

**Redwood Group Ltd and Subsidiaries**

**Consolidated Financial Statements With Review  
Report of Independent Auditors**

**As of March 31, 2023 and 2022  
And For The Three-month Periods Then Ended  
(Stock Code: 8426)**

## **REVIEW REPORT OF INDEPENDENT AUDITORS**

The Board of Directors and Shareholders  
Redwood Group Ltd

### **Introduction**

We have reviewed the accompanying consolidated financial statements of Redwood Group Ltd and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of March 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the period then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### **Scope of Review**

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

### **Conclusion**

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of March 31, 2023 and 2022, and their consolidated financial performance and cash flows for the three-month periods then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

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Taipei, Taiwan  
Republic of China

May 11, 2023

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance 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 applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

## REDWOOD GROUP LTD AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS MARCH 31, 2023, DECEMBER 31, 2022 AND MARCH 31, 2022 (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2023		December 31, 2022		March 31, 2022	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6 and 26)	\$ 240,007	11	\$391,109	18	\$223,104	12
Contract assets - current (Note 20)	162,450	8	318,538	14	176,214	10
Trade receivables (Notes 9 and 26)	539,685	25	277,952	13	192,225	11
Other receivables (Notes 9 and 26)	2,176	-	2,254	-	17,699	1
Other receivables from related parties (Notes 9, 26 and 27)	81	-	46	-	81	-
Inventories (Note 10)	89,968	4	94,527	4	80,437	5
Current tax assets (Note 22)	11,794	1	8,327	-	7,488	-
Prepayments (Notes 14)	74,626	3	57,437	3	43,024	2
Other current assets (Note 14)	<u>3,082</u>	<u>-</u>	<u>963</u>	<u>-</u>	<u>982</u>	<u>-</u>
Total current assets	<u>1,123,869</u>	<u>52</u>	<u>1,151,153</u>	<u>52</u>	<u>741,254</u>	<u>41</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through profit or loss - non-current (Notes 7 and 26)	-	-	-	-	6,152	-
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 26)	32,583	1	32,540	1	34,355	2
Property, plant and equipment (Notes 12 and 28)	925,533	43	940,543	43	932,666	52
Right-of-use assets (Notes 13 and 28)	41,448	2	41,998	2	40,653	2
Deferred tax assets (Note 22)	24,253	1	30,506	1	34,716	2
other non-current assets (Notes 14)	<u>11,447</u>	<u>1</u>	<u>14,409</u>	<u>1</u>	<u>7,611</u>	<u>1</u>
Total non-current assets	<u>1,035,264</u>	<u>48</u>	<u>1,059,996</u>	<u>48</u>	<u>1,056,153</u>	<u>59</u>
<b>TOTAL</b>	<u>\$2,159,133</u>	<u>100</u>	<u>\$2,211,149</u>	<u>100</u>	<u>\$1,797,407</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Note 15, 24 and 26)	\$34,365	2	\$34,320	2	\$31,740	2
Contract liabilities-current (Note 20)	340,486	16	447,588	20	203,922	11
Trade payables (Notes 16 and 26)	187,179	9	183,855	8	140,933	8
Trade payables to related parties (Notes 16, 26 and 27)	1,572	-	1,587	-	1,542	-
Lease liabilities - current (Note 13, 24 and 26)	147	-	307	-	849	-
Other payables (Notes 17 and 26)	135,721	6	109,952	5	51,310	3
Current tax liabilities (Note 22)	12,118	-	4,126	-	2,078	-
Current portion of long-term borrowings (Note 15 and 24)	83,866	4	83,630	4	88,358	5
Other current liabilities (Note 17)	<u>15,449</u>	<u>1</u>	<u>16,202</u>	<u>1</u>	<u>17,402</u>	<u>1</u>
Total current liabilities	<u>810,903</u>	<u>38</u>	<u>881,567</u>	<u>40</u>	<u>538,134</u>	<u>30</u>
<b>NON-CURRENT LIABILITIES</b>						
Lease liabilities - non-current (Note 13, 24 and 26)	356	-	397	-	496	-
Long-term borrowings (Note 15)	515,895	24	536,396	24	554,062	31
Deferred tax liabilities (Note 22)	<u>7,673</u>	<u>-</u>	<u>13,021</u>	<u>1</u>	<u>2,253</u>	<u>-</u>
Total non-current liabilities	<u>523,924</u>	<u>24</u>	<u>549,814</u>	<u>25</u>	<u>556,811</u>	<u>31</u>
Total liabilities	<u>1,334,827</u>	<u>62</u>	<u>1,431,381</u>	<u>65</u>	<u>1,094,945</u>	<u>61</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)</b>						
Share capital - ordinary shares	502,425	23	502,425	23	502,425	28
Capital surplus	293,911	13	293,911	13	293,911	16
Retained earnings						
Special reserve	252,393	12	252,393	12	252,393	14
Unappropriated earnings	84,853	4	28,366	1	(31,547)	(2)
Total retained earnings	<u>337,246</u>	<u>16</u>	<u>280,759</u>	<u>13</u>	<u>220,846</u>	<u>12</u>
Other equity						
Exchange differences on translation of foreign financial statements	(239,055)	(11)	(227,106)	(11)	(248,772)	(14)
Unrealized loss on financial assets of fair value through other comprehensive income	<u>(70,221)</u>	<u>(3)</u>	<u>(70,221)</u>	<u>(3)</u>	<u>(65,958)</u>	<u>(3)</u>
Total other equity	<u>(309,276)</u>	<u>(14)</u>	<u>(297,327)</u>	<u>(14)</u>	<u>(314,720)</u>	<u>(17)</u>
Total equity attributable to owners of the Company	<u>824,306</u>	<u>38</u>	<u>779,768</u>	<u>35</u>	<u>702,462</u>	<u>39</u>
<b>TOTAL</b>	<u>\$ 2,159,133</u>	<u>100</u>	<u>\$2,211,149</u>	<u>100</u>	<u>\$1,797,407</u>	<u>100</u>

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

## REDWOOD GROUP LTD AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the three-month period ended March 31, 2023		For the three-month period ended March 31, 2022	
	Amount	%	Amount	%
OPERATING REVENUE (Note 20)				
Construction revenue	\$520,955	100	\$312,691	100
OPERATING COSTS (Note 21)				
Construction costs	( 341,693)	( 66)	( 253,793)	( 81)
GROSS PROFIT	<u>179,262</u>	<u>34</u>	<u>58,898</u>	<u>19</u>
OPERATING EXPENSES (Notes 21 and 27)				
Selling and marketing expenses	( 5,015)	( 1)	( 5,483)	( 2)
General and administrative expenses	( 104,734)	( 20)	( 88,199)	( 28)
Expected credit loss	<u>211</u>	<u>-</u>	( 682)	( 1)
Total operating expenses	( 109,538)	( 21)	( 94,364)	( 31)
PROFIT (LOSS) FROM OPERATIONS	<u>69,724</u>	<u>13</u>	<u>(35,466)</u>	<u>(12)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 27)				
Interest income	115	-	101	-
Other income	2,342	1	4,019	1
Other gains and losses	(589)	-	4,889	2
Finance costs	( 4,744)	( 1)	( 3,818)	(1)
Total non-operating income and expenses	( 2,876)	-	<u>5,191</u>	<u>2</u>
PROFIT (LOSS) BEFORE INCOME TAX	66,848	13	( 30,275)	(10)
INCOME TAX (EXPENSE) GAIN (Note 22)	( 10,361)	( 2)	<u>2,684</u>	<u>1</u>
NET PROFIT (LOSS) FOR THE YEAR	<u>56,487</u>	<u>11</u>	<u>( 27,591)</u>	<u>(9)</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Exchange differences arising on translation to the presentation currency	(\$ 6,861)	(1)	\$ (4,426)	(2)

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## REDWOOD GROUP LTD AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the three-month period ended March 31, 2023		For the three-month period ended March 31, 2022	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statement of foreign operations	(5,088)	(1)	18,374	6
Other comprehensive income (loss) for the year, net of income tax	(11,949)	(2)	13,948	5
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>\$44,538</u>	<u>9</u>	<u>(\$13,643)</u>	<u>(4)</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	<u>\$56,487</u>	<u>11</u>	<u>(\$27,591)</u>	<u>(9)</u>
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:				
Owners of the Company	<u>\$44,538</u>	<u>9</u>	<u>(\$13,643)</u>	<u>(4)</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$1.12</u>	<u>=</u>	<u>(\$0.55)</u>	
Diluted	<u>\$1.12</u>	<u>=</u>	<u>(\$0.55)</u>	

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

(Concluded)

## REDWOOD GROUP LTD AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

Unit: Thousands

	Equity Attributable to Owners of the Company						Total Equity
	Share (In Thousand)	Capital Surplus	Retained Earnings		Other Equity		
			Special Reserve	Unappropriated Earnings	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Exchange Differences on Translating the Financial Statements of Foreign Operations	
BALANCE AT JANUARY 1, 2022	\$ 502,425	\$ 293,911	\$ 252,393	\$ (3,956)	\$ ( 65,948)	\$ (262,720)	\$ 716,105
Net loss for the period ended March 31, 2022	-	-	-	(27,591)	-	-	(27,591)
Other comprehensive income (loss) for the period ended March 31, 2022, net of income tax	-	-	-	-	-	(13,948)	(13,948)
Total comprehensive income (loss) for the period ended March 31, 2022	-	-	-	(27,591)	-	(13,948)	(13,643)
BALANCE AT MARCH 31, 2022	<u>\$ 502,425</u>	<u>\$ 293,911</u>	<u>\$ 252,393</u>	<u>(\$ 31,547)</u>	<u>\$ ( 65,948 )</u>	<u>\$ (248,772)</u>	<u>\$ 702,462</u>
BALANCE AT JANUARY 1, 2023	\$ 502,425	\$ 293,911	\$ 252,393	\$ 28,366	\$ ( 70,221)	\$ (227,106)	\$ 779,768
Net gain for the period ended March 31, 2023	-	-	-	56,487	-	-	56,487
Other comprehensive income(loss) for the period ended March 31, 2023, net of income tax	-	-	-	-	-	(11,949)	(11,949)
Total comprehensive income(loss) for the period ended March 31, 2023	-	-	-	56,487	-	(11,949)	44,538
BALANCE AT MARCH 31, 2023	<u>\$ 502,425</u>	<u>\$ 293,911</u>	<u>\$ 252,393</u>	<u>\$ 84,853</u>	<u>\$ (70,221)</u>	<u>\$ (239,055)</u>	<u>\$ 824,306</u>

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

## REDWOOD GROUP LTD AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	For the three- month period ended March 31,2023	For the three- month period ended March 31,2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before income tax	\$66,848	( \$30,275)
Adjustments for:		
Depreciation expenses	22,787	22,305
Expected credit loss recognized (reversed) on trade receivables	( 211)	682
Net loss of financial assets and liabilities at fair value through profit and loss	-	( 7,621)
Finance costs	4,744	3,818
Interest income	( 115)	( 101)
Write-downs (recovery benefits) of inventories	1,000	( 43)
Gain on disposal of property, plant and equipment	(2,346)	-
Net (gain) loss on foreign currency exchange	(10,603)	( 6,710)
Changes in operating assets and liabilities		
Contracts assets	156,088	( 32,455)
Trade receivables	( 261,528)	35,442
Other receivables	43	(1,121)
Inventories	3,797	(8,606)
Prepayments	( 17,189)	7,873
Other current assets	( 2,119)	223
Contracts liabilities	( 107,102)	17,381
Trade payables	3,309	( 14,383)
Other payables	28,252	( 34,830)
Other current liabilities	( 753)	( 119)
Cash generated from operations	( 115,098)	( 48,540)
Interest paid	( 6,204)	( 4,010)
Income taxes paid	( 4,996)	( 2,346)
Net cash generated from operating activities	<u>( 126,298)</u>	<u>( 54,896)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	( 4,653)	( 2,320)
Proceeds from disposal of property, plant and equipment	2,346	76
Increase in refundable deposits	( 2,101)	( 586)
Interest received	<u>115</u>	<u>101</u>
Net cash used in investing activities	<u>( 4,293)</u>	<u>( 2,729)</u>

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## REDWOOD GROUP LTD AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

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	For the three- month period ended March 31,2023	For the three- month period ended March 31,2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long-term borrowings	( 20,817)	( 22,302)
Repayment of the principal portion of lease liabilities	( 207)	( 199)
Net cash generated from financing activities	( 21,024)	( 22,501)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	513	10,031
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	( 151,102)	( 70,095)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>391,109</u>	<u>293,199</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$240,007</u>	<u>\$223,104</u>

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

(Concluded)

# REDWOOD GROUP LTD AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

Redwood Group Ltd. (the “Company”) was incorporated in the Cayman Islands and established mainly for reorganization and for trading registration in Taipei Exchange. The company became a holding company of all incorporated entities in August 2010. The Company and its subsidiaries (collectively referred to as the “Group”) mainly engage in the decoration of global boutique brand stores.

The Company’s shares have been listed on the Taipei Exchange (“TPEX”) mainboard since December 2011.

The functional currency of the Company is the Singapore dollar. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars since the Company’s shares are listed on the Taipei Exchange (“TPEX”) mainboard.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 11, 2023.

### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued in to effect by the Financial Supervisory Commission (FSC).

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies:

#### 1) Amendments to IAS 1 “Disclosure of Accounting Policies”

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements made on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;
- The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

If accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

- a) The Group changed its accounting policy during the reporting period and this change resulted in a material

change to the information in the financial statements;

- b) The Group chose the accounting policy from options permitted by the standards;
- c) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;
- d) The accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions;
- or
- e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

## 2) Amendments to IAS 8 “Definition of Accounting Estimates”

From January 1, 2023 the Group started to adopt the amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

### b. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (referred to as the “2020 amendments”) and “Non-current Liabilities with Covenants” (referred to as the “2022 amendments”)

The 2020 amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Group

shall disclose information that enables users of financial statements to understand the risk of the Group that may have difficulty complying with the covenants and repay its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### **4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **a. Statement of compliance**

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IAS 34, "Interim Financial Reporting", by the FSC of the Republic of China. The consolidated financial report does not include all IFRSs disclosure information required by the entire annual financial report.

##### **b. Basis of preparation**

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

##### **c. Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-Group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Note 11, Tables 5 and 6 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Explanation of other significant accounting policies

In addition to the following descriptions, please refer to the summary description of significant accounting policies in the 2022 consolidated financial report.

Taxation.

Income tax expense represents the sum of the tax currently payable and deferred tax. The income tax for the interim period is assessed on an annual basis, and the interim pre-tax benefits are calculated at the tax rate applicable to the expected annual total surplus.

**5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group’s accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the possible impact of the recent development of the COVID-19 and its economic environment implications when making its critical accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

**Key Sources of Estimation Uncertainty**

Construction contracts

Contract revenue and costs are recognized by reference to the stage of completion of each contract. The stage of completion of a contract is measured based on the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. For contracts to which IFRS 15 is applicable, incentives and penalties are considered as variable consideration and should be included in the contract revenue only when it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The estimated total contract costs and contractual items are assessed and determined by management based on the nature of the work, expected sub-contracting charges, construction periods, processes, methods, etc., for each construction contract. Changes in these estimates might affect the calculation of the percentage of completion and related profits and losses from the construction contracts. Refer to Note 20 for information relating to the relevant accounting policies.

**6. CASH AND CASH EQUIVALENTS**

	<b>March 31 2023</b>	<b>December 31 2022</b>	<b>March 31 2022</b>
Cash on hand	\$1,169	\$1,030	\$1,024
Checking accounts and demand deposits	<u>238,838</u>	<u>390,079</u>	<u>222,080</u>
	<u>\$ 240,007</u>	<u>\$391,109</u>	<u>\$223,104</u>

## 7. FINANCIAL INSTRUMENT AT FAIR VALUE THROUGH PROFIT AND LOSS

	March 31 2023	December 31 2022	March 31 2022
<u>Financial assets - non-current</u>			
Derivative financial liabilities (not under hedge accounting)	\$ -	\$ -	\$6,152
Interest rate swap contract			

At the end of the period, outstanding interest rate swap contract not under hedge accounting was as follows:

March 31, 2023: None.

December 31, 2022: None.

March 31, 2022

<u>Notional Amount</u> <u>(In Thousands)</u>	<u>Maturity Period</u>	<u>Range of Interest Rates</u> <u>Paid</u>	<u>Range of Interest Rates</u> <u>Received</u>
SGD15,000	08.04.2020 – 28.04.2025	2.18% (Fixed)	1.1237% (Floating)

The economic substance of the pay-floating receive-fixed interest rate swap contract listed in the table above is the managing of the exposures to the cash flow interest rate risk of bank borrowings. However, the contract did not meet the criteria of hedge effectiveness and, therefore, was not accounted for using hedge accounting.

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31 2023	December 31 2022	March 31 2022
<u>Non-current</u>			
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	\$32,583	\$32,540	\$34,355

### Investments in Equity Instruments at FVTOCI

	March 31 2023	December 31 2022	March 31 2022
<u>Non-current</u>			
Foreign investments			
Unlisted shares	\$ 32,583	\$32,540	\$34,355

The Company acquired ordinary shares of DDG Glass Pte. Ltd. for medium- to long-term strategic purposes and expected to earn profit through long-term investment. The management of the Company believed that if the short term fair value fluctuations of these investments are included in the profit or loss, they will not be consistent with the purpose of the aforementioned long-term investment plan; as a result, management chose to consider these investments as financial assets at fair value through other comprehensive income.

## 9. TRADE RECEIVABLES AND OTHER RECEIVABLES

	March 31	December 31	March 31
	2023	2022	2022
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$544,578	\$283,050	\$198,848
Less: Allowance for impairment loss	( 4,893)	( 5,098)	( 6,623 )
	<u>\$539,685</u>	<u>\$277,952</u>	<u>\$192,225</u>
<u>Other receivables</u>			
Other receivables	<u>\$2,176</u>	<u>\$2,254</u>	<u>\$17,699</u>
Other receivables from related parties	<u>\$ 81</u>	<u>\$ 46</u>	<u>\$ 81</u>

The Group adopted a policy of only dealing with creditworthy counterparties and obtained sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In order to minimize credit risk, the management of the Group responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes that the Group's credit risk was significantly reduced.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of a lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial positions, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery of the receivable, whichever occurs earlier. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

### March 31, 2023

	Less than 60 Days	61 to 180 Days	181 to 360 Days	361 to 720 Days	Over 721 Days	Total
Expected credit loss rate	0%-0.09%	0%-0.4%	0%-10.03%	0%- 33.33%	100%	
Gross carrying amount	\$ 429,066	\$ 80,488	\$ 25,009	\$ 8,394	\$ 1,621	\$ 544,578
Loss allowance (Lifetime ECL)	( 247)	( 106)	( 1,703)	( 1,216)	( 1,621)	( 4,893)
Amortized cost	<u>\$ 428,819</u>	<u>\$ 80,382</u>	<u>\$ 23,306</u>	<u>\$ 7,178</u>	<u>\$ -</u>	<u>\$ 539,685</u>

December 31, 2022

	Less than 60 Days	61 to 180 Days	181 to 360 Days	361 to 720 Days	Over 721 Days	Total
Expected credit loss rate	0%-0.14%	0%-0.86%	0%-9.67%	11.4%-62.12%	100%	
Gross carrying amount	\$ 213,206	\$ 37,083	\$ 9,882	\$ 21,161	\$ 1,718	\$ 283,050
Loss allowance (Lifetime ECL)	( 198)	( 141)	( 317)	(2,724)	( 1,718)	( 5,098)
Amortized cost	<u>\$ 213,008</u>	<u>\$ 36,942</u>	<u>\$ 9,565</u>	<u>\$ 18,437</u>	<u>\$ -</u>	<u>\$ 277,952</u>

March 31, 2022

	Less than 60 Days	61 to 180 Days	181 to 360 Days	361 to 720 Days	Over 721 Days	Total
Expected credit loss rate	0%-0.1%	0%-0.65%	0%-11.91%	29.96%-52.97%	100%	
Gross carrying amount	\$ 129,629	\$ 37,974	\$ 21,765	\$ 5,361	\$ 4,119	\$ 198,848
Loss allowance (Lifetime ECL)	( 28)	( 176)	( 159)	( 2,141)	( 4,119)	( 6,623)
Amortized cost	<u>\$ 129,601</u>	<u>\$ 37,798</u>	<u>\$ 21,606</u>	<u>\$ 3,220</u>	<u>\$ -</u>	<u>\$ 192,225</u>

The movements of the loss allowance of trade receivables is as follows:

	Three-month Period Ended	
	2023	2022
Balance at January 1	\$5,098	\$7,851
Add: Net remeasurement of loss allowance	-	682
Less: Actual write-off in the current period	-	( 2,147)
Less: Reverse of loss allowance in the current period	( 211)	-
Foreign exchange gains and losses	<u>6</u>	<u>237</u>
Balance at March 31	<u>\$4,893</u>	<u>\$6,623</u>

**10. INVENTORIES**

	March 31 2023	December 31 2022	March 31 2022
Raw materials	<u>\$ 89,968</u>	<u>\$94,527</u>	<u>\$80,437</u>

	Three-month Period Ended	
	2023	2022
Cost of good sold	\$340,693	\$253,836
Inventory write-downs (recovery benefits)	<u>1,000</u>	( 43)
	<u>\$341,693</u>	<u>\$253,793</u>

## 11. SUBSIDIARIES

### Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Description	Remark	
			March 31 2023	December 31 2022	March 31 2022			
Redwood Group Ltd.	Redwood Pte. Ltd.	Interior	Decoration of global advanced boutique brand store	100	100	100	Acquired the ownership through exchange of shares on December 10, 2010.	
Redwood Pte. Ltd.	Interior Redwood Sdn. Bhd	Furniture	Design, produce and sale of customized furniture	100	100	100	Acquired the ownership through exchange of shares on December 10, 2010.	
Redwood Pte. Ltd.	Interior Redwood (HK) Ltd.		Decoration of global advanced boutique brand store	-	-	100	Established by 100% direct or indirect investment in February 2012.	(1) (2)
Redwood Pte. Ltd.	Interior Redwood (Shanghai) Pte. Ltd.		Decoration of global advanced boutique brand store	100	100	100	Established by 100% direct or indirect investment in February 2012.	(1)
Redwood Pte. Ltd.	Interior Redwood Projects Sdn. Bhd.		Decoration of global advanced boutique brand store	100	100	100	Established by 100% direct or indirect investment in November 2012.	(1)
Redwood Pte. Ltd.	Interior Redwood Korea Co., Ltd.	Projects	Decoration of global advanced boutique brand store	100	100	100	Established by 100% direct or indirect investment in June 2017,	(1)
Redwood Pte. Ltd.	Interior Redwood France S.A.S.	Projects	Decoration of global advanced boutique brand store	100	100	100	Established by 100% direct or indirect investment in January 2018.	(1)
Redwood Pte. Ltd.	Interior Redwood Japan K.K.	Projects	Decoration of global advanced boutique brand store	100	100	100	Established by 100% direct or indirect investment in February 2018.	(1)
Redwood Pte. Ltd.	Interior Redwood Projects US Inc.		Decoration of global advanced boutique brand store	100	100	100	Established by 100% direct or indirect investment in October 2018,	(1)
Redwood Pte. Ltd.	Interior Redwood (Vietnam) Limited	Projects Company	Decoration of global advanced boutique brand store	100	100	100	Established by 100% direct or indirect investment in September 2020.	(1)
Redwood Pte. Ltd.	Interior Redwood Philippines Inc.	Projects	Decoration of global advanced boutique brand store	100	100	100	Established by 100% direct or indirect investment in December 2020.	(1)
Redwood Pte. Ltd.	Interior Redwood India Private Limited	Specialities	Decoration of global advanced boutique brand store	99.99	99.99	-	Established by 100% direct or indirect investment in November 2022. .	(1)
Redwood Furniture Bhd	Sdn. Redwood India Private Limited	Specialities	Decoration of global advanced boutique brand store	0.01	0.01	-	Established by 100% direct or indirect investment in November 2022. .	(1)

Remarks:

- (1) Those companies are an immaterial subsidiary.
- (2) Since there has been no actual operation in the past two years, the board of directors resolved to dissolve and liquidate in July 2022, and repatriated the share capital to REDWOOD INTERIOR PTE LTD on July 5, 2022. The liquidation procedure was completed on January 6, 2023.

## 12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery	Transportation Equipment	Other Equipment	Construction in Progress	Total
<u>Cost</u>							
Balance at January 1, 2023	\$32,558	\$880,000	\$467,463	\$27,363	\$71,703	\$2,320	\$1,481,407
Additions	-	43	897	-	4,915	1,064	6,919
Disposal	-	-	( 17,145 )	-	( 969 )	-	( 18,114 )
Reclassified	-	-	1,541	-	239	-	1,780
Effect of foreign currency exchange differences	(310)	(1,549)	(3,050)	(71)	( 116 )	( 6 )	(5,102)

Balance at March 31, 2023	<u>\$32,248</u>	<u>\$878,494</u>	<u>\$449,706</u>	<u>\$27,292</u>	<u>\$75,772</u>	<u>\$3,378</u>	<u>\$1,466,890</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2023	\$-	\$134,912	\$327,617	\$22,418	\$55,917	\$-	\$540,864
Disposal	-	-	( 17,145 )	-	( 969 )	-	( 18,114 )
Depreciation expense	-	8,516	9,900	528	3,245	-	22,189
Effect of foreign currency exchange differences	-	(743)	(2,688)	(64)	(87)	-	( 3,582 )
Balance at March 31, 2023	<u>\$-</u>	<u>\$142,685</u>	<u>\$317,684</u>	<u>\$22,882</u>	<u>\$58,106</u>	<u>\$-</u>	<u>\$541,357</u>
Carrying amounts at March 31, 2023	<u>\$ 32,248</u>	<u>\$ 735,809</u>	<u>\$ 132,022</u>	<u>\$ 4,410</u>	<u>\$ 17,666</u>	<u>\$ 3,378</u>	<u>\$ 925,533</u>
Carrying amounts at December 31, 2022 and January 1, 2023	<u>\$32,558</u>	<u>\$745,088</u>	<u>\$139,846</u>	<u>\$4,945</u>	<u>\$15,786</u>	<u>\$2,320</u>	<u>\$940,543</u>

	<b>Land</b>	<b>Buildings</b>	<b>Machinery</b>	<b>Transportation Equipment</b>	<b>Other Equipment</b>	<b>Construction in Progress</b>	<b>Total</b>
<u>Cost</u>							
Balance at January 1, 2022	\$ 30,969	\$ 801,090	\$ 429,554	\$ 25,033	\$ 67,227	\$ -	\$ 1,353,873
Additions	-	42	747	-	1,337	4	2,130
Disposal	-	-	(162)	-	( 69 )	-	( 231 )
Reclassified	-	-	333	-	-	-	333
Effect of foreign currency exchange differences	<u>852</u>	<u>25,819</u>	<u>12,585</u>	<u>793</u>	<u>2,120</u>	<u>-</u>	<u>42,169</u>
Balance at March 31, 2022	<u>\$ 31,821</u>	<u>\$ 826,951</u>	<u>\$ 443,057</u>	<u>\$ 25,826</u>	<u>\$ 70,615</u>	<u>\$ 4</u>	<u>\$ 1,398,274</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2022	\$ -	\$ 93,831	\$ 272,349	\$ 18,149	\$ 46,875	\$ -	\$ 431,204
Disposal	-	-	( 78 )	-	( 77 )	-	( 155 )
Depreciation expense	-	8,093	10,093	674	2,834	-	21,694
Effect of foreign currency exchange differences	-	<u>2,885</u>	<u>( 7,850 )</u>	<u>582</u>	<u>1,548</u>	<u>-</u>	<u>12,865</u>
Balance at March 31, 2022	<u>\$ -</u>	<u>\$ 104,809</u>	<u>\$ 290,214</u>	<u>\$ 19,405</u>	<u>\$ 51,180</u>	<u>\$ -</u>	<u>\$ 465,608</u>
Carrying amounts at March 31, 2022	<u>\$ 31,821</u>	<u>\$ 722,142</u>	<u>\$ 152,843</u>	<u>\$ 6,421</u>	<u>\$ 19,435</u>	<u>\$ 4</u>	<u>\$ 932,666</u>
Carrying amounts at December 31, 2021 and January 1, 2022	<u>\$ 30,969</u>	<u>\$ 707,259</u>	<u>\$ 157,205</u>	<u>\$ 6,884</u>	<u>\$ 20,352</u>	<u>\$ -</u>	<u>\$ 922,669</u>

No impairment assessment was performed for the period ended March 31, 2023 and 2022 as there was no indication of impairment.

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful life as follows:

Building	5 ~ 27 years
Machinery	7 years
Transportation equipment	5 years
Other equipment	1-10 years

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 28.

### 13. LEASE ARRANGEMENTS

#### a. Right-of-use assets

	March 31 2023	December 31 2022	March 31 2022
<u>Carrying amounts</u>			
Land access	\$40,963	\$41,322	\$39,357
Buildings	<u>485</u>	<u>676</u>	<u>1,296</u>
	<u>\$41,448</u>	<u>\$41,998</u>	<u>\$40,653</u>
		<b>Three-month Period Ended March 31</b>	
		<b>2023</b>	<b>2022</b>
<u>Depreciation charge for right-of-use assets</u>			
Land access		\$411	\$373
Buildings		<u>187</u>	<u>238</u>
		<u>\$598</u>	<u>\$611</u>

The right-of-use asset includes long-term prepaid rent for land leased by Redwood Singapore to the government, and the merger company has obtained evidence of the right to use the land.

Except for the additions and recognition of depreciation charge listed above, there was no major sublease or impairment loss of the right-of-use assets of the Group in the three-month period ended March 31, 2023 and 2022.

For the amount of right-of-use assets set as shareholder guarantee, please refer to Note 28.

#### b. Lease liabilities

	March 31 2023	December 31 2022	March 31 2022
<u>Carrying amounts</u>			
Current	<u>\$147</u>	<u>\$307</u>	<u>\$849</u>
Non-current	<u>\$356</u>	<u>\$397</u>	<u>\$496</u>

Range of discount rate for lease liabilities was as follows:

	March 31 2023	December 31 2022	March 31 2022
Land	4.32%	4.32%	4.32%
Office equipment	4.32%	4.32%	4.32%

#### c. Material lease-in activities and terms

The Group leases land and buildings for the use of plants and offices with lease terms of 2 to 30 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

#### d. Other lease information

	<b>Three-month period Ended</b>	
	<b>March 31</b>	
	<b>2023</b>	<b>2022</b>
Short-term lease expenses	\$2,803	\$532
Expenses relating to low-value asset leases	\$338	\$295
Total cash outflow for leases	<u>(\$ 3,348)</u>	<u>(\$ 1,026)</u>

The Group leases certain assets which qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

#### 14. OTHER ASSETS

	<b>March 2023</b>	<b>December 31 2022</b>	<b>March 2022</b>
<u>Current</u>			
Prepayments - goods	\$53,021	\$38,021	\$26,243
Prepayments - expenses	17,878	16,694	14,249
Other prepayments	<u>3,727</u>	<u>2,542</u>	<u>2,532</u>
	<u>\$74,626</u>	<u>\$57,437</u>	<u>\$43,024</u>
Other current assets	<u>\$3,082</u>	<u>\$963</u>	<u>\$982</u>
<u>Non-current</u>			
Prepaid equipment	\$2,828	\$7,891	\$338
Refundable deposits	<u>8,619</u>	<u>6,518</u>	<u>7,223</u>
	<u>\$11,447</u>	<u>\$14,409</u>	<u>\$7,611</u>

#### 15. BORROWINGS

##### a. Short-term borrowings

	<b>March 31 2023</b>	<b>December 31 2022</b>	<b>March 31 2022</b>
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>\$34,365</u>	<u>\$34,320</u>	<u>\$31,740</u>

The range of weighted average effective interest rate on bank loans was 6.19255% and 5.95920% and 3.57481% per annum as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

##### b. Long-term borrowings

	<b>March 31 2023</b>	<b>December 31 2022</b>	<b>March 31 2022</b>
<u>Secured borrowings (Note 28)</u>			
Bank loans*	\$599,761	\$620,026	\$642,420
Less: Current portion	( 83,866)	( 83,630)	( 88,358)
Long-term borrowings	<u>\$515,895</u>	<u>\$536,396</u>	<u>\$554,062</u>

\* As of March 31, 2023, December 31, 2022 and March 31, 2022, the weighted average effective interest rate of the bank borrowings secured by the Group's freehold land and building (refer to Note 28) was 2.50%~3.07% and 2.25% ~ 3.65% and 1.2345%~3.65% per annum, respectively.

## 16. TRADE PAYABLE

The Group has a financial risk management policy to ensure that all payables are repaid within the pre-agreed credit period.

## 17. OTHER LIABILITIES

	March 2023	December 31 2022	March 2022
<u>Current</u>			
Other payables			
Payable for salaries or bonuses	\$34,589	\$30,049	\$17,531
Payable for purchase of equipment	2,807	3,824	1,002
Payable for utilities	4,886	4,670	4,999
Payable for provident fund	4,296	4,330	4,302
Payable for professional service fees	1,797	2,090	935
Payable for shipping expenses	27,708	26,317	11,225
Payable for business tax	4,530	3,538	-
Payable for interest expenses	64	1,530	591
Others	<u>55,044</u>	<u>33,604</u>	<u>10,725</u>
	<u>\$135,721</u>	<u>\$109,952</u>	<u>\$51,310</u>
Other current liabilities			
Deferred Income			
Government Grants	\$15,269	\$16,038	\$17,103
Others	<u>180</u>	<u>164</u>	<u>299</u>
	<u>\$15,449</u>	<u>\$16,202</u>	<u>\$17,402</u>

Deferred income is that the Singapore government has subsidized the relevant company's equipment for the new plant. After the completion of the new plant in February 2021, the Group has amortized the income according to the service life of the equipment; and The Singapore government has implemented "Jobs Support Scheme" to assist businesses in coping with Covid-19 pandemic. The subsidy program will be fully paid in 2021 (refer to Note 21.)

## 18. RETIREMENT BENEFIT PLANS

The Company did not have the employee retirement plan and the local government did not require to conclude the employee retirement plan, either. Therefore, the Company did not adopt a benefit pension plan.

The employees of the Group's subsidiaries adopted the contribution plan operated by the local government. Pension benefits as period expenses when employees provide service are calculated on the basis of a certain percentage of employees' salaries and wages.

## 19.EQUITY

### a. Share capital

#### Ordinary shares

	<b>March 31</b>	<b>December 31</b>	<b>March 31</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>
Shares authorized (in thousands of shares)	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Shares authorized, par value \$10 (in thousands of dollars)	<u>\$800,000</u>	<u>\$800,000</u>	<u>\$800,000</u>
Shares issued and fully paid (in thousands of shares)	<u>50,243</u>	<u>50,243</u>	<u>50,243</u>
Shares issued	<u>\$502,425</u>	<u>\$502,425</u>	<u>\$502,425</u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

### b. Capital surplus

#### May be used to offset a deficit, distributed as cash dividends, or transferred to share capital

	<b>March 31</b>	<b>December 31</b>	<b>March 31</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>
Issuance of ordinary shares	<u>\$ 293,911</u>	<u>\$ 293,911</u>	<u>\$ 293,911</u>

Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

### c. Retained earnings and dividend policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. Pursuant to Article 34.5, subject to the compliance with the Statute, the remaining amount shall be distributed in the following sequence and manner upon approval by the members:

- 1) No less than 0.2% as employees' bonus;
- 2) No more than 5% as directors' bonus; and
- 3) No less than 20% as members' dividends, provided that cash dividends shall not be less than 10% of the total amount of dividends.

No dividend or other distribution shall be paid except out of the realized or unrealized profits of the Company, out of the share premium account or any reserve, fund, or account as otherwise permitted by the statute. Except as otherwise provided by the rights attached to any shares, all dividends and other distributions shall be paid according to the number of the shares that a member holds. If any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

Under Rule No. 1010012865, the Company should appropriate or reverse to a special reserve. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

The company has a net loss after tax in 2022 and 2021, and has no distributable surplus. The board of directors held on March 18, 2022 and the general meeting of shareholders held on August 4, 2021, respectively. Proposed and resolved not to distribute the surplus.

The appropriation of earnings for 2022 is subject to the resolution of the shareholders' meeting to be held on June 28, 2023.

## 20. REVENUE

	<b>Three-month period Ended</b>	
	<b>March 31</b>	
	<b>2023</b>	<b>2022</b>
Revenue from contracts with customers		
Construction contract revenue	<u>\$ 520,955</u>	<u>\$ 312,691</u>

### a. Contract information

The construction segment's properties construction contracts include terms about performance bonuses and delay penalties. The Group estimates the transaction price using the most likely amount, taking into consideration the historical contracts with similar terms and sizes.

### b. Contract balances

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Trade receivables (Note 9)	<u>\$539,685</u>	<u>\$277,952</u>	<u>\$192,225</u>
Contract assets			
Retentions receivable	\$46,813	\$38,932	\$24,870
Decoration project	<u>115,637</u>	<u>279,606</u>	<u>151,344</u>
Contract assets - current	<u>\$162,450</u>	<u>\$318,538</u>	<u>\$176,214</u>
Contract liabilities			
Decoration project	<u>\$340,486</u>	<u>\$447,588</u>	<u>\$203,922</u>

The Group measures the loss allowance for contract assets at an amount equal to lifetime ECLs. The contract assets will be transferred to accounts receivable when the corresponding invoice is billed to the client, and the contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables can be applied to the contract assets a reasonable approximation of the loss rates for the contract assets.

	<b>March 31 2023</b>	<b>December 31 2022</b>	<b>March 31 2022</b>
Expected credit loss rate	0.09%	0.13%	0.57%
Gross carrying amount	\$162,450	\$318,538	\$176,214
Allowance for impairment loss (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$162,450</u>	<u>\$318,538</u>	<u>\$176,214</u>

c. Disaggregation of revenue

	<b>Three-month period Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Asia	\$347,187	\$238,844
The Middle East	33,908	17,493
United States	135,570	55,640
Europe	4,290	714
	<u>\$520,955</u>	<u>\$312,691</u>

**21. NET LOSS**

a. Interest income

	<b>Three-month period Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Interest income		
Bank deposits	<u>\$115</u>	<u>\$101</u>

b. Other income

	<b>Three-month period Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Government grants	\$1,268	\$3,279
Others	<u>1,074</u>	<u>740</u>
	<u>\$2,342</u>	<u>\$4,019</u>

- 1) Based on regulations of HRDF Program, to provide employee training on profession and improvements on working skills, employees in one specific scope of work are responsible of related tax duties in amount of 1% of monthly salary of each employee. Besides, regarding to coherent unit (Pembangunan Sumber Manusia Berhad) regulations, if employee joins the training program, employee can apply for subsidy from the unit by 80%-100% of total training expense. The Company recognized subsidy revenue of \$107 thousand in the three-month period ended March 31, 2023.
- 2) Due to the impact of Covid-19 pandemic, the Malaysian government has launched a new economic protection assistance package (Permai), in which in order to help employers retain employees and reduce unemployment, a special wage subsidy program (Program Subsidi Upah) will be provided. Employers operating during the MCD (Movement Control Order) period can apply, and there are no restrictions. The Company recognized subsidy revenue of \$99 thousand in the three-month period ended March 31, 2022.
- 3) In order to boost the employment rate, the Singapore government has implemented the Jobs Growth Incentive, the Senior Employment Credit and the CPF Transition Offset respectively. The above plans will respectively provide employee salary subsidies and guarantee employment opportunities for the elderly. From January 1, 2012 to March 31, 2012. The Company recognized subsidy revenue of \$218 thousand in the three-month period ended March 31, 2023.
- 4) In order to elevate average salary and industry competitiveness, the Singapore government conducted "Wage Credit Scheme" starting from 2013 to invest small and medium business for salary raise. This program is part of public finance strategies of Singapore government to support business in transition period. The Company recognized subsidy revenue of \$994 thousand in the three-month period ended March 31, 2022.

- 5) In response to the impact of Covid-19 pandemic, the Singapore government has implemented the "Fortitude Budget" since 2020. The budget will subsidize employee salaries to help companies survive the peak of the epidemic. The Company recognized subsidy revenue of \$1,445 thousand in the three-month period ended March 31, 2022.
- 6) In order to improve the overall productivity of local enterprises, the Enterprise Development Agency of Singapore launched relevant subsidy measures (Capability Development Grant) in 2018 to encourage enterprises to renovate old factories, and the government provides subsidies to help enterprises purchase high-capacity machinery and equipment. The new factory building of Singapore subsidiary Redwood Interior Pte Ltd was completed in 2021. The Company recognized subsidy revenue of \$786 and \$718 thousand in the three-month period ended March 31, 2023 and 2022, respectively.
- 7) In response to the impact of Covid-19 pandemic, the Korean government provides subsidies (Covid-19 Supporting Fund) for small and medium-sized enterprises affected by the third wave of the epidemic. The assistance objects include small and medium-sized enterprises and self-employed persons who are directly affected by sales, so as to help enterprises tide over the difficulties. The Company recognized subsidy revenue of \$23 thousand in the three-month period ended March 31, 2022.
- 8) Other government subsidies are mainly the subsidy for childcare leave and on-the-job training programs provided by the Singapore government. The Company recognized subsidy revenue of \$157 thousand in the three-month period ended March 31, 2023.

c. Other gains and losses

	<b>Three-month period Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Gain (Loss) on disposal of property, plant and equipment	\$2,346	\$-
Net foreign exchange (losses)	( 2,267)	( 2,142)
Valuation gain (loss) of financial liabilities at FVTPL	-	7,621
Others	( <u>668</u> )	( <u>590</u> )
	<u>(\$ 589)</u>	<u>\$4,889</u>

d. Finance costs

	<b>Three-month period ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Interest on bank loans	\$4,738	\$3,803
Interest on lease liabilities	<u>6</u>	<u>15</u>
	<u>\$4,744</u>	<u>\$3,818</u>

e. Depreciation and amortization

	<b>Three-month period Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
An analysis of depreciation by function		
Operating costs	\$9,734	\$9,822
Operating expenses	<u>13,053</u>	<u>12,483</u>
	<u>\$22,787</u>	<u>\$22,305</u>

f. Employee benefits expense

	<b>Three-month period Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Post-employment benefits (Note 19)		
Defined contribution plan	\$7,552	\$8,088
Other employee benefits	<u>155,133</u>	<u>102,355</u>
	<u>\$162,685</u>	<u>\$110,443</u>

	<b>Three-month period Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
An analysis of employee benefits expense by function		
Operating costs	\$82,387	\$44,011
Operating expenses	<u>80,298</u>	<u>66,432</u>
	<u>\$162,685</u>	<u>\$110,443</u>

g. Employees' compensation and remuneration of directors and supervisors

According to the Company's Articles of Association, employee bonuses and directors' compensation are calculated based on 0.2% and 5% of the net profit after tax (after deducting the employee's dividend and the amount of compensation from the directors). The distribution of shareholder dividends and employee bonuses is allocated by cash or share or cash with shares as determined by the board of directors. The board of directors may adjust the proportion of cash dividends to be adjusted according to the actual profit and operating conditions of the year. When employee bonuses are distributed by shares, employees of subordinate companies that meet certain conditions are subject to share dividends and cash dividends. The Company does not pay interest on dividends and bonuses that are not distributed.

The estimated employee remuneration and director remuneration for 2023 and 2022 from January 1 to March 31 are as follows:

Estimated ratio

	<b>Three-month period Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Employee compensation	0.2%	-%
Director remuneration	-%	-%

Amount

	<b>Three-month period Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Employee compensation	\$ 106	\$ -
Director remuneration	<u>\$ -</u>	<u>\$ -</u>

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

Information on the employees' compensation and remuneration of directors and supervisors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains or losses on foreign currency exchange

	<b>Three-month period Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Foreign exchange gains	\$3,859	\$105
Foreign exchange losses	( 6,126)	( 2,247)
	<u>(\$2,267)</u>	<u>(\$2,142)</u>

## 22. INCOME TAX

a. Income tax recognized in profit or loss:

Major components of income expense (benefit) are as follows:

	<b>Three-month period Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax		
In respect of the current year	\$ 9,363	\$ 423
Deferred tax		
In respect of the current year	<u>998</u>	( <u>3,107</u> )
Income tax expense (benefit) recognized in profit or loss	<u>\$10,361</u>	<u>(\$ 2,684)</u>

b. Income tax assessments

Except for the Company not subject to income tax, the tax returns of Redwood Interior Pte. Ltd., Redwood Furniture Sdn. Bhd., Redwood Projects Sdn. Bhd., Redwood (Shanghai) Pte. Ltd., Redwood Projects Korea Co., Ltd. and Redwood Projects (Vietnam) Company Limited 2021, have been assessed by the tax authorities. The tax returns of Redwood Projects US Inc., Redwood Projects Japan K.K. and Redwood Projects Philippines Inc. until 2022, have been assessed by the tax authorities.

## 23. EARNINGS (LOSS) PER SHARE

Unit: NT\$ Per Share

### Three-month period Ended March 31

	2023	2022
Basic earnings (loss) per share	<u>\$1.12</u>	<u>( \$0.55)</u>
Diluted earnings (loss) per share	<u>\$1.12</u>	<u>( \$0.55)</u>

The earnings (loss) and weighted average number of ordinary shares outstanding used in the computation of earnings (loss) per share are as follows:

### Net (Loss) Profit for the Year

### Three-month period Ended March 31

	2023	2022
Loss used in the computation of basic earnings per share	\$ 56,487	( \$ 27,591)
Loss used in the computation of diluted earnings per share	<u>\$ 56,487</u>	<u>( \$ 27,591)</u>

The weighted average number of ordinary shares outstanding (in thousand shares) is as follows:

### Three-month period Ended March 31

	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	<u>50,243</u>	<u>50,243</u>
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	<u>50,243</u>	<u>50,243</u>

If the Group offered to settle bonuses paid to employees in cash or shares, the Group assumed the entire amount of the bonus would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the shareholders resolved the number of shares to be distributed to employees at their meeting in the following year.

## 24. CASH FLOWS INFORMATION

For three-month period ended March 31, 2023

	Opening Balance	Cash Flows	Non-cash Changes		Closing Balance
			New Leases	Others	
Short-term borrowings	\$ 34,320	\$ -	\$ -	\$ 45	\$ 34,365
Long-term borrowings	620,026	( 20,817)	-	552	599,761
Lease liabilities (Note 13)	<u>704</u>	<u>( 207)</u>	<u>-</u>	<u>6</u>	<u>503</u>
	<u>\$ 655,050</u>	<u>(\$ 21,024)</u>	<u>\$ -</u>	<u>\$ 603</u>	<u>\$ 634,629</u>

For three-month period ended March 31, 2022

	Opening Balance	Cash Flows	Non-cash Changes		Closing Balance
			New Leases	Others	
Short-term borrowings	\$ 30,690	\$ -	\$ -	\$ 1,050	\$ 31,740
Long-term borrowings - current portions	88,245	( 20,302)	-	22,415	88,358
Long-term borrowings	555,224	-	-	( 1,162)	554,062
Long-term borrowings	1,529	( 199)	-	15	1,345
	<u>\$ 675,688</u>	<u>(\$ 22,501)</u>	<u>\$ -</u>	<u>\$ 22,318</u>	<u>\$ 675,505</u>

## 25. CAPITAL MANAGEMENT

The objectives, policies and procedures for capital risk management of the Group, and the composition of the Group's capital structure are the same as the 2022 consolidated financial report. For related explanations, please refer to Note 26 of the 2022 annual consolidated Financial Report.

## 26. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments not measured at fair value

Management considers the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements to be approximate amounts of their fair values.

### b. Fair value of financial instruments that are measured at fair value on a recurring basis

#### 1) Fair value hierarchy

##### March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,583</u>	<u>\$ 32,583</u>

##### December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,540</u>	<u>\$ 32,540</u>

##### March 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,355</u>	<u>\$ 34,355</u>

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Derivatives	\$ <u>          -</u>	\$ <u>  6,152</u>	\$ <u>          -</u>	\$ <u>  6,152</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For three-month ended March 31, 2023

	<b>Financial Assets at FVTOCI Equity Instruments</b>
<u>Financial assets</u>	
Balance at January 1, 2023	\$32,540
Net exchange difference	<u>  43</u>
Balance at March 31, 2023	<u>\$32,583</u>

For three-month ended March 31, 2022

	<b>Financial Assets at FVTOCI Equity Instruments</b>
<u>Financial assets</u>	
Balance at January 1, 2022	\$33,219
Net exchange difference	<u>  1,136</u>
Balance at March 31, 2022	<u>\$34,355</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Financial Instrument</u>	<u>Valuation Technique and Inputs</u>
Derivatives - Interest rate swap contracts	Discounted cash flow.  It is measured at the present value of the financial institution's estimated future cash flows discounted at their quoted interest rate.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of oversea unlisted equity securities were determined by the market approach. Due to no liquidity on an open market, a liquidity discount was applied to these securities based on the option pricing model. The applied significant unobservable input 25% is regarded as the assumed liquidity discount in an available market.

c. Categories of financial instruments

	<b>March 31 2023</b>	<b>December 31 2022</b>	<b>March 31 2022</b>
Financial assets			
Financial assets at amortized cost (1)	\$790,568	\$677,879	\$440,332
Financial assets at FVTPL			
Derivatives	-	-	6,152
Financial assets at FVTOCI			
Equity instruments	32,583	32,540	34,355
Financial liabilities			
Financial liabilities at amortized cost (2)	958,598	949,740	867,945

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, trade and other receivables, and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans, trade and other payables.

d. Financial risk management objectives and policies

The Group's major financial instruments included cash and cash equivalents, trade receivables, trade payables, and borrowings. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, which exposes the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 30.

Sensitivity analysis

The Group is mainly exposed to the currency MYR, currency USD and currency EUR.

The following table details the Group's sensitivity to a 1% increase and decrease in the Singapore dollar against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%.

A positive number below indicates an increase in pre-tax profit and other equity associated with the Singapore dollar strengthening 1% against the relevant currency. For a 1% weakening of the Singapore dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	<b>Currency MYR's Impact</b>	
	<b>For Three-Month Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Profit or loss	( \$1,967)	( \$1,009)

	<b>Currency USD's Impact</b>	
	<b>For Three-Month Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Profit or loss	\$1,089	\$281

	<b>Currency EUR's Impact</b>	
	<b>For Three-Month Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Profit or loss	\$303	\$56

#### b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings and using interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite ensuring the most cost-effective hedging strategies are applied.

The book value of financial assets and financial liabilities of the consolidated company exposed to interest rates on the balance sheet date are as follow:

	<b>March 31 2023</b>	<b>December 31 2022</b>	<b>March 31 2022</b>
Fair value interest rate risk			
-financial liabilities	\$452,017	\$468,471	\$480,101
Cash flow interest rate risk			
-financial liabilities	182,109	185,875	194,059

#### Sensitivity analysis

If interest rates had been 0.5% higher and all other variables were held constant, the Group's pre-tax profit for three-months ended March 31, 2023 and 2022 would have decreased by \$228 thousand and \$243 thousand, respectively.

#### 2) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group transacts with a large number of unrelated customers and, thus, no concentration of credit risk was observed.

### 3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2023 and 2022, and December 31, 2022, the Group had available unutilized short-term bank loan facilities set out in (b) below.

#### a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows.

Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

#### March 31, 2023

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>			
Short-term borrowings	\$35,362	\$-	\$-
Trade payables	188,751	-	-
Lease liabilities	166	373	-
Other payables	135,721	-	-
Current portion of long-term borrowings	97,622	-	-
Long-term borrowings	-	<u>217,003</u>	<u>394,292</u>
	<u>\$457,622</u>	<u>\$217,376</u>	<u>\$394,292</u>

#### December 31, 2022

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>			
Short-term borrowings	\$34,589	\$-	\$-
Trade payables	185,442	-	-
Lease liabilities	488	418	-
Other payables	109,952	-	-
Current portion of long-term borrowings	97,842	-	-
Long-term borrowings	-	<u>226,014</u>	<u>399,678</u>
	<u>\$428,313</u>	<u>\$226,432</u>	<u>\$399,678</u>

March 31, 2022

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
<u>Non-derivative financial liabilities</u>			
Short-term borrowings	\$31,740	\$-	\$-
Trade payables	142,475	-	-
Lease liabilities	886	409	-
Other payables	51,310	-	-
Current portion of long-term borrowings	88,358	-	-
Long-term borrowings	<u>-</u>	<u>218,905</u>	<u>335,157</u>
	<u>\$314,769</u>	<u>\$219,314</u>	<u>\$335,157</u>

b) Financing facilities

	<b>March 31 2023</b>	<b>December 31 2022</b>	<b>March 31 2022</b>
Unsecured bank overdraft facility:			
Amount used	\$-	\$-	\$-
Amount unused	<u>5,831</u>	<u>17,264</u>	<u>15,966</u>
	<u>\$5,831</u>	<u>\$17,264</u>	<u>\$15,966</u>
Secured bank overdraft facility:			
Amount used	\$634,126	\$654,346	\$674,160
Amount unused	<u>110,572</u>	<u>100,442</u>	<u>97,265</u>
	<u>\$744,698</u>	<u>\$754,788</u>	<u>\$771,425</u>

**27. TRANSACTIONS WITH RELATED PARTIES**

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
DDG Glass Pte. Ltd.	Related party in substance
DDG Glass MFG Sdn. Bhd.	Related party in substance

b. Purchases of goods

<b>Related Party Categories</b>	<b>For Three-Month Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Related party in substance	<u>\$ 5,433</u>	<u>\$ 3,823</u>

There is no significant difference between the conditions for the purchase of the related party and non-related

party.

c. Receivables from related parties (excluding loans to related parties and contract assets)

<b>Line Items</b>	<b>Related Party Categories</b>	<b>March 31</b>	<b>December 31</b>	<b>March 31</b>
		<b>2023</b>	<b>2022</b>	<b>2022</b>
Other receivables	Related party in substance	<u>\$ 81</u>	<u>\$ 46</u>	<u>\$ 81</u>

The outstanding trade receivables from related parties are unsecured. For three-month ended March 31, 2023 and 2022, no impairment loss was recognized for trade receivables from related parties.

d. Payables to related parties (excluding loans from related parties)

<b>Line Items</b>	<b>Related Party Categories</b>	<b>March 31</b>	<b>December 31</b>	<b>March 31</b>
		<b>2023</b>	<b>2022</b>	<b>2022</b>
Trade payables	Related party in substance	<u>\$ 1,572</u>	<u>\$ 1,587</u>	<u>\$ 1,542</u>

The outstanding trade payables to related parties are unsecured, and will be settled in cash.

e. Other transactions with related parties

<b>Line Items</b>	<b>Related Party Categories</b>	<b>For Three Months Ended</b>	
		<b>March 31</b>	
		<b>2023</b>	<b>2022</b>
Other income	Related party in substance	\$ 477	\$ 468
Other income	Related party in substance	<u>2,291</u>	<u>-</u>
		<u>\$ 2,768</u>	<u>\$ 468</u>

f. Compensation of key management personnel

	<b>For Three Months Ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Short-term employee benefits	\$5,284	\$4,840
Post-employment benefits	<u>189</u>	<u>171</u>
	<u>\$5,473</u>	<u>\$5,011</u>

The remuneration of directors and key executives was determined by the remuneration committee having regard to the performance of individuals and market trends.

**28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY**

The following assets were provided as collateral for bank borrowings.

	<b>March 31</b>	<b>December 31</b>	<b>March 31</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>
Land	\$32,248	\$32,558	\$31,821
Right-of-use - asset (land access)	40,963	41,322	39,358
Buildings	717,238	725,419	699,775
Equipments	<u>68,478</u>	<u>70,975</u>	<u>78,286</u>
	<u>\$858,927</u>	<u>\$870,274</u>	<u>\$849,240</u>

## 29.SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of March 31, 2023 and 2022 were as follows:

### Significant Commitments

- a. As of March 31, 2023 , December 31, 2022, and March 31, 2022, the Group signed a contractual commitment with the manufacturer for purchases of machinery and equipment amounting to approximately \$23,639 thousand, \$24,982 thousand and \$869 thousand, respectively.

## 30.SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

### March 31, 2023

Unit: In Thousands for Currencies, Except Exchange Rates

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$4,358	1.330 (USD:SGD)	\$132,789
EUR	1,079	1.447(EUR:SGD)	<u>35,769</u>
			<u>\$168,558</u>
<u>Financial liabilities</u>			
Monetary items			
USD	783	1.330 (USD:SGD)	\$23,866
SGD	4,529	3.320(SGD:MYR)	103,765
MYR	28,506	0.301(MYR:SGD)	196,704
EUR	166	1.447 (EUR:SGD)	<u>5,510</u>
			<u>\$329,845</u>

### December 31, 2022

Unit: In Thousands for Currencies, Except Exchange Rates

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$5,443	1.350 (USD:SGD)	\$168,129
USD	259	4.434 (EUR:MYR)	7,987
EUR	964	1.430 (EUR:SGD)	31,536
JPY	23,614	0.0102 (JPY:SGD)	<u>5,511</u>
			<u>\$213,163</u>

Financial liabilities

## Monetary items

USD	752	1.350 (USD:SGD)	\$23,221
SGD	2,815	3.284 (SGD:MYR)	64,405
MYR	18,819	0.305 (MYR:SGD)	<u>131,110</u>
			<u>\$218,736</u>

March 31, 2022

Unit: In Thousands for Currencies, Except Exchange Rates

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$1,825	1.350 (USD:SGD)	\$52,146
EUR	501	1.509 (EUR:SGD)	15,974
THB	28,940	0.041 (THB:SGD)	<u>25,046</u>
			<u>\$ 93,166</u>
<u>Financial liabilities</u>			
Monetary items			
USD	410	1.350 (USD:SGD)	\$11,728
USD	430	4.195 (USD:MYR)	12,271
MYR	14,822	0.322 (MYR:SGD)	100,930
EUR	323	1.509 (EUR:SGD)	<u>10,330</u>
			<u>\$ 135,259</u>

The Group is mainly exposed to SGD, MYR, USD and EUR. The following information was aggregated by the functional currencies of the Group, and the exchange rates between respective functional currencies and the presentation currency were disclosed. The significant foreign exchange gains (losses) were as follows:

Foreign Currencies	For Three-Month Ended March 31			
	2023		2022	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
SGD	(SGD:NTD)	(\$ 1,536)	(SGD:NTD)	(\$ 1,434)
MYR	(MYR:NTD)	( 650)	(MYR:NTD)	( 412)
RMB	(RMB:NTD)	17	(RMB:NTD)	( 8)
JPY	(JPY:NTD)	12	(JPY:NTD)	( 255)
KRW	(KRW:NTD)	10	(KRW:NTD)	( 42)
USD	(USD:NTD)	( 101)	(USD:NTD)	-
VND	(VND:NTD)	( 2)	(VND:NTD)	9
PHP	(PHP:NTD)	( 17)	(PHP:NTD)	-
		<u>(\$ 2,267)</u>		<u>(\$ 2,142)</u>

**31. SEPARATELY DISCLOSED ITEMS**

## a. Information about significant transactions and investees

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)

- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures). (Table 3)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 5) Acquisition of individual real estate at cost of at least NT\$300 million or 20% of the paid-in capital. (None)
- 6) Disposal of individual real estate at a price of at least NT\$300 million or 20% of the paid-in capital. (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 4)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (Table 5)
- 9) Trading in derivative instruments. (Note 7 and 26)
- 10) Intercompany relationships and significant intercompany transactions. (Table 6)

b. Information on investees (Table 7)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 8)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
  - c) The amount of property transactions and the amount of the resultant gains or losses.
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
  - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
  - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

### **33.SEGMENT INFORMATION**

#### Operating segment financial information

The Company and its subsidiaries determine the operating segments based on the management reports used by the management authority (the chief operating decision maker) to make decisions, evaluate performance and allocate resources. The Company and its subsidiaries only have a single operating segment to provide the decoration business for boutique brand stores. The chief operating decision makers consider that their businesses have similar risks and rewards. Therefore, the Company and its subsidiaries do not apply to segment information disclosure

## REDWOOD GROUP LTD AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THREE MONTHS ENDED MARCH 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
0	Redwood Group Ltd.	Redwood Interior Pte. Ltd.	Other receivables for related parties	Yes	\$ 30,000	\$ 30,000	\$ -	-	Short-term financing	\$ -	Financing need	\$ -	-	\$ -	\$ 247,292	\$ 329,722
		Redwood Furniture Sdn. Bhd.	Other receivables for related parties	Yes	30,000	30,000	-	-	Short-term financing	-	Financing need	-	-	-	249,772	329,722
1	Redwood Interior Pte. Ltd.	Redwood Furniture Sdn. Bhd.	Other receivables for related parties	Yes	30,000	30,000	-	-	Short-term financing	-	Financing need	-	-	-	819,531	819,531
		Redwood Specialities India Private Limited	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	819,531	819,531
		Redwood (Shanghai) Pte. Ltd.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	819,531	819,531
		Redwood Projects Sdn. Bhd.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	819,531	819,531
		Redwood Group Ltd.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	819,531	819,531
		Redwood Projects Japan K.K.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	819,531	819,531
		Redwood Projects France S.A.S.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	819,531	819,531
		Redwood Projects Korea Co., Ltd.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	819,531	819,531
		Redwood Projects US Inc.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	819,531	819,531
		Redwood Projects Philippines Inc.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	819,531	819,531
Redwood Projects (VIETNAM) Company Limited	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	819,531	819,531		

Note 1: The limit amount is calculated as follows:

a. The total amount available for lending purposes shall not exceed  $\$824,306$  (in thousands)  $\times 40\% = \$329,722$  (in thousands) of the net worth of Redwood Group Ltd. The total amount for lending to a company for funding for a short-term period shall not exceed  $\$824,306$  (in thousands)  $\times 30\% = \$247,292$  (in thousands) for funding between domestic and foreign subsidiaries in which the Company holds, directly or indirectly, 100% of the voting shares of the net worth of Redwood Group Ltd.

b. The total amount available for lending purposes shall not exceed  $\$819,531$  (in thousands)  $\times 40\% = \$327,812$  (in thousands) of the net worth of Redwood Interior Pte. Ltd.

If there are transactions between Redwood Interior Pte. Ltd. and subsidiaries, the total amount available for lending purposes shall not exceed the amount of business transactions in the most recent year. The total amount available for lending purposes shall not exceed  $\$819,531$  (in thousands)  $\times 20\% = \$163,906$  (in thousands) of the net worth of Redwood Interior Pte. Ltd.

The total amount for lending to a company for funding for a short-term period shall not exceed  $\$819,531$  (in thousands)  $\times 100\% = \$819,531$  (in thousands) for funding between domestic and foreign subsidiaries in which the Company holds, directly or indirectly, 100% of the voting shares of the net worth of Redwood Interior Pte. Ltd.

Note 2: Transactions have been written off in these consolidated financial statements

## REDWOOD GROUP LTD AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THREE MONTHS ENDED MARCH 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Redwood Group Ltd.	Redwood Interior Pte. Ltd.	Note 1	\$164,861	\$ 668,213	\$ 645,780	\$ 612,332	\$ -	74.28	\$ 989,167	Y	N	N
1	Redwood Interior Pte. Ltd.	Redwood Furniture Sdn. Bhd.	Note 2	655,625	10,662	6,187	6,187	-	0.75	655,625	N	N	N

Note 1: Subsidiary

Note 2: Second-tier subsidiary

Note 3: According to Redwood Group Ltd., the endorsement of the operating procedures is guaranteed as follows:

- The total amount of the external endorsement guarantee is 120% of the net equity value and the limit for endorsement of a single enterprise is 20% of the net equity value.
- According to the above regulations, the maximum limit for the endorsement of the external endorsement on March 31, 2023 is the net value of \$824,306 (in thousands)  $\times$  120% = \$989,167 (in thousands); the limit for endorsement of a single enterprise is net value of \$824,306 (in thousands)  $\times$  20% = \$164,861 (in thousands). If the Company directly and indirectly holds 100% of the voting rights of the Company, it is not subject to the guarantee limit of the single enterprise endorsement.

Note 4: According to Redwood Interior Pte. Ltd., the endorsement of the operating procedures is guaranteed as follows:

- The total amount of the external endorsement guarantee is 80% of the net equity value and the limit for endorsement of a single enterprise is 20% of the net equity value.
- According to the above regulations, the maximum limit for the endorsement of the external endorsement on March 31, 2023 is the net value of \$819,531 (in thousands)  $\times$  80% = \$655,625 (in thousands); the limit for endorsement of a single enterprise is net value of \$819,531 (in thousands)  $\times$  20% = \$163,906 (in thousands). If the Company directly and indirectly holds 100% of the voting rights of the Company, it is not subject to the guarantee limit of the single enterprise endorsement.

**REDWOOD GROUP LTD AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD  
MARCH 31, 2023**

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2022			
				Number of Shares (Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value
Redwood Interior Pte. Ltd.	<u>Unlisted shares</u> DDG Glass Pte. Ltd.	Related party in substance	Financial assets at FVTOCI	8,387	\$ 32,583	18.48%	\$ 32,583

**REDWOOD GROUP LTD AND SUBSIDIARIES**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THREE MONTHS ENDED MARCH 31, 2023**

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Redwood Furniture Sdn. Bhd.	Redwood Interior Pte. Ltd.	Subsidiary	Sale	(\$ 178,107)	(91.13%)	60 days of the month	According to the Company's transfer pricing policy	-	\$ 195,116	100	

Note 1: Transactions have been written off in these consolidated financial statements

**REDWOOD GROUP LTD AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**

**MARCH 31, 2023**

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Receivables from Related Parties Ending Balance	Turnover Rate	Receivables from Related Parties Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Redwood Furniture Sdn. Bhd.	Redwood Interior Pte. Ltd.	Subsidiary	\$ 195,116	4.36	\$ -	-	\$ 106,012	\$ -

## REDWOOD GROUP LTD AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THREE MONTHS ENDED MARCH 31, 2023

(Amounts in Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets
				Financial Statement Accounts	Amount	Payment Terms	
1	Redwood Interior Pte. Ltd.	Redwood Furniture Sdn. Bhd.	3	Purchase and sales revenue	\$ 178,107 (SGD 4,721)	By Redwood Interior Pte. Ltd. transfer pricing policy	34.19%
1	Redwood Interior Pte. Ltd.	Redwood Furniture Sdn. Bhd.	3	Account payable(receivables)	195,116 (SGD 8,517)	No significant difference in terms for related parties	9.04%
1	Redwood Interior Pte. Ltd.	Redwood Furniture Sdn. Bhd.	3	Other receivables (Payable)	980,080 (SGD 4,281)	No significant difference in terms for related parties	4.54%
1	Redwood Interior Pte. Ltd.	Redwood Projects Japan K.K.	3	Purchase and sales revenue	11,495 (SGD 504)	By Redwood Interior Pte. Ltd. transfer pricing policy	2.21%
1	Redwood Interior Pte. Ltd.	Redwood Projects Japan K.K.	3	Sales revenue and purchase	2,420 (SGD 106)	By Redwood Interior Pte. Ltd. transfer pricing policy	0.46%
1	Redwood Interior Pte. Ltd.	Redwood Projects Japan K.K.	3	Other payable(receivable)	3,127 (SGD 136)	No significant difference in terms for related parties	0.14%
1	Redwood Interior Pte. Ltd.	Redwood Projects France S.A.S.	3	Management expense and sales revenue	2,079 (SGD 91)	By Redwood Interior Pte. Ltd. transfer pricing policy	0.40%
1	Redwood Interior Pte. Ltd.	Redwood Projects France S.A.S.	3	Accounts payable (and other receivables)	4,602 (SGD 201)	No significant difference in terms for related parties	0.21%
1	Redwood Interior Pte. Ltd.	Redwood Projects US Inc.	3	Sales revenue and purchase	79,640 (SGD 3,491)	By Redwood Interior Pte. Ltd. transfer pricing policy	15.29%
1	Redwood Interior Pte. Ltd.	Redwood Projects US Inc.	3	Management expense and sales revenue	2,122 (SGD 93)	By Redwood Interior Pte. Ltd. transfer pricing policy	0.41%
1	Redwood Interior Pte. Ltd.	Redwood Projects US Inc.	3	Accounts payable (Receivables)	6,314 (SGD 276)	No significant difference in terms for related parties	0.29%
1	Redwood Interior Pte. Ltd.	Redwood Projects US Inc.	3	Other receivables (Payable)	80,297 (SGD 3,505)	No significant difference in terms for related parties	3.72%
1	Redwood Interior Pte. Ltd.	Redwood Projects Philippines Inc.	3	Accounts payable (Receivables)	2,457 (SGD 107)	No significant difference in terms for related parties	0.11%
1	Redwood Interior Pte. Ltd.	Redwood Group Ltd	2	Other payable (Receivables)	14,892 (SGD 650)	No significant difference in terms for related parties	0.69%
1	Redwood Interior Pte. Ltd.	Redwood Projects Sdn. Bhd.	3	Sales revenue and purchase	4,671 (SGD 205)	By Redwood Interior Pte. Ltd. transfer pricing policy	0.90%
1	Redwood Interior Pte. Ltd.	Redwood Projects Sdn. Bhd.	3	Other receivables (payables)	5,311 (SGD 232)	No significant difference in terms for related parties	0.25%
1	Redwood Interior Pte. Ltd.	Redwood Projects Sdn. Bhd.	3	Other Receivables and Dividends payable	20,689 (SGD 903)	No significant difference in terms for related parties	0.96%
1	Redwood Interior Pte. Ltd.	Redwood Specialties India Private Limited	3	Management expense and Other revenue	2,767 (SGD 121)	By Redwood Interior Pte. Ltd. transfer pricing policy	0.53%

No.	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
1	Redwood Interior Pte. Ltd.	Redwood Specialties India Private Limited	3	Other receivables (payables)	2,779 (SGD 121)	No significant difference in terms for related parties	0.13%
1	Redwood Furniture Sdn. Bhd.	Redwood Projects Sdn. Bhd.	3	Sales revenue and purchase	17,335 (SGD 760)	By Redwood Interior Pte. Ltd. transfer pricing policy	3.33%
1	Redwood Furniture Sdn. Bhd.	Redwood Projects Sdn. Bhd.	3	Other payable (Receivables)	20,679 (SGD 903)	No significant difference in terms for related parties	0.96%

Note 1: Intercompany relationships and significant intercompany transactions information are noted within the number column as follows:

- a. Number 0 represents the parent company.
- b. Number 1 to 2 represents subsidiaries.

Note 2: Parties involved in the transaction have a directional relationship noted by the following:

- a. No. 1 represents transactions from parent company to subsidiary.
- b. No. 2 represents transactions from subsidiary to parent company.
- c. No. 3 represents transactions between subsidiaries.

Note 3: The amounts of asset accounts and liability accounts are calculated as a percentage of the consolidated total assets. The amounts of income accounts are calculated as a percentage of the consolidated total sales.

Note 4: The above transactions have been written off in the consolidated statement.

## REDWOOD GROUP LTD AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THREE MONTHS ENDED MARCH 31, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2022	December 31, 2021	Number of Shares	%	Carrying Amount			
The Company	Redwood Interior Pte. Ltd.	Singapore,	Decoration of global advanced boutique brand store	\$ 704,949 (SGD 30,034)	\$ 704,949 (SGD 30,034)	17,989,395	100	\$ 819,531	\$ 71,607	\$ 71,607	Subsidiary
Redwood Interior Pte. Ltd.	Redwood Furniture Sdn. Bhd.	Malaysia	Design, produce and sale of customized furniture	509,476 (SGD 21,668)	509,476 (SGD 21,668)	25,000,000	100	438,493	17,789	17,789	Second-tier subsidiary
	Redwood Projects Sdn. Bhd.	Malaysia	Decoration of global advanced boutique brand store	6,195 (SGD 256)	6,195 (SGD 256)	750,000	100	32,854	6,282	6,282	Second-tier subsidiary
	Redwood Projects Korea Co., Ltd.	Korea	Decoration of global advanced boutique brand store	11,160 (KRW 400,000)	11,160 (KRW 400,000)	80,000	100	11,136	(167)	(167)	Second-tier subsidiary
	Redwood Projects France S.A.S.	France	Decoration of global advanced boutique brand store	21,233 (EUR 600)	21,333 (EUR 600)	600,000	100	20,599	154	154	Second-tier subsidiary
	Redwood Projects Japan K.K.	Japan	Decoration of global advanced boutique brand store	11,980 (JPY 45,000)	11,980 (JPY 45,000)	900	100	(3,530)	(1,000)	(1,000)	Second-tier subsidiary
	Redwood Projects US Inc.	U.S.A.	Decoration of global advanced boutique brand store	15,493 (US\$ 500)	15,493 (US\$ 500)	500,000	100	41,138	10,282	10,282	Second-tier subsidiary
	Redwood Projects (Vietnam) Company Limited	Vietnam	Decoration of global advanced boutique brand store	2,917 (US\$ 100)	2,917 (US\$ 100)	-	100	,2,165	(54)	(54)	Second-tier subsidiary
	Redwood Projects Philippines Inc.	Philippines	Decoration of global advanced boutique brand store	5,895 (PHP 10,000)	5,895 (PHP 10,000)	10,000,000	100	11,120	(802)	(802)	Second-tier subsidiary
	Redwood Specialties India Private Limited	India	Decoration of global advanced boutique brand store	15,717 (INR 40,300)	3,119 (INR 7,900)	4,029,999	99.99	,,24,230	9,472	9,472	Second-tier subsidiary
	Redwood Furniture Sdn. Bhd.	Redwood Specialties India Private Limited	India	Decoration of global advanced boutique brand store	- (INR 0,01)	- (INR 0,01)	1	0.01		9,472	-

Note 1: For information on investments in mainland China, please refer to Table 6.

Note 2: The exchange rate was SGD1=NT\$22.91; MYR1=NT\$6.9005; HK\$1=NT\$3.8787; KRW1=NT\$0.0229; EUR1=NT\$33.1508; JPY1=NT\$0.2291; US\$1=NT\$30.4703; VND1=NT\$0.0013; PHP1=NT\$0.5613; INR1=NT\$0.3711 as of March 31, 2023.

## REDWOOD GROUP LTD AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THREE MONTHS ENDED MARCH 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2022	Accumulated Repatriation of Investment Income as of March 31, 2022
					Outward	Inward						
Redwood (Shanghai) Pte. Ltd.	Decoration of global advanced boutique brand store	\$ 24,486 (USD\$ 825)	Established by 100% direct investment by Redwood Interior Pte. Ltd.	\$ -	\$ -	\$ -	\$ -	(\$ 2,282)	100	(\$ 2,282)	\$ 26,786	\$ -

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2023	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$ -	\$ -	\$ -

Note: Amount was recognized based on the audited financial statements.

**REDWOOD GROUP LTD AND SUBSIDIARIES**

**INFORMATION OF MAJOR SHAREHOLDERS  
FOR THREE MONTHS ENDED MARCH 31, 2022**

Name of Major Shareholders	Shares	
	Number of Shares	Percentage of Ownership (%)
Standard Chartered Bank Trust Account of Soh Thong Ming	16,608,571	33.05%
Standard Chartered Bank Trust Account of Teh Lee Mui	16,545,264	32.93%

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.