang His-Jung	Brother			
Fubon Life's discretionary investment by Nomura Funds	13,178,000	4.50	-	-	-	-	-	-			
Chuang His-Jung (Morgan)	11,530,392	3.94	-	-	-	-	Chuang Hsi-Chin Yibao investment Co. Ltd.	Brother Representative			
JPMorgan Chase Bank serves as the trustee for Morgan Stanley Investment Funds - Asia Opportunity Fund	8,690,000	2.97	-	-	-	-	-	-			
Yibao investment Co. Ltd.	7,650,000	2.61	-	-	-	-	Chuang His-Jung	Representative			
JPMorgan Chase Bank serves as the trustee for Schroder International Selection Fund - Asian Total Return	6,510,000	2.22	-	-	-	-	-	-			
Deutsche Bank serves as the trustee for Capital Group Companies	5,394,000	1.84	-	-	-	-	-	-			

Apr 23, 2023

Composition of Shareholders						
	Government Agencies	Financial Institutions	Other Institutional Investors	Domestic Natural Persons	Foreign Institutions and Natural Persons	Total
Number of Shareholders	4	20	65	2,312	689	3,090
Shareholding	2,314,498	10,715,554	31,548,532	120,206,693	128,234,923	293,020,200
Holding Percentage	0.79%	3.66%	10.77%	41.02%	43.76%	100%

Apr 23, 2023

Information for Shareholding Changes

Net Change in Shareholding by Directors, Management and Shareholders with 10% Shareholdings or More				
Title/ Name	2022		Updates as of Apr 23, 2023	
	Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Chairman & CEO Nien Keng-Hao (Howard)	-	-	-	-
Director & VP Nien Chao-Hung (Michael)	(1,050,000)	-	-	-
Director & VP Chuang Hsi-Chin (Ken)	(4,000,000)	-	-	-
Director & EVP Peng Ping (Benson)	2,000	-	-	-
Director Lee Ming-Shan	-	-	-	-
Director & CFO Jok Chung-Wai (Edward)	-	200,000	-	-
Independent Director Lin Chi-Wei	-	-	-	-
Independent Director Huang Shen-Yi	-	-	-	-
Independent Director Hung Chung-Ching	-	-	-	-
VP Nien Kai-Lung (Ron)	-	-	-	-
VP Wu Tai-Fung (T.F.)	-	-	-	-
VP Chiu Tzu-Hao (Oliver)	21,000	-	-	-
VP Lu Chin-Tai (Ted)	-	-	-	-
AVP Hsu Wen-Che (Wen)	4,000	-	-	-
AVP Chuang Yi-Sheng (Johnson)	-	-	-	-
AVP Liu Chien-Cheng (Alex)	-	-	-	-
AVP Hung Wen-Chin (Hanks)	-	-	-	-
AVP Lee Ho-Fai (Albert)	173,000	263,000	-	-

Shareholding Transferring Information						
Title/ Name	Reason of Transferring	Date	Related Person	Relationship	Shares	Price
Director & VP Chuang Hsi-Chin (Ken)	Gifting	Apr 19, 2022	Yang W.M.	Husband & Wife	2,000,000	-
Accounting Division Manager Chen Yung-Chuan (Albert)	Gifting	Jul 5, 2022	Weng Hsiao Wei	Husband & Wife	50,000	-

The Company newly assigned Lu Chin-Tai (Ted) to be VP.

Stock Pledge with Related Party:
None.

Buyback of Common Stock:
None.

Corporate Bond:
None.

Preferred Share:
None.

ADR Share:
None.

Employee Stock Options:
None.

Employee Restricted Stock:
None.

New Share Issuance in Connection with Mergers and Acquisitions:
None.

Financing Plans and Implementation:
NM didn't issue/raise funds in 2022

Information for Shareholding Changes (Continued)

Net Change in Shareholding by Directors, Management and Shareholders with 10% Shareholdings or More				
Title/ Name	2022		Updates as of Apr 23, 2023	
	Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
AVP Ou Yueh-Liang (Ohya)	-	-	-	-
AVP Lin Hsien-Ju (Felix)	-	-	-	-
AVP Liu Yu-Sha (Lisa)	-	-	-	-
AVP Peng Chih-Ping (Peter)	-	-	-	-
AVP Chang Cheng-Li (Leo)	-	-	-	-
AVP Huang Chien-Wei (KC)	-	-	-	-
Audit Division Manager Chao Pei-Chun (Watson)	-	-	-	-
Accounting Division Manager Chen Yung-Chuan (Albert)	(50,000)	-	-	-
Chief Corporate Governance Officer Wang Shu-Chuan (Jane)	-	-	-	-

Shareholding Transferring Information						
Title/ Name	Reason of Transferring	Date	Related Person	Relationship	Shares	Price

Long-term Investment Ownership

Long-term Investment Ownership						
Long-term Investment	Ownership by NM (1)		Ownership by Directors, Management and Directly/Indirectly Owned Subsidiaries (2)		Total Ownership = (1) + (2)	
	Shares ('000 shares)	Ownership (%)	Shares ('000 shares)	Ownership (%)	Shares ('000 shares)	Ownership (%)
Norm Pacific Automation Corp.	19,028	66.53	615	2.15	19,643	68.68
Nien Made (BVI) Enterprise Co., Ltd.	56,647	100.00	-	-	56,647	100.00
I Yang Enterprises Co., Ltd.	1,500	100.00	-	-	1,500	100.00
Norman International, Inc.	5,824	100.00	-	-	5,824	100.00
Original Source Investments Limited	21,378	100.00	-	-	21,378	100.00
Global Viewcomp (Hong Kong) Company Limited	186,374	100.00	-	-	186,374	100.00
Veneta Blinds Pty Ltd.	0.142	51.08	-	-	0.142	51.08
Veneta B.V.	264	51.00	-	-	264	51.00
Norman Japan Limited	47	100.00	-	-	47	100.00
Norman Australia Pty Ltd.	1,000	100.00	-	-	1,000	100.00
Norman Myanmar Service Co. Ltd.	700	100.00	-	-	700	100.00
Norman Myanmar Company Limited	38,937	100.00	-	-	38,937	100.00
Santa Fe Shutters Limited	0.1	100.00	-	-	0.1	100.00
Bay Blinds Limited	0.1	100.00	-	-	0.1	100.00
New Legend Enterprises Limited	56,647	100.00	-	-	56,647	100.00
Nien Made (Dong Guan) Window Fashions Co., Ltd.	-	100.00	-	-	-	100.00
Zhao Feng (Dong Guan) Window Fashions Co., Ltd.	-	100.00	-	-	-	100.00
Capital Darren Limited	976	100.00	-	-	976	100.00
San Feng (Cambodia) Company Limited	100	100.00	-	-	100	100.00
Nien Made (Wulian) Window Fashions Co., Ltd.	-	100.00	-	-	-	100.00
International Window Treatments, Inc.	228	100.00	-	-	228	100.00
Nien Advanced Solutions	516	100.00	-	-	516	100.00
Richfield Window Coverings, LLC.	-	100.00	-	-	-	100.00
Norman International Las Vegas, LLC.	-	100.00	-	-	-	100.00
Norman International Illinois, LLC.	-	100.00	-	-	-	100.00
Norman International Virginia, LLC.	-	100.00	-	-	-	100.00
Norman International Colorado, LLC.	-	100.00	-	-	-	100.00
Norman International San Jose, LLC.	-	100.00	-	-	-	100.00
Norman International Dallas, LLC.	-	100.00	-	-	-	100.00

Long-term Investment Ownership (Continued)

Long-term Investment Ownership						
Long-term Investment	Ownership by NM (1)		Ownership by Directors, Management and Directly/Indirectly Owned Subsidiaries (2)		Total Ownership = (1) + (2)	
	Shares ('000 shares)	Ownership (%)	Shares ('000 shares)	Ownership (%)	Shares ('000 shares)	Ownership (%)
Norman International Florida, LLC.	-	100.00	-	-	-	100.00
Norman International Arizona, LLC.	-	100.00	-	-	-	100.00
Norman International New Jersey, LLC.	-	100.00	-	-	-	100.00
Norman International Washington, LLC.	-	100.00	-	-	-	100.00
Norman International South Carolina, LLC.	-	100.00	-	-	-	100.00
Billion Coins Development Limited	357,768	100.00	-	-	357,768	100.00
Dongguan Fanchang Curtain Product Co., Ltd.	-	100.00	-	-	-	100.00
Norman Mexico Company Limited	1,384,994	100.00	-	-	1,384,994	100.00
Norm Pacific Technology Ltd.	1,000	100.00	-	-	1,000	100.00
E-Shine Technology Ltd.	-	100.00	-	-	-	100.00

Note: Dec 31, 2022

Long-term Investment: NM and its subsidiaries applying for equity method.

NM'S

DIVIDEND POLICY

Dividend Policy Stated in NM's Articles of Incorporation

When distributing earnings for each fiscal year, the Company shall first pay taxes, offset any losses from previous years and set aside a required legal reserve at 10% of the earnings left over, until the accumulated legal reserve has equaled the total capital of the Company. The Company may retain or distribute special reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. Proposals to distribute special reserve and undistributed earnings of the fiscal year shall be raised by the Board of Directors and be resolved at the shareholders' meeting.

The Company participates in window covering business, a mature industry, with stable profitability and sound financial structure. In consideration of the capital expenditure and a financial planning for continually expending its capital in the future as well as the shareholders' interests, the dividend for shareholders may be distributed in the forms of cash as well as stock, among which, the portion of cash dividend to be distributed shall not be less than the 20% of the total amount of distributed cash and stock dividend in that fiscal year.

The aforementioned proportion of dividends shall be adjusted based on the resolution adopted in the shareholders' meeting depending on the actual profits and financial status of the Company for the fiscal year

Earnings Distribution Proposal (2022)

	Unit: NT\$
Undistributed earnings at the beginning	3,921,345,641
Other comprehensive income (loss) - Remeasurement of the defined benefit plan	4,466,327
Current income after income tax	6,173,010,484
Subtotal	10,098,822,452
Subtract: Legal reserve	(617,747,681)
Subtract: Special reserve	1,028,864,224
Earnings available for distribution	10,509,938,995
Distribution items:	
Dividends to shareholders- Cash Dividend	3,223,222,200
Dividends to shareholders- Stock Dividend	0
Undistributed earnings by the end of the period	7,286,716,795

Note:
The distribution items in 2023 are allocated in priority from Earnings available for distribution in 2022.
According to Article 29 of the Company's Articles of Incorporation, the distribution of profits in the form of cash shall be decided and carried out by the Board of Directors, and reported to the shareholders' meeting.

Impact to Business Performance and EPS Resulting from Stock Dividend Distribution

The Board of Directors of the Company approved on Mar 14, 2023 the distribution of cash dividends to shareholders for the 2022. There were NO stock dividend distributions, so it does NOT apply.

NM'S COMPENSATION POLICY

Compensation Policy Stated in NM's Articles of Incorporation

According to Article 28 of the Articles of Incorporation, when there are earnings in the year, the Company shall set aside 1%-4% of its annual profits as compensation bonuses to its employees and no more than 1.5% as remuneration to its directors. In advance of distributing profit sharing bonuses, the Company shall cover its accumulated losses.

The annual profit mentioned in the preceding article refers to the income before tax of the same year before deducting the remuneration distributed to its employees and directors.

The compensation of employees set forth in the preceding article may be distributed in the form of shares or in cash, and the employees mentioned in the preceding article shall include employees of the subordinate companies that meet certain conditions.

In addition, in order to achieve sustainable development of the Company, the directors' remuneration can be adjusted by referring to the Regulations Governing the Board Performance Evaluation, and the evaluation results in the aspects of the directors' alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the directors' professionalism and continuing education, and internal control shall serve as reference for the adjustment.

Compensation Proposal (2022)

The employees' profit sharing and the directors' compensation based on estimated amount payable in 2022 amounted to NT\$212,588,000 and NT\$40,849,000 respectively, which were recorded under item of Salaries. If there are any changes in the amount after the release date of the annual financial report, the differences will be recorded in the following year as a change in accounting estimate.

Compensation Approved by BoD (2022)

The allocation of 2022 profits distribution in the form of the employees' compensation and directors' remuneration resolved by the Board of Directors is set forth as NT\$212,588,000 and NT\$40,849,000 respectively, both distributed in cash.

There is no difference between the amount resolved by the Board and the amount of the recognition of expense for the year of 2022.

The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation

Not applicable

Compensation (2021)

The amount distributed to employees' profit sharing and directors' remuneration came in at NT\$206,000,000 and NT\$40,742,000 respectively and was approved in the Shareholders' Meeting dated on Jun 21, 2022. There is no difference between the amount distributed and the amount of the recognition of expense for the year of 2021.

OPERATIONAL HIGHLIGHTS

Business Scope and Product Briefing

Main Products	Applications		Revenue Mix of Main Products					
			2020		2021		2022	
			Revenue (NT\$'000)	Percentage (%)	Revenue (NT\$'000)	Percentage (%)	Revenue (NT\$'000)	Percentage (%)
Window Coverings	Different types of window coverings are applied to different styles of doors and windows, and they can fit for different ways of interior design and décor.		23,331,053	95.6	27,948,038	96.3	27,866,390	96.3
	Product Details	Explanation						
	Shutters	Wood Shutter MDF Shutter n Ensure privacy and can block harmful UV rays. n Able to be adjusted according to the users' preference for the required light and angle, with large visible area of the window and energy-saving benefit. n High tactile quality that can be perfectly integrated with home décor						
	Shades	Cellular Shades Roman Shades Roller Shades n Ensure privacy and can block harmful UV rays. n Cellular Shades are with energy- saving benefit.						
Blinds	PVC Blinds Aluminum Blinds Faux Wood Blinds Vertical Blinds Wood Blinds n Ensure privacy and can block harmful UV rays. n Users can adjust the required light and angle as they prefer.							
Others	Mainly home appliances such as dehumidifiers, air cleaners and timers used and PVC pipes.		1,083,253	4.4	1,076,070	3.7	1,085,042	3.7
Total			24,414,306	100.0	29,024,108	100.0	28,951,432	100.0

Business Scope

- (1) F401010 International Trade.
- (2) C805990 Other Plastic Products Manufacturing.
- (3) C399990 Other Textile Products Manufacturing.
- (4) C501990 Other Wooden Products Manufacturing.
- (5) C801100 Synthetic Resin & Plastic Manufacturing.
- (6) CA01100 Aluminum Material Rolls over Extends and Crowding.
- (7) CA02010 Metal Architectural Components Manufacturing.
- (8) C601990 Other Paper Products Manufacturing.
- (9) CB01010 Machinery and Equipment Manufacturing.
- (10) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Future R&D Plans

To expand our market share of custom size window coverings in the European and U.S. markets, NM will launch a full range of custom products, such as Motorized Roller Shades and Motorized Cellular Shade launched to meet consumers' diverse fashion tastes and demands for smart home motorization solutions. We also provide consumers one-stop shopping solutions.

In addition, the demands for safe and environmentally-friendly products are increasing in the world. NM has launched various safe products with the cordless design, and the products to be developed in the future will incorporate the concept of child safety and green materials into product design.

Operating Strategies & Focuses

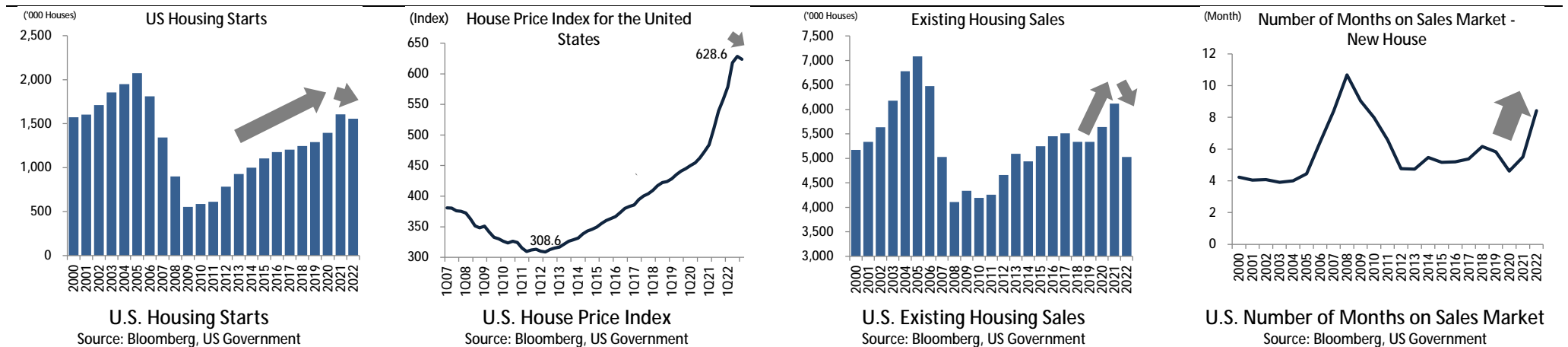
About Window Covering Businesses

Window treatments have the functions of shading, regulating indoor light and protecting the privacy of the owner, allowing applications in various residential and commercial buildings and space. Nien Made is a leading global manufacturer in this field, manufacturing and selling a broad assortment of high quality and fashionable window treatment for all markets.

Window treatment industry is closely related with the prosperity and transactions of the real estate market. Nearly 70-80% of NM's revenues come from the North American market. Looking back on the new housing supply in the U.S. in 2022 there were 1.55mn new housing starts from 1.59mn in 2021. New home sales periods have extended from only 5-6 months in 2021 to 8-9 months in 2022. The number of existing home sales in U.S. weakened synchronously in 2022 to 5.0mn units (-18% YoY). The housing price index also turned weak in 4Q22 (-1% QoQ).



Primary Markets (dark areas) of Nien Made



According to the World Bank's economic forecast in 1H23, the U.S. is expected to experience stable real GDP growth (+0.5% YoY) in 2023E. While the overall economic outlook remains steady, Nien Made closely monitors the risks of a gradual cooling of the housing market and rising mortgage rates, which may slow down the growth of the window covering market.

Real GDP Forecasts					
GDP % YoY	2020	2021	2022E	2023E	2024E
US	-2.8	+5.9	+1.9	+0.5	+1.6
Euro Area	-6.1	+5.3	+3.3	+0.0	+1.6
Japan	-4.3	+2.2	+1.2	+1.0	+0.7

Source: World Bank



Nien Made's Craftsmanship

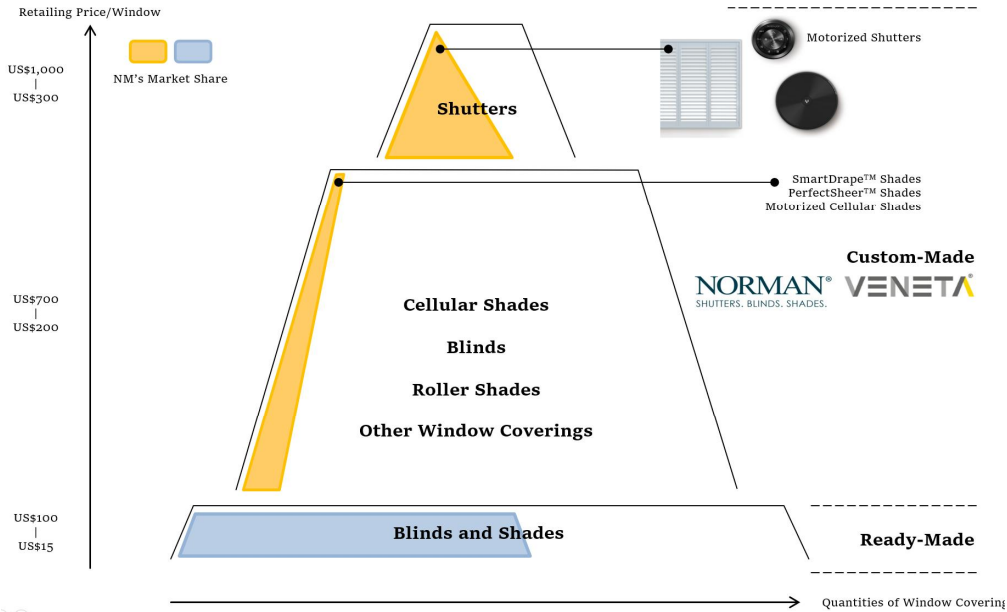
Window coverings can be divided into Shutters, Blinds and Shades (such as Cellular Shades). These products can also be divided into low-priced ready-made categories distributed in large chain stores and high-priced custom-made window coverings sold in small specialty stores.

The retail price of ready-made Blinds falls at US\$15-100/window (NT\$450-NT\$3,000). Consumers making purchases in big box retailers can easily obtain price information of different products on the shelves. Consumers are therefore more sensitive to price. Nien Made, through its production facilities in Cambodia and lean production management, offers consumers abundant, affordable, and user-friendly ready-made window coverings.

The price of custom-made window coverings falls at US\$200-1,000/window (NT\$6,000-NT\$30,000), and the unit price is much higher than that of ready-made ones. There is a large price gap because in the custom-made window covering market, services are designated to the end customer for one window of window treatment, and the color, size, material and accessories of it are also carefully selected to match the unique interior design. That is to say, custom-made window treatments shall carry maximum variety in solutions to meet each consumer's few demands for quantities. The production capacity of the custom-made window coverings in NM's new production base in Mexico will not only enable us to provide more high-quality window treatments to families in North America but also allow more custom-made window covering users to enjoy the convenience of 2-week delivery time, which further enhances NM's competitiveness.

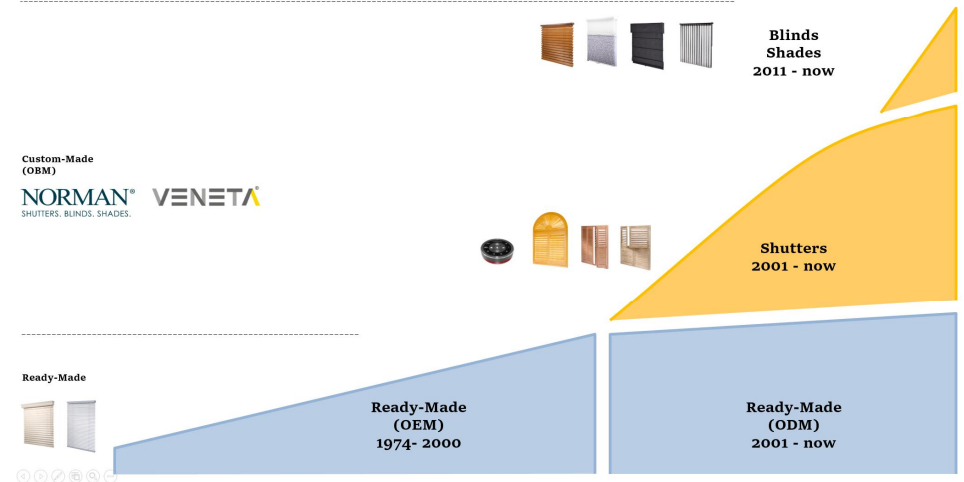


Nien Made's Marketing Activities (e.g. showroom and Instagram), In Japan



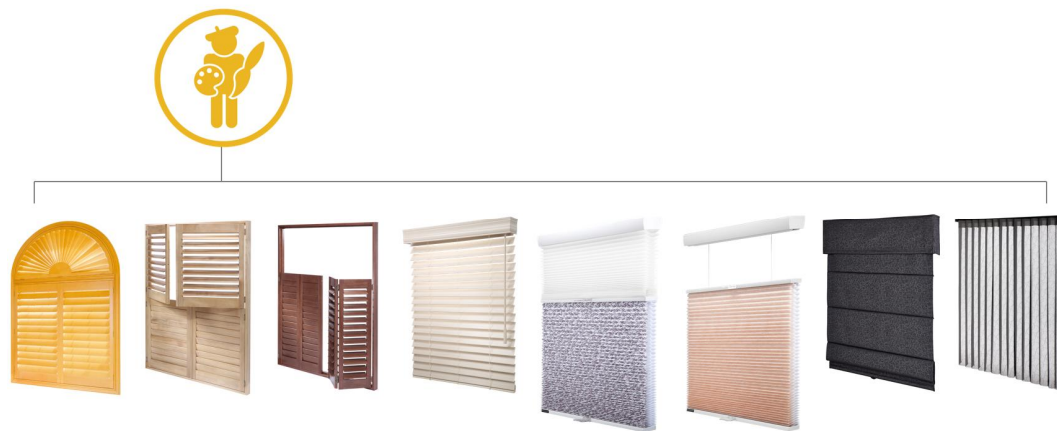
Window Covering Market of North America

Since 1974 49 Years

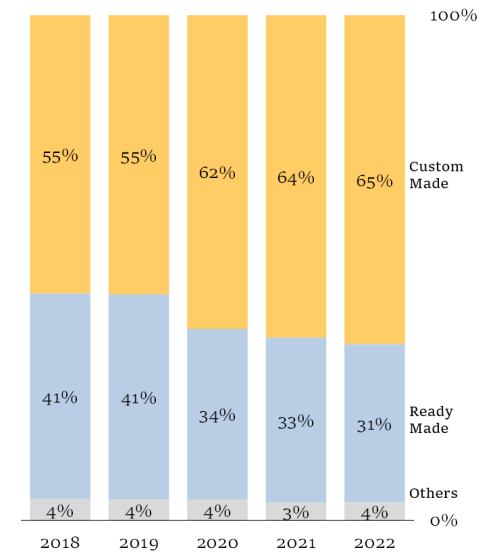


Nien Made's Milestone

In contrast to NM's Compound Annual Growth Rate of ready-made window coverings in recent years (3-4% CAGR, 2018-2022), that of the custom-made window coverings benefit from more abundant production selection choices and the continuous improvement of the production techniques, resulting in a higher compound annual growth rate (11-12% CAGR, 2018-2022).

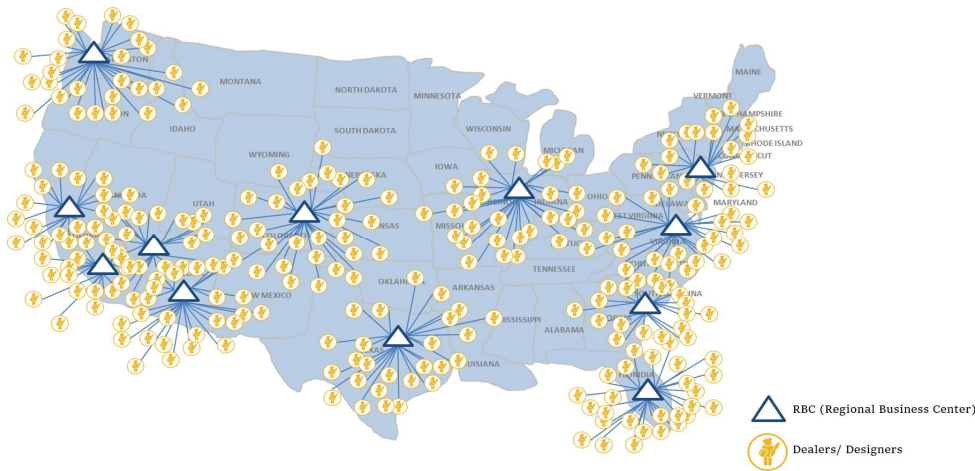


One-Stop Shopping Solution by Nien Made



Nien Made's Revenue Mix

The market size of the custom-made blinds and shades is more than 4 times that of the ready-made market. According to NM's experience of rapid growth in this new market, the foreseeable medium-to-long revenue growth potential should be much greater than that of ready-made products. To expand and deepen our services to customers in this market, NM has set up 12 regional business centers (RBC) thoroughly to directly contact with more than 4,500 small specialty stores, dealers and designers so as to keep abreast of the market pulse, maintain customer relationships in the small channel and conduct effective product training and new product introduction.

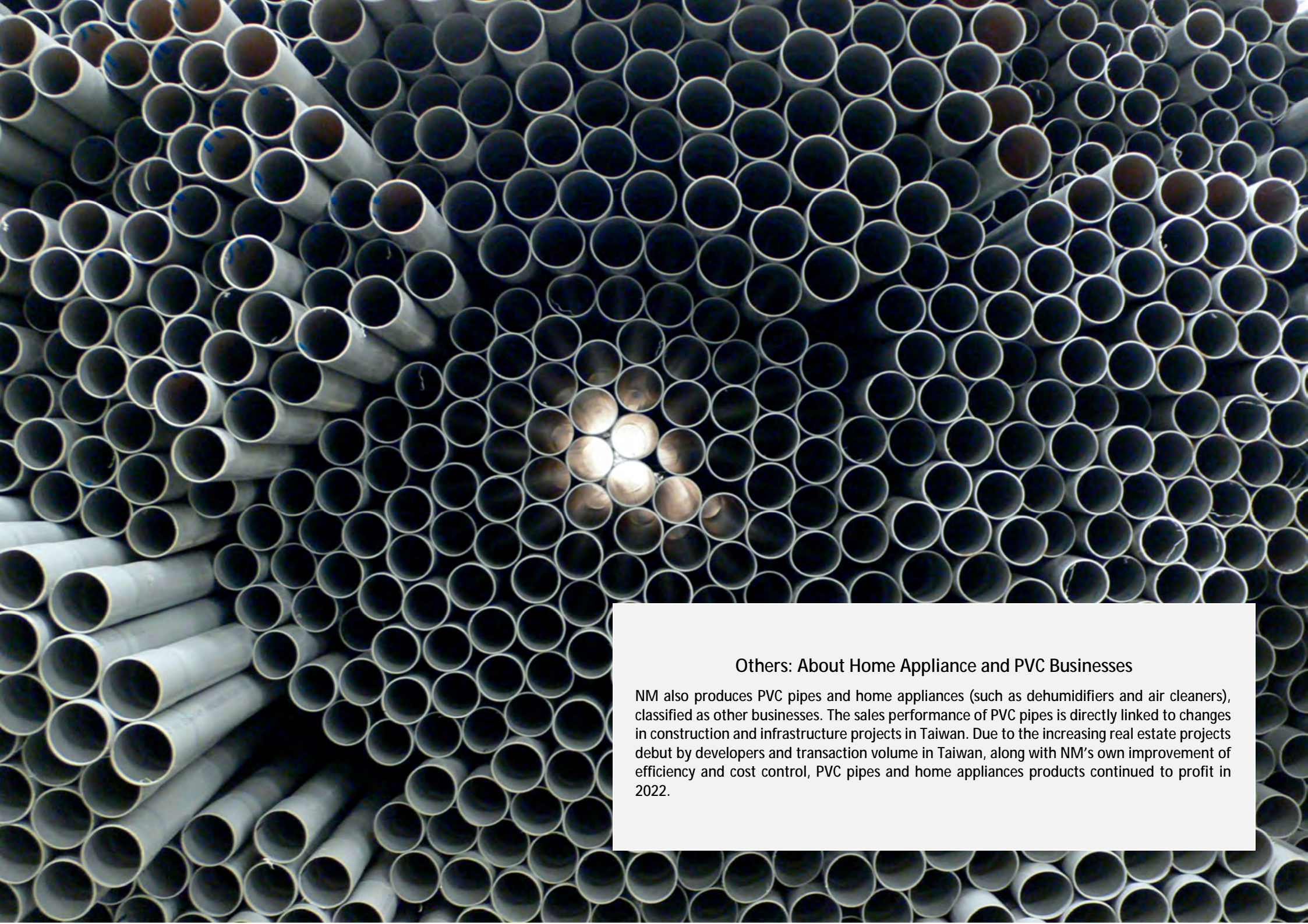


Nien Made's Custom-Made Overview in U.S.



Nien Made's Global Production Locations





Others: About Home Appliance and PVC Businesses

NM also produces PVC pipes and home appliances (such as dehumidifiers and air cleaners), classified as other businesses. The sales performance of PVC pipes is directly linked to changes in construction and infrastructure projects in Taiwan. Due to the increasing real estate projects debut by developers and transaction volume in Taiwan, along with NM's own improvement of efficiency and cost control, PVC pipes and home appliances products continued to profit in 2022.

Brief of Supply Chain

Main Businesses	Upper Stream	Mid Stream	Down Stream	Ongoing Trends
Window Coverings Products (Shutters, Blinds and Shades)	<ul style="list-style-type: none"> n Petrochemical Industry (e.g. PVC resin) n Textile Industry (e.g. non-woven fabric) n Wood Industry (White Teak/ Paulownia Wood) 	<p>n Window Coverings Industry: Window coverings are composed of raw materials of fabrics, wood, PVC resin, and aluminum as well as hardware components. Therefore, the upstream industries are mainly wood suppliers, plastic resin suppliers, fabric suppliers and hardware component manufacturers while the downstream industries include large chain stores, processing plants, and distributors/retailers.</p> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <p>Production Process of Window Treatments</p> <ul style="list-style-type: none"> Raw Material ▽ Manufacture ▽ Assemble ▽ Sample Test ▽ Packaging ▽ Inventory ▽ Delivery </div>	<ul style="list-style-type: none"> n Retailers (Big Box Clients) n Local Fabricators n Distributors/ Specialty Stores 	<p>Window coverings are part of the home décor. How to combine aesthetics and functionality with the consideration of environmental protection and safety will become an important issue in the development of new products and a key factor to lead the market.</p> <p>In the M-shaped society, ready-made products and custom-made products belong to two different consumption clusters; the former is quantity- and cost-oriented consumption model while the latter emphasizes on diversity, high quality and a complete service network. It will be the goal for the Company to work for continuously to design products meeting the two requirements and to construct a complete marketing channel.</p>
Others: About Home Appliance	<ul style="list-style-type: none"> n Plastic Part Industry n Compressor Industry n Motor Industry n Electric Component Industry n Metal Part Industry n Packing Material Industry 	<p>n Home Appliance Industry: The NM's appliance products are mainly household appliances such as dehumidifiers, air cleaners, and timers used in appliances. The upstream industries are manufacturers of all parts and components while the downstream industries are household appliance brand dealers and distributors.</p>	<ul style="list-style-type: none"> n Brand Dealers n Distributors n Retailers (Big Box Clients) n Customers 	<p>Due to the economic development and the increase in national income, household appliances have changed from luxury items in the past into indispensable necessities. The future trend will be continuous improvement of the existing product categories to pursue more convenience, exquisiteness, and comfort. Appliances with single function can no longer meet the requirements of consumers. High-end appliances with more sophisticated functions have gradually become popular among consumers. Coupled with the global energy shortage, the development of energy-saving products will also be an important trend.</p>
Others: About PVC Pipes	<ul style="list-style-type: none"> n Petrochemical Industry 	<p>n PVC Pipe Industry: NM manufactures PVC pipes, and the upstream suppliers are petrochemical industries producing PVC resin while the downstream industries are mainly contractors that use PVC pipes and the distributors/ retailers that sell PVC pipes.</p>	<ul style="list-style-type: none"> n Developers n Distributors n Specialty Stores 	<p>Currently, there is keen competition in the domestic PVC pipes industry, which is greatly affected by the fluctuation of international crude oil and raw material prices. The Company focuses on providing high quality products and continues improving production processes to effectively control production costs so as to respond to the market competition with high quality and reasonable prices.</p>



Suppliers Accounted for at Least 10% of Annual Consolidated Net Procurement

2021				2022				As of Mar 31, 2023			
Supplier	Procurement Amount (NT\$'000)	As % of 2021 Total Net Procurement	Relation to NM	Supplier	Procurement Amount (NT\$'000)	As % of 2022 Total Net Procurement	Relation to NM	Supplier	Procurement Amount (NT\$'000)	As % of 1Q23 Total Net Procurement	Relation to NM
Supplier B	1,975,815	22.8	None	Supplier B	1,674,030	20.3	None	Supplier B	74,246	7.3	None
Others	6,682,011	77.2		Others	6,560,269	79.7		Others	937,042	92.7	
Total Procurement	8,657,826	100.0		Total Procurement	8,234,299	100.0		Total Procurement	1,011,288	100.0	

Competition and Demand/Supply Dynamics

More About Channels and Competition

The channels of window treatment market include the followings. The first channel is to sell products to consumers through retailers, and the products are mainly ready-made products with only a small number of custom products. The second channel is the sale of finished or semi-finished products to processing plants. After the processing of these products, the processing plants then sell the products to retail stores. Consumers purchase the products in the retail stores. Ready-made products also account for most part of the products in this channel. The third channel is to directly sell the products to distributors or dealers, designers or specialty stores and then these channels sell the products to the consumers. Products sold in this channel are mostly custom-made products. The fourth channel is to directly sell the products to consumers (mainly through the websites, B2C, and marketing staff), and products sold in this channel are also custom products.

With years of efforts made by our subsidiary in the U.S. in the sale of custom shutters, we have successfully developed the distribution network with thousands of small specialty stores and created our own brand of Norman®. We have also set up our own 12 regional business centers (RBC) in the U.S. to provide direct services to these small specialty stores. The new custom-made window coverings developed in the future will be integrated into the existing channels for sales and become our market share and profitability drivers.

In addition, NM has successfully established channels in big box stores in North American markets for 20+ years, and has taken a leading position in the sale of ready-made blinds and shades. Furthermore, Nien Made is the only Asian window covering manufacturer with the capability of research and of providing professional cutting machines for window treatments. NM provides the retailers with the patented cutting machines of window coverings, and these large chain stores are then able to provide cut-to-size products to meet the needs of semi- custom-made products, bringing the hypermarkets more profits and enabling NM to establish close bonds with large big box stores while creating high barriers to entry.

In the markets in Japan, Holland, Belgium, and Luxembourg, NM provides direct sales and services to consumers via websites or physical service bases through the subsidiary established by the Company, and the last-mile distribution creates higher profits for NM. For areas outside North America, in addition to the custom blinds and shades provided through our existing channels of fabricators, dealers, or retailers, new markets and channels will also be developed at the same time.

Looking at the above, under the effective business strategies and diverse development of high value-added and high margin custom products, Nien Made is not only able to cope with market competition and the needs for product diversification, the overall development also shows a trend of steady growth, and the future output value is expected to increase year by year.



Nien Made's Cutting Machines for Window Treatments in Retailer's Stores

Supply

In terms of the supply, due to the factors of global division of labor, the transfer of the world's manufacturing system and the booming growth of emerging markets, major brand manufacturers seek the most advantageous way to carry out the global value chain division. Since 1990s, due to the magnetic effect of China, the largest global factory and its vast market, the number of window coverings purchased by international brands outside the U.S. has increased rapidly. According to the statistics of ITA (International Trade Administration), China accounted for 60% of the furniture-related products imported to the U.S. in 2014, showing China's significant role as a production base for this industry.

In addition, as custom-made products become more and more popular, the market growth shall increase drastically. However, in the market of custom-made products, trouble-free & total solution and a complete service network (marketing, measurement, installation, after-sales service and so on) are required. In North American region, besides Nien Made, there are only 2 other companies that can dominate this market.

The major distribution channels of ready-made blinds and shades are retailers (big box clients) with strong bargaining power. Due to the rising production costs and the difficulty in price adjustment, Asian manufacturers (mainly Taiwan's businessmen in China) do not have the capability to enter custom-made window covering market, and their living space is therefore significantly reduced. In addition, the introduction of NM's professional cutting machine enables NM to continue to consolidate its market share in the ready-made merchandise market.

Demand

The U.S. is the largest consumer market of window coverings (shutters, blinds and shades) as well as the major sales region of NM. Since the financial crisis in 2008, like most furniture manufacturers, window covering and blinds manufactures in the U.S. all faced the sharp decline in demands caused by the economic downturn. However, according to World Bank and the U.S. real estate and job market statistics, the housing market has stabilized in recent years, and the spending power of the general public has also increased, making them more willing to invest funds in home decoration.

About Market Shares

NM's management has been leading the window covering industry for nearly five decades. Our custom-made shutters and the sales of ready-made blinds and shades in retailers both have a leading market share. Custom-made shades and blinds accounts for US\$4.5+ bn in the overall U.S. market. The largest competitor of the window covering industry reported net sales of US\$1.7 bn in North America in 2020. Our custom shades and blinds shall still have room for growth in the future.

In non-US markets, the Company's sales volume has ranked among the best due to custom shutters of Norman®, our own brand and our distribution channels.

Revenue by Geography

	2020		2021		2022	
	(NT\$'000)	(%)	(NT\$'000)	(%)	(NT\$'000)	(%)
America	18,235,641	75	21,189,900	73	22,042,217	76
Europe	5,035,792	21	6,455,588	22	5,357,534	19
Other	1,142,873	4	1,378,620	5	1,551,681	5
Total	24,414,306	100	29,024,108	100	28,951,432	100

The image shows a screenshot of the Veneta.com website. At the top, the URL 'VENETA.COM' is displayed. Below it is a banner with a yellow background, a pink circle containing the word 'YES!', and a large pink graphic that says 'WE'RE LIVE IN DENMARK' next to a Danish flag. The background of the banner shows a colorful Danish town. Below the banner, the text reads: 'Hi everyone, The past few months have been an amazing ride, and today marks the day we all worked so hard for. From now on we can help our Danish customers on our website! It's been quite a journey so far, but we've only just begun! A year ago Ulrik joined Veneta.com and since that day he's been searching for the right members to join the team, and he succeeded. We now have a whole team who are very eager to make sure Veneta.com also becomes the number one in window decoration in Denmark.' To the right of the website screenshot is a map of Australia with the text 'Norman Australia' and three orange circles indicating sales locations: Melbourne (2020), Sydney (2021), and Brisbane (2019). A small map of New Zealand is also visible to the right of the Australian map.

Nien Made's Sales Channels in Europe (Denmark - New), Australia and New Zealand

Annual Production

	2021			2022		
	Capacity	Volume	Value (NT\$'000)	Capacity	Volume	Value (NT\$'000)
Window Coverings Products (Shutters, Blinds and Shades)	Note	Note	12,591,083	Note	Note	12,709,870
Others	Note	Note	920,706	Note	Note	779,817
Total	Note	Note	13,511,789	Note	Note	13,489,687

Note: Not applicable due to unit differences.

Consolidated Revenue by Domestic/Export

	2021				2022			
	Domestic		Export		Domestic		Export	
	Shipment	Revenue (NT\$'000)	Shipment	Revenue (NT\$'000)	Shipment	Revenue (NT\$'000)	Shipment	Revenue (NT\$'000)
Window Coverings Products (Shutters, Blinds and Shades)	Note	105,633	Note	27,842,405	Note	115,066	Note	27,751,324
Others	Note	382,443	Note	693,627	Note	394,424	Note	690,618
Total Revenue		488,076		28,536,032		509,490		28,441,942

Note: Not applicable due to unit differences.

Customers that Accounted for at Least 10% of Annual Consolidated Revenue

2021				2022				As of Mar 31, 2023			
Customer	Revenue (NT\$'000)	As % of Revenue	Relation to NM	Customer	Revenue (NT\$'000)	As % of Revenue	Relation to NM	Customer	Revenue (NT\$'000)	As % of Revenue	Relation to NM
Customer A	9,946,271	34.3	None	Customer A	11,196,591	38.7	None	Customer A	1,834,807	30.3	None
Others	19,077,837	65.7		Others	17,754,841	61.3		Others	4,229,820	69.7	
Total Revenue	29,024,108	100.0		Total Revenue	28,951,432	100.0		Total Revenue	6,064,627	100.0	

Short/Long Term Business Plan and R&D Development

Short Term Business Plan	<ul style="list-style-type: none"> n Continuous development of various targeted custom products, the integration of the product lines with full service support capability under the Norman® brand, and channels to expand the market share in the custom-made window covering market. n Expansion of new market and new sales model (direct sale to consumers). n Consolidation and expansion of ready-made market and provision of more diverse solutions with the cutting machines and various cut-to-size products allowing consumers to buy semi-custom-made products that can meet their demands so as to increase the sales turnover and market penetration.
Long Term Business Plan	<ul style="list-style-type: none"> n NM's long-term business development plans are to increase the proportion of high value-added products with our own brand and deep-plowing marketing channels while conducting highly vertical integration of the channels, marketing, R&D, manufacturing and supply chain to ensure the market competitiveness. NM aims to fulfill the Company's vision of "becoming the best performer of window covering enterprise in the world".

	2021	2022
Technology Development	Customized materials for new Cellular Shades and new operating mechanism.	Customized materials for new Cellular Shades and new operating mechanism. Equipment of Cellular Shades were improved for improving efficiencies.
(NT\$'000)	2022	As of Mar 31, 2023
R&D Expenses (Consolidated)	205,070	43,457

Positive/Negative Factor and Core Competence

Positive Drivers	Core Competence	Negative Factors (Please refer to Risk Management Section for more details)
<p>n Efficient production model and vertical integration: Implementation of <u>Toyota Production System (TPS)/Lean Production</u> increases production efficiency, reduces production costs, ensures quality and eliminates waste. Through vertical integration, stable sources of raw materials or parts can be obtained, creating more profits while quality is also guaranteed.</p> <p>n Sophisticated products and R&D capabilities: The feedback from various channels and our salespeople enables the NM's R&D team to continuously develop products satisfying customers' needs and along with the constant improvement of the factories, we are able to produce excellent quality products for consumers.</p> <p>n Diversified products, various channels, self-owned brand and a complete service flow: NM's self-brand, Norman®, channels and service network established based on our successful experience of sales of shutters enable fast introduction of various custom-made products. In addition, in the channel of large chain stores, our existing advantages can be used to continuously launch new products to strengthen our relations with large chain stores.</p> <p>n Establishment of last-mile distribution- direct sales to consumers: Through subsidiaries in the regions of the Netherlands, Belgium, and Luxembourg and in Japan, we provide direct sales and services to end consumers to directly obtain feedback from consumers for product improvement and the launch of new products. In addition, integration from production end to customer end will be successfully completed to drive overall profitability.</p> <p>n Establishment of warehouses and local processing plants in major markets and reinforcement of customer relationships and after-sales service: The main customers of Nien Made are all supermarkets in North America. To cope with our customers' needs, we set up shipping warehouses and local processing plants to provide customers with timely and appropriate amount of window treatments of short lead time to completely meet the needs of large chain stores. In addition, with NM's product technology and years of reputation, we actively cooperate with our customers, provide immediate after-sales services, and obtain the latest product development & market dynamics to fully grasp the business opportunities.</p>	<p>n Implementation of Lean Production to reduce production costs: Focusing on "<u>Quality First</u>" and the practice of the <u>Toyota Production System (TPS)/Lean Production</u> effectively increases production efficiency and decreases production costs.</p> <p>n With independent R&D capabilities and relevant patents, NM continues to launch new high value-added products: Only by developing new products and improving the existing production processes can we increase the added value of window coverings for market segmentation and creation of the maximum profits.</p> <p>n Integration of production and supply: The NM's production supply chain is highly and vertically integrated into the raw materials, and with high degree of independent manufacturing capability, the manufacturing costs are reduced. The production competitiveness is strengthened.</p> <p>n Self-owned brands and channels: NM has successful sales of shutters in the distribution network with small specialty stores and direct sale to consumers. NM also has its own brand, Norman®, and set up the firm's own channels thoroughly. Apart from continuous development of new markets and channels, NM will also integrate various custom products with our existing own channels for sales to increase market share and profitability. In addition, the Company continues providing excellent ready-made products at reasonable prices to conventional retailers supplemented with cutting machines to provide more options to and enhance satisfaction of customers making purchases at such stores. Through this strategy, NM enables closer bond with retailers and sets high barriers to entry for new/prospective competitors.</p>	<p>n Rising labor costs in China resulted in the continuous increase in manufacturing costs: NM's main production base is located in China. In recent years, with the economic development in China, the labor costs are increasing, and most young people have turned to the service industry instead of staying in the factories, making it difficult to recruit employees in the factories, which also resulted in constantly increasing factory costs. Therefore, NM established a new facility in Cambodia to expand the production capacity to cope with the future growth of the Company.</p> <p>n Facing the threat of price competition in the ready-made businesses: Large chain stores are mature channels for the window treatment's sales, and for large chain stores, the price is the winning point, making it easy for price competition in the market. NM insists on excellent quality as our primary goal so as to become a reliable partner to our customers for a long time by providing great quality products. To cope with the needs of our retailer customers, we have developed and provided for free thousands of cutting machines for blinds and shades that are user-friendly and easy to be maintained. This enables the store staffs of the big box stores to instantly modify the width of the window coverings. The partially custom products (i.e. semi-custom-made) by modification can enhance product value and increase the sales. It can be supplemented by advanced custom products processed in NM's own factories in the U.S., and Nien Made successfully made market differentiation with our Asian competitors.</p> <p>n Product demands are greatly affected by the business cycle of the housing market, especially in North America: NM's main products are various shutters, blinds and shades. Due to the fact that window treatment products belong to home décor products, the demands for this kind of products are therefore influenced by the business cycle in the housing market. Our major sales markets are in North America, and changes in economy and realty market have larger influence on the sales performance. After years of efforts, NM has successfully established our own brand (Norman®) and our regional business centers (RBC). Currently the sales of custom products of the merged company account for more than half. Due to the higher unit price of custom products, the demands for this kind of products are less likely to be influenced by the general fluctuations of the economy, easing the impact of the business cycle on the Company.</p> <p>n Rising costs of international raw materials: In the face of rising costs of international raw materials, the Company continues to promote production improvement activities to enhance production efficiency and to develop new materials to increase profits.</p>

NM'S HUMAN CAPITAL



Nien Made's Blinds Quality Check (Dallas, U.S.)

Employee's Welfare and Training

Employee welfare measures

The employee welfare measures of the Company are regulated by the Labor Standards Act, Labor Insurance Act, Employees Welfare Funds Act and other relevant regulations. The major items of the current welfare system include employee discount of window treatments, holiday bonuses for Labor Day, Dragon Boat Festival, Mid-Autumn Festival, Birthday, and Spring Festival. Other employee welfare includes domestic and foreign travel allowance(or vouchers), scholarship, cash gift for housewarming, marriage and fertility allowances, hospitalization condolence payments, funeral subsidy and so on.

Staff education and training

To cultivate talents and to meet employees' expectation for career development, NM provides comprehensive education and training programs, including management trainee training program, professional competence training, newcomers' training, independent training held by departments, lean production management training course and so on.

Pension systems

New pension system:

Since Jul 1st, 2005, NM has distributed at least 6% of the employees' salary to the designated individual pension insurance accounts as prescribed in the Labor Pension Act.

Old pension system:

Conducted in accordance with the Labor Standards Act.

Protection measures of employee rights and interests

Our employees are important assets to Nien Made. We strive to combine the Company's visions with the employees' personal development goals. NM has set up the Remuneration Committee, which is composed of all independent directors, to evaluate the Company's overall benefit and remuneration system. In 2022, the Committee convened 2 meetings to implement corporate governance and to improve the remuneration system. For employees' welfare measures, an Employee Welfare Committee is set up as prescribed to be in charge of relevant measures.

Workforce Structure

	2021	2022	As of Mar 31, 2023	
Managers	341	343	366	
Employees	2,980	3,023	3,071	
Employees for Manufacturing	9,056	8,225	8,011	
Total Headcounts	12,377	11,591	11,448	
Average Years of Age	34.82	35.22	35.75	
Average Years of Service	5.18	5.61	6.17	
Education Profile (as a % of total)	PhD	0.05%	0.06%	0.06%
	Master's Degree	0.99%	1.02%	1.05%
	Bachelor's Degree	6.90%	7.43%	7.72%
	High School	18.33%	18.89%	18.95%
	Junior High School or Below	73.73%	72.60%	72.22%

Other important agreements:

None.

Losses resulting from labor disputes as of the date of this annual report:

None.

Losses resulting from future or prospective labor disputes:

None.



Sanitization for preventing COVID-19 (Dallas, US)

NM'S

RISK MANAGEMENT AND OTHERS

Risk Assessment (as of the Date of this Annual Report)

Impacts of interest rates on NM's profits and losses and future response measures:

The interest expenses of the Company and its subsidiaries in 2022 and 2021 were NT\$9,258k and NT\$33.96mn respectively, accounting for 0.03% and 0.12% of the consolidated operating revenue and 0.11% and 0.46% of the consolidated income before tax of the Company. Therefore, the impact of interest rate changes on NM's consolidated revenues and profits is limited.

Impacts of exchange rate changes on NM's profits and losses and future response measures:

The exchange gains or losses of the Company and its subsidiaries in 2022 and 2021 accounted for 2.18% and (1.13%) respectively of the consolidated operating revenue, showing that the exchange rate changes have little impact on the consolidated revenues of NM and its subsidiaries and operations. In addition, the Company and its subsidiaries adopt a prudent and conservative principle in the management of foreign currency. International financial information related to exchange rates is collected at all times in order to fully grasp the trend of exchange rates so as to reduce the impact of changes in exchange rates.

Impacts of inflation on NM's profits and losses and future response measures:

NM and its subsidiaries maintain a close and good interactive relationship with the suppliers and customers. When there are changes in the market price, these changes can be properly reflected to the product costs and prices without causing any significant impacts on the Company. In the future, we will pay close attention to the fluctuation in raw material prices and inflation to effectively control the manufacturing cost of finished products.

Policies on high-risk, highly leveraged investments, lending, endorsement of guarantees for other parties, and financial derivatives transactions, main reasons for profits and losses and future response measures:

NM focuses on the main business operations and did not make high-risk or highly leveraged financial investments in the most recent year or up to the date of this annual report.

NM has set up "Procedures for Acquisition OR Disposal of Assets", "Procedures for Lending Funds to Other Parties", "Procedures for Endorsement and Guarantee", and "Measurements of Liability Commitments and Contingencies" as a basis for the Company to follow when conducting relevant activities. Up to the date of this annual report, these internal policies and procedures were all observed.

Impacts of changes in important domestic and foreign policies and regulations on NM's financial statement and future response measures:

NM's management and operations are in compliance with relevant domestic and foreign regulations. Our administration, legal and relevant departments also search for important local policies and legal information for the management to refer to. Therefore, the Company is still able to effectively respond to and grasp changes in important policies and regulations in Taiwan and overseas.

The impact of technological changes (including cybersecurity safety risks) and industrial changes on the financial business of the Company and the countermeasures

In the face of the rapidly changing technology, NM is always on the lookout for the most up-to-date technological and industrial changes. We also have professional R&D teams that develop products to meet customer needs and enhance our competitiveness. Therefore, there are no unexpected impacts of technological or industrial changes on the Company's finances and business.

Future R&D plans and expected R&D spending:

NM's most recent R&D plan is focused on the development of high value-added window treatment. In the future, we will still work on this goal to meet the customer needs and the plan will be implemented in accordance with the progress of the R&D plan. The R&D expenses account for approximately 0.5-1% of the operating revenue (2018-2022), and the 2023E ratio of the R&D expenses to the revenues of the Company and its subsidiaries should have no significant difference in the historical range.

Impacts of corporate image change on corporate crisis management and NM's future response measures:

NM has held the operating principles of integrity, professionalism and innovation. We attach great importance to the market demand and strive to enhance the product quality and customer satisfaction. Therefore, in the most recent year and up to the date of this annual report, there was no significant impact of changes in corporate image on the Company.

Expected benefits, associated risks and NM's future response measures for mergers and acquisitions:

In 4Q22, Nien Made acquired full ownership of Santa Fe Shutters Limited and Bay Blinds Limited. These companies, based in New Zealand, are primarily engaged in the buying, selling, and servicing of window coverings and components. The purpose of the acquisition was to facilitate vertical integration as part of our overall development strategy, and the benefits are in line with expectations as of the printing of the annual report.

Expected benefits, associated risks and NM's future response measures for the expansion of plants:

Nien Made plans to invest approximately US\$110,000,000 in Norman Mexico Company Limited, a 100% owned subsidiary, for the expansion of factory buildings and equipment in Mexico. This investment will be made with internal funds. In addition to expanding the production capacity, it will also mitigate logistic disruptions. The benefits are in line with expectations as of the printing of the annual report.

Risks associated with purchase of goods and sales concentration and NM's response measures:

A) Risks and counter measures for the purchase concentration:

NM's consolidated purchase amount of a single supplier in 2022 and 2021 did not exceed 30% of the net purchase amount in each period. In addition, the consolidated company's procurement of main raw materials was constantly maintained from two or more qualified suppliers to ensure the flexibility of purchase and constant supply; meanwhile, it is also expected to maintain the advantages in bargaining to reach the goal of cost reduction. In summary, NM should not have risks of purchase concentration or material shortage.

B) Risks and countermeasures for the sales concentration:

The single customer accounts for 39%/34% of consolidated revenue in 2022/2021. In addition to maintaining good relationship with our existing customers, we also actively carry out various marketing activities to expand NM's business and customer base, striving to diversify customers to mitigate the sales concentration risks. In summary, the consolidated company should not have risks of sales concentration.

Potential impact and risks associated with sales of significant numbers of shares by NM's Directors, and/or Major Shareholders who own 10+% of NM's total outstanding Shares:

None.

Risks associated with change in management:

None.

If there has been any material impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute that involves the Company's Directors, Supervisors, CEO, responsible parties, major shareholders with over 10% of stake, or affiliated enterprises during the most recent fiscal year and as they stood on the date of publication of the annual report that was finalized or remained pending:

A) The annual report shall disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case:

None

B) Is there any material impact upon shareholders' equity or share prices:

None

C) Whether there is occurrence of any event set forth under Article 157 of the Securities and Exchange Act that involves the Company's Directors, Supervisors, managers and major stakeholders with over 10% stake during the most recent fiscal year and as they stood on the date of publication of the annual report, and how the Company is currently handling the matter:

Not applicable.

Other material risks (e.g. Cybersecurity Risk):

In recent years, the advancement of the Internet and Information Technology has facilitated the rapid growth of the e-commerce service industry, but related information security issues have also emerged. Incidents such as the invasion of hackers (net force), virus infections and malicious programs have occurred over and over again, indirectly causing problems of theft of important corporate information, damaged reputation, business interruption, supply chain disruption, increased operating costs and legal proceedings. Therefore, in the era of rapidly growing, expanding and popularized network technology, information security is an important issue the enterprises of all scales shall handle and face with caution.

The Company's information security management structure is set and adjusted by the Information Department based on the evolution of issues of information security and the corporate operating status. The information security situation of the Company is reported to the board of directors once a year. In order to reduce risks, the Company's information security policies include the followings:

1. Cybersecurity Risk Management Framework

- a) NM's Cybersecurity Risk Management Framework is set and adjusted in accordance with the evolution of information security problems and the business operation status by the Information Department.
- b) Cybersecurity audit is conducted annually in accordance with the internal audit and control system, and improvement results are tracked to reduce the cybersecurity risks. The cybersecurity status is reported to the board of directors once a year.

2. Cybersecurity Policy

- a) Introduction of relevant protection software and equipment that can block attacks of most malicious programs to prevent the spread of viruses among the Group;
- b) Security settings are enhanced through mechanisms of the accounts, passwords, and firewalls to ensure the security of the Company's and the clients' confidential information and data and avoid losses of the Company caused by negligence of personnel operations;
- c) We commission a third-party software vendor to conduct penetration testing on the Company's website and to perform vulnerability scan of our internal server to fix possible vulnerabilities and weakness and block attacks and viruses; and
- d) The use of the storage devices to protect business secrets.

3. Concrete Management Program

In response to emergencies, natural disasters, and information data recovery, the drills of online testing of the backup of important equipment and systems are regularly conducted every year to improve the emergency response capabilities of the information personnel.

4. Investment in the Support of Cybersecurity Management

The annual budget is prepared in accordance with the cybersecurity inspection and control items, which are carried out by the Information Department to implement relevant cybersecurity related regulations.

During 2016 - 2022, NO complaints concerning customer privacy infringement and information leakage were reported. We will continue to pay attention to issues related to information security by learning from major information security disasters in history and constantly checking the real-time update conditions of the Company's internal software to strengthen protection from viruses or hacker attacks.

Others

Material credit contract:

None.

Other material contracts:

Contract	External Party	Effective Date	Main Content	Material Restrictions
Construction contract	CONSTRUCTORA INSUR, SA	Sep 6, 2021	Subsidiary acquired facilities	No
Construction contract	CONSTRUCTORA LINCO, S de R.L de C.V. \\ CONSTRUCTORA INSUR, SA	Feb 3, 2022	Subsidiary acquired facilities	No
Real estate transaction	LIEN JADE CONSTRUCTION CO., LTD. Zhao Ming-Jing, and Liao Song-Yue	May 26, 2022	Acquired property	No
Land-use right transaction	Dongguan Wanyingju Industrial Investment Co., Ltd.	Oct 17, 2022	Subsidiary disposed land-use right and buildings	No
Land-use right transaction	Dongguan Winlee Investment Co., LTD.	Dec 28, 2022	Subsidiary disposed land-use right and buildings	No

Private placement securities as of the date of this annual report:

None.

Common shares acquired, disposed of, and held by subsidiaries as of the date of this annual report:

None.

Information of environmental protection expenditure & environmental protection strategy:

Please refer to NM's Sustainability Report (Download link: <http://www.nienmade.com/ESG.aspx>)

Monetary value of significant fines & loss for Non-Compliance with environmental laws and regulations:

NM's subsidiary Nien Made (Dong Guan) Window Fashions Co., Ltd received a penalty notice from Dongguan Ecological Environment Bureau on Sep 8, 2022, for non-compliance of clause 33 of "Regulations on the Administration of Permitting of Pollutant Discharges" and clause 23 of "Regulations on the Administration of Construction Project Environmental Protection", incurring fines of RMB300k and RMB390k respectively. The subsidiary has improved and implement the relevant rectification measures to meet the requirement of Dongguan Ecological Environment Bureau.

Other material information:

None.

Other necessary supplements:

None.

Other Material Risk and response measures:

None.

Any Events as of the Date of this Annual Report that Had Significant Impacts on Shareholders' Right or Security Prices as Stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan:

None.

NM'S

FINANCIAL HIGHLIGHTS

Auditors' Opinions

	Company	CPA	Audit Opinion
2018	Ernst & Young	Tu Ching-Yuan/ Huang Tzu-Ping	An Unqualified Opinion
2019	Ernst & Young	Tu Ching-Yuan/ Huang Tzu-Ping	An Unqualified Opinion
2020	Ernst & Young	Huang Tzu-Ping/ Chen Ming-Hung	An Unqualified Opinion
2021	Ernst & Young	Huang Tzu-Ping/ Chen Ming-Hung	An Unqualified Opinion
2022	Ernst & Young	Huang Tzu-Ping/ Chen Ming-Hung	An Unqualified Opinion

The reason for change of certified public accountant in the past five years:

Due to internal adjustments within Ernst & Young, certified public accountant (CPA) changed from Lin Hung-Kang, and Tu Ching-Yuan to Tu Ching-Yuan, and Huang Tzu-Ping, from 2017. The CPAs in charge of the financial statement audit were changed from Tu Ching-Yuan and Huang Tzu-Ping to Huang Tzu-Ping and Chen Ming-Hong from 2020.

Starting from 2023, the CPAs for Nien Made have been changed to Chen Ming-Hong and Tu Ching-Yuan from Huang Tzu-Ping and Chen Ming-Hong.

The Latest Full Year Consolidated Financial Statements:

Details are provided in Appendix.

The Latest Full Year Parent Company Only Financial Statements:

Please refer to summary tables and Parent Company Only Financial Statements in Mandarin for more information.

The Company Should Disclose The Financial Impact To The Company If The Company & Its Affiliated Companies Have Incurred Any Financial OR Cash Flow Difficulties In The Latest Full Year AND As Of The Date Of This Annual Report:

None

Financial Summary (IFRS Method)

Balance Sheet (Consolidated) – IFRS

(Unit: NT\$'000)	Financial summary in the past 5 years					As of Mar 31, 2023	
	2018	2019	2020	2021	2022		
Current assets	11,903,176	13,880,671	18,116,898	19,362,507	19,236,222	20,536,518	
Property, plant and equipment	5,060,194	6,197,499	7,026,047	7,447,107	8,588,364	8,576,207	
Intangible assets	30,214	40,260	103,768	105,144	325,863	318,222	
Other assets	1,629,249	2,039,268	2,654,644	2,478,942	2,403,197	2,367,237	
Total assets	18,622,833	22,157,698	27,901,357	29,393,700	30,553,646	31,798,184	
Current liabilities	Before distribution	4,278,632	6,345,401	10,311,889	9,392,682	6,575,015	6,596,357
	After distribution (Note)	7,208,834	9,275,603	13,242,091	12,615,904	9,798,237	(Note)
Non-current liabilities	1,616,821	1,858,898	1,928,223	2,102,356	2,195,526	2,188,897	
Total liabilities	Before distribution	5,895,453	8,204,299	12,240,112	11,495,038	8,770,541	8,785,254
	After distribution (Note)	8,825,655	11,134,501	15,170,314	14,718,260	11,993,763	(Note)
Equity attributable to the parent company	12,557,125	13,733,595	15,340,109	17,500,063	21,483,182	22,687,121	
Common stock	2,930,202	2,930,202	2,930,202	2,930,202	2,930,202	2,390,202	
Capital surplus	4,572,007	4,572,007	4,572,007	4,572,007	4,572,007	4,572,007	
Retained earnings	Before distribution	5,346,587	6,914,312	8,776,100	11,172,744	14,126,999	15,255,798
	After distribution (Note)	2,416,385	3,984,110	5,845,898	7,949,522	10,903,777	(Note)
Other components of equity	(291,671)	(682,926)	(938,200)	(1,174,890)	(146,026)	(70,886)	
Treasury shares	-	-	-	-	-	-	
Non-controlling interests	170,255	219,804	321,136	398,599	299,923	325,809	
Total equity	Before distribution	12,727,380	13,953,399	15,661,245	17,898,662	21,783,105	23,012,930
	After distribution (Note)	9,797,178	11,023,197	12,731,043	14,675,440	18,559,883	(Note)

Source: The financial statements have been audited / reviewed by independent CPAs.

Note: The amounts after distribution will be resolved in the Board Meeting and the shareholders' meeting of the following year.

Reasons/Impacts from Significant Changes in Asset, Liability or Equity in the past 2 years (Consolidated)

(Unit: NT\$'000)	2021	2022	Difference	
			Amount	%
Current assets	19,362,507	19,236,222	(126,285)	(1)
Property, plant and equipment	7,447,107	8,588,364	1,141,257	15
Intangible assets	105,144	325,863	220,719	210
Other assets	2,478,942	2,403,197	(75,745)	(3)
Total assets	29,393,700	30,553,646	1,159,946	4
Current liabilities	9,392,682	6,575,015	(2,817,667)	(30)
Non-current liabilities	2,102,356	2,195,526	93,170	4
Total liabilities	11,495,038	8,770,541	(2,724,497)	(24)
Equity attributable to the parent company	17,500,063	21,483,102	3,983,119	23
Common stock	2,930,202	2,930,202	0	0
Capital surplus	4,572,007	4,572,007	0	0
Retained earnings	11,172,744	14,126,999	2,954,255	26
Other components of equity	(1,174,890)	(146,026)	1,028,864	(88)
Treasury shares	-	-	-	-
Non-controlling interests	398,599	299,923	(98,676)	(25)
Total equity	17,898,662	21,783,105	3,884,443	22

Variation in the monetary amounts reaching 20% and the absolute amount reaching NTD 10mn:

- n Intangible Assets: Primarily due to goodwill generated from acquisitions.
- n Current Liabilities: Mainly attributable to a decrease in short-term loans.
- n Total Liabilities: Primarily due to a decrease in short-term loans.
- n Equity Attributable to the Parent Company: Mainly attributable to an increase in pre-tax net income.
- n Other Components of Equity: Primarily due to translation differences arising from the financial statements of overseas operating entities.
- n Non-controlling Interests: Mainly due to a decrease in net income attributable to non-controlling interests.

Future response measures: None

Comprehensive Income Statement (Consolidated) - IFRS

(Unit: NT\$'000)	Financial summary in the past 5 years					As of Mar 31,2023
	2018	2019	2020	2021	2022	
Operating revenues	21,878,095	23,928,962	24,414,306	29,024,108	28,951,432	6,064,627
Gross profit	9,883,558	12,150,147	13,633,489	15,800,530	15,896,766	3,328,625
Operating income	4,669,693	6,154,138	6,959,599	7,753,786	7,367,855	1,457,566
Non-operating income and expenses	270,902	(43,079)	(392,905)	(294,807)	1,082,026	(2,343)
Income before income tax	4,940,595	6,111,059	6,566,694	7,458,979	8,449,881	1,455,223
Net income	3,712,278	4,626,279	4,976,676	5,562,909	6,074,506	1,152,277
Loss on discontinued operations	-	-	-	-	-	-
Net income (loss)	3,712,278	4,626,279	4,976,676	5,562,909	6,074,506	1,152,277
Other comprehensive income (loss), net of tax	(96,989)	(398,574)	(248,650)	(252,402)	1,042,731	77,548
Total comprehensive income	3,615,289	4,227,705	4,728,026	5,310,507	7,117,237	1,229,825
Net income attributable to shareholders of the parent	3,630,247	4,503,531	4,795,175	5,319,770	6,173,011	1,128,799
Net income attributable to non-controlling interests	82,031	122,748	181,501	243,139	(98,505)	23,478
Total comprehensive income attributable to shareholders of the parent	3,532,616	4,106,672	4,536,716	5,090,156	7,206,341	1,203,939
Total comprehensive income attributable to non-controlling interests	82,673	121,033	191,310	220,351	(89,104)	25,886
Earnings per share: NT\$	12.39	15.37	16.36	18.15	21.07	3.85

Source: The financial statements have been audited / reviewed by independent CPAs.

Reasons/Impacts from Significant Changes in Revenues, Operating Income or Income From Continuing Operations Before Income Tax in the past 2 years (Consolidated)

(Unit: NT\$'000)	2021	2022	Increase (Decrease)	%
Operating revenues	29,024,108	28,951,432	(72,676)	0
Operating costs	13,223,578	13,054,666	(168,913)	(1)
Gross profit	15,800,530	15,896,766	96,236	1
Operating expenses	8,046,744	8,528,911	482,167	6
Operating income	7,753,786	7,367,855	(385,931)	(5)
Non-operating income and expenses	(294,807)	1,082,026	1,376,833	(467)
Income before income tax	7,458,979	8,449,881	990,902	13
Income tax expense	1,896,070	2,375,375	479,305	25
Net income	5,562,909	6,074,506	511,597	9
Other comprehensive income (loss), net of tax	(252,402)	1,042,731	1,295,133	(513)
Total comprehensive income	5,310,507	7,117,237	1,806,730	34

Variation in the monetary amounts reaching 20% and the absolute amount reaching NTD 10mn:

- n Non-operating Income and Expenses: Mainly due to gains from the disposal of properties, plants, and equipment, as well as increased net foreign exchange gains.
- n Income Tax Expense: Primarily due to an increase in income before income tax and land appreciation taxes related to the sale of land use rights by the subsidiary.
- n Other Comprehensive Income (loss), Net of Tax: Mainly due to an increase in net foreign exchange gains.

The expected sales quantity and its basis, along with the potential impact on the Company's future financial operations and response plans:

As the Company has not announced the sales forecast, this does not apply.

Financial Analysis (Consolidated) - IFRS

		Financial analysis in the past 5 years					As of Mar 31, 2023
		2018	2019	2020	2021	2022	
Financial structure (%)	Debt ratio	31.66	37.03	43.87	39.11	28.71	27.63
	Ratio of long-term funds to property, plant and equipment	251.52	225.15	222.90	240.34	253.64	268.33
Liquidity (%)	Current ratio	278.20	218.75	175.69	206.14	292.57	311.33
	Quick ratio	191.21	164.25	137.31	151.72	200.42	226.35
	Time interest earned	1,858.37	427.75	222.04	214.38	816.13	1,247.98
Operating performance	Average collection turnover (times)	8.21	8.72	9.35	10.08	10.73	10.49
	Average collection period	44.45	41.85	39.03	36.21	34.01	34.79
	Average inventory turnover (times)	3.57	3.40	3.04	3.16	2.52	2.02
	Average payment turnover (times)	15.31	15.20	13.79	16.13	15.90	14.30
	Average inventory turnover Period	102.24	107.35	120.06	115.50	144.84	180.69
	Property, plant and equipment turnover (times)	4.46	4.25	3.69	4.01	3.61	2.87
	Total assets turnover (times)	1.17	1.08	0.98	1.01	0.97	0.79
Profitability	Return on total assets (%)	21.03	22.74	19.98	19.51	20.29	15.00
	Return on equity (%)	29.91	34.68	33.61	33.15	30.62	20.86
	Profit before income tax to paid-in capital (%)	168.61	208.55	224.10	254.56	288.37	201.41
	Profit ratio (%)	16.97	19.33	20.38	19.17	20.98	19.00
	Earnings per share (NT\$)	12.39	15.37	16.36	18.15	21.07	3.85
Cash flow	Cash flow ratio (%)	88.84	102.58	58.61	64.34	105.31	99.20
	Cash flow adequacy ratio (%)	117.08	114.69	102.84	104.09	112.61	125.14
	Cash flow reinvestment ratio (%)	4.69	18.58	14.64	12.80	13.31	22.41
Leverage	Operating leverage	1.17	1.13	1.11	1.11	1.13	1.16
	Financial leverage	1.00	1.00	1.00	1.00	1.00	1.00

Causes of major changes in the financial ratios for the preceding 2 fiscal years (ratios of changes reaching 20%):

n Decrease in Debt ratio, increase in the Current ratio, increase in the Quick ratio, and increase in the Cash flow ratio: These are mainly due to a reduction in short-term loans.

n Increase in the Time interest earned: This is primarily due to an increase in income before income tax and a decrease in interest expenses.

n Decrease in Average inventory turnover (times) and Average inventory turnover Period: This is mainly attributed to inventory adjustments made by major retailer customers, resulting in slower inventory turnover, and the impact of exchange rate fluctuations.

Source: The financial statement has been audited / reviewed by independent CPAs.

If, before the date of publication of the annual report, there is any financial data for the most recent period audited and attested or reviewed by a CPA, it shall also be analyzed therewith.

The numbers are annualized base on the financial statement as of Mar 31, 2023.

Balance Sheet (Parent Company Only) - IFRS

(Unit: NT\$'000)		Financial summary in the past 5 years					As of Mar 31, 2023
		2018	2019	2020	2021	2022	
Current assets		5,326,197	6,265,637	9,658,290	9,741,011	8,653,092	n.a.
Property, plant and equipment		227,894	1,064,903	1,346,870	1,372,709	1,743,140	
Intangible assets		12,228	22,127	85,407	90,387	75,354	
Other assets		12,232,311	14,304,138	15,326,160	15,711,635	17,278,658	
Total assets		17,798,630	21,656,805	26,416,727	26,915,742	27,540,244	
Current liabilities	Before distribution	3,554,332	6,058,286	9,309,366	7,457,775	4,205,032	
	After distribution (Note)	6,484,534	8,988,488	12,239,568	10,680,997	7,428,254	
Non-current liabilities		1,687,173	1,864,924	1,767,252	1,957,904	2,062,030	
Total liabilities	Before distribution	5,241,505	7,923,210	11,076,618	9,415,679	6,267,062	
	After distribution (Note)	8,171,707	10,853,412	14,006,820	12,638,901	9,490,284	
Equity attributable to the parent company		-	-	-	-	-	
Common stock		2,930,202	2,930,202	2,930,202	2,930,202	2,930,202	
Capital surplus		4,572,007	4,572,007	4,572,007	4,572,007	4,572,007	
Retained earnings	Before distribution	5,346,587	6,914,312	8,776,100	11,172,744	14,126,999	
	After distribution (Note)	2,416,385	3,984,110	5,845,898	7,949,522	10,903,777	
Other components of equity		(291,671)	(682,926)	(938,200)	(1,174,890)	(146,026)	
Treasury shares		-	-	-	-	-	
Non-controlling interests		-	-	-	-	-	
Total equity	Before distribution	12,557,125	13,733,595	15,340,109	17,500,063	21,483,182	
	After distribution (Note)	9,626,923	10,803,393	12,409,907	14,276,841	18,259,960	

Source: The financial statements have been audited by independent CPAs.

Note: The amounts after distribution will be resolved in the Board Meeting and the Shareholders' Meeting of the following year.

Comprehensive Income Statement (Parent Company Only) - IFRS

(Unit: NT\$'000)	Financial summary in the past 5 years					As of Mar 31, 2023
	2018	2019	2020	2021	2022	
Operating revenues	16,577,632	18,651,929	18,526,802	22,255,281	21,988,498	n.a.
Gross profit	4,504,867	6,511,108	7,676,687	8,709,437	9,288,505	
Operating income	3,668,049	4,894,371	5,867,802	6,195,199	6,737,957	
Non-operating income and expenses	902,954	777,752	110,840	595,522	1,027,809	
Income before income tax	4,571,003	5,672,123	5,978,642	6,790,721	7,765,766	
Net income	3,630,247	4,503,531	4,795,175	5,319,770	6,173,011	
Loss on discontinued operations	-	-	-	-	-	
Net income (loss)	3,630,247	4,503,531	4,795,175	5,319,770	6,173,011	
Other comprehensive income (loss), net of tax	(97,631)	(396,859)	(258,459)	(229,614)	1,033,330	
Total comprehensive income	3,532,616	4,106,672	4,536,716	5,090,156	7,206,341	
Net income attributable to shareholders of the parent	3,630,247	4,503,531	4,795,175	5,319,770	6,173,011	
Net income attributable to non-controlling interests	-	-	-	-	-	
Total comprehensive income attributable to shareholders of the parent	3,532,616	4,106,672	4,536,716	5,090,156	7,206,341	
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-	
Earnings per share: NT\$	12.39	15.37	16.36	18.15	21.07	

Source: The financial statements have been audited by independent CPAs.

Financial Analysis (Parent Company Only) - IFRS

		Financial analysis in the past 5 years					As of Mar 31, 2023
		2018	2019	2020	2021	2022	
Financial structure (%)	Debt ratio	29.45	36.59	41.93	34.98	22.58	n.a.
	Ratio of long-term funds to property, plant and equipment	5,510.07	1,289.66	1,138.95	1,274.86	1,232.44	
Liquidity (%)	Current ratio	149.85	103.42	103.75	130.62	205.78	
	Quick ratio	138.25	98.68	97.65	117.05	188.18	
	Time interest earned	1,848.62	472.62	224.75	217.17	1,105.82	
Operating performance	Average collection turnover (times)	5.92	6.44	5.87	5.85	6.30	
	Average collection period	61.66	56.68	62.18	62.39	57.94	
	Average inventory turnover (times)	55.71	38.39	30.50	29.95	25.57	
	Average payment turnover (times)	9.52	6.41	4.87	5.75	6.58	
	Average inventory turnover period	6.55	9.51	11.97	12.19	14.27	
	Property, plant and equipment turnover (times)	71.14	28.86	15.36	16.37	14.11	
	Total assets turnover (times)	0.93	0.95	0.77	0.83	0.80	
Profitability	Return on total assets (%)	22.06	22.87	20.04	20.04	22.60	
	Return on equity (%)	29.62	34.26	32.99	32.40	31.67	
	Profit before income tax to paid-in capital (%)	156.00	193.57	204.04	231.75	265.02	
	Profit ratio (%)	21.90	24.15	25.88	23.90	28.10	
	Earnings per share (NT\$)	12.39	15.37	16.36	18.15	21.07	
Cash flow	Cash flow ratio (%)	48.37	99.73	38.15	52.25	166.14	
	Cash flow adequacy ratio (%)	97.00	112.58	99.53	105.63	128.87	
	Cash flow reinvestment ratio (%)	0.00	19.87	3.65	5.00	15.87	
Leverage	Operating leverage	1.02	1.03	1.04	1.04	1.03	
	Financial leverage	1.00	1.00	1.00	1.00	1.00	

Causes of major changes in the financial ratios for the preceding 2 fiscal years (ratios of changes reaching 20%):

- n** Decrease in Debt ratio, increase in the Current ratio and increase in the Quick ratio: These are mainly due to a reduction in short-term loans.
- n** Increase in the Time interest earned: This is primarily due to an increase in income before income tax and a decrease in interest expenses.
- n** Increase in the Cash flow ratio: This is primarily due to an increase in net cash inflow from operating activities and a decrease in short-term loans.
- n** Increase in the Cash flow reinvestment ratio: This is mainly attributed to an increase in net cash inflow from operating activities.

Source: The financial statement has been audited by independent accountants.

Formula:

1. Financial Structure

(1) Debt ratio = total liabilities / total assets

(2) Ratio of long-term funds to property, plant and equipment = (net shareholder's equity + non-current liabilities) / net property, plant and equipment

2. Liquidity

(1) Current ratio = current assets / current liabilities

(2) Quick ratio = (current assets - inventory - prepaid expense) / current liabilities

(3) Times interest earned = net income before tax and interest expense / interest expense

3. Operating performance

(1) Average collection turnover (including accounts receivable and notes receivable resulted from business operation) = net sales / average balance of account receivable (including accounts receivable and notes receivable resulted from business operation)

(2) Average collection period = 365 / average collection turnover

(3) Average inventory turnover = cost of goods sold / average inventory

(4) Average payment turnover (including accounts payable and notes payable resulted from business operation) = operating costs / average balance of account payable (including accounts payable and notes payable resulted from business operation)

(5) Average inventory turnover period = 365 / average inventory turnover

(6) Property, plant and equipment turnover = net sales / average net property, plant and equipment

(7) Total assets turnover = net sales / average total assets

4. Profitability

(1) Return on total assets = [net income + interest expense * (1 - tax rate)] / average total assets

(2) Return on shareholder's equity = net income / average net shareholder's equity

(3) Profit ratio = net income / net sales

(4) Earnings per share = (equity attributable to owners of the Company - preferred share dividend) / weighted average shares issued

5. Cash flow

(1) Cash flow ratio = net cash flow from operating activity / current liabilities

(2) Cash flow ratio = net cash flow from operating activity / current liabilities + inventory increase + cash dividend within five year

(3) Cash flow reinvestment ratio = (net cash flow from operating activity - cash dividend) / (total property, plant and equipment + long-term investment + other non-current assets + working capital)

6. Leverage

(1) Operating leverage = (net operating income - operating variable cost and expense) / operating income

(2) Financial leverage = operating income / (operating income - interest expense)

Cash Flow Analysis (IFRS)

Historical Cash Flow (Consolidated)

(Unit: NT\$'000)	2021	2022	Increase (Decrease)	Changes in financial ratios %
Net cash provided by operating activities	6,043,371	6,924,213	880,842	15
Net cash used in investing activities	1,128,855	1,778,163	649,308	58
Net cash used in financing activities	5,279,488	6,164,751	885,263	17

Analysis of changes in financial ratios from cash flow:

n Increase in net cash outflow from investing activities: This is primarily due to the YoY increase in the acquisition of real estate, plant, and equipment in 2022.

Cash Flow for the Coming Year (Consolidated; Unit: NT\$'000)

Cash balance at the beginning of the year (1)	Net cash flow from operating activities (2)	Net cash outflow from investing and financing activities (3)	Cash surplus (deficit) (1)+(2)-(3)	Measures for managing cash deficit	
				Investment plans	Financing plans
9,373,425	6,372,613	5,537,829	10,208,209	-	-

A. Liquidity forecast analysis for the next year:

Operating activities: Mainly forecasting cash inflow provided by operating activities in 2023.

Investing and financing activities: Mainly forecasting cash dividends and increase in capital expenditures.

B. Improvement plan(s) for inadequate liquidity:

Not applicable

Effect upon financial operations of any major capital expenditures during the most recent fiscal year:
None

Re-investment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year:
The Company's re-investments are mainly strategic investments. The share of profit of subsidiaries in 2022 is NT\$372,731k, which is mainly from the favorable operation results from overseas re-investments. For the coming year, the Company remains in strategic re-investment policy, and keeps in evaluating re-investment plan cautiously.

NIEN MADE ENTERPRISE CO., LTD.
Audit Committee's Review Report (2022)

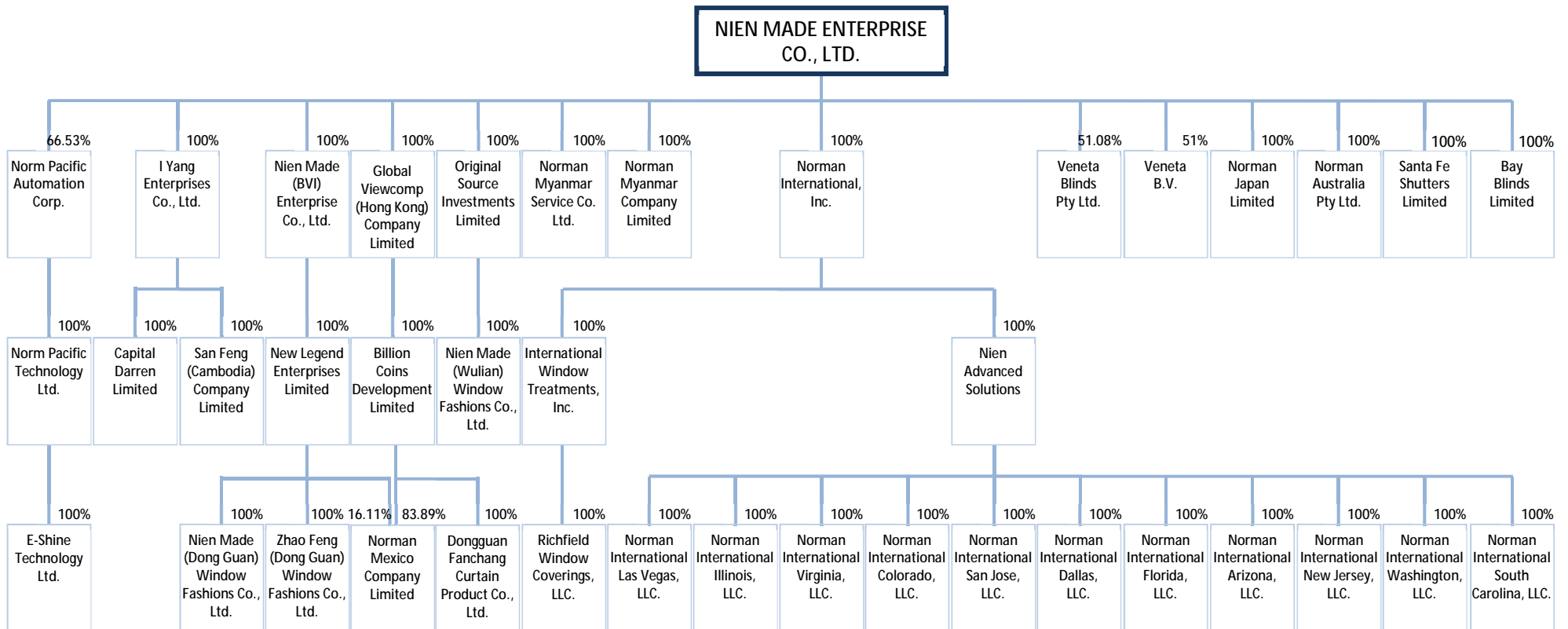
To: 2023 General Shareholders' Meeting of Nien Made Enterprise Co., Ltd.

The Board of Directors has prepared the Company's Business Report (2022), Financial Statements, and proposal for distribution of 2022 earnings. Of which, the Financial Statements have been audited by Ernst & Young Taiwan. The Business Report, Financial Statements, and proposal for distribution of 2022 earnings have been audited by us as Audit Committee of the Company. We deem no inappropriateness on these documents. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report. Please review.

Lin Chi-Wei
Chairman of the Audit Committee
Mar 14, 2023

NM'S SUBSIDIARY INFORMATION

NM's Subsidiary Chart (Dec 31, 2022)



NM's Subsidiaries

Name of Corporation	Incorporation date	Address	Paid-in Capital (NT\$'000)	Main business items
Norm Pacific Automation Corp.	1990/6/27	7F.-1, No.31, Xintai Rd., Zhubei City, Hsinchu County 302, Taiwan (R.O.C.)	286,000	Developing, manufacturing, and selling automation products, and trading related components and technology transfer
Nien Made (BVI) Enterprise Co., Ltd.	2000/8/21	P.O.Box 3340, Road Town, Tortola, British Virgin Islands	1,860,880	Holding company
I Yang Enterprises Co., Ltd.	2000/7/12	P.O.Box 3340, Road Town, Tortola, British Virgin Islands	49,503	Holding company
Norman International, Inc.	2001/4/10	28 Centerpointe Dr. La Palma, CA 90623	178,838	Holding company, managing and providing logistics support
Original Source Investments Limited	2006/7/10	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	643,606	Holding company
Global Viewcomp (Hong Kong) Company Limited	2007/7/3	Room 1702, Hollywood Plaza, 610 Nathan Road, Mongkok, Kowloon, Hong Kong	5,519,366	Holding company
Veneta Blinds Pty Ltd.	2014/12/2	13/14 Argyle Street, Albion, Queensland, Australia 4010	3,938	Trading and service in window coverings
Veneta B.V.	2011/4/28	Loggerweg 2, 8042 PG Zwolle, The Netherlands	16,932	Trading and service in window coverings
Norman Japan Limited	2012/10/18	A-PLACE yoyogi 3F, 5-23-15, Sendagaya, Shibuya-ku, Tokyo	54,620	Trading and service in window coverings
Norman Australia Pty Ltd.	2018/10/16	Suite 19 , 14 Argyle Street Albion QLD 4010	20,826	Trading and service in window coverings
Norman Myanmar Service Co. Ltd.	2019/1/30	Parkside One Building, 1st Floor, 271-273 Bagayar Street, Sanchaung Township, Yangon, Myanmar	21,496	Documentation processing service in window coverings
Norman Myanmar Company Limited	2020/1/15	Lot No. BM8, Phase-3, Industrial Area, Zone B, Thilawa Special Economic Zone, Yangon, Myanmar	1,195,677	Manufacturing and selling plastic and wood blinds
Santa Fe Shutters Limited	2002/11/26	BDS Chartered Accountants Limited, Level 12 17 Albert St, Auckland, 1010, NZ	2	Trading and service in window coverings and components
Bay Blinds Limited	2016/12/22	BDS Chartered Accountants Limited, Level 12, 17 Albert Street, Auckland, 1010, NZ	2	Processing, trading and service in window coverings and components
New Legend Enterprises Limited	2007/11/26	Room 2002, 20th Floor, Hollywood Plaza, 610 Nathan Road, Kowloon, Hong Kong	1,739,503	Holding company and providing logistics services
Nien Made (Dong Guan) Window Fashions Co., Ltd.	2000/11/23	Tutang District, Changping Town, Dongguan City, Guangdong Province	472,603	Manufacturing and selling shutters and wood blinds
Zhao Feng (Dong Guan) Window Fashions Co., Ltd.	2004/3/2	Songyuan Industrial Park, Qishi Town, Dongguan City, Guangdong Province	1,463,535	Manufacturing and selling cellular shades, roman shades and roller shades
Capital Darren Limited	2011/8/18	Scotia Centre, 4th Floor, P.O. Box 2804, George Town, Grand Cayman KY1-1112, Cayman islands	29,391	Holding company
San Feng (Cambodia) Company Limited	2012/3/29	Manhattan Special Economic Zone, Sangkat Bavet, Bavet City, Svay Rieng, Cambodia	307,080	Manufacturing and selling blinds
Nien Made (Wulian) Window Fashions Co., Ltd.	2006/10/20	WuLian Industrial Park, ChaoHe Town, WuLian City, ShanDong Province	656,476	Manufacturing and selling wood blinds and shutter semi-product
International Window Treatments, Inc.	1987/7/17	28 Centerpointe Dr. La Palma, CA 90623	207,927	Holding company
Nien Advanced Solutions	2006/3/20	12622 Monarch Street, Garden Grove, CA 92841	15,354	Holding company, processing and trading in window coverings and components
Richfield Window Coverings, LLC.	2009/1/22	28 Centerpointe Dr. La Palma, CA 90623	12,283	Trading in window coverings to large chain stores
Norman International Las Vegas, LLC.	2007/8/28	28 Centerpointe Dr. La Palma, CA 90623	23,031	Regional trading and service in window covering
Norman International Illinois, LLC.	2009/1/1	1040 N. DuPage Ave. Lombard, IL 60148	1,535	Regional trading and service in window covering
Norman International Virginia, LLC.	2009/1/9	3979 Deep Rock Road, Richmond, VA 23233	1,535	Regional trading and service in window covering
Norman International Colorado, LLC.	2007/8/20	4701 Dahlia Street, Unit D, Denver, Colorado 80216	1,535	Regional trading and service in window covering
Norman International San Jose, LLC.	2009/1/22	6336 Patterson Pass Road, Suite F, Livermore, CA 94550	1,535	Regional trading and service in window covering
Norman International Dallas, LLC.	2008/4/17	1175 N Stemmons Fwy, Lewisville, TX 75067	31	Regional trading and service in window covering
Norman International Florida, LLC.	2010/1/1	7100 TPC Dr. Suite 600 ORLANDO FL 32822	31	Regional trading and service in window covering
Norman International Arizona, LLC.	2012/1/17	28 Centerpointe Dr. La Palma, CA 90623	31	Regional trading and service in window covering
Norman International New Jersey, LLC.	2015/7/1	1085 Cranbury South River Road, Suite 5, South Brunswick, NJ 08831	31	Regional trading and service in window covering
Norman International Washington, LLC.	2015/7/1	21501 84th Ave., S. Kent, WA, 98032.	31	Regional trading and service in window covering

NM's Subsidiaries (Continued)

Name of Corporation	Incorporation date	Address	Paid-in Capital (NT\$'000)	Main business items
Norman International South Carolina, LLC.	2022/11/15	74 Schein Loop Suite 100 Beaufort, SC 29906	31	Regional trading and service in window covering
Billion Coins Development Limited	1989/4/18	Room 1702, Hollywood Plaza, 610 Nathan Road, Mongkok, Kowloon, Hong Kong	1,410,192	Holding company and providing logistics services
Dongguan Fanchang Curtain Product Co., Ltd.	1994/1/23	Tutang District, Changping Town, Dongguan City, Guangdong Province	1,455,894	Manufacturing and selling plastic blinds and accessories
Norman Mexico Company Limited	2020/1/21	Boulevard Edouard Michelin 104, Parque Industrial León Bajío, 37685, León de los Aldama, Guanajuato, México	2,196,647	Manufacturing and selling shutters and plastic blinds
Norm Pacific Technology Ltd.	2000/9/14	Offshore Chambers, P.O.BOX 217, APIA SAMOA	26,032	Holding company
E-Shine Technology Ltd.	2000/11/7	Room 101, Building 1, No.27, Gang Jian Road, Chang Ping Town, Dong Guan City, Guang Dong Province, CHINA	29,761	Manufacturing and selling dehumidifiers and air purifiers

Dec 31, 2022

The Mutual dealings and Division of Work among Each Affiliate

Name of Corporation	Related Division of work
Norm Pacific Automation Corp.	Developing, manufacturing, and selling automation products, and trading related components and technology transfer
Nien Made (BVI) Enterprise Co., Ltd.	Holding company
I Yang Enterprises Co., Ltd.	Holding company
Norman International, Inc.	Holding company, managing and providing logistics support
Original Source Investments Limited	Holding company
Global Viewcomp (Hong Kong) Company Limited	Holding company
Veneta Blinds Pty Ltd.	Trading and service in window coverings
Veneta B.V.	Trading and service in window coverings
Norman Japan Limited	Trading and service in window coverings
Norman Australia Pty Ltd.	Trading and service in window coverings
Norman Myanmar Service Co. Ltd.	Documentation processing service in window coverings
Norman Myanmar Company Limited	Manufacturing and selling plastic and wood blinds
Santa Fe Shutters Limited	Trading and service in window coverings and components
Bay Blinds Limited	Processing, trading and service in window coverings and components
New Legend Enterprises Limited	Holding company and providing logistics services
Nien Made (Dong Guan) Window Fashions Co., Ltd.	Manufacturing and selling shutters and wood blinds
Zhao Feng (Dong Guan) Window Fashions Co., Ltd.	Manufacturing and selling cellular shades, roman shades and roller shades
Capital Darren Limited	Holding company
San Feng (Cambodia) Company Limited	Manufacturing and selling blinds
Nien Made (Wulian) Window Fashions Co., Ltd.	Manufacturing and selling wood blinds and shutter semi-products
International Window Treatments, Inc.	Holding company
Nien Advanced Solutions	Holding company, processing and trading in window coverings and components
Richfield Window Coverings, LLC.	Trading in window coverings to large chain stores
Norman International Las Vegas, LLC.	Regional trading and service in window covering
Norman International Illinois, LLC.	Regional trading and service in window covering
Norman International Virginia, LLC.	Regional trading and service in window covering
Norman International Colorado, LLC.	Regional trading and service in window covering
Norman International San Jose, LLC.	Regional trading and service in window covering
Norman International Dallas, LLC.	Regional trading and service in window covering
Norman International Florida, LLC.	Regional trading and service in window covering
Norman International Arizona, LLC.	Regional trading and service in window covering
Norman International New Jersey, LLC.	Regional trading and service in window covering
Norman International Washington, LLC.	Regional trading and service in window covering
Norman International South Carolina, LLC.	Regional trading and service in window covering
Billion Coins Development Limited	Holding company and providing logistics services
Dongguan Fanchang Curtain Product Co., Ltd.	Manufacturing and selling plastic blinds and accessories
Norman Mexico Company Limited	Manufacturing and selling shutters and plastic blinds
Norm Pacific Technology Ltd.	Holding company
E-Shine Technology Ltd.	Manufacturing and selling dehumidifiers and air purifiers

Rosters of Directors, Supervisors, and CEOs of NM's Subsidiaries

Subsidiary	Title	Name	Shareholding	
			Shares	Holdings (%)
Norm Pacific Automation Corp.	Chairman	NM Huang Hung-Tsan	19,028,078 94,596	66.53 0.33
	Director	NM Nien Chao-Hung (Michael)	19,028,078 252,424	66.53 0.88
	Director	NM Chuang Hsi-Chin (Ken)	19,028,078 -	66.53 -
	Director	NM Peng Ping (Benson)	19,028,078 -	66.53 -
	Director	New Kinpo Group Lin Cheng-Hsien	469,240 -	1.64 -
	Supervisor	Nien Kai-Lung (Ron)	110,612	0.39
	Supervisor	Lu Chung-Cheng	765,784	2.68
	CEO	Chan Shih-Chi	76,548	0.27
Nien Made (BVI) Enterprise Co., Ltd.	Director	NM	56,646,570	100.00
I Yang Enterprises Co., Ltd.	Director	NM	1,500,000	100.00
Norman International, Inc.	Director	Nien Keng-Hao (Howard)	-	-
	Director	Nien Chao-Hung (Michael)	-	-
	Director	Nien Kai-Lung (Ron)	-	-
	Director	Chuang Hsi-Chin (Ken)	-	-
Original Source Investments Limited	Director	Nien Keng-Hao (Howard)	-	-
	Director	Chuang Hsi-Chin (Ken)	-	-
Global Viewcomp (Hong Kong) Company Limited	Director	Nien Keng-Hao (Howard)	-	-
	Director	Chuang Hsi-Chin (Ken)	-	-
	Director	Jok Chung-Wai (Edward)	-	-
	Director	Lee Ho-Fai (Albert)	-	-
Veneta Blinds Pty Ltd.	Director	English, Matthew James	136	48.92
Veneta B.V.	Director	van der Burgt, Dennis Björn	-	-
	Director	English, Matthew James	-	-
	Director	J.N.N Meeuwesen	23,293	4.5
Norman Japan Limited	Delegacy	Nien Kai-Lung (Ron)	-	-
Norman Australia Pty Ltd.	Director	Nien Keng-Hao (Howard)	-	-
	Director	Jok Chung-Wai (Edward)	-	-
	Director	English, Matthew James	-	-
Norman Myanmar Service Co. Ltd.	Director	Chiu Tzu-Hao (Oliver)	-	-
	Director	Jok Chung-Wai (Edward)	-	-
	Director	Chen Ling-Ling	-	-

Rosters of Directors, Supervisors, and CEOs of NM's Subsidiaries (Continued)

Subsidiary	Title	Name	Shareholding	
			Shares	Holdings (%)
Norman Myanmar Company Limited	Director	Lee Ho-Fai (Albert)	-	-
	Director	Chen Ling-Ling	-	-
Santa Fe Shutters Limited	Director	CHRISTIE, Gail Theresa	-	-
	Director	Chiu Tzu-Hao (Oliver)	-	-
	Director	Jok Chung-Wai (Edward)	-	-
Bay Blinds Limited	Director	CHRISTIE, Gail Theresa	-	-
	Director	Chiu Tzu-Hao (Oliver)	-	-
	Director	Jok Chung-Wai (Edward)	-	-
New Legend Enterprises Limited	Director	Nien Keng-Hao (Howard)	-	-
	Director	Chuang Hsi-Chin (Ken)	-	-
	Director	Jok Chung-Wai (Edward)	-	-
	Director	Lee Ho-Fai (Albert)	-	-
Nien Made (Dong Guan) Window Fashions Co., Ltd.	Director	New Legend Enterprises Limited Hsu Pi-Chu	-	100.00
	Director	New Legend Enterprises Limited Nien Keng-Hao (Howard)	-	100.00
	Director	New Legend Enterprises Limited Chuang Hsi-Chin (Ken)	-	100.00
Zhao Feng (Dong Guan) Window Fashions Co., Ltd.	Director	New Legend Enterprises Limited Hsu Pi-Chu	-	100.00
	Director	New Legend Enterprises Limited Nien Keng-Hao (Howard)	-	100.00
	Director	New Legend Enterprises Limited Chuang Hsi-Chin (Ken)	-	100.00
Capital Darren Limited	Director	Nien Keng-Hao (Howard)	-	-
	Director	Nien Chao-Hung (Michael)	-	-
	Director	Nien Kai-Lung (Ron)	-	-
	Director	Chuang Hsi-Chin (Ken)	-	-
San Feng (Cambodia) Company Limited	Director	Nien Chao-Hung (Michael)	-	-
	Director	Chuang Hsi-Chin (Ken)	-	-
Nien Made (Wulian) Window Fashions Co., Ltd.	Director	Original Source Investments Limited Hsu Pi-Chu	-	100.00
	Director	Original Source Investments Limited Nien Keng-Hao (Howard)	-	100.00
	Director	Original Source Investments Limited Chuang Hsi-Chin (Ken)	-	100.00
	Supervisor	Lu Chin-Tai (Ted)	-	-

Rosters of Directors, Supervisors, and CEOs of NM's Subsidiaries (Continued)

Subsidiary	Title	Name	Shareholding	
			Shares	Holdings (%)
International Window Treatments, Inc.	Director	Nien Keng-Hao (Howard)	-	-
	Director	Nien Chao-Hung (Michael)	-	-
	Director	Nien Kai-Lung (Ron)	-	-
	Director	Chuang Hsi-Chin (Ken)	-	-
Nien Advanced Solutions	Director	Nien Keng-Hao (Howard)	-	-
	Director	Nien Chao-Hung (Michael)	-	-
	Director	Nien Kai-Lung (Ron)	-	-
	Director	Chuang Hsi-Chin (Ken)	-	-
Richfield Window Coverings, LLC.	Director	None	-	-
Norman International Las Vegas, LLC.	Director	None	-	-
Norman International Illinois, LLC.	Director	None	-	-
Norman International Virginia, LLC.	Director	None	-	-
Norman International Colorado, LLC.	Director	None	-	-
Norman International San Jose, LLC.	Director	None	-	-
Norman International Dallas, LLC.	Director	None	-	-
Norman International Florida, LLC.	Director	None	-	-
Norman International Arizona, LLC.	Director	None	-	-
Norman International New Jersey, LLC.	Director	None	-	-
Norman International Washington, LLC.	Director	None	-	-
Norman International South Carolina, LLC.	Director	None	-	-
Billion Coins Development Limited	Director	Nien Keng-Hao (Howard)	-	-
	Director	Chuang Hsi-Chin (Ken)	-	-
	Director	Jok Chung-Wai (Edward)	-	-
	Director	Lee Ho-Fai (Albert)	-	-
Dongguan Fanchang Curtain Product Co., Ltd.	Director	Billion Coins Development Limited Hsu Pi-Chu	-	100.00 -
	Director	Billion Coins Development Limited Nien Keng-Hao (Howard)	-	100.00 -
	Director	Billion Coins Development Limited Nien Chao-Hung (Michael)	-	100.00 -
	Director	Billion Coins Development Limited Chuang Hsi-Chin (Ken)	-	100.00 -
Norman Mexico Company Limited	Director	None	-	-

Rosters of Directors, Supervisors, and CEOs of NM's Subsidiaries (Continued)

Subsidiary	Title	Name	Shareholding	
			Shares	Holdings (%)
Norm Pacific Technology Ltd.	Director	Norm Pacific Automation Corp. Nien Keng-Hao (Howard)	864,664 -	100.00 -
	Director	Norm Pacific Automation Corp. Chuang Hsi-Chin (Ken)	864,664 -	100.00 -
	Director	Norm Pacific Automation Corp. Huang Hung-Tsan	864,664 -	100.00 -
E-Shine Technology Ltd.	Director	Norm Pacific Technology Ltd. Chuang Hsi-Chin (Ken)	- -	100.00 -
	Director	Norm Pacific Technology Ltd. Peng Ping (Benson)	- -	100.00 -
	Director	Norm Pacific Technology Ltd. Chan Shih-Chi	- -	100.00 -

Dec 31, 2022

Operational Highlights of NM's Subsidiaries (Unit: NT\$'000)

Name of Corporation	Capital	Total Asset	Total Liabilities	Net Worth	Net Operating Revenues	Operating Income (Loss)	Net Income (Loss) (after tax)	Earnings (Loss) Per Share (NTD) (after tax)
Norm Pacific Automation Corp.	286,000	672,767	272,447	400,320	707,179	50,683	55,256	1.93
Nien Made (BVI) Enterprise Co., Ltd.	1,860,880	4,927,061	16,919	4,910,142	0	0	92,599	1.63
I Yang Enterprises Co., Ltd.	49,503	2,342,342	30,708	2,311,634	0	0	23,062	15.37
Norman International, Inc.	178,838	7,342,510	3,891,688	3,450,822	0	0	293,787	50.45
Original Source Investments Limited	643,606	939,337	230,459	708,878	0	0	(11,367)	(0.53)
Global Viewcomp (Hong Kong) Company Limited	5,519,366	4,632,191	59	4,632,132	0	(68)	370,387	1.99
Veneta Blinds Pty Ltd.	3,938	30,739	13,332	17,407	57,107	(4,980)	(2,509)	(9,025.73)
Veneta B.V.	16,932	1,099,260	778,003	321,257	3,122,460	124,020	(241,673)	(466.87)
Norman Japan Limited	54,620	163,839	254,023	(90,184)	139,562	(25,331)	(24,639)	(524.24)
Norman Australia Pty Ltd.	20,826	147,328	87,072	60,256	498,895	10,946	7,042	7.04
Norman Myanmar Service Co. Ltd.	21,496	59,242	31,989	27,253	19,719	861	1,452	2.07
Norman Myanmar Company Limited	1,195,677	1,039,412	92	1,039,320	0	(17,543)	(122,638)	(3.15)
Santa Fe Shutters Limited	2	143,633	65,628	78,005	28,447	7,275	5,298	52,981.19
Bay Blinds Limited	2	105,544	86,631	18,913	17,490	1,567	1,125	11,249.15
New Legend Enterprises Limited	1,739,503	5,022,409	112,092	4,910,317	12,973	961	97,229	1.72
Nien Made (Dong Guan) Window Fashions Co., Ltd.	472,603	1,382,900	627,099	755,801	3,399,351	150,087	120,618	(Note 1)
Zhao Feng (Dong Guan) Window Fashions Co., Ltd.	1,463,535	2,178,390	337,060	1,841,330	1,874,413	55,790	41,681	(Note 1)
Capital Darren Limited	29,391	29,310	0	29,310	0	0	3,167	3.24
San Feng (Cambodia) Company Limited	307,080	4,558,036	3,856,748	701,288	5,437,499	76,947	24,201	242.01
Nien Made (Wulian) Window Fashions Co., Ltd.	656,476	1,019,712	318,724	700,988	433,625	18,750	15,352	(Note 1)
International Window Treatments, Inc.	207,927	3,185,176	2,395,092	790,084	0	0	32,011	140.66
Nien Advanced Solutions	15,354	2,914,305	1,159,228	1,755,077	3,280,084	(107,622)	255,177	494.24
Richfield Window Coverings, LLC.	12,283	3,391,938	2,873,950	517,988	8,706,141	31,570	32,011	(Note 1)
Norman International Las Vegas, LLC.	23,031	26,267	8,768	17,499	157,514	12,498	9,879	(Note 1)
Norman International Illinois, LLC.	1,535	163,200	54,364	108,836	897,739	18,015	13,116	(Note 1)
Norman International Virginia, LLC.	1,535	384,994	107,600	277,394	1,575,499	50,391	36,640	(Note 1)

Operational Highlights of NM's Subsidiaries (Unit: NT\$'000) (Continued)

Name of Corporation	Capital	Total Asset	Total Liabilities	Net Worth	Net Operating Revenues	Operating Income (Loss)	Net Income (Loss) (after tax)	Earnings (Loss) Per Share (NTD) (after tax)
Norman International Colorado, LLC.	1,535	7,750	26,598	(18,848)	284,418	(1,520)	(1,092)	(Note 1)
Norman International San Jose, LLC.	1,535	185,345	93,858	91,487	1,224,517	28,428	20,655	(Note 1)
Norman International Dallas, LLC.	31	1,555,245	833,793	721,452	4,301,026	170,723	126,211	(Note 1)
Norman International Florida, LLC.	31	478,949	112,908	366,041	1,132,741	63,665	46,422	(Note 1)
Norman International Arizona, LLC.	31	210,221	40,794	169,427	474,816	30,654	22,482	(Note 1)
Norman International New Jersey, LLC.	31	71,440	67,952	3,488	1,012,433	367	137	(Note 1)
Norman International Washington, LLC.	31	399,651	92,546	307,105	1,017,471	89,138	64,999	(Note 1)
Norman International South Carolina, LLC.	31	34,656	37,015	(2,359)	0	(3,461)	(2,390)	(Note 1)
Billion Coins Development Limited	1,410,192	4,306,767	1,533,699	2,773,068	22,832	1,691	475,512	1.33
Dongguan Fanchang Curtain Product Co., Ltd.	1,455,894	2,377,955	306,878	2,071,077	2,062,834	166	456,944	(Note 1)
Norman Mexico Company Limited	2,196,647	2,734,160	605,232	2,128,928	783,566	32,819	(469)	0.00
Norm Pacific Technology Ltd.	26,032	3,114	39,837	(36,723)	0	0	(12,000)	(12.00)
E-Shine Technology Ltd.	29,761	154,305	194,142	(39,837)	245,444	(11,651)	(12,001)	(Note 1)

Note 1: Not Applicable for non-shares based company.

Note 2: The amounts shall be converted into New Taiwan Dollars (NT\$) based on the exchange rate of reporting date where the related party is a foreign company.

Shareholders in Common of NM and Its Subsidiaries with Deemed Control and Subordination None

Business scope of NM & Affiliated Companies

Nien Made and its subsidiaries are leading manufacturers principally engaged in the manufacture, distribution and relevant import and export trading of various blinds, shutters and shades. The Company's production bases are mainly located in China, Cambodia and Mexico, and our subsidiaries are set up in North America, Europe, Japan, Australia, and New Zealand, forming a whole supply chain integrated with designing, manufacturing, branding and channel sales. Meanwhile, NM also steps into two major business models of the custom-made and ready-made products, providing instant and best solutions and services to its customers all over the world.

Consolidated Financial Statements of Affiliated Enterprises

The entities that are required to be included in the combined financial statements of the Company as of and for the year ended Dec 31, 2022, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10 "Consolidated Financial Statements". In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, the Company and subsidiaries do not prepare a separate set of combined financial statements.

Affiliation Reports None

APPENDIX

STOCK CODE: 8464

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT ACCOUNTANTS**

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Address: 23F.-1, No. 98, Shizheng N. 7th Rd., Xitun Dist., Taichung City, Taiwan (R.O.C).
Telephone: 886-4-3600-0999

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of NIEN MADE ENTERPRISE CO., LTD. as of and for the year ended December 31, 2022, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10 “Consolidated Financial Statements”. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, NIEN MADE ENTERPRISE CO., LTD. and subsidiaries do not prepare a separate set of combined financial statements.

Hereby certified.

NIEN MADE ENTERPRISE CO., LTD.

Nien, Keng Hao
Chairman

March 14, 2023

REPORT OF INDEPENDENT ACCOUNTANTS

English Translation of a Report Originally Issued in Chinese

To NIEN MADE ENTERPRISE CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of NIEN MADE ENTERPRISE CO., LTD. (collectively, the “Company”) and its subsidiaries as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2022 and 2021, and their consolidated financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were most significant in our audit of 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Evaluation of allowance for inventory valuation loss

As of December 31, 2022, the Company and its subsidiaries' net inventories amounted to NT\$5,718,358 thousand which accounted for 19% of consolidated total assets, which was material to the financial statements of the Company and its subsidiaries. The allowance for inventory valuation loss could be affected by management judgement and the impact of the future market and economic outlook expected. We therefore determined this a key audit matter.

Our audit procedures included, but not limited to, understanding and testing the effectiveness of internal controls over inventories; assessing the reasonableness of accounting policy of inventory valuation loss set up by management; assessing the stocktaking plan and selecting important storage locations to observe inventory counts to ensure quantities and status; obtaining the supporting documents for calculating allowance for inventory valuation loss and sampling related documents to confirm the correctness of allowance for inventory loss; obtaining inventory movement report and sampling related documents of purchases and sales. We also recalculated the net realizable value estimation adopted by management. Please refer to Notes 4, 5 and 6 of the consolidated financial statements.

2. Impairment of notes and accounts receivable

As of December 31, 2022, the Company and its subsidiaries' gross notes and accounts receivable and loss allowance amounted to NT\$2,524,352 thousand and NT\$122,107 thousand, respectively. Net notes and accounts receivable accounted for 8% of consolidated total assets that could have significant impact on the consolidated financial statements. Since the collection of notes and accounts receivable is the key factor in the working capital management of the Company and its subsidiaries, and the adoption of provision policy requires significant management judgement, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, understanding and testing the effectiveness of internal control over accounts receivable; assessing the reasonableness of loss allowance policy, including understanding how management evaluated expected credit loss ratio according to historical experience and future economic outlook expected; investigating accounts receivable details and sampling related documents for aging; recalculating the loss allowance for accounts receivables based on the expected credit loss ratio. We also evaluated individually the reasonableness of the impairment of accounts receivable long overdue and its collection in subsequent period. Please refer to Notes 5 and 6 of the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Others

We have also audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended December 31, 2022 and 2021.

Huang, Tzu Ping
Chen, Ming Hung

Ernst & Young, Taiwan

March 14, 2023

Notice to Readers

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

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Assets		Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	4, 6(1)	\$9,373,425	30.7	\$10,424,035	35.5
1170	Notes and Accounts receivable, net	4, 6(2)	2,402,245	7.9	2,993,040	10.2
1200	Other receivables	4	146,851	0.5	159,156	0.5
1220	Current tax assets	4	187,303	0.6	7,094	-
1310	Inventories	4, 6(3)	5,718,358	18.7	4,625,244	15.7
1410	Prepayments	6(4)	1,153,485	3.8	1,000,305	3.4
1470	Other current assets		254,555	0.8	153,633	0.6
11xx	Total current assets		<u>19,236,222</u>	<u>63.0</u>	<u>19,362,507</u>	<u>65.9</u>
Non-current assets						
1600	Property, plant and equipment	4, 6(5)	8,588,364	28.1	7,447,107	25.3
1755	Right-of-use assets	4, 6(12)	1,080,399	3.5	1,152,522	3.9
1760	Investment property	4	10,060	-	10,060	-
1780	Intangible assets	4	325,863	1.1	105,144	0.4
1840	Deferred income tax assets	4, 6(16)	493,658	1.6	689,335	2.4
1900	Other non-current assets	6(6)	819,080	2.7	627,025	2.1
15xx	Total non-current assets		<u>11,317,424</u>	<u>37.0</u>	<u>10,031,193</u>	<u>34.1</u>
1xxx	Total assets		<u>\$30,553,646</u>	<u>100.0</u>	<u>\$29,393,700</u>	<u>100.0</u>

(Continued)

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term loans	4, 6(7)	\$ -	-	\$2,817,300	9.6
2130	Contract liabilities, current	6(11)	620,590	2.0	716,435	2.4
2170	Notes and Accounts payable		848,185	2.8	794,113	2.7
2200	Other payables	6(8)	3,074,517	10.1	2,483,973	8.4
2230	Current income tax liabilities	4	1,722,051	5.6	1,543,465	5.3
2280	Lease liabilities, current	4, 6(12)	97,427	0.3	102,243	0.3
2300	Other current liabilities		212,245	0.7	935,153	3.2
21xx	Total current liabilities		<u>6,575,015</u>	<u>21.5</u>	<u>9,392,682</u>	<u>31.9</u>
Non-current liabilities						
2570	Deferred income tax liabilities	4, 6(16)	1,999,237	6.6	1,904,668	6.5
2580	Lease liabilities, non-current	4, 6(12)	162,683	0.5	148,278	0.5
2640	Net defined benefit obligation, non-current	4, 6(9)	33,606	0.1	49,410	0.2
25xx	Total non-current liabilities		<u>2,195,526</u>	<u>7.2</u>	<u>2,102,356</u>	<u>7.2</u>
2xxx	Total liabilities		<u>8,770,541</u>	<u>28.7</u>	<u>11,495,038</u>	<u>39.1</u>
Equity attributable to the parent company						
31xx	Equity attributable to the parent company	6(10)				
3100	Capital					
3110	Common stock		2,930,202	9.6	2,930,202	10.0
3200	Capital surplus		4,572,007	15.0	4,572,007	15.5
3300	Retained earnings					
3310	Legal reserve		2,853,286	9.3	2,320,601	7.9
3320	Special reserve		1,174,890	3.8	938,200	3.2
3350	Unappropriated earnings		10,098,823	33.1	7,913,943	26.9
3400	Other components of equity					
3410	Exchange differences on translation of foreign operations		(146,026)	(0.5)	(1,174,890)	(4.0)
36xx	Non-controlling interests		299,923	1.0	398,599	1.4
3xxx	Total equity		<u>21,783,105</u>	<u>71.3</u>	<u>17,898,662</u>	<u>60.9</u>
Total liabilities and equity			<u>\$30,553,646</u>	<u>100.0</u>	<u>\$29,393,700</u>	<u>100.0</u>

(The accompanying notes are an integral part of the consolidated financial statements)

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the years ended December 31,			
		2022		2021	
		Amount	%	Amount	%
4000					
4000					
5000					
5900					
6000					
6100					
6200					
6300					
6900					
7000					
7100					
7010					
7020					
7050					
7900					
7950					
8200					
8300					
8310					
8311					
8349					
8360					
8361					
8399					
8500					
8600					
8610					
8620					
8700					
8710					
8720					
9750					
9850					

(The accompanying notes are an integral part of the consolidated financial statements)

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Notes	Equity Attributable to Shareholders of the Parent					Exchange Differences on Translation of Foreign Operations	Non-Controlling Interests	Total Equity
		Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings			
Balance as of January 1, 2021		\$2,930,202	\$4,572,007	\$1,841,402	\$682,926	\$6,251,772	\$(938,200)	\$321,136	\$15,661,245
Appropriation and distribution of retained earnings, 2020	6(10)								
Legal reserve				479,199		(479,199)			-
Special reserve					255,274	(255,274)			-
Cash dividends						(2,930,202)			(2,930,202)
Net income in 2021						5,319,770		243,139	5,562,909
Other comprehensive income (loss), net of income tax in 2021	6(15)					7,076	(236,690)	(22,788)	(252,402)
Total comprehensive income (loss)		-	-	-	-	5,326,846	(236,690)	220,351	5,310,507
Change in non-controlling interests	6(10)							(142,888)	(142,888)
Balance as of December 31, 2021		2,930,202	4,572,007	2,320,601	938,200	7,913,943	(1,174,890)	398,599	17,898,662
Appropriation and distribution of retained earnings, 2021	6(10)								
Legal reserve				532,685		(532,685)			-
Special reserve					236,690	(236,690)			-
Cash dividends						(3,223,222)			(3,223,222)
Net income in 2022						6,173,011		(98,505)	6,074,506
Other comprehensive income (loss), net of income tax in 2022	6(15)					4,466	1,028,864	9,401	1,042,731
Total comprehensive income (loss)		-	-	-	-	6,177,477	1,028,864	(89,104)	7,117,237
Change in non-controlling interests	6(10)							(9,572)	(9,572)
Balance as of December 31, 2022		\$2,930,202	\$4,572,007	\$2,853,286	\$1,174,890	\$10,098,823	\$(146,026)	\$299,923	\$21,783,105

(The accompanying notes are an integral part of the consolidated financial statements)

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Notes	For the years ended December 31,	
		2022	2021
Cash flows from operating activities:			
Net income before tax		\$8,449,881	\$7,458,979
Adjustments			
Adjustments to reconcile profit (loss):			
Depreciation		748,295	667,535
Amortization		210,438	202,653
Interest expense		9,258	33,960
Interest income		(70,708)	(26,714)
(Gain)/Loss on disposal of property, plant and equipment, net		(773,041)	23,118
Impairment loss on non-financial assets		100,750	-
Changes in operating assets and liabilities:			
Notes and accounts receivable		930,453	(306,985)
Other receivables		3,481	(17,012)
Inventories		(660,838)	(977,824)
Prepayments		(224,390)	(430,789)
Other current assets		(142,382)	(11,098)
Contract liabilities		(120,701)	(90,262)
Notes and accounts payable		29,320	(47,458)
Other payables		578,230	276,970
Other current liabilities		58,663	828,538
Net defined benefit obligation		(11,084)	156
Cash generated from operations		9,115,625	7,583,767
Interest received		62,032	26,801
Interest paid		(10,365)	(34,951)
Income tax paid		(2,243,079)	(1,532,246)
Net cash provided by operating activities		6,924,213	6,043,371
Cash flows from investing activities:			
Net cash flow from acquisition of subsidiaries		(296,220)	-
Acquisition of property, plant and equipment		(1,563,736)	(1,050,159)
Proceeds from disposal of property, plant and equipment		90,452	3,614
Acquisition of intangible assets		(15,318)	(43,904)
Increase in refundable deposit		(1,429)	(4,473)
Proceeds from disposal of right-of-use assets		62,443	-
Increase in other non-current assets		(54,355)	(33,933)
Net cash used in investing activities		(1,778,163)	(1,128,855)
Cash flows from financing activities:			
Decrease in short-term loans		(2,817,300)	(2,100,000)
Decrease in guarantee deposits		-	(489)
Cash dividends		(3,223,222)	(2,930,202)
Repayment of lease principal		(114,657)	(105,909)
Change in non-controlling interests		(9,572)	(142,888)
Net cash used in financing activities		(6,164,751)	(5,279,488)
Effect of exchange rate changes on cash and cash equivalents		(31,909)	23,231
Net decrease in cash and cash equivalents		(1,050,610)	(341,741)
Cash and cash equivalents at beginning of period		10,424,035	10,765,776
Cash and cash equivalents at end of period	6(1)	\$9,373,425	\$10,424,035

(The accompanying notes are an integral part of the consolidated financial statements)

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. HISTORY AND ORGANIZATION

Nien Made Enterprise Co., Ltd., (hereinafter referred to as “the Company”), formerly known as Global Viewcomp Co., Ltd., was incorporated on July 26, 2007. On March 1, 2008, the Company completed all mandatory processes to acquire and merge the listed company “Nien Made Enterprise Co. Ltd” (hereinafter referred to as “Former NM”). Former NM was incorporated in 1974, listed on the Taiwan Stock Exchange in 1993 and was mainly engaged in manufacturing and selling of blinds products. In December 2007, the shareholders’ meeting of Former NM approved the merger with the Company. After the merger, Former NM was dissolved with the Company remaining as the surviving entity and was subsequently renamed as Nien Made Enterprise Co., Ltd. The Company now manufactures and markets window coverings products, including various types of shutters, blinds, shades, and related components.

In addition to the acquisition of Former NM in 2008, the Company and its subsidiaries also acquired other overseas entities previously not part of Former NM. After these acquisitions, the Company now owns the entire supply chain capabilities of design, manufacturing, branding and distribution channels. These above acquisitions also allowed the Company to own both the ready-made and custom-made businesses.

In August 2014, the Company completed the supplemental public issuance procedure with the approval from the competent authority. The shares of the Company commenced trading on the Emerging Stock Board of the Taipei Exchange in January 2015 and were listed on the Taiwan Stock Exchange (TWSE) on December 22, 2015. The Company’s registered office and main business location is 23F.-1, No. 98, Shizheng N. 7th Rd., Xitun Dist., Taichung City, Taiwan (R.O.C.).

2. DATE AND PROCEDURES OF AUTHORIZATION OF FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements of the Company and its subsidiaries (hereinafter referred to as “the Group”) for the years ended December 31, 2022 and 2021 were authorized for issue in accordance with a resolution of the Board of Directors’ meeting on March 14, 2023.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

3. NEWLY ISSUED AND REVISED STANDARDS AND INTERPRETATIONS

- (1) The Group applied for International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2022. The initial adoption of these new standards and amendments have no material impact on the Group.
- (2) The Group has not adopted standards or interpretations issued, revised or amended, which are endorsed but not yet applied by FSC:

New/Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IAS 1–Disclosure Initiative - Accounting Policies	January 1, 2023
Amendments to IAS 8–Definition of Accounting Estimates	January 1, 2023
Amendments to IAS 12– Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023

The above-mentioned amendments that are applicable for annual periods beginning on or after January 1, 2023 have no material impact on the Group.

- (3) Standards or interpretations issued, revised or amended, by IASB but not yet endorsed by FSC are listed below:

New/Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IAS 1 - Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback	January 1, 2024
Amendments to IAS 1 - Non-current Liabilities with Covenants	January 1, 2024

The above-mentioned standards and interpretations issued by IASB have not yet been endorsed by FSC. The effective dates are to be determined by FSC. All the standards and interpretations have no material impact on the Group.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2022 and 2021 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee, which are endorsed and became effective by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (“NT\$”) unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statements

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (b) exposure, or rights, to variable returns from its involvement with the investee, and
- (c) the ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee
- (b) rights arising from other contractual arrangements
- (c) the Group’s voting rights and potential voting rights

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Company loses control of a subsidiary, it:

- (a) derecognizes the assets (including goodwill) and liabilities of the subsidiary
- (b) derecognizes the carrying amount of any non-controlling interest
- (c) recognizes the fair value of the consideration received
- (d) recognizes the fair value of any investment retained
- (e) recognizes any surplus or deficit in profit or loss
- (f) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss

The consolidated entities are as follows:

Investor	Investee	Business nature	Percentage of ownership (%)	
			Dec. 31, 2022	Dec. 31, 2021
The Company	Norm Pacific Automation Corp. (Norm Pacific)	Developing, manufacturing, and selling automation products, and trading related components and technology transfer	66.53%	66.53%
The Company	Nien Made (BVI) Enterprise Co., Ltd. (Nien Made (BVI))	Holding company	100.00%	100.00%
The Company	I Yang Enterprises Co., Ltd. (I Yang Co.)	Holding company	100.00%	100.00%

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Investor	Investee	Business nature	Percentage of ownership (%)	
			Dec. 31, 2022	Dec. 31, 2021
The Company	Norman International, Inc. (Norman Co.)	Holding company, managing and providing logistics support	100.00%	100.00%
The Company	Original Source Investments Limited (Original Source)	Holding company	100.00%	100.00%
The Company	Global Viewcomp (Hong Kong) Company Limited (Global Viewcomp HK)	Holding company	100.00%	100.00%
The Company	Veneta Blinds Pty Ltd. (Veneta Blinds)	Trading and service in window coverings	51.08%	51.08%
The Company	Veneta B.V.	Trading and service in window coverings	51.00%	51.00%
The Company	Norman Japan Limited	Trading and service in window coverings	100.00%	100.00%
The Company	Norman Australia Pty Ltd. (Norman Australia)	Trading and service in window coverings	100.00%	100.00%
The Company	Norman Myanmar Service Co. Ltd. (Myanmar Service)	Documentation processing service in window coverings	100.00%	100.00%
The Company	Norman Myanmar Company Limited (Myanmar Company)	Manufacturing and selling plastic and wood blinds	100.00%	100.00%
The Company	Santa Fe Shutters Limited (Santa Fe)	Trading and service in window coverings and components	100.00% (Note)	-

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Investor	Investee	Business nature	Percentage of ownership (%)	
			Dec. 31, 2022	Dec. 31, 2021
The Company	Bay Blinds Limited (Bay Blinds)	Processing, trading and service in window coverings and components	100.00% (Note)	-
Norman Co.	International Window Treatments, Inc. (Custom Craft Company) (I.W.T.)	Holding company	100.00%	100.00%
Norman Co.	Nien Advanced Solutions (Nien Advanced)	Holding company, processing and trading in window coverings and components	100.00%	100.00%
Norm Pacific	Norm Pacific Technology Ltd. (Norm Pacific Ltd.)	Holding company	100.00%	100.00%
Nien Made (BVI)	New Legend Enterprise Limited (New Legend)	Holding company and providing logistics services	100.00%	100.00%
I Yang Co.	Capital Darren Limited (Capital Darren)	Holding company	100.00%	100.00%
I Yang Co.	San Feng (Cambodia) Company Limited (San Feng)	Manufacturing and selling blinds	100.00%	100.00%
Original Source	Nien Made (Wulian) Window Fashions Co., Ltd. (Nien Made (Wulian))	Manufacturing and selling wood blinds and shutter semi-products	100.00%	100.00%
Global Viewcomp HK	Billion Coins Development Limited (Billion Coins)	Holding company and providing logistics services	100.00%	100.00%

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Investor	Investee	Business nature	Percentage of ownership (%)	
			Dec. 31, 2022	Dec. 31, 2021
I.W.T.	Richfield Window Coverings, LLC. (Richfield)	Trading in window coverings to large chain stores	100.00%	100.00%
Nien Advanced	Norman International Florida, LLC. (Norman Florida)	Regional trading and service in window covering	100.00%	100.00%
Nien Advanced	Norman International Las Vegas, LLC. (Norman Las Vegas)	Regional trading and service in window covering	100.00%	100.00%
Nien Advanced	Norman International Virginia, LLC. (Norman Virginia)	Regional trading and service in window covering	100.00%	100.00%
Nien Advanced	Norman International Illinois, LLC. (Norman Illinois)	Regional trading and service in window covering	100.00%	100.00%
Nien Advanced	Norman International Colorado, LLC. (Norman Colorado)	Regional trading and service in window covering	100.00%	100.00%
Nien Advanced	Norman International San Jose, LLC. (Norman San Jose)	Regional trading and service in Window covering	100.00%	100.00%
Nien Advanced	Norman International Dallas, LLC. (Norman Dallas)	Regional trading and service in window covering	100.00%	100.00%
Nien Advanced	Norman International Arizona, LLC. (Norman Arizona)	Regional trading and service in window covering	100.00%	100.00%
Nien Advanced	Norman International New Jersey, LLC. (Norman New Jersey)	Regional trading and service in window covering	100.00%	100.00%

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Investor	Investee	Business nature	Percentage of ownership (%)	
			Dec. 31, 2022	Dec. 31, 2021
Nien Advanced	Norman International Washington, LLC. (Norman Washington)	Regional trading and service in window covering	100.00%	100.00%
Nien Advanced	Norman International South Carolina, LLC. (Norman South Carolina)	Regional trading and service in window covering	100.00%	-
New Legend	Nien Made (Dong Guan) Window Fashions Co., Ltd. (Nien Made (Dong Guan))	Manufacturing and selling shutters and wood blinds	100.00%	100.00%
New Legend	Zhao Feng (Dong Guan) Window Fashions Co., Ltd. (Zhao Feng (Dong Guan))	Manufacturing and selling cellular shades, roman shades and roller shades	100.00%	100.00%
New Legend	Norman Mexico Company Limited (Norman Mexico)	Manufacturing and selling shutters and plastic blinds	16.11%	0.05%
Norm Pacific Ltd.	E-Shine Technology Ltd. (E-Shine)	Manufacturing and selling dehumidifiers and air purifiers	100.00%	100.00%
Billion Coins	Dongguan Fanchang Curtain Products Co., Ltd. (Fanchang)	Manufacturing and selling plastic blinds and accessories	100.00%	100.00%
Billion Coins	Norman Mexico Company Limited (Norman Mexico)	Manufacturing and selling shutters and plastic blinds	83.89%	99.95%

Note: The Company invested in Santa Fe and Bay Blinds in the fourth quarter of 2022. The investment was included in the consolidated financial statements accordingly on the day of obtaining control.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(4) Foreign Currency Transactions

The Group's consolidated financial statements are presented in New Taiwan Dollars (NT\$), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies which are recorded by the Group's entities are translated at their respective functional currency rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- (a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- (b) Foreign currency items within the scope of IFRS 9 "*Financial Instruments*" are accounted for based on the accounting policy for financial instruments.
- (c) Exchange differences arising on a monetary item that is part of a reporting entity's net investment in a foreign operation are recognized initially in other comprehensive income and reclassified from equity to profit or loss upon disposal of such investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(5) Translation of Financial Statements in Foreign Currency

The assets and liabilities of foreign operations are translated into NT\$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. When the partial disposal involves the loss of control of a subsidiary that includes a foreign operation or the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation, the partial disposals are also accounted for as disposals.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint venture that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

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

Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) The assets expected to realize, or intends to sell or consume it, in its normal operating cycle;
- (b) The assets primarily held for the purpose of trading;
- (c) The assets that are expected to be realized within twelve months after the

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

balance sheet date;

- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) The liabilities that are expected to be paid off within the normal operating cycle;
- (b) The liabilities primarily held for the purpose of trading;
- (c) The liabilities that are to be paid off within twelve months from the balance sheet date;
- (d) The liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(7) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within one year) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 “*Financial Instruments*” are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(a) Recognition and Measurement of Financial assets

The Group accounts for all regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- I. the business model for managing the financial assets and
- II. the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as notes receivable, accounts receivable, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- I. the financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and
- II. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost using the effective interest rate method to recognize interest income and impairment losses. A gain or loss is recognized in profit or loss when the financial asset is derecognized.

Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met and presented as financial assets at fair value through other comprehensive income on balance sheet as at the reporting date:

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- I. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- II. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at fair value and a gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income. Impairment losses, interest income and foreign exchange gains and losses are recognized in profit or loss before the derecognition. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Financial asset measured at fair value through profit or loss

Apart from financial assets were measured at amortized cost or measured at fair value through other comprehensive income only if they met particular conditions aforementioned, all other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Financial assets at fair value through profit or loss are remeasured at fair value with changes in fair value recognized in profit or loss. Dividends or interests on financial assets at fair value through profit or loss are recognized in profit or loss.

(b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income, which does not reduce the carrying amount in the statement of financial position.

For accounts receivable or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

At each reporting date, the Group measures the loss allowance for debt instrument investments measured at fair value through other comprehensive income and financial assets measured at amortized cost by considering all reasonable and supportable information including forward-looking information. For the credit risk on a financial asset has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses. For the credit risk on a financial asset has increased significantly, the loss allowance is measured at an amount equal to lifetime expected credit losses. Please refer to Note 12 for further details on credit risk.

(c) Derecognition of financial assets

A financial asset held by the Group is derecognized when:

- I. The rights to receive cash flows from the asset have expired
- II. The assets has been transferred and substantially all the risks and rewards of the asset have been transferred
- III. Neither has it transferred nor has retained substantially all the risks and rewards of the asset, but has transferred control of the asset

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(d) Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- I. it is acquired or incurred principally for the purpose of selling it in short term
- II. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking
- III. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

Gains or losses on the subsequent measurement of financial liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost include payables and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the financial liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Derivative instruments

Derivative instruments that are designated effective hedging instruments are classified as financial assets or liabilities for hedging; while derivative instruments that are not designated effective hedging instruments are classified in the balance sheet as financial assets or liabilities at fair value through profit or loss.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective hedging portion which is recognized in profit or loss or equity.

(10) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (a) In the principal market for the asset or liability or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(11)Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

- (a) Raw materials - Purchase cost on a weighted average basis
- (b) Finished goods and work in progress - Cost of direct materials and labor and manufacturing overheads. Fixed manufacturing overheads are calculated by weighted average method which are based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(12) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each component of property, plant and equipment that is significant shall be depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 “*Property, plant and equipment*”. Significant inspection cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Items	Useful Lives
Buildings	4~50 years
Machinery and equipment	2~12 years
Office equipment	2~10 years
Other equipment	2~15 years
Leasehold improvements	3~20 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets’ residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate, and are treated as changes in accounting estimates.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Pursuant to Business Mergers and Acquisitions Act, the Company shall bear the land value increment tax in the amount of NT\$13,502 thousand from Former NM on March 1, 2008 when merging Former NM. Upon disposal of the land, the land value increment tax shall have priority over all other claims and mortgages with respect to the gain from the disposal. The Company disposed of the land partially in April 2010, April 2013 and May 2017, and adjusted the land value increment taxes borne when the land was acquired, which were NT\$2,348 thousand, NT\$2,034 thousand and NT\$1,611 thousand, respectively. As of December 31, 2022, the land value increment tax arising from acquisition was NT\$7,509 thousand.

The aforesaid lands had been assessed on the basis of municipal present values in fiscal 1995; simultaneously the provision of land value increment tax was recognized as deferred income tax liabilities.

(13) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are measured using the cost model in accordance with the requirements of IAS 16 “*Property, plant and equipment*” for that model, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 “*Non-current Assets Held for Sale and Discontinued Operations*”.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Items	Useful Lives
Buildings	5~50 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Assets are transferred to or from investment properties depending on actual use.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(14) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it transfers the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the contract has both of the following:

- (a) the right to obtain substantially all the economic benefits from that use of the identified asset; and
- (b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments discount using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable
- (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- (c) amounts expected to be paid by the lessee under residual value guarantees
- (d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option
- (e) payment of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

After the commencement date, the Group measures the lease liability on an amortized cost basis, which is increasing the carrying amount to reflect interest on the lease liability by using an effective interest method; and reducing the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- (a) the amount of the initial measurement of the lease liability
- (b) any lease payments made at or before the commencement date, less any lease incentives received
- (c) any initial direct costs incurred by the lessee ; and
- (d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 *“Impairment of Assets”* to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and presents interest expense separately from the depreciation charge associated with those leases in the statements of comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

The Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, a lease is classified as an operating lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on a straight-line basis.

(15) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss. A summary of the policies applied to the Group's intangible assets is as follows:

	Computer software	Patents	Goodwill
Useful lives	1~5 years	5~25 years	Uncertain
Amortization method used	Amortized on a straight- line basis over the estimated useful life	Amortized on a straight- line basis over the estimated useful life	There is no amortization
Internally generated or acquired	Acquired	Acquired	Acquired

(16) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 "*Impairment of Assets*" may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(17) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(18) Revenue recognition

(a) Sale of goods

The Group's revenues arising from contracts with customers are mainly included sale of goods. The accounting policies for the Group's types of revenue are explained as follows:

The Group manufactures and sells goods. Revenues are recognized when the commitment goods are delivered to the customers and control of which is transferred to the customers. (Control of an asset is defined as the customers have ability to direct the use of and obtain substantially all of the remaining benefits from the goods.) Revenues are recognized based on the price stated in the contract.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Group provides customers with a warranty which provides assurance that the product will operate as expected by the customers. The warranty is accounted for in accordance with IAS 37.

The credit period of the Group's sale of goods is 0 - 150 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivable whose aging is usually short without significant financing component to the contract.

(b) Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to principal outstanding and the effective interest rate applicable.

(c) Dividends

Revenue is recognized when the Group's right to receive the payment is established.

(19) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations and recognize it as expenses.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- (a) the date of the plan amendment or curtailment, and
- (b) the date that the Group recognizes restructuring-related costs or post-employment benefits

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(20) Income Tax

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The surtax on undistributed retained earnings is recognized as income tax expense when the distribution proposal is approved by the shareholders' meeting.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- (a) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- (b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- (a) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- (b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(21) Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at fair value at acquisition date. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 Financial Instruments either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

The Company acquired all outstanding common shares of Former NM and the required legal procedures for the merger were completed on March 1, 2008. According to Letter (101) Ji-Mi-Zi No. 024 issued by the Accounting and Research and Development Foundation, as far as the merger is concerned, the merged entity is not considered extinguished and the accounts concerned of the merged entity shall be accounted for based on the book value. The excess of the acquisition cost over the book value of the net identifiable assets of the merged company is deemed to be the return of the invested capital.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Inventories

Inventories are valued at lower of cost and net realizable value item by item. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Costs incurred in bringing each inventory to its present location and condition that can be sold, include cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs. Please refer to Note 6.

Accounts receivables – estimation of impairment loss

The Group estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise, please refer to Note 6.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations which involve various assumptions, including the change in discount rate and future salary. For more details about the assumptions of the cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans, please refer to Note 6.

Revenue recognition – sales returns and allowance

The Group estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue.

Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	Dec. 31, 2022	Dec. 31, 2021
Cash on hand	\$14,250	\$15,569
Deposits in banks	9,359,175	10,408,466
Total	<u>\$9,373,425</u>	<u>\$10,424,035</u>

(2) Notes and accounts receivable, net

	Dec. 31, 2022	Dec. 31, 2021
Notes and accounts receivable	\$2,524,352	\$3,070,761
Less: loss allowance	(122,107)	(77,721)
Net amount	<u>\$2,402,245</u>	<u>\$2,993,040</u>

Notes and accounts receivable were not pledged.

The Group adopted IFRS 9 for impairment assessment. Aside from recognizing impairment loss for credit-impaired accounts receivable, the Group recognizes loss allowance based on the expected credit loss ratio of customers by different risk levels. Such risk levels are determined with factors of historical loss ratios and customers' financial conditions, competitiveness and business outlook. The credit period granted to customers by the Group is generally 0 - 150 days. Please refer to Note 12 for credit risk.

Aging analysis of notes receivable and accounts receivable:

(a) December 31, 2022

	Carrying amount of notes and accounts receivable	Weighted average expected credit loss ratio	Lifetime expected credit losses
Not past due	\$1,977,662	0.29%	\$(5,798)
Past due			
Past due within 30 days	312,975	-	-
Past due 31-60 days	113,076	0.08%	(92)
Past due 61-90 days	49,468	91.06%	(45,046)
Past due 91-120 days	4,342	100.00%	(4,342)
Past due over 121 days	66,829	100.00%	(66,829)
Total	<u>\$2,524,352</u>		<u>\$(122,107)</u>

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) December 31, 2021

	Carrying amount of notes and accounts receivable	Weighted average expected credit loss ratio	Lifetime expected credit losses
Not past due	\$2,798,893	0.22%	\$(6,052)
Past due			
Past due within 30 days	230,699	13.22%	(30,500)
Past due 31-60 days	8,547	100.00%	(8,547)
Past due 61-90 days	4,849	100.00%	(4,849)
Past due 91-120 days	-	-	-
Past due over 121 days	27,773	100.00%	(27,773)
Total	<u>\$3,070,761</u>		<u>\$(77,721)</u>

Movements of the loss allowance:

(a) For the year ended December 31, 2022

	For the year ended Dec. 31, 2022
Beginning balance	\$77,721
Charge for the current period	36,205
Effect of exchange rate changes	8,181
Ending balance	<u>\$122,107</u>

(b) For the year ended December 31, 2021

	For the year ended Dec. 31, 2021
Beginning balance	\$109,403
Reversal for the current period	(28,376)
Effect of exchange rate changes	(3,306)
Ending balance	<u>\$77,721</u>

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Inventories

(a) Detail is below:

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Raw materials	\$2,921,497	\$2,444,403
Work in progress	645,324	508,886
Finished goods	2,151,537	1,671,955
Total	<u>\$5,718,358</u>	<u>\$4,625,244</u>

(b) For the years ended December 31, 2022 and 2021, the Group recognized NT\$13,054,666 thousand and NT\$13,223,578 thousand, respectively, in operating cost, of which NT\$39,749 thousand and NT\$45,428 thousand were related to valuation loss of inventories to net realizable value.

Inventories were not pledged.

(4) Prepayments

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Prepaid sales tax	\$499,450	\$199,238
Prepaid expenses	340,438	486,656
Prepayment for purchases	198,528	215,498
Office supplies	96,064	78,907
Other prepayments	19,005	20,006
Total	<u>\$1,153,485</u>	<u>\$1,000,305</u>

(5) Property, plant and equipment

	Jan. 1, 2022 – Dec. 31, 2022							Total
	Land	Buildings	Machinery and Equipment	Office Equipment	Other Equipment	Leasehold Improvements	Construction in Progress	
Cost :								
Jan. 1, 2022	\$1,414,049	\$5,267,122	\$3,395,483	\$428,295	\$407,796	\$30,331	\$504,223	\$11,447,299
Increase	151,246	179,666	39,128	29,717	18,662	-	715,982	1,134,401
Acquired from business combinations	-	-	19,653	8,700	11,556	1,984	-	41,893
Decrease	-	(28,251)	(69,487)	(311)	(9,632)	-	(156,431)	(264,112)
Reclassifications	-	137,780	63,858	32,634	10,789	2,445	(154,180)	93,326
Effect of exchange rate changes	89,185	260,388	203,780	36,892	11,112	2,799	107,579	711,735
Dec. 31, 2022	<u>\$1,654,480</u>	<u>\$5,816,705</u>	<u>\$3,652,415</u>	<u>\$535,927</u>	<u>\$450,283</u>	<u>\$37,559</u>	<u>\$1,017,173</u>	<u>\$13,164,542</u>

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Jan. 1, 2022 — Dec. 31, 2022								
	Land	Buildings	Machinery and Equipment	Office Equipment	Other Equipment	Leasehold Improvements	Construction in Progress	Total
<u>Accumulated depreciation and impairment:</u>								
Jan. 1, 2022	\$ -	\$1,760,532	\$1,839,462	\$179,563	\$209,849	\$10,786	\$ -	\$4,000,192
Increase	-	171,069	300,829	74,284	55,840	3,791	-	605,813
Acquired from business combinations	-	-	8,031	7,281	8,871	752	-	24,935
Decrease	-	(24,397)	(63,093)	(306)	(6,732)	-	-	(94,528)
Reclassifications	-	(101,994)	(21,316)	(722)	(1,733)	123	-	(125,642)
Effect of exchange rate changes	-	51,577	92,750	14,328	5,566	1,187	-	165,408
Dec. 31, 2022	<u>\$ -</u>	<u>\$1,856,787</u>	<u>\$2,156,663</u>	<u>\$274,428</u>	<u>\$271,661</u>	<u>\$16,639</u>	<u>\$ -</u>	<u>\$4,576,178</u>
<u>Net carrying amount :</u>								
Dec. 31, 2022	<u>\$1,654,480</u>	<u>\$3,959,918</u>	<u>\$1,495,752</u>	<u>\$261,499</u>	<u>\$178,622</u>	<u>\$20,920</u>	<u>\$1,017,173</u>	<u>\$8,588,364</u>
Jan. 1, 2022	<u>\$1,414,049</u>	<u>\$3,506,590</u>	<u>\$1,556,021</u>	<u>\$248,732</u>	<u>\$197,947</u>	<u>\$19,545</u>	<u>\$504,223</u>	<u>\$7,447,107</u>
Jan. 1, 2021 — Dec. 31, 2021								
	Land	Buildings	Machinery and Equipment	Office Equipment	Other Equipment	Leasehold Improvements	Construction in Progress	Total
<u>Cost :</u>								
Jan. 1, 2021	\$1,189,901	\$5,317,835	\$3,205,623	\$315,863	\$403,336	\$25,615	\$288,229	\$10,746,402
Increase	231,107	1,933	45,674	29,703	23,919	2,755	241,390	576,481
Decrease	-	(16)	(27,469)	(6,453)	(38,844)	(2,303)	-	(75,085)
Reclassifications	7,939	23,657	224,364	103,113	24,906	5,554	(12,548)	376,985
Effect of exchange rate changes	(14,898)	(76,287)	(52,709)	(13,931)	(5,521)	(1,290)	(12,848)	(177,484)
Dec. 31, 2021	<u>\$1,414,049</u>	<u>\$5,267,122</u>	<u>\$3,395,483</u>	<u>\$428,295</u>	<u>\$407,796</u>	<u>\$30,331</u>	<u>\$504,223</u>	<u>\$11,447,299</u>
<u>Accumulated depreciation and impairment:</u>								
Jan. 1, 2021	\$ -	\$1,769,076	\$1,626,796	\$131,951	\$182,703	\$9,829	\$ -	\$3,720,355
Increase	-	146,810	270,828	58,954	51,115	2,784	-	530,491
Decrease	-	(13)	(22,235)	(5,527)	(19,098)	(1,480)	-	(48,353)
Reclassifications	-	(143,235)	(15,657)	(474)	(2,813)	-	-	(162,179)
Effect of exchange rate changes	-	(12,106)	(20,270)	(5,341)	(2,058)	(347)	-	(40,122)
Dec. 31, 2021	<u>\$ -</u>	<u>\$1,760,532</u>	<u>\$1,839,462</u>	<u>\$179,563</u>	<u>\$209,849</u>	<u>\$10,786</u>	<u>\$ -</u>	<u>\$4,000,192</u>
<u>Net carrying amount :</u>								
Dec. 31, 2021	<u>\$1,414,049</u>	<u>\$3,506,590</u>	<u>\$1,556,021</u>	<u>\$248,732</u>	<u>\$197,947</u>	<u>\$19,545</u>	<u>\$504,223</u>	<u>\$7,447,107</u>
Jan. 1, 2021	<u>\$1,189,901</u>	<u>\$3,548,759</u>	<u>\$1,578,827</u>	<u>\$183,912</u>	<u>\$220,633</u>	<u>\$15,786</u>	<u>\$288,229</u>	<u>\$7,026,047</u>

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (a) Property, plant and equipment were not pledged.
- (b) There is no capitalization of interest due to purchase of property, plant and equipment.
- (c) As of December 31, 2022 and 2021, the Group's parcels of land with title temporarily registered under the names of third parties had carrying value of USD8,400,664. The Company's subsidiary San Feng (Cambodia) Company Limited purchased these parcels for construction of factory and office buildings in Cambodia. The title was registered under the names of third parties because of the constraint of local law. The Group has entered into contracts with the third parties to require that the title of the land shall be transferred to the Group when it's permitted by local law.
- (6) Other non-current assets

	Dec. 31, 2022	Dec. 31, 2021
Prepayment for equipment and construction	\$523,958	\$307,166
Refundable deposits	87,778	86,349
Other non-current assets	207,344	233,510
Total	\$819,080	\$627,025

(7) Short-term loans

	Dec. 31, 2022	Dec. 31, 2021
Unsecured bank loans	\$ -	\$2,817,300
Interest rates applied	-	0.60%

The Group's unused short-term lines of credits amounted to NT\$11,447,456 thousand, NT\$8,213,106 thousand as of December 31, 2022 and 2021, respectively.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(8) Other payables

	Dec. 31, 2022	Dec. 31, 2021
Accrued payroll and bonus	\$623,598	\$805,687
Accrued taxes payable	497,987	112,530
Accrued marketing and promotion expenses	309,554	276,666
Accrued employee compensation	216,246	207,167
Accrued insurance expenses	186,742	76,214
Accrued freight	131,655	143,525
Accrued professional charges	46,355	56,150
Accrued utilities	41,951	34,516
Accrued directors remuneration	41,581	40,976
Others	978,848	730,542
Total	\$3,074,517	\$2,483,973

(9) Post-employment benefits

Defined contribution plan

The Company and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company and its domestic subsidiaries will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Subsidiaries located in the People's Republic of China will contribute social welfare benefits based on a certain percentage of employees' salaries or wages deposited at employees' individual pension accounts to the government related departments.

Overseas subsidiaries will contribute pension benefits for employees to pension management organization in accordance with the local regulations.

Pension expenses under the defined contribution plan for the years ended December 31, 2022 and 2021 were NT\$74,893 thousand and NT\$66,793 thousand, respectively.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Defined benefits plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last six months of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and its domestic subsidiaries contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company and its domestic subsidiaries assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company and its domestic subsidiaries will make up the difference in one appropriation before the end of March the following year.

The Company and its domestic subsidiaries' employee pension funds are deposited under a trust administered by the Bank of Taiwan. Under the regulations of Labor Standards Act, employers shall appropriate labor pension reserve funds monthly and deposit it to designated financial institutions which are managed by the Business Entity Supervisory Committee of Labor Retirement Reserve established by the central competent authority. Employee pension funds can only pay for the pension costs under the old pension system and severance pay when the company shuts down. The remaining principal and interests of pension reserve funds cannot pay for any other purposes except for pension costs under the old pension system and the severance pay. With regard to the utilization of the fund, its minimum earnings in the annual distributions be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks according to "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund". In the event of a deficit, it shall be covered by the national treasury. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company and its domestic subsidiaries expect to contribute NT\$1,224 thousand to its defined benefit plan during the 12 months beginning after December 31, 2022.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The weighted average duration of the defined benefits obligation was 7 years as of December 31, 2022.

Pension costs recognized in profit or loss are as follows:

	For the years ended Dec. 31,	
	2022	2021
Current service costs	\$3,985	\$3,177
Net interest on the net defined benefit liabilities (assets)	248	265
Total	<u>\$4,233</u>	<u>\$3,442</u>

Reconciliations of liabilities (assets) of the defined benefit obligation and plan assets at fair value are as follows:

	Dec. 31, 2022	Dec. 31, 2021	Jan. 1, 2021
Present value of defined benefit obligation	\$124,377	\$152,556	\$157,097
Plan assets at fair value	(90,771)	(103,146)	(100,046)
Net defined benefit liabilities, non-current	<u>\$33,606</u>	<u>\$49,410</u>	<u>\$57,051</u>

Reconciliation of liabilities (assets) of the defined benefit plan are as follows:

	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities (assets)
Jan. 1, 2021	\$157,097	\$(100,046)	\$57,051
Current service costs	3,177	-	3,177
Interest expense (income)	726	(461)	265
Subtotal	161,000	(100,507)	60,493
Remeasurements of the defined benefit liabilities /assets:			
Actuarial (gain) loss arising from changes in demographic assumptions	(8,518)	-	(8,518)
Actuarial (gain) loss arising from changes in financial assumptions	(359)	-	(359)
Experience adjustments	433	-	433
Return on plan assets	-	(1,302)	(1,302)
Subtotal	152,556	(101,809)	50,747
Contributions by employer	-	(1,337)	(1,337)
Dec. 31, 2021	<u>152,556</u>	<u>(103,146)</u>	<u>49,410</u>

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities (assets)
Current service costs	3,985	-	3,985
Interest expense (income)	765	(517)	248
Subtotal	157,306	(103,663)	53,643
Remeasurements of the defined benefit liabilities /assets:			
Actuarial (gain) loss arising from changes in financial assumptions	(4,582)	-	(4,582)
Experience adjustments	6,757	-	6,757
Return on plan assets	-	(8,074)	(8,074)
Subtotal	159,481	(111,737)	47,744
Payments of benefit obligation	(35,104)	25,204	(9,900)
Contributions by employer	-	(4,238)	(4,238)
Dec. 31, 2022	<u>\$124,377</u>	<u>\$(90,771)</u>	<u>\$33,606</u>

The principal assumptions used in determining the Group defined benefit plan are shown below:

	Dec. 31, 2022	Dec. 31, 2021
Discount rate	1.15%~1.29%	0.51%
Expected rate of salary increases	2.00%~2.50%	2.00%~2.50%

Sensitivity analysis for significant assumption are shown below:

	For the years ended Dec. 31,			
	2022		2021	
	Defined benefit obligation increase	Defined benefit obligation decrease	Defined benefit obligation increase	Defined benefit obligation decrease
Discount rate increase by 0.25%	\$ -	\$(1,414)	\$ -	\$(1,764)
Discount rate decrease by 0.25%	1,443	-	1,803	-
Future salary increase by 0.25%	1,156	-	1,447	-
Future salary decrease by 0.25%	-	(1,140)	-	(1,424)

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(10) Equities

(a) Common stock

The Company's authorized capital was NT\$9,380,000 thousand, issued capital was NT\$ 2,930,202 thousand, and issued shares was 293,020,200 shares as of January 1, 2021, each at a par value of NT\$10. As of December 31, 2022, there is no change of capital.

(b) Capital surplus

Under the relevant law, the capital surplus shall not be used except for offsetting against the Company's deficit. When a company incurs no deficit, it may distribute the capital surplus generated from the income derived from the issuance of new shares at a premium or income from endowments received by the Company. The capital surplus can be transferred to capital with a cap of certain percentage of paid-in capital annually. The capital surplus could also be distributed in the form of cash dividends to its shareholders in proportion to the number of shares being held by each of them.

	Dec. 31, 2022	Dec. 31, 2021
Additional paid-in capital	\$4,525,562	\$4,525,562
Compensation from subscription of reserved new shares by employees	45,584	45,584
Increase through changes in ownership interests in subsidiaries	861	861
Total	\$4,572,007	\$4,572,007

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(c) Legal reserve

According to the Company Act, the Company's after-tax earnings are required to first offset against any deficit, and 10% of the balance shall be set aside as legal reserve. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the issued capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

(d) Special reserve

In accordance with the regulations, the Company is required to set aside additional special reserve equivalent to the contra account in the other components of equity before distributing earnings. The subsequent reversals of the contra accounts in other components of equity may be reclassified from special reserve to unappropriated earnings.

(e) Retained earnings distribution and dividend policies

I. According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order: payment of all taxes and dues; offset operation losses in previous years; set aside 10% of the remaining amount as legal reserve unless the balance of legal reserve equals the total issued capital; set aside or reverse special reserve in accordance with law and regulations. After deducting the items above from the current year's earnings, the distribution of the remaining portion with accumulated undistributed prior year's earnings, if any, will be recommended by the board of directors and resolved in the shareholders' meeting.

The dividend may be distributed in cash or in the form of shares. The ratio of cash dividend is not lower than 20% of the distribution of shareholders dividend. The abovementioned dividend ratio can be adjusted based on current year's earnings and finance condition by the shareholders' meeting.

II. Details of the 2022 and 2021 earnings distribution and dividends per share as approved and resolved by the board of meeting on March 14 2023 and the shareholders' meeting on June 21, 2022, respectively, are as follows:

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	Appropriation of earnings		Dividend per share (NT\$)	
	2022	2021	2022	2021
Legal reserve appropriated	\$617,748	\$532,685		
Special reserve appropriated (reversed)	(1,028,864)	236,690		
Cash dividends of ordinary share distributed			11.00	11.00
	<u>3,223,222</u>	<u>3,223,222</u>		
Total	<u>\$2,812,106</u>	<u>\$3,992,597</u>		

(f) Non-controlling interests

	For the years ended Dec. 31,	
	2022	2021
Beginning balance	\$398,599	\$321,136
Profit attributable to non-controlling interests	(98,505)	243,139
Other comprehensive income attributable to non-controlling interests, net of tax:		
Exchange differences resulting from translating the financial statements of a foreign operation	9,147	(23,509)
Remeasurements of the defined benefit assets	254	721
Cash dividends from subsidiaries	<u>(9,572)</u>	<u>(142,888)</u>
Ending balance	<u>\$299,923</u>	<u>\$398,599</u>

(11) Operating revenues

The Group's revenues mainly come from selling products and the relevant information is disclosed below:

(a) Disaggregation of revenue

	2022			2021		
	Window coverings segment	Other segment	Total	Window coverings segment	Other segment	Total
Sales of goods	<u>\$27,866,390</u>	<u>\$1,085,042</u>	<u>\$28,951,432</u>	<u>\$27,948,038</u>	<u>\$1,076,070</u>	<u>\$29,024,108</u>

The Group recognizes revenues when control of the products is transferred to the customers, therefore the performance obligation is satisfied at a point in time.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) Contract liabilities, current

	Dec. 31, 2022	Dec. 31, 2021
Sales of goods	\$620,590	\$716,435

For the years ended December 31, 2022 and 2021, contract liabilities decreased as performance obligations were partially satisfied. The performance of the contract liabilities at the beginning period is as follows:

	For the years ended Dec. 31,	
	2022	2021
Revenue recognized during the year that was included in the balance at the beginning of the year	\$716,435	\$806,697

(c) There were no assets needed to be recognized as a result of costs arising from or performing a client contract by the Group.

(12) Lease

(a) Group as lessee

The Group leases land, buildings, office equipment and other equipment. These leases have terms of between 3 and 50 years. The effect that leases have on the financial position, financial performance and cash flows of the Group is as follows:

I. Amount recognized in the balance sheets

i. Right-of-use asset

The carrying amount of right-of-use assets

	Dec. 31, 2022	Dec. 31, 2021
Land	\$829,399	\$909,313
Buildings	224,958	221,589
Office equipment	336	296
Other equipment	25,706	21,324
Total	\$1,080,399	\$1,152,522

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the years ended December 31, 2022 and 2021, the additions to right-of-use assets of the Group amounted to NT\$108,079 thousand and NT\$144,798 thousand, respectively.

ii. Lease liabilities

	Dec. 31, 2022	Dec. 31, 2021
Current	\$97,427	\$102,243
Non-current	162,683	148,278
Total	\$260,110	\$250,521

Please refer to Note 6 (14)(d) for interest on lease liabilities recognized. For the years ended December 31, 2022 and 2021 and refer to Note 12(5) for the maturity analysis for lease liabilities.

II. Amount recognized in the statements of comprehensive income

i. Depreciation charge for right-of-use assets

	For the years ended Dec.31,	
	2022	2021
Land	\$26,690	\$28,873
Buildings	97,334	88,314
Office equipment	61	100
Other equipment	18,397	19,705
Total	\$142,482	\$136,992

ii. The expense relating to short-term leases

	For the years ended Dec.31,	
	2022	2021
The expense relating to short-term leases	\$29,999	\$23,889

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

III. Cash outflows relating to leasing activities

For the years ended December 31, 2022 and 2021, the Group's total cash outflows for leases amounting to NT\$147,996 thousand and NT\$133,351 thousand, respectively.

(13) Summary of employee benefits, depreciation and amortization expenses by function as follows:

By nature \ By function	For the years ended Dec. 31,					
	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expenses						
Salaries	\$2,693,506	\$2,280,720	\$4,974,226	\$2,769,723	\$2,408,525	\$5,178,248
Labor and health Insurance	242,979	136,993	379,972	232,902	124,673	357,575
Pension	4,806	74,320	79,126	1,741	68,494	70,235
Other employee benefits expenses	17,764	180,225	197,989	16,970	59,550	76,520
Depreciation	507,446	240,849	748,295	459,106	208,377	667,483
Amortization	110,474	99,964	210,438	82,067	120,586	202,653

According to the Company's Articles of Incorporation, when there is profit in current year, the Company shall set aside 1% – 4% as employees' compensation and no higher than 1.5% as directors' remuneration. However, profit should be used to offset against any accumulated deficit prior to the aforementioned compensation and remuneration. The Company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or cash. Such distribution shall be reported at the shareholders' meeting. Information on the board of directors' resolution regarding the employees' compensation and directors' remuneration can be obtained from the "Market Observation Post System" on the website of the TWSE.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Company estimated the amounts of the employees' compensation and directors' remuneration based on the profit of current year and recognized as salary expenses. If the board of directors resolves to distribute employees' compensation through stock, the number of stocks is calculated based on the closing price one day prior to the date of the meeting. The difference between the estimation and the resolution will be recognized as profit or loss of the subsequent year. The Company estimated the amounts of the employees' compensation and directors' remuneration as at the years ended December 31, 2022 and 2021 as follows:

	For the years ended Dec. 31,	
	2022	2021
Employees' compensation	\$212,588	\$206,000
Directors' remuneration	40,849	40,742

The board meeting of the Company held on March 14, 2023 approved employees' compensation and directors' remuneration in the amounts of NT\$212,588 thousand and NT\$40,849 thousand in cash for 2022, respectively. There is no difference between the aforementioned approved amounts and the amounts charged against earnings of 2022.

The approved and actual distribution amount has no difference with the one recognized in the consolidated financial statements for the year ended December 31, 2021.

(14) Non-operating income and expenses

(a) Interest income

	For the years ended Dec. 31,	
	2022	2021
Interest income		
Financial assets measured at amortized cost	\$70,708	\$26,714

(b) Other income

	For the years ended Dec. 31,	
	2022	2021
Other income	\$38,635	\$66,963

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(c) Other gains and losses

	For the years ended Dec. 31,	
	2022	2021
Gains (losses) on disposal of property, plant and equipment	\$773,041	\$(23,118)
Foreign exchange gains (losses), net	631,983	(329,129)
Impairment loss of property, plant and equipment	(100,750)	-
Others	(322,333)	(2,277)
Total	\$981,941	\$(354,524)

For the year ended December 31, 2022, the gain on disposal of property, plant and equipment included gain on disposal of part of land use rights and building of the subsidiary Dongguan Fanchang in the amount of NT\$780,228 thousand. The related estimated land value increment tax as a result of the disposal amounted to NT\$241,236 thousand which was recorded as current income tax expense. Please refer to Note 6 (16).

For the year ended December 31, 2022, the subsidiary Norman Myanmar Company Limited terminated the construction agreement with Penta-Ocean Construction Co., Ltd. in accordance with the material force majeure clause of the agreement and estimated impairment loss for the construction in progress in the amount of NT\$100,750 thousand.

For the year ended December 31, 2022, the other losses included the net effect of retrospective supplementary of underreporting business tax payment of subsidiary, Veneta B.V. which detected by itself and estimated in the amount of NT\$310,099 thousand.

(d) Finance costs

	For the years ended Dec. 31,	
	2022	2021
Interest on loans from bank	\$5,918	\$30,407
Interest on lease liabilities	3,340	3,553
Total	\$9,258	\$33,960

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(15) Components of other comprehensive income

(a) For the year ended December 31, 2022

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax benefit (expense)	Other comprehensive income (loss), net of tax
Items that may not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit obligation	\$5,900	\$ -	\$5,900	\$(1,180)	\$4,720
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	1,295,120	-	1,295,120	(257,109)	1,038,011
Total of other comprehensive income	<u>\$1,301,020</u>	<u>\$ -</u>	<u>\$1,301,020</u>	<u>\$(258,289)</u>	<u>\$1,042,731</u>

(b) For the year ended December 31, 2021

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax benefit (expense)	Other comprehensive income (loss), net of tax
Items that may not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit obligation	\$9,746	\$ -	\$9,746	\$(1,949)	\$7,797
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	(319,364)	-	(319,364)	59,165	(260,199)
Total of other comprehensive income	<u>\$(309,618)</u>	<u>\$ -</u>	<u>\$(309,618)</u>	<u>\$57,216</u>	<u>\$(252,402)</u>

(16) Income tax

(a) The major components of income tax expense (benefit) for the years ended December 31, 2022 and 2021 are as follows:

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

I. Income tax expense (benefit) recognized in profit or loss

	For the years ended Dec. 31,	
	2022	2021
Current income tax expense (benefit):		
Current income tax charge	\$2,165,244	\$1,776,995
Land value increment tax	241,236	-
Adjustment of previous year's tax expense in current year	(63,062)	(2,039)
Deferred income tax expense (benefit):		
Deferred income tax expense relating to origination and reversal of temporary differences	31,957	121,114
Total income tax expenses	\$2,375,375	\$1,896,070

II. Income tax relating to components of other comprehensive income

	For the years ended Dec. 31,	
	2022	2021
Deferred income tax expense (benefit):		
Remeasurements of defined benefit obligation	\$1,180	\$1,949
Exchange differences on translation of foreign operations	257,109	(59,165)
Income tax relating to components of other comprehensive income	\$258,289	\$(57,216)

III. A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended Dec. 31,	
	2022	2021
Accounting profit before tax from continuing operations	\$8,449,881	\$7,458,979
Tax at the domestic rates applicable to profits in the country concerned	\$2,090,923	\$1,794,908
Tax effect of revenues exempt from taxation	(7,352)	(2,322)
Tax effect of expenses not deductible for tax purposes	56,125	51,098
Additional income tax on undistributed earnings	57,505	54,425
Land value increment tax	241,236	-
Adjustments in respect of current income tax of prior periods	(63,062)	(2,039)
Total income tax expense recognized in profit or loss	\$2,375,375	\$1,896,070

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

IV. Deferred tax assets (liabilities) that are related to the following items:

i. For the year ended December 31, 2022

	<u>Jan. 1, 2022</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>Dec. 31, 2022</u>
Temporary differences				
Excess the limitation of loss allowance	\$15,141	\$1,078	\$ -	\$16,219
Allowance for inventory valuation loss	6,956	829	-	7,785
Unrealized foreign exchange gains or losses	2,208	31,936	-	34,144
Unrealized accrued expenses	160,470	8,709	-	169,179
Impairment losses	1,135	-	-	1,135
Investment (income) loss accounted for using the equity method	(1,716,367)	(91,700)	-	(1,808,067)
Remeasurements of defined benefit obligation	5,903	-	(1,180)	4,723
Exchange differences on translation of foreign operations	214,753	-	(257,109)	(42,356)
Elimination of exchange differences on translation of foreign operations	(40,293)	-	-	(40,293)
Net defined benefit obligation, non-current	8,346	(1,981)	-	6,365
Land value increment tax	(9,027)	-	-	(9,027)
Unrealized intragroup profits and losses	135,442	19,172	-	154,614
	<u>135,442</u>	<u>19,172</u>	<u>-</u>	<u>154,614</u>
Deferred tax income (expense)		<u><u>\$(31,957)</u></u>	<u><u>\$(258,289)</u></u>	
Net deferred tax liabilities	<u><u>\$(1,215,333)</u></u>			<u><u>\$(1,505,579)</u></u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u><u>\$689,335</u></u>			<u><u>\$493,658</u></u>
Deferred tax liabilities	<u><u>\$(1,904,668)</u></u>			<u><u>\$(1,999,237)</u></u>

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

ii. For the year ended December 31, 2021

	Jan. 1, 2021	Recognized in profit or loss	Recognized in other comprehensive income	Dec. 31, 2021
Temporary differences				
Excess the limitation of loss allowance	\$22,420	\$(7,279)	\$ -	\$15,141
Allowance for inventory valuation loss	5,433	1,523	-	6,956
Unrealized foreign exchange gains or losses	3,567	(1,359)	-	2,208
Unrealized accrued expenses	134,944	25,526	-	160,470
Impairment losses	1,135	-	-	1,135
Investment (income) loss accounted for using the equity method	(1,546,528)	(169,839)	-	(1,716,367)
Remeasurements of defined benefit obligation	7,852	-	(1,949)	5,903
Exchange differences on translation of foreign operations	155,588	-	59,165	214,753
Elimination of exchange differences on translation of foreign operations	(40,293)	-	-	(40,293)
Net defined benefit obligation, non-current	7,925	421	-	8,346
Land value increment tax	(9,027)	-	-	(9,027)
Unrealized intragroup profits and losses	105,549	29,893	-	135,442
Deferred tax income (expense)		\$(121,114)	\$57,216	
Net deferred tax liabilities	\$(1,151,435)			\$(1,215,333)
Reflected in balance sheet as follows:				
Deferred tax assets	\$567,467			\$689,335
Deferred tax liabilities	\$(1,718,902)			\$(1,904,668)

(a) The assessment of income tax returns

The Company Norm Pacific	The assessment of income tax returns Assessed and approved up to 2020 Assessed and approved up to 2020
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NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(17) Earnings per share

	For the years ended Dec. 31,	
	2022	2021
Basic earnings per share		
Net income attributable to shareholders of parent	\$6,173,011	\$5,319,770
Weighted average number of common shares outstanding for basic earnings per share (in thousands)	293,020	293,020
Basic earnings per share (NT\$)	21.07	18.15
Diluted earnings per share		
Net income attributable to shareholders of parent	\$6,173,011	\$5,319,770
Weighted average number of common shares outstanding for basic earnings per share (in thousands)	293,020	293,020
Effect of potentially dilutive ordinary shares:		
Compensation of employees	722	499
Weighted average number of ordinary shares outstanding after dilution (in thousands)	293,742	293,519
Diluted earnings per share (NT\$)	21.02	18.12

According to the Company Act, compensation may be paid to employees in cash or shares. Therefore, the Company assumes that the entire amount of the compensation or bonus will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive.

(18) Business combination

On 30 November, 2022, the Group acquired 100% shares of Santa Fe Shutters Limited and Bay Blinds Limited, which were established in New Zealand and mainly engaged in the trading and service of window coverings and parts. The reason for the Group's acquisition of Santa Fe Shutters Limited and Bay Blinds Limited is to expand vertical integration in consideration of the overall development strategy.

The fair value of the identifiable assets and liabilities of Santa Fe Shutters Limited and Bay Blinds Limited as at the date of acquisition were:

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	<u>Santa Fe</u>	<u>Bay Blinds</u>
Current assets	\$109,694	\$82,353
Non-current assets	25,014	29,245
Current liabilities	(43,711)	(77,736)
Non-current liabilities	(19,339)	(16,320)
Total identifiable net assets at fair value	<u>\$71,658</u>	<u>\$17,542</u>

Goodwill is as follows:

	<u>Santa Fe</u>	<u>Bay Blinds</u>
Purchase consideration	\$263,443	\$60,608
Less: identifiable net assets at fair value	(71,658)	(17,542)
Goodwill	<u>\$191,785</u>	<u>\$43,066</u>

Purchase consideration

	<u>Santa Fe</u>	<u>Bay Blinds</u>
Cash	\$156,973	\$36,114
Contingent consideration liability (Recorded under Other Payables)	106,470	24,494
Total consideration	<u>\$263,443</u>	<u>\$60,608</u>

Analysis of cash flows on acquisition:

Cash payment	\$156,973	\$36,114
Contingent consideration liability (Recorded under Other Payables)	106,470	24,494
Net cash acquired with the subsidiary	(14,084)	(13,747)
Net cash outflow on acquisition	<u>\$249,359</u>	<u>\$46,861</u>

Contingent considerations

As stated in the purchase agreement with the previous owner of Santa Fe Shutters Limited and Bay Blinds Limited, a contingent consideration has been agreed. The buyer agrees that the remaining consideration will be adjusted according to the rate of profit achievement for 2023 and 2024. According to the contingent consideration agreement, the Group recognized approximately NT\$130,964 thousand (NZ\$7,000,000) at the most likely agreed amount of the contingent consideration, and recorded it under other payables.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

A reconciliation of fair value measurement of the contingent consideration liability (categorized within Level 3) is provided below:

	Santa Fe	Bay Blinds
Jan. 1, 2022	\$ -	\$ -
Liability arising on business combination	106,470	24,494
Unrealized fair value changes recognized in profit or loss	-	-
Effect of exchange rate changes	4,236	975
Dec. 31, 2022	\$110,706	\$25,469

(19) Changes in liabilities arising from financing activities

For the year ended December 31, 2022, changes in liabilities arising from financing activities resulted from changes in cash flows. Significant non-cash changes did not occur. The related information is shown in the statements of cash flows.

7. RELATED PARTY TRANSACTIONS

(1) Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Kolombangara Forest Products Limited	Associate

(2) Significant transactions with related parties

(a) Purchases

	For years ended Dec. 31,	
	2022	2021
Kolombangara Forest Products Limited	\$331	\$ -

The transaction terms with the above related party were determined based on mutual agreement as no comparable transactions were available.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) Key management personnel compensation

	For years ended Dec. 31,	
	2022	2021
Short-term employee benefits	\$114,877	\$124,175
Post-employment benefits	644	700
	\$115,521	\$124,875

(c) All transactions between the Group's consolidated entities have been eliminated in preparing consolidated financial statements, for other significant transactions information, please refer to Note 13.

(d) Financing provided to others: Please refer to Note 13 (1)(a).

(e) Endorsement/Guarantee provided to others: Please refer to Note 13 (1)(b).

8. PLEDGED ASSETS

None.

9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) As of December 31, 2022, the amount available under unused letter of credit was NT\$65,824 thousand.

(2) As of December 31, 2022, the Group has signed significant contracts that have not been inspected as follows :

Contract Counterparty	Contract Target	Total Contract Amount	Unpaid amount as of Dec. 31, 2022
Company E	Factories and buildings	MXN 247,660 thousand	MXN 29,472 thousand
Company E	Factories and buildings	MXN 318,770 thousand	MXN 80,175 thousand

10. SIGNIFICANT LOSS FROM DISASTER

None.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

12. OTHERS

(1) Categories of financial instruments

Financial assets

	Dec. 31, 2022	Dec. 31, 2021
Financial assets measured at amortized cost:		
Cash and cash equivalents (exclude cash on hand)	\$9,359,175	\$10,408,466
Notes and accounts receivable	2,402,245	2,993,040
Other receivables	146,851	159,156

Financial liabilities

	Dec. 31, 2022	Dec. 31, 2021
Financial liabilities measured at amortized cost:		
Short-term loans	\$ -	\$2,817,300
Notes and accounts payable	848,185	794,113
Other payables	3,074,517	2,483,973
Lease liabilities	260,110	250,521

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk preference.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant financial activities, approval process by the board of directors must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to the changes in market prices. The market risk of the Group arises from foreign currency risk and interest rate risk mainly.

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies among risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency USD and foreign currency RMB. The information of the sensitivity analysis is as follows:

- (a) When NTD strengthens against foreign currency USD by 1%, the comprehensive income for the years ended December 31, 2022 and 2021 is expected to decrease by NT\$85,563 thousand and NT\$89,685 thousand, respectively.
- (b) When NTD strengthens against foreign currency RMB by 1%, the comprehensive income for the years ended December 31, 2022 and 2021 is expected to increase and decrease by NT\$7,450 thousand and NT\$2,936 thousand, respectively.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk relates primarily to the Group's bank borrowings with variable interest rates and fixed interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including bank borrowings with variable interest rates. At the reporting date, a change by 0.1% of market interest rates could cause the profit for the years ended December 31, 2022 and 2021 to decrease/increase by NT\$0 thousand and NT\$2,817 thousand, respectively.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counterparties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counterparties' credit risk will also be managed by taking credit enhancement procedures, such as requesting for prepayment or insurance.

As of December 31, 2022 and 2021, accounts receivables from top ten customers represented 77% and 83% of the Group's total accounts receivables, respectively. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and no significant default risk. Consequently, there is no significant credit risk for these counterparties.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid securities and bank borrowings. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total
Dec. 31, 2022					
Notes and accounts payable	\$848,185	\$ -	\$ -	\$ -	\$848,185
Other payables	3,074,517	-	-	-	3,074,517
Lease liabilities	101,399	122,978	35,734	9,694	269,805
Dec. 31, 2021					
Short-term loans	\$2,818,729	\$ -	\$ -	\$ -	\$2,818,729
Notes and accounts payable	794,113	-	-	-	794,113
Other payables	2,483,973	-	-	-	2,483,973
Lease liabilities	104,755	111,321	37,952	1,521	255,549

(6) Fair values of financial instruments

(a) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- I. The carrying amount of cash and cash equivalents, receivables, other current assets, short-term loans, payables and other current liabilities approximate their fair value due to their short maturities.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

II. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

(b) Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and liabilities measured at amortized cost approximate their fair value.

(7) Fair value measurement hierarchy

(a) Definition of fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(b) Fair value measurement hierarchy of the Group's assets and liabilities

Except for contingent consideration arising from business combination (please refer to Note 6 (18)), the Group does not have assets and liabilities that are measured at fair value on a recurring and non-recurring basis as of December 31, 2022 and 2021.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(8) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	Unit: thousands					
	Dec. 31, 2022			Dec. 31, 2021		
	Foreign currencies	Exchange rate	NTD	Foreign currencies	Exchange rate	NTD
<u>Financial assets</u>						
Monetary items:						
USD	\$334,649	30.7080	\$10,276,401	\$386,934	27.8660	\$10,782,303
RMB	81,109	4.4175	358,299	290,009	4.3119	1,250,490
Financial						
<u>liabilities</u>						
Monetary items:						
USD	\$56,014	30.7080	\$1,720,078	\$65,090	27.8660	\$1,813,798
RMB	249,749	4.4175	1,103,266	221,923	4.3119	956,910

Due to the diversity of functional currency in the Group, it's unable to disclose foreign exchange gains and losses on the basis of each monetary item which has significant impact. The Group recognized NT\$631,983 thousand and NT\$(329,129) thousand for foreign exchange gains (losses) for the years ended December 31, 2022 and 2021, respectively.

(9) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. OTHER DISCLOSURE

(1) Information related to significant transactions

- (a) Financing provided to others: Please refer to Attachment 1.
- (b) Endorsement/Guarantee provided to others for: Please refer to Attachment 2.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (c) Securities held (excluding subsidiaries, associates and joint venture):
None.
 - (d) Individual securities acquired or disposed of with accumulated amount exceeding NT\$300 million or 20 percent of the issued capital: Please refer to Attachment 3.
 - (e) Acquisition of individual real estate with amount exceeding NT\$300 million or 20 percent of the issued capital: Please refer to Attachment 4.
 - (f) Disposal of individual real estate with amount exceeding NT\$300 million or 20 percent of the issued capital: Please refer to Attachment 5.
 - (g) Related party transactions for purchases and sales exceeding NT\$100 million or 20 percent of the issued capital: Please refer to Attachment 6
 - (h) Receivables from related parties with amounts exceeding NT\$100 million or 20 percent of issued capital: Please refer to Attachment 7
 - (i) Financial instruments and derivative transactions: None.
 - (j) The business relationship, significant transactions and amounts between parent company and subsidiaries: Please refer to Attachment 8.
- (2) Information on investees
- Investee company names, locations, main businesses and products, original investment amount, investment as of December 31, 2022, net income (loss) of the investee company and investment income (loss) recognized as of December 31, 2022 (excluding investees in Mainland China): Please refer to Attachment 9.
- (3) Information on investments in mainland China
- (a) The Company invests in mainland China through “Nien Made (BVI) Enterprise Co., Ltd.” which further invests in “New Legend Enterprise Limited”: Please refer to Attachment 10.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (b) The Company invests in mainland China through “Original Source Investments Limited”: Please refer to Attachment 10.
- (c) The Company invests in mainland China through “Global Viewcomp (Hong Kong) Company Limited” which further invests in “Billion Coins Development Limited”: Please refer to Attachment 10.
- (d) The Company invests in mainland China through “Norm Pacific Automation Corp.” which further invests in “Norm Pacific Technology Ltd.”: Please refer to Attachment 10.
- (e) Details on the significant transactions between the Company and investees in Mainland China: Please refer to Note 13 (1).

(4) Information on major shareholders

Name	Shares	Ownership (Shares)	Ownership (%)
NIEN, KENG-HAO		28,927,263	9.87%
NIEN, KAI-LUNG		28,597,263	9.75%
NIEN, CHAO-HUNG		27,687,263	9.44%
CHUANG, HSI-CHIN		17,999,047	6.14%

14. SEGMENT INFORMATION

For management purposes, the Group is divided into two reportable operating segments based on their different strategies:

- (1) Window coverings segments: the primary operating activities include the research, development, design, manufacturing and sales of all types of window coverings and related components.
- (2) Other segments: the primary operating activities include design, manufacturing and sales of automated appliances and PVC tube.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those used in the consolidated financial statements. On the other hand, income taxes are managed on a group basis and are not allocated to operating segments.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(1) Information on profit or loss, assets and liabilities of the reportable segment:

(a) For the year ended December 31, 2022

	Window coverings segment	Other segment	Adjustment and elimination	Consolidated
Revenue				
External customer	\$27,866,390	\$1,085,042	\$ -	\$28,951,432
Inter-segment	32,836,119	-	(32,836,119)	-
Total revenue	<u>\$60,702,509</u>	<u>\$1,085,042</u>	<u>\$(32,836,119)</u>	<u>\$28,951,432</u>
Segment profit	<u>\$8,881,226</u>	<u>\$117,669</u>	<u>\$(549,014)</u>	<u>\$8,449,881</u>
Segment assets	<u>\$54,484,078</u>	<u>\$1,249,856</u>	<u>\$(25,180,288)</u>	<u>\$30,553,646</u>
Segment liabilities	<u>\$15,997,748</u>	<u>\$366,851</u>	<u>\$(7,594,058)</u>	<u>\$8,770,541</u>

(b) For the year ended December 31, 2021

	Window coverings segment	Other segment	Adjustment and elimination	Consolidated
Revenue				
External customer	\$27,948,038	\$1,076,070	\$ -	\$29,024,108
Inter-segment	33,643,273	-	(33,643,273)	-
Total revenue	<u>\$61,591,311</u>	<u>\$1,076,070</u>	<u>\$(33,643,273)</u>	<u>\$29,024,108</u>
Segment profit	<u>\$8,372,099</u>	<u>\$63,130</u>	<u>\$(976,250)</u>	<u>\$7,458,979</u>
Segment assets	<u>\$52,314,675</u>	<u>\$1,282,379</u>	<u>\$(24,203,354)</u>	<u>\$29,393,700</u>
Segment liabilities	<u>\$19,523,517</u>	<u>\$475,245</u>	<u>\$(8,503,724)</u>	<u>\$11,495,038</u>

(2) There's no segment revenue, profit, assets, liabilities or significant items that needed to be reconciled for the years ended December 31, 2022 and 2021.

NIEN MADE ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Geographical information

(a) Revenue from external customers:

	For the years ended Dec. 31,	
	2022	2021
America	\$22,042,217	\$21,189,900
Europe	5,357,534	6,455,588
Other	1,551,681	1,378,620
Total	<u>\$28,951,432</u>	<u>\$29,024,108</u>

The revenue information above is based on the location of the customers.

(b) Non-current assets:

	Dec. 31, 2022	Dec.31, 2021
Asia	\$7,644,637	\$7,797,566
America	3,425,503	2,024,667
Europe	179,994	190,645
Other	67,290	18,315
Total	<u>\$11,317,424</u>	<u>\$10,031,193</u>

(4) Information about major customers

Individual customers accounting for at least 10% of net sales for the years ended December 31, 2022 and 2021 were as follows:

Client name	2022		2021	
	Sales	%	Sales	%
Customer A	<u>\$11,196,591</u>	<u>39%</u>	<u>\$9,946,271</u>	<u>34%</u>

Attachment 1: Financing provided to others for the year ended December 31, 2022

(All the following transactions are between consolidated entities and have been eliminated in the consolidated financial statement.)

No.	Lender	Counterparty	Financial statement account	Related Party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing (Note 1)	Amount of sales to (purchases from) counterparty	Reason for short-term financing	Loss allowance	Collateral		Limit of financing amount for individual counterparty (Note 2)	Limit of total financing amount (Note 3)
													Item	Value		
1	I Yang Enterprises Co., Ltd.	San Feng (Cambodia) Company Limited	Other receivables	Y	\$1,825,240	\$1,548,868	\$1,548,868	-	2	-	operation purposes	-	-	-	\$2,311,634	\$2,311,634
2	Nien Made (BVI) Enterprise Co., Ltd.	New Legend Enterprise Limited	Other receivables	Y	\$16,581	\$16,581	\$16,581	-	2	-	operation purposes	-	-	-	\$4,910,142	\$4,910,142
3	Billion Coins Development Limited	New Legend Enterprise Limited	Other receivables	Y	\$53,796	\$53,796	\$53,796	-	2	-	operation purposes	-	-	-	\$2,773,069	\$2,773,069
4	New Legend Enterprise Limited	Original Source Investments Limited	Other receivables	Y	\$614,160	\$614,160	\$230,424	-	2	-	operation purposes	-	-	-	\$4,910,317	\$4,910,317
4	New Legend Enterprise Limited	I Yang Enterprises Co., Ltd.	Other receivables	Y	\$30,708	\$30,708	\$30,708	-	2	-	operation purposes	-	-	-	\$4,910,317	\$4,910,317
5	Original Source Investments Limited	Nien Made (Wulian) Window Fashions Co., Ltd.	Other receivables	Y	\$606,367	\$606,367	\$238,481	-	2	-	operation purposes	-	-	-	\$708,878	\$708,878
6	Global Viewcomp (Hong Kong) Company Limited	Billion Coins Development Limited	Other receivables	Y	\$1,571,440	\$1,499,454	\$1,499,454	-	2	-	operation purposes	-	-	-	\$4,632,132	\$4,632,132
6	Global Viewcomp (Hong Kong) Company Limited	Norman Japan Limited	Other receivables	Y	\$179,298	\$179,298	\$179,298	-	2	-	operation purposes	-	-	-	\$4,632,132	\$4,632,132
7	Norman Myanmar Company Limited	Norman Myanmar Service Co. Ltd.	Other receivables	Y	\$92,124	\$92,124	\$30,024	-	2	-	operation purposes	-	-	-	\$1,039,320	\$1,039,320

Note 1: Code 1 represents an investee company that has a business relationship with the parent.

Code 2 represents short-term financing.

Note 2: The total amount for lending to a company shall not exceed 40% of the net worth of the lender's most recent financial statements. The total amount for lending to subsidiaries whose voting shares are 100% owed, directly or indirectly, by the Company shall not exceed 100% of the net worth of lenders' most recent financial statements.

Note 3: The total amount of loans of the Company is limited to 40% of the net worth of the most recent financial statements. The total amount for lending to subsidiaries whose voting shares are 100% owed, directly or indirectly, by the Company shall not exceed 100% of the net worth of lenders' most recent financial statements.

Note 4: The maximum balance, the ending balance and the actual amount of the current period are translated at the exchange rate of December 31, 2022.

Attachment 2: Endorsement/Guarantee provided to others for the year ended December 31, 2022

No.	Endorsor/ Guarantor	Guaranteed Party		Limits of endorsement/ guarantee amount provided to each guaranteed party (Note 1)	Maximum balance for the period	Ending balance	Actual amount provided	Amount of endorsement/ guarantee collateralized by properties	Ratio of accumulated endorsement/ guarantee to net equity per latest financial statements	Maximum endorsement/ guarantee amount allowable (Note 2)	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiaries in Mainland China
		Company Name	Relationship										
0	The Company	Norman Mexico Company Limited	Subsidiary	\$4,296,636	\$97,344	\$97,344	\$97,344	None	0.45%	\$10,741,591	Y	N	N

Note 1: The amount of endorsement for any single entity may not exceed 20% of the Company's net worth on the most current financial statements. The amount of endorsements for the subsidiaries in which the Company holds, directly or indirectly, 100% ownership may not exceed the net worth of the Company on the most current financial statements. The amount of endorsement for the Company may not exceed ten times the net worth of the subsidiary on the most current financial statements.

Note 2: The total amount of endorsement for the Company and the subsidiaries may not exceed 50% of the company's net worth on the most current financial statements. The total amount of endorsements for the subsidiaries in which the Company holds, directly or indirectly, 100% ownership may not exceed the net worth of the Company on the most current financial statements. The total amount of endorsement for the Company may not exceed ten times the net worth of the subsidiary on the most current financial statements.

Attachment 3: Individual securities acquired or disposed of with accumulated amount exceeding NT\$300 million or 20 percent of the issued capital stock for the year ended December 31, 2022

(All the following transactions are between consolidated entities and have been eliminated in the consolidated financial statement.)

Holding Company	Securities		Financial statement account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
	Type	Name				Shares	Amount	Shares	Amount	Shares	Amount	Carrying amount	Gains (Losses) on Disposal	Shares	Amount
Billion Coins Development Limited	Stock	Norman Mexico Company Limited	Investment accounted for using equity method	Norman Mexico Company Limited	Subsidiary	564,689,539	\$895,617	597,171,409	\$947,134	-	\$ -	\$ -	\$ -	1,161,860,948	\$1,842,751
New Legend Enterprises Limited	Stock	Norman Mexico Company Limited	Investment accounted for using equity method	Norman Mexico Company Limited	Subsidiary	280,127	\$444	222,852,501	\$353,452	-	\$ -	\$ -	\$ -	223,132,628	\$353,896

Note : The figures in this table are converted at the exchange rate of December 31, 2022.

Attachment 4: Acquisition of individual real estate with amount exceeding NTS\$300 million or 20 percent of the issued capital for the year ended December 31, 2022

Company Name	Name of Property	Transaction Date	Transaction Amount	Payment Status	Counterparty	Relationships	When counterparty is related party, details of prior transactions				Price Reference	Purpose of Acquisition and Status of Utilization	Other Commitments
							Owner	Relationships	Transfer Date	Amount			
Nien Made Enterprise Co., Ltd.	Land and Building	2022.05.26	\$321,680	\$321,680	Land: Mr. Chao, etc. Building: Lien Jade Construction Co., Ltd.	Non-related party	N/A	N/A	N/A	N/A	Refer to the neighboring real estate market and the professional appraisal report	Operating purposes	N/A

Note : The transaction amount was VAT included.

Attachment 5: Disposal of individual real estate with amount exceeding NT\$300 million or 20 percent of the issued capital for the year ended December 31, 2022

Company Name	Name of Property	Transaction Date	Acquisition Date	Book Value	Transaction Amount	Payment Status	Gain (loss) on Disposal	Counterparty	Relationships	Purpose of Disposal	Price Reference	Other Commitments
Dongguan Fanchang Curtain Product Co., Ltd.	Land use rights and buildings	2021.09.01	1999.05.01~2017.09.30	\$82,759	\$836,388	Payment money has been received	\$703,499	Dongguan Yongying Project Investment Co., Ltd.	Non-related party	For the effective integration of production resources in mainland China	According to market conditions	N/A
Dongguan Fanchang Curtain Product Co., Ltd.	Land use rights and buildings	2022.12.28	1997.01.01~2019.01.31	\$189,553	\$923,770	Part of Payment money has been received	\$76,729	Dongguan Wanyingju Industrial Investment Co., Ltd. etc.	Non-related party	For the effective integration of production resources in mainland China	According to market conditions	N/A

Note 1 : The transaction amount was VAT included.

Note 2 : Only recognized as a gain or loss from disposal for the part transferred completely in 2022.

Attachment 6: Related party transactions for purchases and sales exceeding the lower of NT\$100 million or 20 percent of the issued capital for the year ended December 31, 2022.

(All the following transactions are between consolidated entities and have been eliminated in the consolidated financial statement.)

Company Name	Related Party	Relationship	Intercompany Transactions				Abnormal Trade Term		Notes and accounts receivable (payable)		Note (Note 2)
			Purchases (Sales)	Amount	Percentage of total consolidated purchases (sales)	Payment Terms	Unit price (Note 1)	Terms (Note 1)	Balance	Percentage of total consolidated receivables (payables)	
Nien Made Enterprise Co., Ltd.	Dongguan Fanchang Curtain Product Co., Ltd.	Subsidiary	Purchases	\$1,623,786	12.94%	180 days	-	-	\$(1,207,915)	80.15%	
Nien Made Enterprise Co., Ltd.	Zhao Feng (Dong Guan) Window Fashions Co., Ltd.	Subsidiary	Purchases	\$1,377,447	10.97%	180 days	-	-	\$(523)	0.03%	
Nien Made Enterprise Co., Ltd.	Nien Made (Dong Guan) Window Fashions Co., Ltd.	Subsidiary	Purchases	\$2,910,464	23.19%	180 days	-	-	\$(172,983)	11.48%	
Nien Made Enterprise Co., Ltd.	San Feng (Cambodia) Company Limited	Subsidiary	Purchases	\$3,123,963	24.89%	180 days	-	-	\$ -	-	
Nien Made Enterprise Co., Ltd.	Norman Mexico Company Limited	Subsidiary	Purchases	\$730,967	5.82%	180 days	-	-	\$ -	-	
Nien Made Enterprise Co., Ltd.	Veneta B.V.	Subsidiary	(Sales)	\$(1,096,012)	4.98%	60 days	-	-	\$44,317	1.45%	
Nien Made Enterprise Co., Ltd.	Norman International, Inc. and its subsidiaries	Subsidiary	(Sales)	\$(17,525,442)	79.70%	T/T30-65 days	-	-	\$2,640,754	86.44%	
Nien Made Enterprise Co., Ltd.	Norman Australia Pty Ltd.	Subsidiary	(Sales)	\$(385,323)	1.75%	60 days	-	-	\$65,944	2.16%	
Nien Made (Wulian) Window Fashions Co., Ltd.	Nien Made (Dong Guan) Window Fashions Co., Ltd.	Subsidiary	(Sales)	\$(362,801)	83.47%	180 days	-	-	\$123,886	95.13%	
Norm Pacific Automation Corp.	E-Shine Technology Ltd.	Subsidiary	Purchases	\$222,000	42.56%	180 days	-	-	\$ -	-	

Note 1: The transaction selling price and collection terms with the above related parties had no significant difference between those with non-related parties.

The transaction terms were determined based on mutual agreement as no comparable transactions were available.

Note 2: For transactions between the consolidated entities, only the information for one side of the consolidated entities is disclosed.

Attachment 7: Receivables from related parties with accounts exceeding the lower of NT\$100 million or 20 percent of the issued capital as of December 31, 2022.

Please refer to Note 13(1)(a) for Financing provided to others and Note 13(1)(j) for disclosure of the following transactions between consolidated entities.

(All the following transactions are between consolidated entities and have been eliminated in the consolidated financial statement.)

Company Name	Related Party	Relationship	Amount	Turnover Rate	Overdue receivables		Collection in subsequent period	Loss allowance
					Amount	Solution		
Nien Made Enterprise Co., Ltd.	Norman International, Inc. and its subsidiaries	Subsidiary	\$2,640,754	5.81	\$ -	-	\$2,611,991	\$ -
Nien Made (Dong Guan) Window Fashions Co., Ltd.	Nien Made Enterprise Co., Ltd.	Parent company	\$172,983	7.35	\$ -	-	\$172,983	\$ -
Dongguan Fanchang Curtain Product Co., Ltd.	Nien Made Enterprise Co., Ltd.	Parent company	\$1,207,915	1.33	\$ -	-	\$237,368	\$ -
Nien Made (Wulian) Window Fashions Co., Ltd.	Nien Made (Dong Guan) Window Fashions Co., Ltd.	Subsidiary	\$123,886	2.71	\$ -	-	\$38,855	\$ -

Attachment 8: The business relationship, significant transactions and amounts between parent company and subsidiaries: Please refer to Note 13(1)(g) for disclosure of account receivable (payable) related these transactions.

(All the following transactions are between consolidated entities and have been eliminated in the consolidated financial statement.)

No. (Note 1)	Related party	Counterparty	Relationship with the Company (Note 2)	Transactions			
				Account	Amount	Terms (Note 4)	Percentage of consolidated operating revenues or consolidated total assets (Note3)
0	Nien Made Enterprise Co., Ltd.	Dongguan Fanchang Curtain Product Co., Ltd.	1	Purchases	\$1,623,786	180 days	5.61%
0	Nien Made Enterprise Co., Ltd.	Zhao Feng (Dong Guan) Window Fashions Co., Ltd.	1	Purchases	\$1,377,447	180 days	4.76%
0	Nien Made Enterprise Co., Ltd.	Nien Made (Dong Guan) Window Fashions Co., Ltd.	1	Purchases	\$2,910,464	180 days	10.05%
0	Nien Made Enterprise Co., Ltd.	San Feng (Cambodia) Company Limited	1	Purchases	\$3,123,963	180 days	10.79%
0	Nien Made Enterprise Co., Ltd.	Norman Mexico Company Limited	1	Purchases	\$730,967	180 days	2.52%
0	Nien Made Enterprise Co., Ltd.	Veneta B.V.	1	(Sales)	\$(1,096,012)	60 days	3.79%
0	Nien Made Enterprise Co., Ltd.	Norman International, Inc. and its subsidiaries	1	(Sales)	\$(17,525,442)	T/T30-65 days	60.53%
0	Nien Made Enterprise Co., Ltd.	Norman Australia Pty Ltd.	1	(Sales)	\$(385,323)	60 days	1.33%
1	Nien Made (Wulian) Window Fashions Co., Ltd.	Nien Made (Dong Guan) Window Fashions Co., Ltd.	3	(Sales)	\$(362,801)	180 days	1.25%
2	Norm Pacific Automation Corp.	E-Shine Technology Ltd.	3	Purchases	\$222,000	180 days	0.77%

Note 1 : The Company is coded "0". The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2 : Transactions are categorized as follows:

No.1. Transactions from parent company to subsidiary.

No.2. Transactions from subsidiary to parent company.

No.3. Transactions between subsidiaries.

Note 3 : The percentage with respect to the consolidated asset/liability for transactions of balance sheet items are based on each item's ending balance.

For profit or loss items, interim cumulative balances are used as basis.

Note 4 : The transaction selling price and collection terms with the above related parties had no significant difference between those with non-related parties.

The transaction terms were determined based on mutual agreement as no comparable transactions were available.

Attachment 9: Names, locations, main businesses and products, original investment amount, investment as of December 31, 2022, net income (loss) of investee company and investment income (loss) December 31, 2022.

Company	Investee company	Location	Main businesses and products	Original Investment (Note 2)		Investment as of December 31, 2022			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value (Note 2)			
Nien Made Enterprise Co., Ltd.	Norm Pacific Automation Corp.	Taiwan	Developing, manufacturing, and selling automation products, and trading related components and technology transfer	\$184,772	\$184,772	19,028,078	66.53%	\$266,328	\$55,256	\$36,762	
Nien Made Enterprise Co., Ltd.	Nien Made (BVI) Enterprise Co., Ltd.	British Virgin Islands	Holding company	\$1,860,880	\$1,860,880	56,646,570	100.00%	\$4,818,070	\$92,599	\$87,397	Note 1
Nien Made Enterprise Co., Ltd.	I Yang Enterprises Co., Ltd.	British Virgin Islands	Holding company	\$49,752	\$49,752	1,500,000	100.00%	\$2,214,348	\$23,062	\$(45,480)	Note 1
Nien Made Enterprise Co., Ltd.	Norman International, Inc.	United States	Holding company, managing and providing logistics support	\$338,770	\$338,770	5,823,814	100.00%	\$2,893,267	\$268,394	\$281,163	Note 1
Nien Made Enterprise Co., Ltd.	Original Source Investments Limited	British Virgin Islands	Holding company	\$778,488	\$778,488	21,378,000	100.00%	\$731,736	\$(11,367)	\$(7,504)	Note 1
Nien Made Enterprise Co., Ltd.	Global Viewcomp (Hong Kong) Company Limited	Hong Kong	Holding company	\$2,717,753	\$2,717,753	186,373,558	100.00%	\$4,479,604	\$370,387	\$264,893	Note 1
Nien Made Enterprise Co., Ltd.	Veneta Blinds Pty Ltd.	Australia	Trading and service in window coverings	\$4,005	\$4,005	142	51.08%	\$8,891	\$(2,429)	\$(1,240)	
Nien Made Enterprise Co., Ltd.	Veneta B.V.	Netherlands	Trading and service in window coverings	\$9,218	\$9,218	264,000	51.00%	\$154,824	\$(236,348)	\$(115,288)	
Nien Made Enterprise Co., Ltd.	Norman Japan Limited	Japan	Trading and service in window coverings	\$134,966	\$134,966	47,000	100.00%	\$(90,848)	\$(24,592)	\$(24,392)	
Nien Made Enterprise Co., Ltd.	Norman Australia Pty Ltd.	Australia	Trading and service in window coverings	\$22,156	\$22,156	1,000,000	100.00%	\$60,256	\$6,981	\$6,981	
Nien Made Enterprise Co., Ltd.	Norman Myanmar Service Co. Ltd.	Myanmar	Documentation processing service in window coverings	\$21,580	\$21,580	700,000	100.00%	\$27,253	\$1,410	\$1,410	
Nien Made Enterprise Co., Ltd.	Norman Myanmar Company Limited	Myanmar	Manufacturing and selling plastic and wood blinds	\$1,155,048	\$1,155,048	38,937,000	100.00%	\$1,039,320	\$(118,445)	\$(118,445)	
Nien Made Enterprise Co., Ltd.	Santa Fe Shutters Limited	New Zealand	Trading and service in window coverings and components	\$263,443	\$ -	100	100.00%	\$267,339	\$5,305	\$6,259	
Nien Made Enterprise Co., Ltd.	Bay Blinds Limited	New Zealand	Processing, trading and service in window coverings and components	\$60,608	\$ -	100	100.00%	\$61,068	\$1,126	\$215	

Attachment 9: Names, locations, main businesses and products, original investment amount, investment as of December 31, 2022, net income (loss) of investee company and investment income (loss) December 31, 2022.

Company	Investee company	Location	Main businesses and products	Original Investment (Note 2)		Investment as of December 31, 2022			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value (Note 2)			
Nien Made (BVI) Enterprise Co., Ltd.	New Legend Enterprise Limited	Hong Kong	Holding company and providing logistics services	\$3,400,869	\$3,400,869	56,646,570	100.00%	\$4,910,317	\$92,615	Included in Subsidiary	
New Legend Enterprise Limited	Norman Mexico Company Limited	Mexico	Manufacturing and selling shutters and plastic blinds	\$353,896	\$444	223,132,628	16.11%	\$342,970	\$(759)	Included in Subsidiary	
I Yang Enterprises Co., Ltd.	Capital Darren Limited	Cayman Islands	Holding company	\$293,618	\$293,618	976,238	100.00%	\$29,310	\$3,167	Included in Subsidiary	
I Yang Enterprises Co., Ltd.	San Feng (Cambodia) Company Limited	Cambodia	Manufacturing and selling blinds	\$281,899	\$27,870	100,000	100.00%	\$761,945	\$22,697	Included in Subsidiary	
Norman International, Inc.	International Window Treatments, Inc.	United States	Holding company	\$328,087	\$328,087	227,575	100.00%	\$790,084	\$31,119	Included in Subsidiary	
Norman International, Inc.	Nien Advanced Solutions	United States	Holding company, processing and trading in window coverings and components	\$15,354	\$15,354	516,302	100.00%	\$1,755,077	\$248,062	Included in Subsidiary	
International Window Treatments, Inc.	Richfield Window Coverings, LLC.	United States	Trading in window coverings to large chain stores	\$20,427	\$20,427	-	100.00%	\$517,988	\$31,119	Included in Subsidiary	
Nien Advanced Solutions	Norman International Las Vegas, LLC.	United States	Regional trading and service in window covering	\$23,031	\$23,031	-	100.00%	\$17,499	\$9,603	Included in Subsidiary	
Nien Advanced Solutions	Norman International Illinois, LLC.	United States	Regional trading and service in window covering	\$1,535	\$1,535	-	100.00%	\$108,836	\$12,750	Included in Subsidiary	
Nien Advanced Solutions	Norman International Virginia, LLC.	United States	Regional trading and service in window covering	\$1,535	\$1,535	-	100.00%	\$277,394	\$35,618	Included in Subsidiary	
Nien Advanced Solutions	Norman International Colorado, LLC.	United States	Regional trading and service in window covering	\$1,535	\$1,535	-	100.00%	\$(18,848)	\$(1,061)	Included in Subsidiary	
Nien Advanced Solutions	Norman International San Jose, LLC.	United States	Regional trading and service in window covering	\$1,535	\$1,535	-	100.00%	\$91,487	\$20,079	Included in Subsidiary	
Nien Advanced Solutions	Norman International Dallas, LLC.	United States	Regional trading and service in window covering	\$31	\$31	-	100.00%	\$721,452	\$122,691	Included in Subsidiary	
Nien Advanced Solutions	Norman International Florida, LLC.	United States	Regional trading and service in window covering	\$31	\$31	-	100.00%	\$366,041	\$45,128	Included in Subsidiary	
Nien Advanced Solutions	Norman International Arizona, LLC.	United States	Regional trading and service in window covering	\$31	\$31	-	100.00%	\$169,427	\$21,855	Included in Subsidiary	
Nien Advanced Solutions	Norman International New Jersey, LLC.	United States	Regional trading and service in window covering	\$31	\$31	-	100.00%	\$3,488	\$134	Included in Subsidiary	
Nien Advanced Solutions	Norman International Washington, LLC.	United States	Regional trading and service in window covering	\$31	\$31	-	100.00%	\$307,105	\$63,187	Included in Subsidiary	

Attachment 9: Names, locations, main businesses and products, original investment amount, investment as of December 31, 2022, net income (loss) of investee company and investment income (loss) December 31, 2022.

Company	Investee company	Location	Main businesses and products	Original Investment (Note 2)		Investment as of December 31, 2022			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value (Note 2)			
Nien Advanced Solutions	Norman International South Carolina, LLC.	United States	Regional trading and service in window covering	\$31	\$ -	-	100.00%	\$(2,359)	\$(2,323)	Included in Subsidiary	
Global Viewcomp (Hong Kong) Company Limited	Billion Coins Development Limited	Hong Kong	Holding company and providing logistics services	\$1,410,192	\$1,410,192	357,768,000	100.00%	\$2,954,582	\$438,781	Included in Subsidiary	
Billion Coins Development Limited	Norman Mexico Company Limited	Mexico	Manufacturing and selling shutters and plastic blinds	\$1,842,751	\$895,617	1,161,860,948	83.89%	\$1,785,958	\$(759)	Included in Subsidiary	
Norm Pacific Automation Corp.	Norm Pacific Technology Ltd.	Samoa	Holding company	\$26,032	\$26,032	1,000,000	100.00%	\$(36,723)	\$(12,000)	Included in Subsidiary	

Note 1: Investment income (loss) recognized by the Company included investment income (loss) by these investees from upstream/downstream transactions and premium amortization .

Note 2: The original investment amount and the book value at the end of the period were converted according to the exchange rate of December 31, 2022.

Attachment 10: Investment in Mainland China

(1) The Company invests in mainland China through "Nien Made (BVI) Enterprise Co., Ltd." which further invests in "New Legend Enterprise Limited", related information is as follows:

Investee company	Main Businesses and Products	Total Amount of Issued Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows in Current Period		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 1)	Carrying Value as of December 31, 2022 (Note 1)	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow						
Nien Made (Dong Guan) Window Fashions Co., Ltd.	Manufacturing and selling shutters and wood blinds.	\$472,603	Indirectly investment in Mainland China through remittance from a third region.	\$474,333	\$ -	\$ -	\$474,333	\$120,618	100%	\$120,618	\$755,801	\$ -
Zhao Feng (Dong Guan) Window Fashions Co., Ltd.	Manufacturing and selling cellular shades, roman shades and roller shades.	\$1,463,535	Indirectly investment in Mainland China through remittance from a third region.	\$1,265,170	\$ -	\$ -	\$1,265,170	\$41,681	100%	\$41,681	\$1,841,330	\$ -

Note 1: The investment income (loss) and the book value of investment accounted for using equity method of "New Legend Enterprise Limited".

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$1,739,503	\$1,867,051	N/A (Note 3)

Note 2: The relevant figures in this table are presented in New Taiwan Dollars and the foreign currency is converted at the exchange rate of December 31, 2022.

Note 3: Pursuant to Jing-Shou-Kung-Zi Letter No.10920432610 issued by the Ministry of Economic Affairs, R.O.C., on November 2, 2020, as the Company has obtained the certificate of a qualified operating headquarters, issued by the Industrial Development Bureau, MOEA, the upper limit of investment in Mainland China is not capped at 60% of net worth or consolidated net worth specified by the Investment Commission.

(2) The Company invests in mainland China through "Original Source Investments Limited", related information is as follows:

Investee company	Main Businesses and Products	Total Amount of Issued Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows in Current Period		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 1)	Carrying Value as of December 31, 2022 (Note 1)	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow						
Nien Made (Wulian) Window Fashions Co., Ltd.	Manufacturing and selling wood blinds and shutter semi-products.	\$656,476	Indirectly investment in Mainland China through remittance from a third region.	\$733,973	\$ -	\$ -	\$733,973	\$15,352	100%	\$15,352	\$700,988	\$ -

Note 1: The investment income (loss) and the book value of investment accounted for using equity method of "Original Source Investments Limited".

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$733,973	\$733,973	N/A (Note 3)

Note 2: The relevant figures in this table are presented in New Taiwan Dollars and the foreign currency is converted at the exchange rate of December 31, 2022.

Note 3: Pursuant to Jing-Shou-Kung-Zi Letter No.10920432610 issued by the Ministry of Economic Affairs, R.O.C., on November 2, 2020, as the Company has obtained the certificate of a qualified operating headquarters, issued by the Industrial Development Bureau, MOEA, the upper limit of investment in Mainland China is not capped at 60% of net worth or consolidated net worth specified by the Investment Commission.

Attachment 10: Investment in Mainland China

(3) The Company invests in mainland China through "Global Viewcomp (Hong Kong) Company Limited" which further invests in "Billion Coins Development Limited", related information is as follows:

Investee company	Main Businesses and Products	Total Amount of Issued Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows in Current Period		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 1)	Carrying Value as of December 31, 2022 (Note 1)	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow						
Dongguan Fanchang Curtain Product Co., Ltd.	Manufacturing and selling plastic blinds and accessories.	\$1,455,894	Indirectly investment in Mainland China through remittance from a third region.	\$921,379	\$ -	\$ -	\$921,379	\$456,944	100%	\$456,944	\$2,071,077	\$ -

Note 1: The investment income (loss) and the book value of investment accounted for using equity method of "Billion Coins Development Limited".

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$921,379	\$2,201,148	N/A (Note 3)

Note 2: The relevant figures in this table are presented in New Taiwan Dollars and the foreign currency is converted at the exchange rate of December 31, 2022.

Note 3: Pursuant to Jing-Shou-Kung-Zi Letter No.10920432610 issued by the Ministry of Economic Affairs, R.O.C., on November 2, 2020, as the Company has obtained the certificate of a qualified operating headquarters, issued by the Industrial Development Bureau, MOEA, the upper limit of investment in Mainland China is not capped at 60% of net worth or consolidated net worth specified by the Investment Commission.

(4) The Company invests in mainland China through "Norm Pacific Automation Corp." which further invests in "Norm Pacific Technology Ltd.", related information is as follows:

Investee company	Main Businesses and Products	Total Amount of Issued Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows in Current Period		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 1)	Carrying Value as of December 31, 2022 (Note 1)	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow						
E-Shine Technology Ltd.	Manufacturing and selling dehumidifiers and air purifiers.	\$29,761	Indirectly investment in Mainland China through remittance from a third region.	\$29,761	\$ -	\$ -	\$29,761	\$(12,001)	66.53%	\$(12,001)	\$(39,837)	\$ -

Note 1: The investment income (loss) and the book value of investment accounted for using equity method of "Norm Pacific Technology Ltd.".

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$29,761	\$29,761	\$240,192

Note 2: The relevant figures in this table are presented in New Taiwan Dollars and the foreign currency is converted at the exchange rate of December 31, 2022.

STOCK CODE: 8464

NIEN MADE ENTERPRISE CO., LTD.

**PARENT COMPANY ONLY FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT ACCOUNTANTS**

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Address: 23F.-1, No. 98, Shizheng N. 7th Rd., Xitun Dist., Taichung City, Taiwan (R.O.C).
Telephone: 886-4-3600-0999

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

REPORT OF INDEPENDENT ACCOUNTANTS

English Translation of a Report Originally Issued in Chinese

To NIEN MADE ENTERPRISE CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of NIEN MADE ENTERPRISE CO., LTD. (collectively, the “Company”) as of December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the parent company only financial statements, including the summary of significant accounting policies (together “the parent company only financial statements”).

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2022 and 2021, and their parent company only financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Parent Company Only Financial Statements* section of our report. We are independent of the Company and in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were most significant in our audit of 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Evaluation of allowance for inventory valuation loss (including evaluation of allowance for inventory valuation loss of investment accounted for using equity method)

The Company and its investment accounted for using equity method - subsidiaries' inventories were significant to their financial statements. The allowance for inventory valuation loss could be affected by management judgement and the impact of the future market and economic outlook expected. We therefore determined this a key audit matter.

Our audit procedures included, but not limited to, understanding and testing the effectiveness of internal controls over inventories; assessing the reasonableness of accounting policy of inventory valuation loss set up by management; assessing the stocktaking plan and selecting important storage locations to observe inventory counts to ensure quantities and status; obtaining the supporting documents for calculating allowance for inventory valuation loss and sampling related documents to confirm the correctness of allowance for inventory loss; obtaining inventory movement report and sampling related documents of purchases and sales. We also recalculated the net realizable value estimation adopted by management. Please refer to Notes 4, 5 and 6 of the parent company only financial statements.

2. Impairment of notes and accounts receivable (including impairment of notes and accounts receivable of investment accounted for using equity method)

The Company and its investment accounted for using equity method - subsidiaries' notes and accounts receivable, net were significant to their financial statements. Since the collection of notes and accounts receivable is the key factor in the working capital management of the Company, and the adoption of provision policy requires significant management judgement, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, understanding and testing the effectiveness of internal control over accounts receivable; assessing the reasonableness of loss allowance policy, including understanding how management evaluated expected credit loss ratio according to historical experience and future economic outlook expected; investigating accounts receivable details and sampling related documents for aging; recalculating the loss allowance for accounts receivables based on the expected credit loss ratio. We also evaluated individually the reasonableness of the impairment of accounts receivable long overdue and its collection in subsequent period. Please refer to Notes 5 and 6 of the parent company only financial statements.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Huang, Tzu Ping
Chen, Ming Hung

Ernst & Young, Taiwan

March 14, 2023

Notice to Readers

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

NIEN MADE ENTERPRISE CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Assets		Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	4, 6(1)	\$3,166,589	11.4	\$2,876,409	10.7
1170	Notes and Accounts receivable, net	4, 6(2)	219,117	0.8	299,182	1.1
1180	Accounts receivable - related parties, net	4, 6(2), 7	2,835,877	10.2	3,630,930	13.5
1200	Other receivables	4	10,546	-	647	-
1210	Other receivables - related parties	7	4,435	-	5,314	-
1310	Inventories	4, 6(3)	508,832	1.9	477,866	1.8
1410	Prepayments	6(4), 7	1,906,614	6.9	2,449,715	9.1
1470	Other current assets		1,082	-	948	-
11xx	Total current assets		<u>8,653,092</u>	<u>31.2</u>	<u>9,741,011</u>	<u>36.2</u>
Non-current assets						
1550	Investment accounted for using equity method	4, 6(5)	17,022,304	61.3	15,121,025	56.2
1600	Property, plant and equipment	4, 6(6)	1,743,140	6.3	1,372,709	5.1
1755	Right-of-use assets	4, 6(12)	-	-	504	-
1760	Investment property	4	10,060	-	10,060	-
1780	Intangible assets	4	75,354	0.3	90,387	0.3
1840	Deferred income tax assets	4, 6(16)	162,633	0.6	392,534	1.5
1900	Other non-current assets		83,661	0.3	187,512	0.7
15xx	Total non-current assets		<u>19,097,152</u>	<u>68.8</u>	<u>17,174,731</u>	<u>63.8</u>
1xxx	Total assets		<u>\$27,750,244</u>	<u>100.0</u>	<u>\$26,915,742</u>	<u>100.0</u>

(Continued)

NIEN MADE ENTERPRISE CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS (Continued)
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term loans	4, 6(7)	\$ -	-	\$2,817,300	10.5
2130	Contract liabilities, current	6(11)	8,633	-	9,346	-
2170	Accounts payable		69,051	0.2	78,565	0.3
2180	Accounts payable - related parties	7	1,437,931	5.2	2,245,604	8.3
2200	Other payables	6(8)	974,532	3.5	787,987	2.9
2220	Other payables - related parties	7	101,158	0.4	124,422	0.5
2230	Current income tax liabilities	4	1,610,228	5.8	1,391,798	5.2
2280	Lease liabilities, current	4, 6(12)	-	-	511	-
2300	Other current liabilities		3,499	-	2,242	-
21xx	Total current liabilities		<u>4,205,032</u>	<u>15.1</u>	<u>7,457,775</u>	<u>27.7</u>
Non-current liabilities						
2570	Deferred income tax liabilities	4, 6(16)	1,938,002	7.0	1,848,667	6.9
2640	Net defined benefit obligation, non-current	4, 6(9)	33,180	0.1	41,400	0.2
2650	Credit balance in investment accounted for using equity method	4, 6(5)	90,848	0.3	67,837	0.2
25xx	Total non-current liabilities		<u>2,062,030</u>	<u>7.4</u>	<u>1,957,904</u>	<u>7.3</u>
2xxx	Total liabilities		<u>6,267,062</u>	<u>22.5</u>	<u>9,415,679</u>	<u>35.0</u>
Equity						
31xx	Equity	6(10)				
3100	Capital					
3110	Common stock		2,930,202	10.6	2,930,202	10.9
3200	Capital surplus		4,572,007	16.5	4,572,007	17.0
3300	Retained earnings					
3310	Legal reserve		2,853,286	10.3	2,320,601	8.6
3320	Special reserve		1,174,890	4.2	938,200	3.5
3350	Unappropriated earnings		10,098,823	36.4	7,913,943	29.4
3400	Other components of equity					
3410	Exchange differences on translation of foreign operations		(146,026)	(0.5)	(1,174,890)	(4.4)
3xxx	Total equity		<u>21,483,182</u>	<u>77.5</u>	<u>17,500,063</u>	<u>65.0</u>
Total liabilities and equity			<u>\$27,750,244</u>	<u>100.0</u>	<u>\$26,915,742</u>	<u>100.0</u>

(The accompanying notes are an integral part of the parent company only financial statements)

NIEN MADE ENTERPRISE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the years ended December 31,			
		2022		2021	
		Amount	%	Amount	%
4000 Operating revenues	4,6(11),7	\$21,988,498	100.0	\$22,255,281	100.0
5000 Operating costs	6(13), 7	(12,613,924)	(57.4)	(13,403,497)	(60.2)
5900 Gross profit		9,374,574	42.6	8,851,784	39.8
5910 Unrealized profit or loss on sales		(731,030)	(3.3)	(644,961)	(2.9)
5920 Realized profit or loss on sales		644,961	2.9	502,614	2.2
Gross profit, net		9,288,505	42.2	8,709,437	39.1
6000 Operating expenses	6(13)				
6100 Selling and marketing expenses		(1,855,777)	(8.4)	(1,840,243)	(8.3)
6200 General and administrative expenses		(520,507)	(2.4)	(523,130)	(2.3)
6300 Research and development expenses		(174,264)	(0.8)	(150,865)	(0.7)
Total operating expenses		(2,550,548)	(11.6)	(2,514,238)	(11.3)
6900 Operating income		6,737,957	30.6	6,195,199	27.8
7000 Non-operating income and expenses	6(14)				
7100 Interest income		32,427	0.1	6,010	-
7010 Other income		1,963	-	6,319	-
7020 Other gains and losses		626,609	2.9	(277,994)	(1.2)
7050 Finance costs		(5,921)	-	(30,417)	(0.1)
7070 Share of profit or loss of subsidiaries, associates and joint ventures	4, 6(5)	372,731	1.7	891,604	4.0
Total non-operating income and expenses		1,027,809	4.7	595,522	2.7
7900 Income from continuing operations before income tax		7,765,766	35.3	6,790,721	30.5
7950 Income tax expense	4, 6(16)	(1,592,755)	(7.2)	(1,470,951)	(6.6)
8200 Net income		6,173,011	28.1	5,319,770	23.9
8300 Other comprehensive income (loss)	6(15)				
8310 Items that may not be reclassified subsequently to profit or loss:					
8311 Remeasurements of defined benefit obligation		5,457	-	8,486	-
8349 Income tax related to items that may not be reclassified subsequently		(991)	-	(1,410)	-
8360 Items that may be reclassified subsequently to profit or loss:					
8361 Exchange differences on translation of foreign operations		1,286,080	5.9	(295,863)	(1.3)
8399 Income tax related to items that may be reclassified subsequently		(257,216)	(1.2)	59,173	0.3
Total other comprehensive income (loss), net of tax		1,033,330	4.7	(229,614)	(1.0)
8500 Total comprehensive income		\$7,206,341	32.8	\$5,090,156	22.9
Earnings per share (NTD)	6(17)				
9750 Earnings per share-basic		\$21.07		\$18.15	
9850 Earnings per share-diluted		\$21.02		\$18.12	

(The accompanying notes are an integral part of the parent company only financial statements)

NIEN MADE ENTERPRISE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Notes	Retained earnings				Exchange Differences on Translation of Foreign Operations	Total Equity	
		Common Stock	Capital Surplus	Legal Reserve	Special Reserve			Unappropriated Earnings
Balance as of January 1, 2021		\$2,930,202	\$4,572,007	\$1,841,402	\$682,926	\$6,251,772	\$(938,200)	\$15,340,109
Appropriation and distribution of retained earnings, 2020	6(10)							
Legal reserve				479,199		(479,199)		-
Special reserve					255,274	(255,274)		-
Cash dividends						(2,930,202)		(2,930,202)
Net income in 2021						5,319,770		5,319,770
Other comprehensive income (loss), net of income tax in 2021	6(15)					7,076	(236,690)	(229,614)
Total comprehensive income (loss)		-	-	-	-	5,326,846	(236,690)	5,090,156
Balance as of December 31, 2021		2,930,202	4,572,007	2,320,601	938,200	7,913,943	(1,174,890)	17,500,063
Appropriation and distribution of retained earnings, 2021	6(10)							
Legal reserve				532,685		(532,685)		-
Special reserve					236,690	(236,690)		-
Cash dividends						(3,223,222)		(3,223,222)
Net income in 2022						6,173,011		6,173,011
Other comprehensive income (loss), net of income tax in 2022	6(15)					4,466	1,028,864	1,033,330
Total comprehensive income (loss)		-	-	-	-	6,177,477	1,028,864	7,206,341
Balance as of December 31, 2022		\$2,930,202	\$4,572,007	\$2,853,286	\$1,174,890	\$10,098,823	\$(146,026)	\$21,483,182

(The accompanying notes are an integral part of the parent company only financial statements)

NIEN MADE ENTERPRISE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Notes	For the years ended December 31,	
		2022	2021
Cash flows from operating activities:			
Net income before tax		\$7,765,766	\$6,790,721
Adjustments			
Adjustments to reconcile profit (loss):			
Depreciation		50,262	33,860
Amortization		48,428	61,900
Interest expense		5,921	30,417
Interest income		(32,427)	(6,010)
Unrealized loss to sales		86,069	142,347
Investment income recognized from investment accounted for using equity method		(372,731)	(891,604)
Gain on disposal of property, plant and equipment, net		(101)	(92)
Changes in operating assets and liabilities:			
Notes and accounts receivable		80,065	(76,773)
Accounts receivable - related parties		795,053	(170,260)
Inventories		(30,966)	(61,161)
Other receivables		(1,637)	1,297
Other receivables - related parties		879	(3,449)
Prepayments		543,616	(840,161)
Other current assets		(134)	(141)
Contract liabilities		(713)	2,417
Accounts payable		(9,514)	(41,613)
Accounts payable - related parties		(807,673)	29,113
Other payables		187,652	196,228
Other payables - related parties		(23,264)	(79,842)
Other current liabilities		1,257	(519)
Net defined benefit obligation		(3,266)	(10)
Cash generated from operations		8,282,542	5,116,665
Interest received		24,165	6,097
Interest paid		(7,028)	(31,409)
Income tax paid		(1,313,296)	(1,194,841)
Net cash provided by operating activities		6,986,383	3,896,512
Cash flows from investing activities:			
Acquisition of investment accounted for using equity method		(324,051)	-
Dividends distributed by investment accounted for using equity method		19,028	166,851
Acquisition of property, plant and equipment		(341,463)	(50,116)
Proceeds from disposal of property, plant and equipment		101	95
Acquisition of intangible assets		(3,807)	(41,325)
Increase in other non-current assets		(4,978)	(5,754)
Increase in refundable deposit		-	(54)
Net cash (used) provided in investing activities		(655,170)	69,697
Cash flows from financing activities:			
Decrease in short-term loans		(2,817,300)	(2,100,000)
Decrease in guarantee deposits		-	(13)
Cash dividends		(3,223,222)	(2,930,202)
Repayment of lease principal		(511)	(504)
Net cash used in financing activities		(6,041,033)	(5,030,719)
Net increase (decrease) in cash and cash equivalents		290,180	(1,064,510)
Cash and cash equivalents at beginning of period		2,876,409	3,940,919
Cash and cash equivalents at end of period	6(1)	\$3,166,589	\$2,876,409

(The accompanying notes are an integral part of the parent company only financial statements)

NIEN MADE ENTERPRISE CO., LTD.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. HISTORY AND ORGANIZATION

Nien Made Enterprise Co., Ltd., (hereinafter referred to as “the Company”), formerly known as Global Viewcomp Co., Ltd., was incorporated on July 26, 2007. On March 1, 2008, the Company completed all mandatory processes to acquire and merge the listed company “Nien Made Enterprise Co. Ltd” (hereinafter referred to as “Former NM”). Former NM was incorporated in 1974, listed on the Taiwan Stock Exchange in 1993 and was mainly engaged in manufacturing and selling of blinds products. In December 2007, the shareholders’ meeting of Former NM approved the merger with the Company. After the merger, Former NM was dissolved with the Company remaining as the surviving entity and was subsequently renamed as Nien Made Enterprise Co., Ltd. The Company now manufactures and markets window coverings products, including various types of shutters, blinds, shades, and related components.

In addition to the acquisition of Former NM in 2008, the Company and its subsidiaries also acquired other overseas entities previously not part of Former NM. After these acquisitions, the Company now owns the entire supply chain capabilities of design, manufacturing, branding and distribution channels. These above acquisitions also allowed the Company to own both the ready-made and custom-made businesses.

In August 2014, the Company completed the supplemental public issuance procedure with the approval from the competent authority. The shares of the Company commenced trading on the Emerging Stock Board of the Taipei Exchange in January 2015 and were listed on the Taiwan Stock Exchange (TWSE) on December 22, 2015. The Company’s registered office and main business location is 23F.-1, No. 98, Shizheng N. 7th Rd., Xitun Dist., Taichung City, Taiwan (R.O.C.).

2. DATE AND PROCEDURES OF AUTHORIZATION OF FINANCIAL STATEMENTS FOR ISSUE

The parent company only financial statements of the Company for the years ended December 31, 2022 and 2021 were authorized for issue in accordance with a resolution of the Board of Directors’ meeting on March 14, 2023.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

3. APPLICATION OF NEWLY ISSUED AND REVISED STANDARDS AND INTERPRETATIONS

- (1) The Company applied International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2022. The initial adoption of these new standards and amendments have no material impact on the Company.
- (2) The Company has not adopted standards or interpretations issued, revised or amended, which are endorsed but not yet applied by FSC :

New/Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IAS 1 - Disclosure Initiative - Accounting Policies	January 1, 2023
Amendments to IAS 8 - Definition of Accounting Estimates	January 1, 2023
Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023

The above-mentioned amendments that are applicable for annual periods beginning on or after January 1, 2023 have no material impact on the Company.

- (3) Standards or interpretations issued, revised or amended, by IASB but not yet endorsed by FSC are listed below:

New/Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IAS 1 - Classification of Liabilities as Current or Non-current	January 1, 2024
Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback	January 1, 2024
Amendments to IAS 1 - Non-current Liabilities with Covenants	January 1, 2024

The above-mentioned standards and interpretations issued by IASB have not yet been endorsed by FSC. The effective dates are to be determined by FSC. All the standards and interpretations have no material impact on the Company.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

The parent company only financial statements of the Company for the years ended December 31, 2022 and 2021 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”).

(2) Basis of preparation

The Company prepared the parent company only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, investment in subsidiaries was presented in the parent company only financial statements as “Investments accounted for using equity method” and made necessary adjustments.

The parent company only financial statements have been prepared on historical cost basis, except for financial instruments that are measured at fair values. The parent company only financial statements are expressed in thousands of New Taiwan Dollars (“NT\$”) unless otherwise stated.

(3) Foreign Currency Transactions

The parent company only financial statements are presented in New Taiwan Dollars (NT\$), which is also the Company’s functional currency.

Transactions in foreign currencies which are recorded are translated at their respective functional currency rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rates as at the dates of the initial transactions.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- (a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- (b) Foreign currency items within the scope of IFRS 9 “*Financial Instruments*” are accounted for based on the accounting policy for financial instruments.
- (c) Exchange differences arising on a monetary item that is part of a reporting entity’s net investment in a foreign operation are recognized initially in other comprehensive income and reclassified from equity to profit or loss upon disposal of such investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Translation of Financial Statements in Foreign Currency

Each foreign operations of the Company determines its own functional currency and items included in the financial statements of each foreign operation are measured using that functional currency. The assets and liabilities of foreign operations are translated into NT\$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. When the partial disposal involves the loss of control of a subsidiary that includes a foreign operation or the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation, the partial disposals are also accounted for as disposals.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint venture that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

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

Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) The assets expected to realize, or intends to sell or consume it, in its normal operating cycle;
- (b) The assets primarily held for the purpose of trading;
- (c) The assets that are expected to be realized within twelve months after the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) The liabilities that are expected to be paid off within the normal operating cycle;
- (b) The liabilities primarily held for the purpose of trading;
- (c) The liabilities that are to be paid off within twelve months from the balance sheet date;
- (d) The liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(6) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within one year) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 “*Financial Instruments*” are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities.

(a) Recognition and Measurement of Financial assets

The Company accounts for all regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- I. the business model for managing the financial assets and
- II. the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as notes receivable, accounts receivable, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- I. the financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and
- II. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Such financial assets are subsequently measured at amortized cost using the effective interest rate method to recognize interest income and impairment losses. A gain or loss is recognized in profit or loss when the financial asset is derecognized.

Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met and presented as financial assets at fair value through other comprehensive income on balance sheet as at the reporting date:

- I. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- II. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at fair value and a gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income. Impairment losses, interest income and foreign exchange gains and losses are recognized in profit or loss before the derecognition. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Financial asset measured at fair value through profit or loss

Apart from financial assets were measured at amortized cost or measured at fair value through other comprehensive income only if they met particular conditions aforementioned, all other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Financial assets at fair value through profit or loss are remeasured at fair value with changes in fair value recognized in profit or loss. Dividends or interests on financial assets at fair value through profit or loss are recognized in profit or loss.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income, which does not reduce the carrying amount in the statement of financial position.

For accounts receivable or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company measures the loss allowance for debt instrument investments measured at fair value through other comprehensive income and financial assets measured at amortized cost by considering all reasonable and supportable information including forward-looking information. For the credit risk on a financial asset has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses. For the credit risk on a financial asset has increased significantly, the loss allowance is measured at an amount equal to lifetime expected credit losses. Please refer to Note 12 for further details on credit risk.

(c) Derecognition of financial assets

A financial asset held by the Company is derecognized when:

- I. The rights to receive cash flows from the asset have expired
- II. The assets has been transferred and substantially all the risks and rewards of the asset have been transferred
- III. Neither has it transferred nor has retained substantially all the risks and rewards of the asset, but has transferred control of the asset

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(d) Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities within the scope of IFRS 9 “*Financial Instruments*” are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at fair value through profit or loss.

A financial liability is classified as held for trading if:

- I. it is acquired or incurred principally for the purpose of selling it in short term
- II. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking
- III. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

Gains or losses on the subsequent measurement of financial liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost include payables and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the financial liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Derivative instruments

Derivative instruments that are designated effective hedging instruments are classified as financial assets or liabilities for hedging; while derivative instruments that are not designated effective hedging instruments are classified in the balance sheet as financial assets or liabilities at fair value through profit or loss.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective hedging portion which is recognized in profit or loss or equity.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

- (a) Raw materials - Purchase cost on a weighted average basis
- (b) Finished goods and work in progress - Cost of direct materials and labor and manufacturing overheads. Fixed manufacturing overheads are calculated by weighted average method which are based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(11) Investments accounted for using equity method

According to Article 21 of the Regulation, the Company's investment in subsidiaries was presented as "Investments accounted for using equity method" and made necessary adjustments. The profit or loss during the period and other comprehensive income presented in the parent company only financial statements shall be the same as the allocations of profit or loss during the period and of other comprehensive income attributable to shareholders of the parent presented in the financial statements prepared on a consolidated basis, and the shareholders' equity presented in the parent company only financial statements shall be the same as the equity attributable to shareholders of the parent presented in the financial statements prepared on a consolidated basis. The adjustment was considered the difference between investment in subsidiaries in consolidated financial statements according to IFRS 10 "*Consolidated financial statements*" and application of IFRS to different reporting entities, debit/credit "Investment accounted for using equity method", "Share of profit or loss of subsidiaries, associates and joint ventures" or "Share of other comprehensive profit or loss of subsidiaries, associates and joint ventures" etc.

(12) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each component of property, plant and equipment that is significant shall be depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 "*Property, plant and equipment*". Significant inspection cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Items	Useful Lives
Buildings	5~50 years
Machinery and equipment	2~10 years
Office equipment	2~10 years
Other equipment	2~10 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate, and are treated as changes in accounting estimates.

Pursuant to Business Mergers and Acquisitions Act, the Company shall bear the land value increment tax in the amount of NT\$13,502 thousand from Former NM on March 1, 2008 when merging Former NM. Upon disposal of the land, the land value increment tax shall have priority over all other claims and mortgages with respect to the gain from the disposal. The Company disposed of the land partially in April 2010, April 2013 and May 2017, and adjusted the land value increment taxes borne when the land was acquired, which were NT\$2,348 thousand, NT\$2,034 thousand and NT\$1,611 thousand, respectively. As of December 31, 2022, the land value increment tax arising from acquisition was NT\$7,509 thousand.

The aforesaid lands had been assessed on the basis of municipal present values in fiscal 1995; simultaneously the provision of land value increment tax was recognized as deferred income tax liabilities.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(13) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are measured using the cost model in accordance with the requirements of IAS 16 “*Property, plant and equipment*” for that model, other than those that meet the criteria to be classified as held for sale (or are included in a disposal Company that is classified as held for sale) in accordance with IFRS 5 “*Non-current Assets Held for Sale and Discontinued Operations*”.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Items	Useful Lives
Buildings	5~50 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Assets are transferred to or from investment properties depending on actual use.

(14) Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it transfers the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

- (a) the right to obtain substantially all of the economic benefits from that use of the identified asset; and
- (b) the right to direct the use of the identified asset.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (c) amounts expected to be payable by the lessee under residual value guarantees;
- (d) the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

After the commencement date, the Company measures the lease liability on an amortized cost basis, which is increasing the carrying amount to reflect interest on the lease liability by using an effective interest method; and reducing the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the lessee; and
- (d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 "*Impairment of Assets*" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and presents interest expense separately from the depreciation charge associated with those leases in the in the statements of comprehensive income.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

The Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, a lease is classified as an operating lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on a straight-line basis.

(15) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss. A summary of the policies applied to the Company's intangible assets is as follows:

	Computer software	Patents
Useful lives	1~5 years	5~25 years
Amortization method used	Amortized on a straight- line basis over the estimated useful life	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired	Acquired

(16) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 "*Impairment of Assets*" may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(17) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(18) Revenue recognition

(a) Sale of goods

The Company's revenues arising from contracts with customers are mainly included sale of goods. The accounting policies for the Company's types of revenue are explained as follows:

The Company manufactures and sells goods. Revenues are recognized when the commitment goods are delivered to the customers and control of which is transferred to the customers. (Control of an asset is defined as the customers have ability to direct the use of and obtain substantially all of the remaining benefits from the goods.) Revenues are recognized based on the price stated in the contract.

The Company provides customers with a warranty which provides assurance that the product will operate as expected by the customers. The warranty is accounted for in accordance with IAS 37.

The credit period of the Company's sale of goods is 0 - 180 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivable whose aging is usually short without significant financing component to the contract.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to principal outstanding and the effective interest rate applicable.

(c) Dividends

Revenue is recognized when the Company's right to receive the payment is established.

(19) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore fund assets are not included in the parent company only financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- (a) the date of the plan amendment or curtailment, and
- (b) the date that the Company recognizes restructuring-related costs or post-employment benefits

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(20) Income Tax

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The surtax on undistributed retained earnings is recognized as income tax expense when the distribution proposal is approved by the shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- (a) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- (b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- (a) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- (b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(21) Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at fair value at acquisition date. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Company at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

The Company acquired all outstanding common shares of Former NM and the required legal procedures for the merger were completed on March 1, 2008. According to Letter (101) Ji-Mi-Zi No. 024 issued by the Accounting and Research and Development Foundation, as far as the merger is concerned, the merged entity is not considered extinguished and the accounts concerned of the merged entity shall be accounted for based on the book value. The excess of the acquisition cost over the book value of the net identifiable assets of the merged company is deemed to be the return of the invested capital.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's parent company only financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in future periods.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Inventories

Inventories are valued at lower of cost and net realizable value item by item. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Costs incurred in bringing each inventory to its present location and condition that can be sold, include cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs. Please refer to Note 6.

Accounts receivables – estimation of impairment loss

The Company estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise, please refer to Note 6.

Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations which involve various assumptions, including the change in discount rate and future salary. For more details about the assumptions of the cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans, please refer to Note 6.

Revenue recognition – sales returns and allowance

The Company estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company and subsidiaries establish provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	Dec. 31, 2022	Dec. 31, 2021
Cash on hand	\$285	\$285
Deposits in banks	3,166,304	2,876,124
Total	<u>\$3,166,589</u>	<u>\$2,876,409</u>

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Notes and accounts receivable, net and Accounts receivable – related parties

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Notes and accounts receivable	\$219,117	\$299,182
Less: loss allowance	-	-
Subtotal	219,117	299,182
Accounts receivable – related parties	2,835,877	3,630,930
Net amount	<u>\$3,054,994</u>	<u>\$3,930,112</u>

Notes and accounts receivable were not pledged.

The Company adopted IFRS 9 for impairment assessment. Aside from recognizing impairment loss for credit-impaired accounts receivable, the Company recognizes loss allowance based on the expected credit loss ratio of customers by different risk levels. Such risk levels are determined with factors of historical loss ratios and customers' financial conditions, competitiveness and business outlook. The credit period granted to customers by the Company is generally 0 - 180 days. Please refer to Note 12 for credit risk.

Aging analysis of notes receivable and accounts receivable:

(a) December 31, 2022

	<u>Carrying amount of notes and accounts receivable</u>	<u>Weighted average expected credit loss ratio</u>	<u>Lifetime expected credit losses</u>
Not past due	\$2,194,829	-	\$ -
Past due			
Past due within 30 days	740,893	-	-
Past due 31-60 days	111,176	-	-
Past due 61-90 days	4,184	-	-
Past due 91-120 days	3,912	-	-
Past due over 121 days	-	-	-
Total	<u>\$3,054,994</u>		<u>\$ -</u>

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) December 31, 2021

	Carrying amount of notes and accounts receivable	Weighted average expected credit loss ratio	Lifetime expected credit losses
Not past due	\$3,077,651	-	\$ -
Past due			
Past due within 30 days	845,389	-	-
Past due 31-60 days	3,274	-	-
Past due 61-90 days	3,667	-	-
Past due 91-120 days	131	-	-
Past due over 121 days	-	-	-
Total	<u>\$3,930,112</u>		<u>\$ -</u>

Movements of the loss allowance:

(a) For the year ended December 31, 2022

	For the year ended Dec. 31, 2022
Beginning balance	\$ -
Reversal for the current period	-
Ending balance	<u>\$ -</u>

(b) For the year ended December 31, 2021

	For the year ended Dec. 31, 2021
Beginning balance	\$2,250
Reversal for the current period	(2,250)
Ending balance	<u>\$ -</u>

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Inventories

(a) Detail is below:

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Raw materials	\$23,861	\$43,168
Work in progress	4,942	1,130
Finished goods	480,029	433,568
Total	<u>\$508,832</u>	<u>\$477,866</u>

(b) For the years ended December 31, 2022 and 2021, the Company recognized NT\$12,613,924 thousand and NT\$13,403,497 thousand, respectively, in operating cost, of which NT\$6,112 thousand and NT\$6,232 thousand were related to valuation loss of inventories to net realizable value.

Inventories were not pledged.

(4) Prepayments

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Prepayment for purchases	\$1,656,451	\$1,894,597
Overpaid sales tax	13,100	15,653
Office supplies	6,042	5,802
Other prepayments	231,021	533,663
Total	<u>\$1,906,614</u>	<u>\$2,449,715</u>

(5) Investment accounted for using equity method

Investment in subsidiaries was presented in the parent company only financial statements as “Investments accounted for using equity method” and made necessary adjustments listed as follows:

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Investees	Dec. 31, 2022			Dec. 31, 2021		
	Number of shares	Percentage of ownership	Amount	Number of shares	Percentage of ownership	Amount
Norm Pacific Automation Corp.	19,028,078	66.53%	\$266,328	19,028,078	66.53%	\$248,377
Nien Made (BVI) Enterprise Co., Ltd.	56,646,570	100.00%	4,818,070	56,646,570	100.00%	4,488,759
I Yang Enterprises Co., Ltd.	1,500,000	100.00%	2,214,348	1,500,000	100.00%	2,039,555
Norman International, Inc.	5,823,814	100.00%	2,893,267	5,823,814	100.00%	2,337,239
Global Viewcomp (Hong Kong) Company Limited	186,373,558	100.00%	4,479,604	186,373,558	100.00%	3,868,651
Original Source Investments Limited	21,378,000	100.00%	731,736	21,378,000	100.00%	724,512
Veneta Blinds Pty Ltd.	142	51.08%	8,891	142	51.08%	9,814
Veneta B.V.	264,000	51.00%	154,824	264,000	51.00%	281,755
Norman Japan Limited	47,000	100.00%	-	47,000	100.00%	-
Norman Australia Pty Ltd.	1,000,000	100.00%	60,256	1,000,000	100.00%	51,337
Norman Myanmar Service Co. Ltd.	700,000	100.00%	27,253	700,000	100.00%	23,266
Norman Myanmar Company Limited	38,937,000	100.00%	1,039,320	38,937,000	100.00%	1,047,760
Santa Fe Shutters Limited	100	100.00%	267,339	-	-	-
Bay Blinds Limited	100	100.00%	61,068	-	-	-
Total			<u>\$17,022,304</u>			<u>\$15,121,025</u>

(a) For the years ended December 31, 2022 and 2021, the details of additional investment in subsidiaries are as follows:

Investees	For the years ended Dec. 31,	
	2022	2021
Santa Fe Shutters Limited	\$263,443	\$ -
Bay Blinds Limited	60,608	-
Total	<u>\$324,051</u>	<u>\$ -</u>

(b) For the years ended December 31, 2022 and 2021, the details of dividends derived are as follows:

Investees	For the years ended Dec. 31,	
	2022	2021
Norm Pacific Automation Corp.	\$19,028	\$38,056
Veneta B.V.	-	128,795
Total	<u>\$19,028</u>	<u>\$166,851</u>

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (c) As of December 31, 2022, the net equity of Norman Japan Limited was NT\$(90,184) thousand, resulting in credit balance in the Company's book value of investment accounted for using equity method. Since the Company will keep supporting this investee, the credit balance in investment accounted for using equity method was reclassified to "Credit balance in investment accounted for using equity method" accordingly in the amount of NT\$(90,848) thousand.

(6) Property, plant and equipment

Jan. 1, 2022 – Dec. 31, 2022

	Land	Building	Machinery and Equipment	Office Equipment	Other Equipment	Construction in Progress	Total
<u>Cost:</u>							
Jan. 1, 2022	\$683,651	\$779,344	\$166,274	\$59,687	\$39,887	\$ -	\$1,728,843
Increase	151,246	171,728	1,700	3,219	3,462	-	331,355
Decrease	-	-	(1,272)	(299)	-	-	(1,571)
Reclassifications	-	72,523	-	13,394	2,917	-	88,834
Dec. 31, 2022	<u>\$834,897</u>	<u>\$1,023,595</u>	<u>\$166,702</u>	<u>\$76,001</u>	<u>\$46,266</u>	<u>\$ -</u>	<u>\$2,147,461</u>
<u>Accumulated depreciation and impairment:</u>							
Jan. 1, 2022	\$ -	\$142,406	\$152,358	\$35,903	\$25,467	\$ -	\$356,134
Increase	-	27,577	7,081	10,107	4,993	-	49,758
Decrease	-	-	(1,272)	(299)	-	-	(1,571)
Reclassifications	-	-	-	-	-	-	-
Dec. 31, 2022	<u>\$ -</u>	<u>\$169,983</u>	<u>\$158,167</u>	<u>\$45,711</u>	<u>\$30,460</u>	<u>\$ -</u>	<u>\$404,321</u>
<u>Net carrying amount:</u>							
Dec. 31, 2022	<u>\$834,897</u>	<u>\$853,612</u>	<u>\$8,535</u>	<u>\$30,290</u>	<u>\$15,806</u>	<u>\$ -</u>	<u>\$1,743,140</u>
Jan. 1, 2022	<u>\$683,651</u>	<u>\$636,938</u>	<u>\$13,916</u>	<u>\$23,784</u>	<u>\$14,420</u>	<u>\$ -</u>	<u>\$1,372,709</u>

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Jan. 1, 2021 – Dec. 31, 2021

	Land	Building	Machinery and Equipment	Office Equipment	Other Equipment	Construction in Progress	Total
Cost:							
Jan. 1, 2021	\$677,852	\$767,244	\$164,795	\$36,589	\$26,188	\$ -	\$1,672,668
Increase	-	720	1,083	5,198	2,299	-	9,300
Decrease	-	(16)	(3,242)	(1,571)	(214)	-	(5,043)
Reclassifications	5,799	11,396	3,638	19,471	11,614	-	51,918
Dec. 31, 2021	<u>\$683,651</u>	<u>\$779,344</u>	<u>\$166,274</u>	<u>\$59,687</u>	<u>\$39,887</u>	<u>\$ -</u>	<u>\$1,728,843</u>
Accumulated depreciation and impairment:							
	Land	Building	Machinery and Equipment	Office Equipment	Other Equipment	Construction in Progress	Total
Jan. 1, 2021	\$ -	\$123,120	\$148,970	\$30,641	\$23,067	\$ -	\$325,798
Increase	-	17,227	6,630	6,833	2,614	-	33,304
Decrease	-	(13)	(3,242)	(1,571)	(214)	-	(5,040)
Reclassifications	-	2,072	-	-	-	-	2,072
Dec. 31, 2021	<u>\$ -</u>	<u>\$142,406</u>	<u>\$152,358</u>	<u>\$35,903</u>	<u>\$25,467</u>	<u>\$ -</u>	<u>\$356,134</u>
Net carrying amount:							
Dec. 31, 2021	<u>\$683,651</u>	<u>\$636,938</u>	<u>\$13,916</u>	<u>\$23,784</u>	<u>\$14,420</u>	<u>\$ -</u>	<u>\$1,372,709</u>
Jan. 1, 2021	<u>\$677,852</u>	<u>\$644,124</u>	<u>\$15,825</u>	<u>\$5,948</u>	<u>\$3,121</u>	<u>\$ -</u>	<u>\$1,346,870</u>

(a) Property, plant and equipment were not pledged.

(b) There is no capitalization of interest due to purchase of property, plant and equipment.

(7) Short-term loans

	Dec. 31, 2022	Dec. 31, 2021
Unsecured bank loans	<u>\$ -</u>	<u>\$2,817,300</u>
Interest rates applied	<u>-</u>	<u>0.60%</u>

The Company's unused short-term lines of credits amounted to NT\$10,679,756 thousand and NT\$7,520,856 thousand for the years ended December 31, 2022 and 2021, respectively.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(8) Other payables

	Dec. 31, 2022	Dec. 31, 2021
Accrued employee compensation	\$212,588	\$206,000
Accrued payroll and bonus	60,750	57,614
Accrued professional charges	43,785	53,573
Accrued remuneration to directors	40,849	40,742
Others	616,560	430,058
Total	<u>\$974,532</u>	<u>\$787,987</u>

(9) Post-employment benefits

Defined contribution plan

The Company adopts a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Pension expenses under the defined contribution plan for the years ended December 31, 2022 and 2021 were NT\$11,123 thousand and NT\$10,510 thousand, respectively.

Defined benefits plan

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last six months of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contributes an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Company's employee pension funds are deposited under a trust administered by the Bank of Taiwan. Under the regulations of Labor Standards Act, employers shall appropriate labor pension reserve funds monthly and deposit it to designated financial institutions which are managed by the Business Entity Supervisory Committee of Labor Retirement Reserve established by the central competent authority. Employee pension funds can only pay for the pension costs under the old pension system and severance pay when the company shuts down. The remaining principal and interests of pension reserve funds cannot pay for any other purposes except for pension costs under the old pension system and the severance pay. With regard to the utilization of the fund, its minimum earnings in the annual distributions be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks according to "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund". In the event of a deficit, it shall be covered by the national treasury. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT\$992 thousand to its defined benefit plan during the 12 months beginning after December 31, 2022.

The weighted average duration of the defined benefits obligation was 7 years as of December 31, 2022.

Pension costs recognized in profit or loss are as follows:

	<u>For the years ended Dec. 31,</u>	
	<u>2022</u>	<u>2021</u>
Current service costs	\$667	\$898
Net interest on the net defined benefit liabilities (assets)	208	225
Total	<u>\$875</u>	<u>\$1,123</u>

Reconciliations of liabilities (assets) of the defined benefit obligation and plan assets at fair value are as follows:

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>	<u>Jan. 1, 2021</u>
Present value of defined benefit obligation	\$99,339	\$121,888	\$126,454
Plan assets at fair value	(66,159)	(80,488)	(77,992)
Net defined benefit liabilities, non-current	<u>\$33,180</u>	<u>\$41,400</u>	<u>\$48,462</u>

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Reconciliation of liabilities (assets) of the defined benefit plan are as follows:

	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities (assets)
Jan. 1, 2021	\$126,454	\$(77,992)	\$48,462
Current service costs	898	-	898
Interest expense (income)	594	(369)	225
Subtotal	127,946	(78,361)	49,585
Remeasurements of the defined benefit liabilities /assets:			
Actuarial (gain) loss arising from changes in demographic assumptions	(8,509)	-	(8,509)
Actuarial (gain) loss arising from changes in financial assumptions	(311)	-	(311)
Experience adjustments	2,762	-	2,762
Return on plan assets	-	(995)	(995)
Subtotal	121,888	(79,356)	42,532
Contributions by employer	-	(1,132)	(1,132)
Dec. 31, 2021	121,888	(80,488)	41,400
Current service costs	667	-	667
Interest expense (income)	622	(414)	208
Subtotal	123,177	(80,902)	42,275
Remeasurements of the defined benefit liabilities /assets:			
Actuarial (gain) loss arising from changes in financial assumptions	(3,770)	-	(3,770)
Experience adjustments	5,136	-	5,136
Return on plan assets	-	(6,319)	(6,319)
Subtotal	124,543	(87,221)	37,322
Payments of benefit obligation	(25,204)	25,204	-
Contributions by employer	-	(4,142)	(4,142)
Dec. 31, 2022	\$99,339	\$(66,159)	\$33,180

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The principal assumptions used in determining the Company defined benefit plan are shown below:

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Discount rate	1.15%	0.51%
Expected rate of salary increases	2.50%	2.50%

Sensitivity analysis for significant assumption are shown below:

	<u>For the years ended Dec. 31,</u>			
	<u>2022</u>		<u>2021</u>	
	Defined benefit obligation increase	Defined benefit obligation decrease	Defined benefit obligation increase	Defined benefit obligation decrease
Discount rate increase by 0.25%	\$ -	\$1,155	\$ -	\$1,498
Discount rate decrease by 0.25%	1,180	-	1,532	-
Future salary increase by 0.25%	944	-	1,223	-
Future salary decrease by 0.25%	-	930	-	1,204

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(10) Equities

(a) Common stock

The Company's authorized capital was NT\$9,380,000 thousand, issued capital was NT\$ 2,930,202 thousand, and issued shares was 293,020,200 shares as of January 1, 2021, each at a par value of NT\$10. As of December 31, 2022, there is no change of capital.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) Capital surplus

Under the relevant law, the capital surplus shall not be used except for offsetting against the Company's deficit. When a company incurs no deficit, it may distribute the capital surplus generated from the income derived from the issuance of new shares at a premium or income from endowments received by the Company. The capital surplus can be transferred to capital with a cap of certain percentage of paid-in capital annually. The capital surplus could also be distributed in the form of cash dividends to its shareholders in proportion to the number of shares being held by each of them.

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Additional paid-in capital	\$4,525,562	\$4,525,562
Compensation from subscription of reserved new shares by employees	45,584	45,584
Increase through changes in ownership interests in subsidiaries	<u>861</u>	<u>861</u>
Total	<u>\$4,572,007</u>	<u>\$4,572,007</u>

(c) Legal reserve

According to the Company Act, the Company's after-tax earnings are required to first offset against any deficit, and 10% of the balance shall be set aside as legal reserve. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the issued capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

(d) Special reserve

In accordance with the regulations, the Company is required to set aside additional special reserve equivalent to the contra account in the other components of equity before distributing earnings. The subsequent reversals of the contra accounts in other components of equity may be reclassified from special reserve to unappropriated earnings.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(e) Retained earnings distribution and dividend policies

- I. According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order: payment of all taxes and dues; offset operation losses in previous years; set aside 10% of the remaining amount as legal reserve unless the balance of legal reserve equals the total issues capital; set aside or reverse special reserve in accordance with law and regulations. After deducting the items above from the current year's earnings, the distribution of the remaining portion with accumulated undistributed prior year's earnings, if any, will be recommended by the board of directors and resolved in the shareholders' meeting.

The dividend may be distributed in cash or in the form of shares. The ratio of cash dividend is not lower than 20% of the distribution of shareholders dividend. The abovementioned dividend ratio can be adjusted based on current year's earnings and finance condition by the shareholders' meeting.

- II. Details of the 2022 and 2021 earnings distribution and dividends per share as approved and resolved by the board of meeting on March 14, 2023, and the shareholders' meeting on June 21, 2022, respectively, are as follows:

	<u>Appropriation of earnings</u>		<u>Dividend per share (NT\$)</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Legal reserve appropriated	\$617,748	\$532,685		
Special reserve appropriated (reversed)	(1,028,864)	236,690		
Cash dividends of ordinary share distributed	3,223,222	3,223,222	11.00	11.00
Total	<u>\$2,812,106</u>	<u>\$3,992,597</u>		

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(11) Operating revenues

The Company's revenues mainly come from selling products and the relevant information is disclosed below:

(a) Disaggregation of revenue

	2022			2021		
	Window coverings segment	Other segment	Total	Window coverings segment	Other segment	Total
Sales of goods	\$21,608,778	\$379,720	\$21,988,498	\$21,890,664	\$364,617	\$22,255,281

The Company recognizes revenues when control of the products is transferred to the customers, therefore the performance obligation is satisfied at a point in time.

(b) Contract liabilities – current

	Dec. 31, 2022	Dec. 31, 2021
Sales of goods	\$8,633	\$9,346

For the years ended December 31, 2022, contract liabilities decreased as performance obligations were partially satisfied. For the years ended December 31, 2021, contract liabilities increased as the consideration received from customers did not satisfy its performance obligations. The performance of the contract liabilities at the beginning period is as follows:

	For the years ended Dec. 31,	
	2022	2021
Revenue recognized during the year that was included in the balance at the beginning of the year	\$9,346	\$6,929

(c) There were no assets needed to be recognized as a result of costs arising from or performing a client contract by the Company.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(12) Leases

(a) Company as a lessee

The Company leases buildings. This lease has terms of 3 years. The effect that leases have on the financial position, financial performance and cash flows of the Company is as follow:

I. Amounts recognized in the balance sheets

i. Right-of-use assets

The carrying amount of right-of-use assets

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Buildings	\$ -	\$504

For the years ended December 31, 2022 and 2021, the Company's additions to right-of-use assets amounted to NT\$0 thousand and NT\$0 thousand, respectively.

ii. Lease liabilities

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Current	\$ -	\$511

Please refer to Note 6 (14)(d) for the interest on lease liabilities recognized for the years ended 31 December 2022 and 2021 and refer to Note 12 (5) for the maturity analysis for lease liabilities.

II. Amounts recognized in the statement of comprehensive income

i. Depreciation charge for right-of-use assets

	<u>For the years ended Dec. 31,</u>	
	<u>2022</u>	<u>2021</u>
Buildings	\$504	\$504

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

ii. Lease liabilities

	For the years ended Dec. 31,	
	2022	2021
The expenses relating to short-term leases	\$1,944	\$1,777

III. Cash outflow relating to leasing activities

For the years ended December 31, 2022 and 2021, the Company's total cash outflows for leases amounting to NT\$2,458 thousand and NT\$2,291 thousand, respectively.

(13) Summary of employee benefits, depreciation and amortization expenses by function as follows:

By function By nature	For the years ended Dec. 31,					
	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expenses						
Salaries	\$18,038	\$458,812	\$476,850	\$17,492	\$436,661	\$454,153
Labor and health insurance	2,014	25,913	27,927	1,985	24,955	26,940
Pension	597	11,401	11,998	554	11,079	11,633
Directors' remuneration	-	45,889	45,889	-	45,782	45,782
Other employee benefits expenses	2,183	16,525	18,708	2,168	16,495	18,663
Depreciation	3,997	46,265	50,262	3,850	29,958	33,808
Amortization	2,983	45,445	48,428	2,299	59,601	61,900

For the years ended December 31, 2022 and 2021, the average number of employees were 263 and 266, respectively, the number of directors who were not concurrently employees were both 4.

The Company's average employee benefit expenses for the years ended December 31, 2022 and 2021 were NT\$2,068 thousand and NT\$1,952 thousand, respectively. The Company's average salary expenses for the years ended December 31, 2022 and 2021 were NT\$1,841 thousand and NT\$1,733 thousand. The Company's average salary expense adjustment increased by 6.23% year over year.

The Company has established the Audit Committee in replace of supervisors and therefore the supervisors' remuneration for the years ended December 31, 2022 and 2021 were both NT\$0, respectively.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Company's compensation and remuneration policy for directors, managers and employees is as follows:

The Company developed a comprehensive employee welfare system in accordance with relevant regulations and regional requirements to provide employees with competitive salary and welfare terms. Employees' compensation includes monthly salary, bonus based on operation performance, and the compensation based on the Company's earnings performance and company by-laws. The Company conducts a performance evaluation of all employees every year to understand their performance and uses such information as a reference for promotions, training, salary and compensation distribution.

According to the Company's Articles of Incorporation, when there is profit in current year, the Company shall set aside 1% – 4% as employees' compensation and no higher than 1.5% as directors' remuneration. However, profit should be used to offset against any accumulated deficit prior to the aforementioned compensation and remuneration. The Company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or cash. Such distribution shall be reported at the shareholders' meeting. Information on the board of directors' resolution regarding the employees' compensation and directors' remuneration can be obtained from the "Market Observation Post System" on the website of the TWSE.

The Company estimated the amounts of the employees' compensation and directors' remuneration based on the profit of current year and recognized as salary expenses. If the board of directors resolves to distribute employees' compensation through stock, the number of stocks is calculated based on the closing price one day prior to the date of the meeting. The difference between the estimation and the resolution will be recognized as profit or loss of the subsequent year. The Company estimated the amounts of the employees' compensation and directors' remuneration as at the years ended December 31, 2022 and 2021 as follows:

	For the years ended Dec. 31,	
	2022	2021
Employees' compensation	\$212,588	\$206,000
Directors' remuneration	40,849	40,742

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The board meeting of the Company held on March 14, 2023 approved employees' compensation and directors' remuneration in the amounts of NT\$212,588 thousand and NT\$40,849 thousand in cash for 2022, respectively. There is no difference between the aforementioned approved amounts and the amounts charged against earnings of 2022.

The approved and actual distribution amount has no difference with the one recognized in the parent company only financial statements for the year ended December 31, 2021.

(14) Non-operating income and expenses

(a) Interest income

	For the years ended Dec. 31,	
	2022	2021
Interest income		
Financial assets measured at amortized cost	\$32,427	\$6,010

(b) Other income

	For the years ended Dec. 31,	
	2022	2021
Other income	\$1,963	\$6,319

(c) Other gains and losses

	For the years ended Dec. 31,	
	2022	2021
Foreign exchange benefit (losses), net	\$626,508	\$(278,034)
Gain on disposal of property, plant and equipment	101	92
Others	-	(52)
Total	\$626,609	\$(277,994)

(d) Finance costs

	For the years ended Dec. 31,	
	2022	2021
Interest on loans from bank	\$5,918	\$30,407
Interest on lease liabilities	3	10
Total	\$5,921	\$30,417

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(15) Components of other comprehensive income

(a) For the year ended Dec. 31, 2022

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax benefit (expense)	Other comprehensive income (loss), net of tax
Items that may not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit obligation	\$5,457	\$ -	\$5,457	\$(991)	\$4,466
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	1,286,080	-	1,286,080	(257,216)	1,028,864
Total of other comprehensive income	<u>\$1,291,537</u>	<u>\$ -</u>	<u>\$1,291,537</u>	<u>\$(258,207)</u>	<u>\$1,033,330</u>

(b) For the year ended Dec. 31, 2021

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax benefit (expense)	Other comprehensive income (loss), net of tax
Items that may not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit obligation	\$8,486	\$ -	\$8,486	\$(1,410)	\$7,076
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	(295,863)	-	(295,863)	59,173	(236,690)
Total of other comprehensive income	<u>\$(287,377)</u>	<u>\$ -</u>	<u>\$(287,377)</u>	<u>\$57,763</u>	<u>\$(229,614)</u>

(16) Income tax

(a) The major components of income tax expense (benefit) for the years ended 2022 and 2021 are as follows:

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

I. Income tax expense (benefit) recognized in profit or loss

	<u>For the years ended Dec. 31,</u>	
	<u>2022</u>	<u>2021</u>
Current income tax expense (benefit):		
Current income tax charge	\$1,595,362	\$1,338,451
Adjustment of previous year's tax expense in current year	(63,636)	-
Deferred income tax expense (benefit):		
Deferred income tax expense (benefit) relating to origination and reversal of temporary differences	61,029	132,500
Total income tax expenses	<u>\$1,592,755</u>	<u>\$1,470,951</u>

II. Income tax relating to components of other comprehensive income

	<u>For the years ended Dec. 31,</u>	
	<u>2022</u>	<u>2021</u>
Deferred income tax expense (benefit):		
Remeasurements of defined benefit obligation	\$(991)	\$(1,410)
Exchange differences on translation of foreign operations	(257,216)	59,173
Income tax relating to components of other comprehensive income	<u>\$(258,207)</u>	<u>\$57,763</u>

III. A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	<u>For the years ended Dec. 31,</u>	
	<u>2022</u>	<u>2021</u>
Accounting profit before tax from continuing operations	<u>\$7,765,766</u>	<u>\$6,790,721</u>
Tax at the domestic rates applicable to profits in the country concerned	\$1,553,153	\$1,358,144
Tax effect of revenues exempt from taxation	(7,352)	(2,322)
Tax effect of expenses (benefit) not deductible for tax purposes	53,085	60,704
Additional income tax on undistributed earnings	57,505	54,425
Adjustment of previous year's tax expense in current year	(63,636)	-
Total income tax expense recognized in profit or loss	<u>\$1,592,755</u>	<u>\$1,470,951</u>

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

IV. Deferred tax assets (liabilities) that are related to the following items:

i. For the year ended December 31, 2022

	Jan. 1, 2022	Recognized in profit or loss	Recognized in other comprehensive income	Dec. 31, 2022
Temporary differences				
Excess the limitation of loss allowance	\$(2,441)	\$ -	\$ -	\$(2,441)
Allowance for inventory valuation loss	3,486	736	-	4,222
Unrealized foreign exchange gains or losses	1,918	31,427	-	33,345
Unrealized accrued expenses	80,951	(839)	-	80,112
Impairment losses	1,135	-	-	1,135
Investment (income) loss accounted for using the equity method	(1,716,367)	(91,700)	-	(1,808,067)
Remeasurements of defined benefit obligation	9,088	-	(991)	8,097
Exchange differences on translation of foreign operations	212,298	-	(257,216)	(44,918)
Elimination of exchange differences on translation of foreign operations	(40,293)	-	-	(40,293)
Net defined benefit obligation, non-current	3,119	(653)	-	2,466
Land value increment tax	(9,027)	-	-	(9,027)
Deferred tax income (expense)		<u>\$(61,029)</u>	<u>\$(258,207)</u>	
Net deferred tax liabilities	<u>\$(1,456,133)</u>			<u>\$(1,775,369)</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$392,534</u>			<u>\$162,633</u>
Deferred tax liabilities	<u>\$(1,848,667)</u>			<u>\$(1,938,002)</u>

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

ii. For the year ended December 31, 2021

	Jan. 1, 2021	Recognized in profit or loss	Recognized in other comprehensive income	Dec. 31, 2021
Temporary differences				
Excess the limitation of loss allowance	\$(2,441)	\$ -	\$ -	\$(2,441)
Allowance for inventory valuation loss	3,398	88	-	3,486
Unrealized foreign exchange gains or losses	2,869	(951)	-	1,918
Unrealized accrued expenses	42,748	38,203	-	80,951
Impairment losses	1,135	-	-	1,135
Investment (income) loss accounted for using the equity method	(1,546,528)	(169,839)	-	(1,716,367)
Remeasurements of defined benefit obligation	10,498	-	(1,410)	9,088
Exchange differences on translation of foreign operations	153,125	-	59,173	212,298
Elimination of exchange differences on translation of foreign operations	(40,293)	-	-	(40,293)
Net defined benefit obligation, non-current	3,120	(1)	-	3,119
Land value increment tax	(9,027)	-	-	(9,027)
Deferred tax income (expense)		<u>\$(132,500)</u>	<u>\$57,763</u>	
Net deferred tax liabilities	<u>\$(1,381,396)</u>			<u>\$(1,456,133)</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$297,919</u>			<u>\$392,534</u>
Deferred tax liabilities	<u>\$(1,679,315)</u>			<u>\$(1,848,667)</u>

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) The assessment of income tax returns

	The assessment of income tax returns
The Company	Assessed and approved up to 2020

(17) Earnings per share

	For the years ended Dec. 31,	
	2022	2021
Basic earnings per share		
Net income	\$6,173,011	\$5,319,770
Weighted average number of common shares outstanding for basic earnings per share (in thousands)	293,020	293,020
Basic earnings per share (NT\$)	21.07	18.15
Diluted earnings per share		
Net income	\$6,173,011	\$5,319,770
Weighted average number of common shares outstanding for basic earnings per share (in thousands)	293,020	293,020
Effect of potentially dilutive ordinary shares:		
Compensation of employees	722	499
Weighted average number of ordinary shares outstanding after dilution (in thousands)	293,742	293,519
Diluted earnings per share (NT\$)	21.02	18.12

According to the Company Act, compensation may be paid to employees in cash or shares. Therefore, the Company assumes that the entire amount of the compensation or bonus will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(18) Changes in liabilities arising from financing activities

For the year ended December 31, 2022, changes in liabilities arising from financing activities resulted from changes in cash flows. Significant non-cash changes did not occur. The related information is shown in the statements of cash flows.

7. RELATED PARTY TRANSACTIONS

Information of related parties that had significant transactions with the Company during the financial reporting period is as follows:

(1) Name and nature of relationship of the related parties

<u>Name of the related parties</u>	<u>Nature of relationship of the related parties</u>
Norm Pacific Automation Corp.	Subsidiary
Norman International, Inc. and its subsidiaries	Subsidiary
Veneta B.V.	Subsidiary
Norman Japan Limited	Subsidiary
Veneta Blinds Pty Ltd.	Subsidiary
Norman Australia Pty Ltd.	Subsidiary
Norman Myanmar Service Co. Ltd.	Subsidiary
Santa Fe Shutters Limited	Subsidiary
Bay Blinds Limited	Subsidiary
New Legend Enterprise Limited	Subsidiary
Billion Coins Development Limited	Subsidiary
Nien Made (Wulian) Window Fashions Co., Ltd.	Subsidiary
San Feng (Cambodia) Company Limited	Subsidiary
Dongguan Fanchang Curtain Product Co., Ltd.	Subsidiary
Nien Made (Dong Guan) Window Fashions Co., Ltd.	Subsidiary
Zhao Feng (Dong Guan) Window Fashions Co., Ltd.	Subsidiary
Norman Mexico Company Limited	Subsidiary
Kolombangara Forest Products Limited	Associate

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Significant transactions with related parties

(a) Sales

	For the years ended Dec. 31,	
	2022	2021
Norman International, Inc. and its subsidiaries	\$17,525,442	\$17,315,461
Others	1,563,999	1,592,253
Total	<u>\$19,089,441</u>	<u>\$18,907,714</u>

Note: For the years ended December 31, 2022 and 2021, sales to associates have deducted the duplicated sales in triangular trade in the amount of NT\$3,021,653 thousand and NT\$3,831,348 thousand, respectively.

The selling price of the products that the Company sells to related parties is quoted based on the differences of the products and the acceptance of the market. The outstanding amounts at the end of the year were unsecured, interest-free and must be settled in cash. Accounts receivable from related parties did not have any guarantees.

(b) Purchases

	For the years ended Dec. 31,	
	2022	2021
San Feng (Cambodia) Company Limited	\$3,123,963	\$2,878,447
Nien Made (Dong Guan) Window Fashions Co., Ltd.	2,910,464	3,478,855
Dongguan Fanchang Curtain Product Co., Ltd.	1,623,786	2,101,714
Zhao Feng (Dong Guan) Window Fashions Co., Ltd.	1,377,447	1,558,897
Others	789,458	250,224
Total	<u>\$9,825,118</u>	<u>\$10,268,137</u>

Note: For the years ended December 31, 2022 and 2021, purchases from associates have deducted the duplicated purchases from triangular trade in the amount of NT\$3,021,653 thousand and NT\$3,831,348 thousand, respectively.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The purchase price of the products that the Company purchases from related parties is quoted based on the differences of the products and the acceptance of the market.

(c) Service expense

	For the years ended Dec. 31,	
	2022	2021
Billion Coins Development Limited	\$21,459	\$48,901
Norman Myanmar Service Co. Ltd.	19,692	18,364
New Legend Enterprise Limited	12,460	15,792
Total	<u>\$53,611</u>	<u>\$83,057</u>

(d) Accounts receivable

	Dec. 31, 2022	Dec. 31, 2021
Norman International, Inc. and its subsidiaries	\$2,640,754	\$3,387,671
Others	195,123	243,259
Total	<u>\$2,835,877</u>	<u>\$3,630,930</u>

(e) Other receivables

	Dec. 31, 2022	Dec. 31, 2021
Zhao Feng (Dong Guan) Window Fashions Co., Ltd.	\$3,115	\$ -
Norman International, Inc. and its subsidiaries	1,165	3,422
Norman Myanmar Service Co. Ltd.	-	1,667
Others	155	225
Total	<u>\$4,435</u>	<u>\$5,314</u>

(f) Prepayment

	Dec. 31, 2022	Dec. 31, 2021
San Feng (Cambodia) Company Limited	\$1,176,007	\$1,493,732
Norman Mexico Company Limited	348,383	247,445
Others	81,745	146,717
Total	<u>\$1,606,135</u>	<u>\$1,887,894</u>

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(g) Accounts payable

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Dongguan Fanchang Curtain Product Co., Ltd.	\$1,207,915	\$1,202,784
Nien Made (Dong Guan) Window Fashions Co., Ltd.	172,983	606,894
Zhao Feng (Dong Guan) Window Fashions Co., Ltd.	523	401,736
Others	56,510	34,190
Total	<u>\$1,437,931</u>	<u>\$2,245,604</u>

(h) Other payables

	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Norman Myanmar Company Limited	\$56,825	\$ -
Norman International, Inc. and its subsidiaries	43,394	120,143
Others	939	4,279
Total	<u>\$101,158</u>	<u>\$124,422</u>

(i) Key management personnel compensation

	<u>For the years ended Dec. 31,</u>	
	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$96,798	\$96,960
Post-employment benefits	644	700
Total	<u>\$97,442</u>	<u>\$97,660</u>

(j) Financing provided to others: Please refer to Note 13 (1)(a).

(k) Endorsement/Guarantee provided to others: Please refer to Note 13 (1)(b).

8. PLEGDED ASSETS

None.

9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) As of December 31, 2022, the amount available under unused letters of credit was NT\$65,824 thousand.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

10. SIGNIFICANT LOSS FROM DISASTER

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

12. OTHERS

(1) Categories of financial instruments

<u>Financial assets</u>	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2021</u>
Financial assets at amortized cost		
Cash and cash equivalents (exclude cash on hand)	\$3,166,304	\$2,876,124
Notes and accounts receivable	3,054,994	3,930,112
Other receivables	14,981	5,961
 <u>Financial liabilities</u>	 <u>Dec. 31, 2022</u>	 <u>Dec. 31, 2021</u>
Financial liabilities measured at amortized cost:		
Short-term loans	\$ -	\$2,817,300
Accounts payable	1,506,982	2,324,169
Other payables	1,075,690	912,409
Lease liabilities	-	511

(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk preference.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant financial activities, approval process by the board of directors must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to the changes in market prices. The market risk of the Company arises from foreign currency risk and interest rate risk mainly.

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies among risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for foreign currency USD. The information of the sensitivity analysis is as follows:

When NTD strengthens against foreign currency USD by 1%, the comprehensive income for the years ended December 31, 2022 and 2021 is expected to decrease/increase by NT\$52,558 thousand and NT\$51,986 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk relates primarily to the Company's bank borrowings with variable interest rates and fixed interest rates.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including bank borrowings with variable interest rates. At the reporting date, a change by 0.1% of market interest rates could cause the profit for the years ended December 31, 2022 and 2021 to decrease/increase by NT\$0 thousand and NT\$2,817 thousand, respectively.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit limits are established for all counterparties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain counterparties' credit risk will also be managed by taking credit enhancement procedures, such as requesting for prepayment or insurance.

As of December 31, 2022 and 2021, accounts receivables from top ten customers represented 95% and 94% of the Company's total accounts receivables, respectively. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and no significant default risk. Consequently, there is no significant credit risk for these counterparties.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(5) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid securities and bank borrowings. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	Over 5 years	Total
Dec. 31, 2022					
Accounts payable	\$1,506,982	\$ -	\$ -	\$ -	\$1,506,982
Other payables	1,075,690	-	-	-	1,075,690
Dec. 31, 2021					
Short-term loans	\$2,818,729	\$ -	\$ -	\$ -	\$2,818,729
Accounts payable	2,324,169	-	-	-	2,324,169
Other payables	912,409	-	-	-	912,409
Lease liabilities	514	-	-	-	514

(6) Fair values of financial instruments

(a) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

- I. The carrying amount of cash and cash equivalents, receivables, other current assets, short-term loans, payables and other current liabilities approximate their fair value due to their short maturities.
- II. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) Fair value of financial instruments measured at amortized cost

The carrying amount of the Company's financial assets and liabilities measured at amortized cost approximate their fair value.

(7) Fair value measurement hierarchy

(a) Definition of fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(b) Fair value measurement hierarchy of the Company's assets and liabilities

As of December 31, 2022 and 2021, the Company does not have assets and liabilities that are measured at fair value on a recurring and non-recurring basis.

(8) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	Unit: thousands					
	Dec. 31, 2022			Dec. 31, 2021		
	Foreign currencies	Exchange rate	NTD	Foreign currencies	Exchange rate	NTD
<u>Financial assets</u>						
Monetary items:						
USD	\$191,543	30.708	\$5,881,902	\$210,017	27.690	\$5,815,371
<u>Financial liabilities</u>						
Monetary items:						
USD	\$20,390	30.708	\$626,136	\$22,274	27.690	\$616,767

Due to the diversity of functional currency in the Company, it's unable to disclose foreign exchange gains and losses on the basis of each monetary item which has significant impact. The Company recognized NT\$626,508 thousand and NT\$(278,034) thousand for foreign exchange gains (losses) for the years ended December 31, 2022 and 2021, respectively.

(9) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. OTHER DISCLOSURE

(1) Information related to significant transactions (2) Information on investees

- (a) Financing provided to others: Please refer to Attachment 1.
- (b) Endorsement/Guarantee provided to others for: Please refer to Attachment 2.
- (c) Securities held (excluding subsidiaries, associates and joint venture): None.
- (d) Individual securities acquired or disposed of with accumulated amount exceeding NT\$300 million or 20 percent of the issued capital: Please refer to Attachment 3.
- (e) Acquisition of individual real estate with amount exceeding NT\$300 million or 20 percent of the issued capital: Attachment 4.

NIEN MADE ENTERPRISE CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONTINUED)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (f) Disposal of individual real estate with amount exceeding NT\$300 million or 20 percent of the issued capital: Attachment 5.
 - (g) Related party transactions for purchases and sales exceeding NT\$100 million or 20 percent of the issued capital: Please refer to Attachment 6.
 - (h) Receivables from related parties with amounts exceeding NT\$100 million or 20 percent of issued capital: Please refer to Attachment 7.
 - (i) Financial instruments and derivative transactions: None.
 - (j) The business relationship, significant transactions and amounts between parent company and subsidiaries: Please refer to Attachment 8.
- (3) Information on investments in mainland China
- (a) The Company invests in mainland China through “Nien Made (BVI) Enterprise Co., Ltd.” which further invests in “New Legend Enterprise Limited”: Please refer to Attachment 9.
 - (b) The Company invests in mainland China through “Original Source Investments Limited”: Please refer to Attachment 9.
 - (c) The Company invests in mainland China through “Global Viewcomp (Hong Kong) Company Limited” which further invests in “Billion Coins Development Limited”: Please refer to Attachment 9.
 - (d) The Company invests in mainland China through “Norm Pacific Automation Corp.” which further invests in “Norm Pacific Technology Ltd.”: Please refer to Attachment 9.
 - (e) Details on the significant transactions between the Company and investees in Mainland China: Please refer to Note 13 (1) and (2).
- (4) Information on major shareholders

Name	Shares	Ownership (Shares)	Ownership (%)
NIEN, KENG-HAO		28,927,263	9.87%
NIEN, KAI-LUNG		28,597,263	9.75%
NIEN, CHAO-HUNG		27,687,263	9.44%
CHUANG, HSI-CHIN		17,999,047	6.14%

Attachment 1: Financing provided to others for the year ended December 31, 2022

No.	Lender	Counterparty	Financial statement account	Related Party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing (Note 1)	Amount of sales to (purchases from) counterparty	Reason for short-term financing	Loss allowance	Collateral		Limit of financing amount for individual counterparty (Note 2)	Limit of total financing amount (Note 3)
													Item	Value		
1	I Yang Enterprises Co., Ltd.	San Feng (Cambodia) Company Limited	Other receivables	Y	\$1,825,240	\$1,548,868	\$1,548,868	-	2	-	operation purposes	-	-	-	\$2,311,634	\$2,311,634
2	Nien Made (BVI) Enterprise Co., Ltd.	New Legend Enterprise Limited	Other receivables	Y	\$16,581	\$16,581	\$16,581	-	2	-	operation purposes	-	-	-	\$4,910,142	\$4,910,142
3	Billion Coins Development Limited	New Legend Enterprise Limited	Other receivables	Y	\$53,796	\$53,796	\$53,796	-	2	-	operation purposes	-	-	-	\$2,773,069	\$2,773,069
4	New Legend Enterprise Limited	Original Source Investments Limited	Other receivables	Y	\$614,160	\$614,160	\$230,424	-	2	-	operation purposes	-	-	-	\$4,910,317	\$4,910,317
4	New Legend Enterprise Limited	I Yang Enterprises Co., Ltd.	Other receivables	Y	\$30,708	\$30,708	\$30,708	-	2	-	operation purposes	-	-	-	\$4,910,317	\$4,910,317
5	Original Source Investments Limited	Nien Made (Wulian) Window Fashions Co., Ltd.	Other receivables	Y	\$606,367	\$606,367	\$238,481	-	2	-	operation purposes	-	-	-	\$708,878	\$708,878
6	Global Viewcomp (Hong Kong) Company Limited	Billion Coins Development Limited	Other receivables	Y	\$1,571,440	\$1,499,454	\$1,499,454	-	2	-	operation purposes	-	-	-	\$4,632,132	\$4,632,132
6	Global Viewcomp (Hong Kong) Company Limited	Norman Japan Limited	Other receivables	Y	\$179,298	\$179,298	\$179,298	-	2	-	operation purposes	-	-	-	\$4,632,132	\$4,632,132
7	Norman Myanmar Company Limited	Norman Myanmar Service Co. Ltd.	Other receivables	Y	\$92,124	\$92,124	\$30,024	-	2	-	operation purposes	-	-	-	\$1,039,320	\$1,039,320

Note 1: Code 1 represents an investee company that has a business relationship with the parent.

Code 2 represents short-term financing.

Note 2: The total amount for lending to a company shall not exceed 40% of the net worth of the lender's most recent financial statements. The total amount for lending to subsidiaries whose voting shares are 100% owed, directly or indirectly, by the Company shall not exceed 100% of the net worth of lenders' most recent financial statements.

Note 3: The total amount of loans of the Company is limited to 40% of the net worth of the most recent financial statements. The total amount for lending to subsidiaries whose voting shares are 100% owed, directly or indirectly, by the Company shall not exceed 100% of the net worth of lenders' most recent financial statements.

Note 4: The maximum balance, the ending balance and the actual amount of the current period are translated at the exchange rate of December 31, 2022.

Attachment 2: Endorsement/Guarantee provided to others for the year ended December 31, 2022

No.	Endorsor/ Guarantor	Guaranteed Party		Limits of endorsement/ guarantee amount provided to each guaranteed party (Note 1)	Maximum balance for the period	Ending balance	Actual amount provided	Amount of endorsement/ guarantee collateralized by properties	Ratio of accumulated endorsement/ guarantee to net equity per latest financial statements	Maximum endorsement/ guarantee amount allowable (Note 2)	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiaries in Mainland China
		Company Name	Relationship										
0	The Company	Norman Mexico Company Limited	Subsidiary	\$4,296,636	\$97,344	\$97,344	\$97,344	None	0.45%	\$10,741,591	Y	N	N

Note 1: The amount of endorsement for any single entity may not exceed 20% of the Company's net worth on the most current financial statements. The amount of endorsements for the subsidiaries in which the Company holds, directly or indirectly, 100% ownership may not exceed the net worth of the Company on the most current financial statements. The amount of endorsement for the Company may not exceed ten times the net worth of the subsidiary on the most current financial statements.

Note 2: The total amount of endorsement for the Company and the subsidiaries may not exceed 50% of the company's net worth on the most current financial statements. The total amount of endorsements for the subsidiaries in which the Company holds, directly or indirectly, 100% ownership may not exceed the net worth of the Company on the most current financial statements. The total amount of endorsement for the Company may not exceed ten times the net worth of the subsidiary on the most current financial statements.

Attachment 3: Individual securities acquired or disposed of with accumulated amount exceeding NT\$300 million or 20 percent of the issued capital stock for the year ended December 31, 2022

Holding Company	Securities		Financial statement account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
	Type	Name				Shares	Amount	Shares	Amount	Shares	Amount	Carrying amount	Gains (Losses) on Disposal	Shares	Amount
Billion Coins Development Limited	Stock	Norman Mexico Company Limited	Investment accounted for using equity method	Norman Mexico Company Limited	Subsidiary	564,689,539	\$895,617	597,171,409	\$947,134	-	\$ -	\$ -	\$ -	1,161,860,948	\$1,842,751
New Legend Enterprises Limited	Stock	Norman Mexico Company Limited	Investment accounted for using equity method	Norman Mexico Company Limited	Subsidiary	280,127	\$444	222,852,501	\$353,452	-	\$ -	\$ -	\$ -	223,132,628	\$353,896

Note : The figures in this table are converted at the exchange rate of December 31, 2022.

Attachment 4: Acquisition of individual real estate with amount exceeding NTS\$300 million or 20 percent of the issued capital for the year ended December 31, 2022

Company Name	Name of Property	Transaction Date	Transaction Amount	Payment Status	Counterparty	Relationships	When counterparty is related party, details of prior transactions				Price Reference	Purpose of Acquisition and Status of Utilization	Other Commitments
							Owner	Relationships	Transfer Date	Amount			
Nien Made Enterprise Co., Ltd.	Land and Building	2022.5.26	\$321,680	\$321,680	Land: Mr. Chao, etc. Building: Lien Jade Construction Co., Ltd.	Non-related party	N/A	N/A	N/A	N/A	Refer to the neighboring real estate market and the professional appraisal report	Operating purposes	N/A

Note : The transaction amount was VAT included.

Attachment 5: Disposal of individual real estate with amount exceeding NT\$300 million or 20 percent of the issued capital for the year ended December 31, 2022

Company Name	Name of Property	Transaction Date	Acquisition Date	Book Value	Transaction Amount	Payment Status	Gain (loss) on Disposal	Counterparty	Relationships	Purpose of Disposal	Price Reference	Other Commitments
Dongguan Fanchang Curtain Product Co., Ltd.	Land use rights and buildings	2021.09.01	1999.05.01~2017.09.30	\$82,759	\$836,388	Payment money has been received	\$703,499	Dongguan Yongying Project Investment Co., Ltd.	Non-related party	For the effective integration of production resources in mainland China	According to market conditions	N/A
Dongguan Fanchang Curtain Product Co., Ltd.	Land use rights and buildings	2022.12.28	1997.01.01~2019.01.31	\$189,553	\$923,770	Part of Payment money has been received	\$76,729	Dongguan Wanyingju Industrial Investment Co., Ltd. etc.	Non-related party	For the effective integration of production resources in mainland China	According to market conditions	N/A

Note 1 : The transaction amount was VAT included.

Note 2 : Only recognized as a gain or loss from disposal for the part transferred completely in 2022.

Attachment 6: Related party transactions for purchases and sales exceeding the lower of NT\$100 million or 20 percent of the capital stock for the year ended December 31, 2022

Company Name	Related Party	Relationship	Intercompany Transactions				Abnormal Trade Term		Notes and accounts receivable (payable)		Note (Note 2)
			Purchases (Sales)	Amount	Percentage of total consolidated purchases (sales)	Payment Terms	Unit price (Note 1)	Terms (Note 1)	Balance	Percentage of total consolidated receivables (payables)	
Nien Made Enterprise Co., Ltd.	Dongguan Fanchang Curtain Product Co., Ltd.	Subsidiary	Purchases	\$1,623,786	12.94%	180 days	-	-	\$(1,207,915)	80.15%	
Nien Made Enterprise Co., Ltd.	Zhao Feng (Dong Guan) Window Fashions Co., Ltd.	Subsidiary	Purchases	\$1,377,447	10.97%	180 days	-	-	\$(523)	0.03%	
Nien Made Enterprise Co., Ltd.	Nien Made (Dong Guan) Window Fashions Co., Ltd.	Subsidiary	Purchases	\$2,910,464	23.19%	180 days	-	-	\$(172,983)	11.48%	
Nien Made Enterprise Co., Ltd.	San Feng (Cambodia) Company Limited	Subsidiary	Purchases	\$3,123,963	24.89%	180 days	-	-	\$ -	-	
Nien Made Enterprise Co., Ltd.	Norman Mexico Company Limited	Subsidiary	Purchases	\$730,967	5.82%	180 days	-	-	\$ -	-	
Nien Made Enterprise Co., Ltd.	Veneta B.V.	Subsidiary	(Sales)	\$(1,096,012)	4.98%	60 days	-	-	\$44,317	1.45%	
Nien Made Enterprise Co., Ltd.	Norman International, Inc. and its subsidiaries	Subsidiary	(Sales)	\$(17,525,442)	79.70%	T/T30-65 days	-	-	\$2,640,754	86.44%	
Nien Made Enterprise Co., Ltd.	Norman Australia Pty Ltd.	Subsidiary	(Sales)	\$(385,323)	1.75%	60 days	-	-	\$65,944	2.16%	
Nien Made (Wulian) Window Fashions Co., Ltd.	Nien Made (Dong Guan) Window Fashions Co., Ltd.	Subsidiary	(Sales)	\$(362,801)	83.47%	180 days	-	-	\$123,886	95.13%	
Norm Pacific Automation Corp.	E-Shine Technology Ltd.	Subsidiary	Purchases	\$222,000	42.56%	180 days	-	-	\$ -	-	

Note 1: The transaction selling price and collection terms with the above related parties had no significant difference between those with non-related parties.

The transaction terms were determined based on mutual agreement as no comparable transactions were available.

Note 2: For transactions between the consolidated entities, only the information for one side of the consolidated entities is disclosed.

Attachment 7: Receivables from related parties with accounts exceeding the lower of NT\$100 million or 20 percent of the capital stock as of December 31, 2022. Please refer to Note 13(1)(a) for Financing provided to others and Note 13(1)(g) for disclosure of the following transactions between consolidated entities.

Company Name	Related Party	Relationship	Amount	Turnover Rate	Overdue receivables		Collection in subsequent period	Loss allowance
					Amount	Solution		
Nien Made Enterprise Co., Ltd.	Norman International, Inc. and its subsidiaries	Subsidiary	\$2,640,754	5.81	\$ -	-	\$2,611,991	\$ -
Nien Made (Dong Guan) Window Fashions Co., Ltd.	Nien Made Enterprise Co., Ltd.	Parent company	\$172,983	7.35	\$ -	-	\$172,983	\$ -
Dongguan Fanchang Curtain Product Co., Ltd.	Nien Made Enterprise Co., Ltd.	Parent company	\$1,207,915	1.33	\$ -	-	\$237,368	\$ -
Nien Made (Wulian) Window Fashions Co., Ltd.	Nien Made (Dong Guan) Window Fashions Co., Ltd.	Subsidiary	\$123,886	2.71	\$ -	-	\$38,855	\$ -

Attachment 8: Names, locations, main businesses and products, original investment amount, investment as of December 31, 2022, net income (loss) of investee company and investment income (loss) for the year ended December 31, 2022.

Company	Investee company	Location	Main businesses and products	Original Investment (Note 2)		Investment as of December 31, 2022			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value (Note 2)			
Nien Made Enterprise Co., Ltd.	Norm Pacific Automation Corp.	Taiwan	Developing, manufacturing, and selling automation products, and trading related components and technology transfer	\$184,772	\$184,772	19,028,078	66.53%	\$266,328	\$55,256	\$36,762	
Nien Made Enterprise Co., Ltd.	Nien Made (BVI) Enterprise Co., Ltd.	British Virgin Islands	Holding company	\$1,860,880	\$1,860,880	56,646,570	100.00%	\$4,818,070	\$92,599	\$87,397	Note 1
Nien Made Enterprise Co., Ltd.	I Yang Enterprises Co., Ltd.	British Virgin Islands	Holding company	\$49,752	\$49,752	1,500,000	100.00%	\$2,214,348	\$23,062	\$(45,480)	Note 1
Nien Made Enterprise Co., Ltd.	Norman International, Inc.	United States	Holding company, managing and providing logistics support	\$338,770	\$338,770	5,823,814	100.00%	\$2,893,267	\$268,394	\$281,163	Note 1
Nien Made Enterprise Co., Ltd.	Original Source Investments Limited	British Virgin Islands	Holding company	\$778,488	\$778,488	21,378,000	100.00%	\$731,736	\$(11,367)	\$(7,504)	Note 1
Nien Made Enterprise Co., Ltd.	Global Viewcomp (Hong Kong) Company Limited	Hong Kong	Holding company	\$2,717,753	\$2,717,753	186,373,558	100.00%	\$4,479,604	\$370,387	\$264,893	Note 1
Nien Made Enterprise Co., Ltd.	Veneta Blinds Pty Ltd.	Australia	Trading and service in window coverings	\$4,005	\$4,005	142	51.08%	\$8,891	\$(2,429)	\$(1,240)	
Nien Made Enterprise Co., Ltd.	Veneta B.V.	Netherlands	Trading and service in window coverings	\$9,218	\$9,218	264,000	51.00%	\$154,824	\$(236,348)	\$(115,288)	
Nien Made Enterprise Co., Ltd.	Norman Japan Limited	Japan	Trading and service in window coverings	\$134,966	\$134,966	47,000	100.00%	\$(90,848)	\$(24,592)	\$(24,392)	
Nien Made Enterprise Co., Ltd.	Norman Australia Pty Ltd.	Australia	Trading and service in window coverings	\$22,156	\$22,156	1,000,000	100.00%	\$60,256	\$6,981	\$6,981	
Nien Made Enterprise Co., Ltd.	Norman Myanmar Service Co. Ltd.	Myanmar	Documentation processing service in window coverings	\$21,580	\$21,580	700,000	100.00%	\$27,253	\$1,410	\$1,410	
Nien Made Enterprise Co., Ltd.	Norman Myanmar Company Limited	Myanmar	Manufacturing and selling plastic and wood blinds	\$1,155,048	\$1,155,048	38,937,000	100.00%	\$1,039,320	\$(118,445)	\$(118,445)	
Nien Made Enterprise Co., Ltd.	Santa Fe Shutters Limited	New Zealand	Trading and service in window coverings and components	\$263,443	\$ -	100	100.00%	\$267,339	\$5,305	\$6,259	
Nien Made Enterprise Co., Ltd.	Bay Blinds Limited	New Zealand	Processing, trading and service in window coverings and components	\$60,608	\$ -	100	100.00%	\$61,068	\$1,126	\$215	
Nien Made (BVI) Enterprise Co., Ltd.	New Legend Enterprise Limited	Hong Kong	Holding company and providing logistics services	\$3,400,869	\$3,400,869	56,646,570	100.00%	\$4,910,317	\$92,615	Included in Subsidiary	
New Legend Enterprise Limited	Norman Mexico Company Limited	Mexico	Manufacturing and selling shutters and plastic blinds	\$353,896	\$444	223,132,628	16.11%	\$342,970	\$(759)	Included in Subsidiary	
I Yang Enterprises Co., Ltd.	Capital Darren Limited	Cayman Islands	Holding company	\$293,618	\$293,618	976,238	100.00%	\$29,310	\$3,167	Included in Subsidiary	
I Yang Enterprises Co., Ltd.	San Feng (Cambodia) Company Limited	Cambodia	Manufacturing and selling blinds	\$281,899	\$27,870	100,000	100.00%	\$761,945	\$22,697	Included in Subsidiary	
Norman International, Inc.	International Window Treatments, Inc.	United States	Holding company	\$328,087	\$328,087	227,575	100.00%	\$790,084	\$31,119	Included in Subsidiary	

Attachment 8: Names, locations, main businesses and products, original investment amount, investment as of December 31, 2022, net income (loss) of investee company and investment income (loss) for the year ended December 31, 2022.

Company	Investee company	Location	Main businesses and products	Original Investment (Note 2)		Investment as of December 31, 2022			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value (Note 2)			
Norman International, Inc.	Nien Advanced Solutions	United States	Holding company, processing and trading in window coverings and components	\$15,354	\$15,354	516,302	100.00%	\$1,755,077	\$248,062	Included in Subsidiary	
International Window Treatments, Inc.	Richfield Window Coverings, LLC.	United States	Trading in window coverings to large chain stores	\$20,427	\$20,427	-	100.00%	\$517,988	\$31,119	Included in Subsidiary	
Nien Advanced Solutions	Norman International Las Vegas, LLC.	United States	Regional trading and service in window covering	\$23,031	\$23,031	-	100.00%	\$17,499	\$9,603	Included in Subsidiary	
Nien Advanced Solutions	Norman International Illinois, LLC.	United States	Regional trading and service in window covering	\$1,535	\$1,535	-	100.00%	\$108,836	\$12,750	Included in Subsidiary	
Nien Advanced Solutions	Norman International Virginia, LLC.	United States	Regional trading and service in window covering	\$1,535	\$1,535	-	100.00%	\$277,394	\$35,618	Included in Subsidiary	
Nien Advanced Solutions	Norman International Colorado, LLC.	United States	Regional trading and service in window covering	\$1,535	\$1,535	-	100.00%	\$(18,848)	\$(1,061)	Included in Subsidiary	
Nien Advanced Solutions	Norman International San Jose, LLC.	United States	Regional trading and service in window covering	\$1,535	\$1,535	-	100.00%	\$91,487	\$20,079	Included in Subsidiary	
Nien Advanced Solutions	Norman International Dallas, LLC.	United States	Regional trading and service in window covering	\$31	\$31	-	100.00%	\$721,452	\$122,691	Included in Subsidiary	
Nien Advanced Solutions	Norman International Florida, LLC.	United States	Regional trading and service in window covering	\$31	\$31	-	100.00%	\$366,041	\$45,128	Included in Subsidiary	
Nien Advanced Solutions	Norman International Arizona, LLC.	United States	Regional trading and service in window covering	\$31	\$31	-	100.00%	\$169,427	\$21,855	Included in Subsidiary	
Nien Advanced Solutions	Norman International New Jersey, LLC.	United States	Regional trading and service in window covering	\$31	\$31	-	100.00%	\$3,488	\$134	Included in Subsidiary	
Nien Advanced Solutions	Norman International Washington, LLC.	United States	Regional trading and service in window covering	\$31	\$31	-	100.00%	\$307,105	\$63,187	Included in Subsidiary	
Nien Advanced Solutions	Norman International South Carolina, LLC.	United States	Regional trading and service in window covering	\$31	\$ -	-	100.00%	\$(2,359)	\$(2,323)	Included in Subsidiary	
Global Viewcomp (Hong Kong) Company Limited	Billion Coins Development Limited	Hong Kong	Holding company and providing logistics services	\$1,410,192	\$1,410,192	357,768,000	100.00%	\$2,954,582	\$438,781	Included in Subsidiary	
Billion Coins Development Limited	Norman Mexico Company Limited	Mexico	Manufacturing and selling shutters and plastic blinds	\$1,842,751	\$895,617	1,161,860,948	83.89%	\$1,785,958	\$(759)	Included in Subsidiary	
Norm Pacific Automation Corp.	Norm Pacific Technology Ltd.	Samoa	Holding company	\$26,032	\$26,032	1,000,000	100.00%	\$(36,723)	\$(12,000)	Included in Subsidiary	

Note 1: Investment income (loss) recognized by the Company included investment income (loss) by these investees from upstream/downstream transactions and premium amortization.

Note 2: The original investment amount and the book value at the end of the period were converted according to the exchange rate of December 31, 2022.

Attachment 9: Investment in Mainland China

(1) The Company invests in mainland China through "Nien Made (BVI) Enterprise Co., Ltd." which further invests in "New Legend Enterprise Limited", related information is as follows:

Investee company	Main Businesses and Products	Total Amount of Issued Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows in Current Period		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 1)	Carrying Value as of December 31, 2022 (Note 1)	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow						
Nien Made (Dong Guan) Window Fashions Co., Ltd.	Manufacturing and selling shutters and wood blinds.	\$472,603	Indirectly investment in Mainland China through remittance from a third region.	\$474,333	\$ -	\$ -	\$474,333	\$120,618	100%	\$120,618	\$755,801	\$ -
Zhao Feng (Dong Guan) Window Fashions Co., Ltd.	Manufacturing and selling cellular shades, roman shades and roller shades.	\$1,463,535	Indirectly investment in Mainland China through remittance from a third region.	\$1,265,170	\$ -	\$ -	\$1,265,170	\$41,681	100%	\$41,681	\$1,841,330	\$ -

Note 1: The investment income (loss) and the book value of investment accounted for using equity method of "New Legend Enterprise Limited".

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$1,739,503	\$1,867,051	N/A (Note 3)

Note 2: The relevant figures in this table are presented in New Taiwan Dollars and the foreign currency is converted at the exchange rate of December 31, 2022.

Note 3: Pursuant to Jing-Shou-Kung-Zi Letter No.10920432610 issued by the Ministry of Economic Affairs, R.O.C., on November 2, 2020, as the Company has obtained the certificate of a qualified operating headquarters, issued by the Industrial Development Bureau, MOEA, the upper limit of investment in Mainland China is not capped at 60% of net worth or consolidated net worth specified by the Investment Commission.

(2) The Company invests in mainland China through "Original Source Investments Limited", related information is as follows:

Investee company	Main Businesses and Products	Total Amount of Issued Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows in Current Period		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 1)	Carrying Value as of December 31, 2022 (Note 1)	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow						
Nien Made (Wulian) Window Fashions Co., Ltd.	Manufacturing and selling wood blinds and shutter semi-products.	\$656,476	Indirectly investment in Mainland China through remittance from a third region.	\$733,973	\$ -	\$ -	\$733,973	\$15,352	100%	\$15,352	\$700,988	\$ -

Note 1: The investment income (loss) and the book value of investment accounted for using equity method of "Original Source Investments Limited".

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$733,973	\$733,973	N/A (Note 3)

Note 2: The relevant figures in this table are presented in New Taiwan Dollars and the foreign currency is converted at the exchange rate of December 31, 2022.

Note 3: Pursuant to Jing-Shou-Kung-Zi Letter No.10920432610 issued by the Ministry of Economic Affairs, R.O.C., on November 2, 2020, as the Company has obtained the certificate of a qualified operating headquarters, issued by the Industrial Development Bureau, MOEA, the upper limit of investment in Mainland China is not capped at 60% of net worth or consolidated net worth specified by the Investment Commission.

Attachment 9: Investment in Mainland China

(3) The Company invests in mainland China through "Global Viewcomp (Hong Kong) Company Limited" which further invests in "Billion Coins Development Limited", related information is as follows:

Investee company	Main Businesses and Products	Total Amount of Issued Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows in Current Period		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 1)	Carrying Value as of December 31, 2022 (Note 1)	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow						
Dongguan Fanchang Curtain Product Co., Ltd.	Manufacturing and selling plastic blinds and accessories.	\$1,455,894	Indirectly investment in Mainland China through remittance from a third region.	\$921,379	\$ -	\$ -	\$921,379	\$456,944	100%	\$456,944	\$2,071,077	\$ -

Note 1: The investment income (loss) and the book value of investment accounted for using equity method of "Billion Coins Development Limited".

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$921,379	\$2,201,148	N/A (Note 3)

Note 2: The relevant figures in this table are presented in New Taiwan Dollars and the foreign currency is converted at the exchange rate of December 31, 2022.

Note 3: Pursuant to Jing-Shou-Kung-Zi Letter No.10920432610 issued by the Ministry of Economic Affairs, R.O.C., on November 2, 2020, as the Company has obtained the certificate of a qualified operating headquarters, issued by the Industrial Development Bureau, MOEA, the upper limit of investment in Mainland China is not capped at 60% of net worth or consolidated net worth specified by the Investment Commission.

(4) The Company invests in mainland China through "Norm Pacific Automation Corp." which further invests in "Norm Pacific Technology Ltd.", related information is as follows:

Investee company	Main Businesses and Products	Total Amount of Issued Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows in Current Period		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized (Note 1)	Carrying Value as of December 31, 2022 (Note 1)	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow						
E-Shine Technology Ltd.	Manufacturing and selling dehumidifiers and air purifiers.	\$29,761	Indirectly investment in Mainland China through remittance from a third region.	\$29,761	\$ -	\$ -	\$29,761	\$(12,001)	66.53%	\$(12,001)	\$(39,837)	\$ -

Note 1: The investment income (loss) and the book value of investment accounted for using equity method of "Norm Pacific Technology Ltd.".

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$29,761	\$29,761	\$240,192

Note 2: The relevant figures in this table are presented in New Taiwan Dollars and the foreign currency is converted at the exchange rate of December 31, 2022.

NIEN MADE ENTERPRISE CO., LTD.

THE CONTENTS OF STATEMENTS OF MAJOR
ACCOUNTING ITEMS

For the year ended December 31, 2022

Item	Index
Statement of Cash and Cash Equivalents	1
Statement of Accounts Receivable – Related Parties, Net	Note 7 (2)(d)
Statement of Inventories	2
Statement of Changes in Investment Accounted for Using Equity Method	3
Statement of Prepayments	Note 6 (4)
Statement of Changes in Property, Plant and Equipment	Note 6 (6)
Statement of Changes in Right-of-use Asset	Note 6 (12)
Statement of Accounts Payable – Related Parties	Note 7 (2)(g)
Statement of Changes in Current Income Tax Liabilities	4
Statement of Other Payables	Note 6 (8)
Statement of Lease liabilities	Note 6 (12)
Statement of Operating Revenues	5
Statement of Operating Costs	6
Statement of Manufacturing Overheads	7
Statement of Operating Expenses	8
Statement of Non-operating Income and Expenses	Note 6 (14)
Statement by function of Employee Benefits, Depreciation and Amortization Expenses	Note 6 (13)

NIEN MADE ENTERPRISE CO., LTD.

1. STATEMENT OF CASH AND CASH EQUIVALENTS

December 31, 2022

Unit: Thousands of NTD

Item	Description	Amount	Remark
Cash		\$55	
Petty cash		230	
Deposits in banks	Demand deposits – New Taiwan Dollars	27,700	
	Demand deposits – Foreign currency	190,636	
	Time deposits – Foreign currency	2,947,968	
Total		<u>\$3,166,589</u>	

NIEN MADE ENTERPRISE CO., LTD.

2. STATEMENT OF NET INVENTORIES

December 31, 2022

Unit: Thousands of NTD

Item	Cost	Market Price	Remark
Raw materials	\$23,861	\$23,513	Replacement cost
Work in progress	4,942	6,363	Replacement cost
Finished goods	480,029	509,976	Net Realizable Value
Net Amount	<u>\$508,832</u>	<u>\$539,852</u>	

NIEN MADE ENTERPRISE CO., LTD.

3. STATEMENT OF CHANGES IN INVESTMENT ACCOUNTED FOR USING EQUITY METHOD

For the year ended December 31, 2022

Unit: Thousands of NTD

Name of Company	January 1, 2022		Additions in Investment		Decrease in Investment		Share of profit or loss of subsidiaries and associates	Exchange Differences on Translation of Foreign Operations	Capital Surplus	Others (Note 1)	December 31, 2022			Guarantee	Remark
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount					Number of shares	Percentage of ownership	Amount		
Norm Pacific Automation Corp.	19,028,078	\$248,377	-	\$-	-	\$(19,028)	\$36,762	\$(286)	\$-	\$503	19,028,078	66.53%	\$266,328		
Nien Made (BVI) Enterprise Co., Ltd.	56,646,570	4,488,759	-	-	-	-	87,397	251,967	(10,053)	-	56,646,570	100.00%	4,818,070		
I Yang Enterprises Co., Ltd.	1,500,000	2,039,555	-	-	-	-	(45,480)	220,273	-	-	1,500,000	100.00%	2,214,348		
Norman International, Inc.	5,823,814	2,337,239	-	-	-	-	281,163	335,668	-	(60,803)	5,823,814	100.00%	2,893,267		
Global Viewcomp (Hong Kong) Company Limited	186,373,558	3,868,651	-	-	-	-	264,893	336,007	10,053	-	186,373,558	100.00%	4,479,604		
Original Source Investments Limited	21,378,000	724,512	-	-	-	-	(7,504)	14,728	-	-	21,378,000	100.00%	731,736		
Veneta Blinds Pty Ltd.	142	9,814	-	-	-	-	(1,240)	317	-	-	142	51.08%	8,891		
Veneta B.V.	264,000	281,755	-	-	-	-	(115,288)	9,354	-	(20,997)	264,000	51.00%	154,824		
Norman Japan Limited	47,000	(67,837)	-	-	-	-	(24,392)	2,245	-	(864)	47,000	100.00%	(90,848)		
Norman Australia Pty Ltd.	1,000,000	51,337	-	-	-	-	6,981	1,938	-	-	1,000,000	100.00%	60,256		
Norman Myanmar Service Co. Ltd.	700,000	23,266	-	-	-	-	1,410	2,577	-	-	700,000	100.00%	27,253		
Norman Myanmar Company Limited	38,937,000	1,047,760	-	-	-	-	(118,445)	110,005	-	-	38,937,000	100.00%	1,039,320		
Santa Fe Shutters Limited	-	-	100	263,443	-	-	6,259	1,042	-	(3,405)	100	100.00%	267,339		
Bay Blinds Limited	-	-	100	60,608	-	-	215	245	-	-	100	100.00%	61,068		
Subtotal		15,053,188		324,051		(19,028)	372,731	1,286,080	-	(85,566)			16,931,456		
Add: Credit balance in investment accounted for using equity method		67,837		-		23,011	-	-	-	-			90,848		
Total		<u>\$15,121,025</u>		<u>\$324,051</u>		<u>\$3,983</u>	<u>\$372,731</u>	<u>\$1,286,080</u>	<u>\$-</u>	<u>\$(85,566)</u>			<u>\$17,022,304</u>		

Note 1: Unrealized profit or loss on sales from related parties transaction and actuarial gains and losses under defined benefit obligation.

NIEN MADE ENTERPRISE CO., LTD.

4. STATEMENT OF CHANGES IN CURRENT INCOME TAX LIABILITIES

For the year ended December 31, 2022

Unit: Thousands of NTD

Item	Description	Amount	Remark
Beginning of Current Income Tax Liabilities		\$1,391,798	
Add: Current Income Tax Expense		1,531,726	
Less: Income Tax Paid		<u>(1,313,296)</u>	
Total		<u>\$1,610,228</u>	

NIEN MADE ENTERPRISE CO., LTD.

5. STATEMENT OF OPERATING REVENUES

For the year ended December 31, 2022

Unit: Thousands of NTD

Item	Quantity	Amount	Remark
Window coverings		\$21,608,778	
Others		<u>379,720</u>	
Total		<u>\$21,988,498</u>	

NIEN MADE ENTERPRISE CO., LTD.

6. STATEMENT OF OPERATING COSTS

For the year ended December 31, 2022

Unit: Thousands of NTD

Item	Amount
<u>A. Cost of sales of goods manufactured</u>	
Beginning balance of raw material	\$43,198
Add: Raw material purchased	247,127
Others	93
Less: Ending balance of raw materials	(23,891)
Others	(18,147)
Raw material used	248,380
Direct labor	8,629
Manufacturing overheads (Statement 7)	41,369
Manufacturing cost	298,378
Add: Beginning balance of work in progress	3,513
Others	18,190
Less: Ending balance of work in progress	(7,325)
Others	(1)
Cost of finished goods	312,755
Add: Beginning balance of finished goods	16,594
Finished goods purchased	127
Less: Ending balance of finished goods	(20,977)
Others	(196)
Cost of sales of goods manufactured (A)	308,303
<u>B. Cost of sales of goods purchased</u>	
Beginning balance of merchandise	431,989
Add: Merchandise purchased	15,325,813
Transferred From expenses	979
Others	1
Less: Ending balance of merchandise	(477,747)
Transferred to expenses	(13,551)
Cost of sales of goods purchased (B)	15,267,484
Operating Costs (A)+(B)	15,575,787
Adjustment from duplicated amounts in triangular trades	(3,021,653)
Others	56,110
Valuation of Inventory	3,680
Operating Costs, net	\$12,613,924

NIEN MADE ENTERPRISE CO., LTD.

7. STATEMENT OF MANUFACTURING OVERHEADS

For the year ended December 31, 2022

Unit: Thousands of NTD

Item	Amount	Remark
Indirect labor	\$10,006	
Repair and maintenance expense	3,700	
Utilities expense	10,222	
Depreciation expense	3,997	
Miscellaneous purchase	3,843	
Insurance expense	2,096	
Others	7,505	The amount of each item in others does not exceed 5% of the account balance.
Total	\$41,369	

NIEN MADE ENTERPRISE CO., LTD.

8. STATEMENT OF OPERATING EXPENSES

For the year ended December 31, 2022

Unit: Thousands of NTD

Item	Selling and Marketing Expenses	General and Administrative Expenses	Research and Development Expenses	Total	Remark
Freight expense	\$1,541,841	\$295	\$356	\$1,542,492	
Payroll expense	51,251	388,991	75,860	516,102	
Research expense	-	-	47,885	47,885	
Depreciation expense	483	36,874	8,908	46,265	
Others	262,202	94,347	41,255	397,804	The amount of each item in others does not exceed 5% of the account balance.
Total	<u>\$1,855,777</u>	<u>\$520,507</u>	<u>\$174,264</u>	<u>\$2,550,548</u>	



More About Nien Made

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Veneta Raamdecoratie www.veneta.com

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