

Redwood Group Ltd and Subsidiaries

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

**As of March 31, 2024 and 2023
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, 2024 and 2023, 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, 2024 and 2023, 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.

Li-Huang, Lee

Ming-Chung, Hsieh

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 13, 2024

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, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023
(In Thousands of New Taiwan Dollars)

| ASSETS | March 31, 2024 | | December 31, 2023 | | March 31, 2023 | |
|--|---------------------|-------------|--------------------|------------|--------------------|-------------|
| | Amount | % | Amount | % | Amount | % |
| CURRENT ASSETS | | | | | | |
| Cash and cash equivalents (Note 6 and 26) | \$ 381,413 | 17 | \$335,989 | 15 | \$240,007 | 11 |
| Contract assets - current (Note 20) | 238,130 | 11 | 293,641 | 13 | 162,450 | 8 |
| Trade receivables (Notes 8, 20 and 26) | 383,207 | 17 | 438,910 | 19 | 539,685 | 25 |
| Other receivables (Notes 8 and 26) | 9,340 | - | 12,863 | 1 | 2,176 | - |
| Other receivables from related parties (Notes 8, 26 and 27) | 40 | - | 70 | - | 81 | - |
| Inventories (Note 9) | 127,180 | 6 | 128,035 | 5 | 89,968 | 4 |
| Current tax assets (Note 22) | 302 | - | - | - | 11,794 | 1 |
| Prepayments (Notes 13 and 27) | 69,583 | 3 | 50,065 | 2 | 74,626 | 3 |
| Other current assets (Note 13) | 5,702 | - | 6,706 | - | 3,08 | - |
| Total current assets | <u>1,214,897</u> | <u>54</u> | <u>1,266,279</u> | <u>55</u> | <u>1,123,869</u> | <u>52</u> |
| NON-CURRENT ASSETS | | | | | | |
| Financial assets at fair value through other comprehensive income - non-current (Notes 7 and 26) | 46,077 | 2 | 45,241 | 2 | 32,583 | 1 |
| Property, plant and equipment (Notes 11 and 28) | 913,924 | 41 | 912,660 | 39 | 925,533 | 43 |
| Right-of-use assets (Notes 12 and 28) | 41,727 | 2 | 41,754 | 2 | 41,448 | 2 |
| Deferred tax assets (Note 22) | 15,998 | 1 | 26,496 | 1 | 24,253 | 1 |
| Other non-current assets (Notes 13, 26 and 29) | 11,473 | - | 16,699 | 1 | 11,447 | 1 |
| Total non-current assets | <u>1,029,199</u> | <u>46</u> | <u>1,042,850</u> | <u>45</u> | <u>1,035,264</u> | <u>48</u> |
| TOTAL | <u>\$2,244,096</u> | <u>100</u> | <u>\$2,309,129</u> | <u>100</u> | <u>\$2,159,133</u> | <u>100</u> |
| LIABILITIES AND EQUITY | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Short-term borrowings (Note 14, 24 and 26) | \$ - | - | \$34,935 | 1 | \$34,365 | 2 |
| Contract liabilities-current (Note 20) | 169,990 | 7 | 191,763 | 8 | 340,486 | 16 |
| Trade payables (Notes 15 and 26) | 133,905 | 6 | 155,618 | 7 | 161,490 | 7 |
| Trade payables to related parties (Notes 15, 26 and 27) | 223 | - | 1,257 | - | 1,572 | - |
| Other payables (Notes 16 and 26) | 148,626 | 7 | 176,228 | 8 | 135,721 | 6 |
| Current tax liabilities (Note 22) | 31,190 | 1 | 34,291 | 1 | 12,118 | 1 |
| Provisions-current (Note 17) | 37,457 | 2 | 42,752 | 2 | 25,689 | 1 |
| Lease liabilities-current (Note 12, 24 and 26) | 859 | - | 994 | - | 147 | - |
| Current portion of long-term borrowings (Note 14, 24 and 26) | 92,452 | 4 | 88,750 | 4 | 83,866 | 4 |
| Other current liabilities (Note 16) | 13,994 | 1 | 15,729 | 1 | 15,449 | 1 |
| Total current liabilities | <u>628,696</u> | <u>28</u> | <u>742,317</u> | <u>32</u> | <u>810,903</u> | <u>38</u> |
| NON-CURRENT LIABILITIES | | | | | | |
| Long-term borrowings (Note 14, 24 and 26) | 458,574 | 20 | 474,433 | 20 | 515,895 | 24 |
| Deferred tax liabilities (Note 22) | 11,774 | 1 | 16,451 | 1 | 7,673 | - |
| Lease liabilities - non-current (Note 12, 24 and 26) | 252 | - | 448 | - | 356 | - |
| Total non-current liabilities | <u>470,600</u> | <u>21</u> | <u>491,332</u> | <u>21</u> | <u>523,924</u> | <u>24</u> |
| Total liabilities | <u>1,099,296</u> | <u>49</u> | <u>1,233,649</u> | <u>53</u> | <u>1,334,827</u> | <u>62</u> |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19) | | | | | | |
| Share capital - ordinary shares | 502,425 | 22 | 502,425 | 22 | 502,425 | 23 |
| Capital surplus | 293,911 | 13 | 293,911 | 13 | 293,911 | 13 |
| Retained earnings | | | | | | |
| Special reserve | 252,393 | 11 | 252,393 | 11 | 252,393 | 12 |
| Unappropriated earnings | 391,864 | 18 | 357,396 | 15 | 84,853 | 4 |
| Total retained earnings | <u>644,257</u> | <u>29</u> | <u>609,789</u> | <u>26</u> | <u>337,246</u> | <u>16</u> |
| Other equity | | | | | | |
| Exchange differences on translation of foreign financial statements | (221,125) | (10) | (256,977) | (1) | (239,055) | (11) |
| Unrealized loss on financial assets of fair value through other comprehensive income | (73,668) | (3) | (73,668) | (3) | (70,221) | (3) |
| Total other equity | <u>(295,793)</u> | <u>(13)</u> | <u>(330,645)</u> | <u>(1)</u> | <u>(309,726)</u> | <u>(14)</u> |
| Total equity attributable to owners of the Company | <u>1,144,800</u> | <u>51</u> | <u>1,075,480</u> | <u>47</u> | <u>824,306</u> | <u>38</u> |
| TOTAL | <u>\$ 2,244,096</u> | <u>100</u> | <u>\$2,309,129</u> | <u>100</u> | <u>\$2,159,133</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, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

| | For the three-month period ended March 31, 2024 | | For the three-month period ended March 31, 2023 | |
|---|---|-----------|---|-----------|
| | Amount | % | Amount | % |
| OPERATING REVENUE (Note 20) | | | | |
| Construction revenue | \$602,172 | 100 | \$520,955 | 100 |
| OPERATING COSTS (Note 21 and 27) | | | | |
| Construction costs | (421,677) | (70) | (341,693) | (66) |
| GROSS PROFIT | <u>180,495</u> | <u>30</u> | <u>170,262</u> | <u>34</u> |
| OPERATING EXPENSES (Notes 21) | | | | |
| Selling and marketing expenses | (2,933) | (1) | (5,015) | (1) |
| General and administrative expenses | (121,867) | (20) | (104,734) | (20) |
| Expected credit loss | (5,049) | (1) | (211) | - |
| Total operating expenses | (129,849) | (1) | (109,538) | (21) |
| NET INCOME FROM OPERATIONS | (50,646) | 8 | <u>69,724</u> | <u>13</u> |
| NON-OPERATING INCOME AND EXPENSES (Notes 21 and 27) | | | | |
| Interest income | 99 | - | 115 | - |
| Other income | 3,360 | 1 | 2,342 | 1 |
| Other gains and losses | 4,697 | 1 | (589) | (-) |
| Finance costs | (4,644) | (1) | (4,744) | (1) |
| Total non-operating income and expenses | <u>3,512</u> | <u>1</u> | <u>(2,876)</u> | <u>-</u> |
| PROFIT BEFORE INCOME TAX | 54,158 | 9 | 66,848 | 13 |
| INCOME TAX EXPENSE (Note 22) | (19,690) | (3) | (10,361) | (2) |
| NET PROFIT FOR THE YEAR | <u>34,468</u> | <u>6</u> | <u>56,487</u> | <u>11</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 | \$ 35,429 | 6 | \$ (6,861) | (1) |

(Continued)

REDWOOD GROUP LTD AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

| | For the three-month period ended March 31, 2024 | | For the three-month period ended March 31, 2023 | |
|---|---|------------------|---|------------------|
| | Amount | % | Amount | % |
| Items that may re classified subsequently to profit or loss: | | | | |
| Exchange differences on translating the financial statement of foreign operations | (577) | - | (5,088) | (1) |
| Other comprehensive income (loss) for the year, net of income tax | <u>34,852</u> | <u>6</u> | <u>(11,949)</u> | <u>(2)</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | <u><u>\$ 69,320</u></u> | <u><u>12</u></u> | <u><u>\$ 44,538</u></u> | <u><u>9</u></u> |
| NET INCOME ATTRIBUTABLE TO: | | | | |
| Owners of the Company | <u><u>\$ 34,468</u></u> | <u><u>6</u></u> | <u><u>\$ 56,487</u></u> | <u><u>11</u></u> |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | | |
| Owners of the Company | <u><u>\$ 69,320</u></u> | <u><u>12</u></u> | <u><u>\$ 44,538</u></u> | <u><u>9</u></u> |
| EARNINGS PER SHARE (Note 23) | | | | |
| Basic | <u><u>\$ 0.69</u></u> | | <u><u>\$ 1.12</u></u> | |
| Diluted | <u><u>\$ 0.69</u></u> | | <u><u>\$ 1.12</u></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, 2024 AND 2023
(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 | Exchange Differences on Translating the Financial Statements of Foreign Operations | |
| BALANCE AT JANUARY 1, 2023 | \$ 502,425 | \$ 293,911 | \$ 252,393 | \$ 28,366 | (\$ 70,221) | (\$ 227,106) | \$ 779,768 |
| Net income 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> |
| BALANCE AT JANUARY 1, 2024 | \$ 502,425 | \$ 293,911 | \$ 252,393 | \$ 357,396 | (\$ 73,668) | (\$ 256,977) | \$ 1,075,480 |
| Net gain for the period ended March 31, 2024 | - | - | - | 34,468 | - | - | 34,468 |
| Other comprehensive income(loss) for the period ended March 31, 2024, net of income tax | - | - | - | - | - | 34,852 | 34,852 |
| Total comprehensive income(loss) for the period ended March 31, 2024 | - | - | - | 34,368 | - | 34,852 | 69,320 |
| BALANCE AT March 31, 2024 | <u>\$ 502,425</u> | <u>\$ 293,911</u> | <u>\$ 252,393</u> | <u>\$ 391,864</u> | <u>(\$ 73,668)</u> | <u>(\$ 222,125)</u> | <u>\$ 1,144,800</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, 2024 AND 2023
(In Thousands of New Taiwan Dollars)**

| | For the three-month period ended March 31, 2024 | For the three-month period ended March 31, 2023 |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before income tax | \$54,158 | \$ 66,848 |
| Adjustments for: | | |
| Depreciation expenses | 23,620 | 22,787 |
| Expected credit loss recognized (reversed) on trade receivables | 5,049 | (211) |
| Finance costs | 4,644 | 4,744 |
| Interest income | (99) | (115) |
| Write-downs (recovery benefits) of inventories | 481 | 1,000 |
| Gain on disposal of property, plant and equipment | (66) | (2,346) |
| Net (gain) loss on foreign currency exchange | 13,481 | (10,603) |
| Recognition of provisions | - | 8,702 |
| Changes in operating assets and liabilities | | |
| Contracts assets | 55,511 | 156,088 |
| Trade receivables | 50,448 | (261,528) |
| Other receivables | 3,553 | 43 |
| Inventories | 36 | 3,797 |
| Prepayments | (19,518) | (17,189) |
| Other current assets | 1,004 | (2,119) |
| Contracts liabilities | (21,773) | (107,102) |
| Trade payables | (22,747) | (405) |
| Other payables | (25,908) | 28,252 |
| Provisions | (5,975) | (5,022) |
| Other current liabilities | (1,735) | (753) |
| Cash generated from operations | 114,164 | (115,132) |
| Interest paid | (5,246) | (6,204) |
| Income taxes paid | (7,878) | (4,996) |
| Net cash generated from operating activities | <u>101,040</u> | <u>(126,332)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments for property, plant and equipment | (9,872) | (4,653) |
| Proceeds from disposal of property, plant and equipment | 762 | 2,346 |
| Decrease (Increase) in refundable deposits | 1,258 | (2,101) |
| Increase in prepayments for equipment | 3,968 | - |
| Interest received | <u>99</u> | <u>115</u> |
| Net cash used in investing activities | <u>(3,785)</u> | <u>(4,293)</u> |

(Continued)

REDWOOD GROUP LTD AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)**

| | For the three-month period ended March 31,2024 | For the three-month period ended March 31,2023 |
|--|---|---|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayments of short-term borrowings | (35,210) | - |
| Repayments of long-term borrowings | (22,457) | (20,817) |
| Repayments of the principal portion of lease liabilities | (367) | (207) |
| Net cash generated from financing activities | (58,034) | (21,024) |
| EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES | 6,203 | 547 |
| NET (DECREASE) INCREASE IN CASH AND CAHS EQUIVALENTS | 45,424 | (151,102) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | <u>335,989</u> | <u>391,109</u> |
| CASH AND CASH QUIVALENTS AT THE END OF THE YEAR | <u>\$ 381,413</u> | <u>\$ 240,007</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, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 13, 2024.

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).

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies:

- b. The IFRS Accounting Standards in issue but not yet endorsed and issued in to effect by the FSC

| New IFRSs | Effective Date Announced by IASB (Note 1) |
|--|--|
| 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 |
| 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 |
| IFRS 18 “Presentation and disclosure of financial statements” | January 1, 2027 |
| Amendments to IAS 21 “Lake of Exchangeability” | January 1, 2025(Note 2) |

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

IFRS 18 “Presentation and disclosure of financial statements”

IFRS 18 will replace IAS 1 "Presentation of Financial Statements". The main changes in this standard include:

The income statement should divide the income and expense and loss items into operating, investment, financing, income tax and closed unit types.

The profit and loss statement should present operating profit and loss, profit and loss before financing and income tax, and the subtotal and total of profit and loss.

Provide guidance to strengthen aggregation and segmentation requirements: Merging companies must identify assets, liabilities, equity, income, expenses, losses and cash flows from individual transactions or other events, and classify and summarize them on the basis of common characteristics so that the main financial Each line item presented in the report has at least one similar characteristic. Items with different characteristics should be broken down in the main financial statements and notes. The merged company will label these items as "other" only if it cannot find a more informative name.

Increase the disclosure of performance measures defined by management: When the combined company conducts public communications outside of financial statements and communicates management's views on a certain aspect of the combined company's overall financial performance to users of financial statements, it should disclose it in a single note to the financial statements. Information related to performance measurement defined by management, including the description of the measurement, how it is calculated, its reconciliation with the subtotal or total specified in IFRS accounting standards, and the impact of income tax and non-controlling interests on related reconciliation items.

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 10, Tables 7 and 8 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the assets are restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

The Group is engaged in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group's construction-related assets and liabilities.

- e. In addition to the following descriptions, please refer to the summary description of significant accounting policies in the 2023 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.

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

| | <u>March 31 2024</u> | <u>December 31 2023</u> | <u>March 31 2023</u> |
|---------------------------------------|--------------------------|-----------------------------|--------------------------|
| Cash on hand | \$592 | \$798 | \$1,169 |
| Checking accounts and demand deposits | 340,275 | 335,191 | 238,838 |
| Time deposits | <u>40,546</u> | - | - |
| | <u>\$ 381,413</u> | <u>\$335,989</u> | <u>\$ 240,007</u> |

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

| | <u>March 31 2024</u> | <u>December 31 2023</u> | <u>March 31 2023</u> |
|---------------------|--------------------------|-----------------------------|--------------------------|
| <u>Non-current</u> | | | |
| Foreign investments | | | |
| Unlisted shares | <u>\$ 46,077</u> | <u>\$45,241</u> | <u>\$32,583</u> |

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.

8. TRADE RECEIVABLES AND OTHER RECEIVABLES

| | <u>March 31</u> <u>2024</u> | <u>December 31</u> <u>2023</u> | <u>March 31</u> <u>2023</u> |
|--|--------------------------------|-----------------------------------|--------------------------------|
| <u>Trade receivables</u> | | | |
| At amortized cost | | | |
| Gross carrying amount | \$395,478 | \$445,926 | \$544,578 |
| Less: Allowance for impairment loss | (<u>12,271</u>) | (<u>7,016</u>) | (<u>4,893</u>) |
| | <u>\$ 383,207</u> | <u>\$ 438,910</u> | <u>\$539,685</u> |
| <u>Other receivables</u> | | | |
| Other receivables | <u>\$ 9,340</u> | <u>\$ 12,863</u> | <u>\$ 2,176</u> |
| Other receivables from related parties | <u>\$ 40</u> | <u>70</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, 2024

| | 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%-1.83% | 0%-2.87% | 0%-5.55% | 0%- 100% | 100% | |
| Gross carrying amount | \$ 160,837 | \$ 200,593 | \$ 18,301 | \$ 10,085 | \$ 5,662 | \$ 395,478 |
| Loss allowance (Lifetime ECL) | (1,703) | (2,464) | (395) | (2,047) | (5,662) | (12,271) |
| Amortized cost | <u>\$ 159,134</u> | <u>\$ 198,129</u> | <u>\$ 17,906</u> | <u>\$ 8,038</u> | <u>\$ -</u> | <u>\$ 383,207</u> |

December 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%-0.2% | 0%-1.27% | 0%-2.91% | 0%-100% | 100% | |
| Gross carrying amount | \$ 360,086 | \$ 59,599 | \$ 13,559 | \$ 9,470 | \$ 3,212 | \$ 445,926 |
| Loss allowance (Lifetime ECL) | (239) | (130) | (70) | (3,365) | (3,212) | (7,016) |
| Amortized cost | <u>\$ 359,847</u> | <u>\$ 59,469</u> | <u>\$ 13,489</u> | <u>\$ 6,105</u> | <u>\$ -</u> | <u>\$ 438,910</u> |

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> |

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

| | Three-month Period Ended March 31 | |
|---|--|----------------|
| | 2024 | 2023 |
| Balance at January 1 | \$7,016 | \$5,098 |
| Add: Net remeasurement of loss allowance | 5,049 | - |
| Less: Reverse of loss allowance in the current period | - | (211) |
| Foreign exchange gains and losses | <u>206</u> | <u>6</u> |
| Balance at March 31 | <u>\$12,271</u> | <u>\$4,893</u> |

9. INVENTORIES

| | <u>March 31 2024</u> | <u>December 31 2023</u> | <u>March 31 2023</u> |
|-----------------------|--|-----------------------------|--------------------------|
| Raw materials | <u>\$127,180</u> | <u>\$128,035</u> | <u>\$89,968</u> |
| | Three-month Period Ended March 31 | | |
| | | <u>2024</u> | <u>2023</u> |
| Cost of good sold | | \$421,196 | \$340,693 |
| Inventory write-downs | | <u>481</u> | <u>1,000</u> |
| | | <u>\$421,677</u> | <u>\$341,693</u> |

10. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

| Investor | Investee | Nature of Activities | Proportion of Ownership (%) | | | Description | Remark | |
|--------------------|--|----------------------|--|------------------|---------------|-------------|---|-----|
| | | | March 31,2024 | December 31,2023 | March 31,2023 | | | |
| Redwood Group Ltd. | Redwood Pte. Ltd. | Interior | Decoration of advanced global 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 Pte. Ltd. | (Shanghai) | Decoration of advanced global 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 advanced global 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 advanced global 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 advanced global 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 advanced global 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 advanced global 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 advanced global 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 advanced global 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 advanced global boutique brand store | 99.99 | 99.99 | 99.99 | Established by 100% direct or indirect investment in November 2022. . | (1) |

| Investor | Investee | Nature of Activities | Proportion of Ownership (%) | | | Description | Remark |
|----------------------------|--|--|-----------------------------|------------------|---------------|--|--------|
| | | | March 31,2024 | December 31,2023 | March 31,2023 | | |
| Redwood Interior Pte. Ltd. | Redwood (THAILAND) CO., LTD. | Decoration of global advanced boutique brand store | 100 | - | - | Established by 100% direct or indirect investment in August 2020. Capital injection completed in March 2024. | (1) |
| Redwood Furniture Bhd | Redwood Specialities India Private Limited | Decoration of global advanced boutique brand store | 0.01 | 0.01 | 0.01 | Established by 100% direct or indirect investment in November 2022. . | (1) |

Remarks:

(1) Those companies are an immaterial subsidiary.

(2) The Group established REDWOOD PROJECTS AUSTRALIA PTY LTD in Australia in May 2023. As of March 31, 2024, the capital injection has not been completed, so it is not disclosed in the table above.

11. PROPERTY, PLANT AND EQUIPMENT

| | March 31 2024 | December 31 2023 | March 31 2023 |
|--------------------------|-------------------|---------------------|------------------|
| Land | \$ 31,581 | \$31,095 | \$32,248 |
| Buildings | 723,726 | 716,313 | 735,809 |
| Machinery | 138,014 | 141,429 | 132,022 |
| Transportation Equipment | 4,108 | 3,881 | 4,410 |
| Other Equipment | 15,065 | 17,896 | 17,666 |
| Construction in Progress | <u>1,430</u> | <u>2,046</u> | <u>3,378</u> |
| | <u>\$ 913,924</u> | <u>\$912,660</u> | <u>\$925,533</u> |

No impairment assessment was performed for the period ended March 31, 2024 and 2023 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 ~ 50 years |
| Machinery | 7~10 years |
| Transportation equipment | 5~10 years |
| Other equipment | 1~10 years |

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

12. LEASE ARRANGEMENTS

a. Right-of-use assets

| | March 31 2024 | December 31 2023 | March 31 2023 |
|-------------------------|--------------------------|-----------------------------|--------------------------|
| <u>Carrying amounts</u> | | | |
| Land access | \$40,703 | \$40,385 | \$40,963 |
| Buildings | <u>1,024</u> | <u>1,369</u> | <u>485</u> |
| | <u>\$41,727</u> | <u>\$41,754</u> | <u>\$41,448</u> |

| | Three-month Period Ended March 31 | |
|--|--|--------------|
| | 2024 | 2023 |
| <u>Depreciation charge for right-of-use assets</u> | \$423 | \$411 |
| Land access | <u>366</u> | <u>187</u> |
| Buildings | <u>\$789</u> | <u>\$598</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, 2024 and 2023.

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

b. Lease liabilities

| | March 31 2024 | December 31 2023 | March 31 2023 |
|-------------------------|--------------------------|-----------------------------|--------------------------|
| <u>Carrying amounts</u> | | | |
| Current | <u>\$859</u> | <u>\$994</u> | <u>\$147</u> |
| Non-current | <u>\$252</u> | <u>\$448</u> | <u>\$356</u> |

Range of discount rate for lease liabilities was as follows:

| | March 31 2024 | December 31 2023 | March 31 2023 |
|------------------|--------------------------|-----------------------------|--------------------------|
| Land | 4.32% | 4.32% | 4.32% |
| Office equipment | 4.09~4.32% | 4.09~4.32% | 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

| | Three-month period Ended March 31 | |
|---|--|-------------------|
| | 2024 | 2023 |
| Short-term lease expenses | <u>\$ 7,671</u> | <u>\$ 2,803</u> |
| Expenses relating to low-value asset leases | <u>\$ 558</u> | <u>\$ 338</u> |
| Total cash outflow for leases | <u>(\$ 8,596)</u> | <u>(\$ 3,348)</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.

13. OTHER ASSETS

| | March 2024 | December 31 2023 | March 2023 |
|------------------------|-----------------------|-----------------------------|-----------------------|
| <u>Current</u> | | | |
| Prepayments - goods | \$ 49,384 | \$ 32,112 | \$ 53,021 |
| Prepayments - expenses | 18,969 | 17,337 | 17,878 |
| Other prepayments | <u>1,230</u> | <u>616</u> | <u>3,727</u> |
| | <u>\$ 69,583</u> | <u>\$ 50,065</u> | <u>\$ 74,626</u> |
| Other current assets | <u>\$ 5,702</u> | <u>\$ 6,706</u> | <u>\$ 3,082</u> |
| <u>Non-current</u> | | | |
| Prepaid equipment | \$ 4,404 | \$ 8,372 | \$ 2,828 |
| Refundable deposits | <u>7,069</u> | <u>8,327</u> | <u>8,619</u> |
| | <u>\$ 11,473</u> | <u>\$ 16,699</u> | <u>\$ 11,447</u> |

14. BORROWINGS

a. Short-term borrowings

| | March 31 2024 | December 31 2023 | March 31 2023 |
|-------------------------------------|--------------------------|-----------------------------|--------------------------|
| <u>Secured borrowings (Note 28)</u> | | | |
| Line of credit borrowings | <u>\$ -</u> | <u>\$ 34,935</u> | <u>\$ 34,365</u> |

The range of weighted average effective interest rate on bank loans was 6.36% and 6.19% per annum as of December 31, 2023 and March 31, 2023, respectively.

b. Long-term borrowings

| | March 31 2024 | December 31 2023 | March 31 2023 |
|-------------------------------------|--------------------------|-----------------------------|--------------------------|
| <u>Secured borrowings (Note 28)</u> | | | |
| Bank loans* | \$551,026 | \$563,183 | \$599,761 |
| Less: Current portion | (92,452) | (88,750) | (83,866) |
| Long-term borrowings | <u>\$ 458,574</u> | <u>\$ 474,433</u> | <u>\$ 515,895</u> |

* As of March 31, 2024, December 31, 2023 and March 31, 2023, the weighted average effective interest rate of the bank borrowings secured by the Group's freehold land and building (refer to Note 28) was 2.18%~7.06% and 2.18%~7.06% and 2.50%~3.07% per annum, respectively.

15. TRADE PAYABLE

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

16. OTHER LIABILITIES

| | March 31 2024 | December 31 2023 | March 31 2023 |
|---|--------------------------|-----------------------------|--------------------------|
| <u>Current</u> | | | |
| Other payables | | | |
| Payable for salaries or bonuses | \$72,522 | \$86,438 | \$34,589 |
| Payable for directors and employee compensation | 4,112 | 3,314 | - |
| Payable for purchase of equipment | 6,904 | 7,983 | 2,807 |
| Payable for utilities | 1,889 | 4,149 | 4,886 |
| Payable for provident fund | 4,091 | 3,780 | 4,296 |
| Payable for professional service fees | 1,721 | 1,946 | 1,797 |
| Payable for shipping expenses | 31,324 | 45,889 | 27,708 |

| | March 31 2024 | December 31 2023 | March 31 2023 |
|-------------------------------|--------------------------|-----------------------------|--------------------------|
| Payable for business tax | 564 | 2,313 | 4,530 |
| Payable for interest expenses | 988 | 1,603 | 64 |
| Others | <u>24,511</u> | <u>18,813</u> | <u>55,044</u> |
| | <u>\$148,626</u> | <u>\$176,228</u> | <u>\$135,721</u> |
| Other current liabilities | | | |
| Deferred Income | | | |
| Government Grants | \$12,538 | \$13,114 | \$15,269 |
| Others | <u>1,456</u> | <u>2,615</u> | <u>180</u> |
| | <u>\$13,994</u> | <u>\$15,729</u> | <u>\$15,449</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.(refer to Note 21.)

17.PROVISION

| | March 31 2024 | December 31 2023 | March 31 2023 |
|---|--------------------------|---------------------------------|--------------------------|
| <u>Current</u> | | | |
| Warranty liabilities | <u>\$37,457</u> | <u>\$42,752</u> | <u>\$25,689</u> |
| | | | |
| | | Three-month Period Ended | |
| | | March 31 | |
| | | 2024 | 2023 |
| Balance at January 1 | | \$42,752 | \$21,975 |
| Additional provisions recognized | | - | 8,702 |
| Amount used | | (5,975) | (5,022) |
| Effect of foreign currency exchange differences | | <u>680</u> | <u>34</u> |
| Balance at March 31 | | <u>\$37,457</u> | <u>\$25,689</u> |

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

| | <u>March 31 2024</u> | <u>December 31 2023</u> | <u>March 31 2023</u> |
|--|--------------------------|-----------------------------|--------------------------|
| 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> |
| Ordinary shares | | | |

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

| | <u>March 31 2024</u> | <u>December 31 2023</u> | <u>March 31 2023</u> |
|-----------------------------|--------------------------|-----------------------------|--------------------------|
| 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 held a regular shareholders' meeting on June 28, 2023, and decided not to distribute the 2022 earnings.

The company will hold a board of directors meeting on March 13, 2024, and it is proposed to adopt the 2023 earnings distribution plan as follows:

| | For the Year Ended December 31, 2023 |
|---------------------------------|---|
| Special reserve | <u>\$ 94,703</u> |
| Cash dividends | <u>\$ 125,606</u> |
| Cash dividends per share (NT\$) | <u>\$ 2.50</u> |

The appropriation of earnings for 2023 is subject to the resolution of the shareholders' meeting to be held on June 21, 2024.

20. REVENUE

| | Three-month period Ended March 31 | |
|---------------------------------------|--|-------------------|
| | 2024 | 2023 |
| Revenue from contracts with customers | | |
| Construction contract revenue | <u>\$ 602,172</u> | <u>\$ 520,955</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

| | March 31, 2024 | December 31, 2023 | March 31, 2023 | January 1, 2023 |
|----------------------------|---------------------------|------------------------------|---------------------------|----------------------------|
| Trade receivables (Note 8) | <u>\$383,207</u> | <u>\$438,910</u> | <u>\$539,685</u> | <u>\$277,952</u> |
| Contract assets | | | | |
| Retentions receivable | \$50,904 | \$63,133 | \$46,813 | \$38,932 |
| Decoration project | <u>187,226</u> | <u>230,508</u> | <u>115,637</u> | <u>279,606</u> |

| | | | | |
|---------------------------|------------------|------------------|-------------------|------------------|
| Contract assets - current | <u>\$238,130</u> | <u>\$293,641</u> | <u>\$162,450</u> | <u>\$318,538</u> |
| Contract liabilities | | | | |
| Decoration project | <u>\$169,990</u> | <u>\$191,763</u> | <u>\$ 340,486</u> | <u>\$447,588</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.

| | March 31 2024 | December 31 2023 | March 31 2023 |
|---|--------------------------|-----------------------------|--------------------------|
| Expected credit loss rate | 1.83% | 0.2% | 0.09% |
| Gross carrying amount | \$ 238,130 | \$ 293,641 | \$ 162,450 |
| Allowance for impairment loss (Lifetime ECLs) | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 238,130</u> | <u>\$ 293,641</u> | <u>\$ 162,450</u> |

c. Disaggregation of revenue

| | Three-month period Ended March 31 | |
|-----------------|--|-------------------|
| | 2024 | 2023 |
| Asia | \$366,513 | \$347,187 |
| The Middle East | 90,427 | 33,908 |
| United States | 136,545 | 135,570 |
| Europe | <u>8,687</u> | <u>4,290</u> |
| | <u>\$ 602,172</u> | <u>\$ 520,955</u> |

21. NET INCOME

a. Interest income

| | Three-month period Ended March 31 | |
|-----------------|--------------------------------------|---------------|
| | 2024 | 2023 |
| Interest income | | |
| Bank deposits | \$ <u>95</u> | \$ <u>115</u> |

b. Other income

| | Three-month period Ended March 31 | |
|-------------------|--------------------------------------|-----------------|
| | 2024 | 2023 |
| Government grants | \$ 2,211 | \$ 1,268 |
| Others | <u>1,149</u> | <u>1,074</u> |
| | <u>\$ 3,360</u> | <u>\$ 2,342</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 \$15 thousand and \$107 thousand in the three-month period ended March 31, 2024 and 2023.
- 2) 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 \$1,149 thousand in the three-month period ended March 31, 2024.
- 3) In order to boost the employment rate, the Singapore government has implemented the Jobs Growth Incentive, Senior Employment Credit and CPF Transition Offset. The above plans will respectively provide employee wage subsidies and protect employment opportunities for the elderly. The Company recognized subsidy revenue of \$218 thousand in the three-month period ended March 31, 2023.
- 4) In order to improve the overall productivity of local enterprises, Enterprise Singapore launched the relevant auxiliary measures (Capability Development Grant) in 2019 to encourage enterprises to renovate old factories, and the government provides subsidies to help enterprises purchase high-capacity machinery and equipment. The new plant of Redwood Interior Pte. Ltd. was completed in 2021. The Company recognized subsidy revenue of \$809 thousand and \$786 thousand in the three-month period ended March 31, 2024 and 2023, respectively.
- 5) Other government subsidies mainly come from parental leave and on-the-job training programs subsidized by the Singapore government. The Company recognized subsidy revenue of \$238 thousand and \$157 thousand in the three-month period ended March 31, 2024 and 2023, respectively.

c. Other gains and losses

| | Three-month period Ended March 31 | |
|---|--|-----------------|
| | 2024 | 2023 |
| Gain on disposal of property, plant and equipment | \$ 9 | \$ 2,346 |
| Net foreign exchange (losses) | 5,471 | (2,267) |
| Others | (<u>783</u>) | (<u>668</u>) |
| | <u>\$ 4,4697</u> | <u>(\$ 589)</u> |

d. Finance costs

| | Three-month period ended March 31 | |
|-------------------------------|--|-----------------|
| | 2024 | 2023 |
| Interest on bank loans | \$ 4,631 | \$ 4,738 |
| Interest on lease liabilities | <u>13</u> | <u>6</u> |
| | <u>\$ 4,644</u> | <u>\$ 4,744</u> |

e. Depreciation and amortization

| | Three-month period Ended March 31 | |
|---|--|------------------|
| | 2024 | 2023 |
| An analysis of depreciation by function | | |
| Operating costs | \$ 9,731 | \$ 9,734 |
| Operating expenses | <u>13,889</u> | <u>13,053</u> |
| | <u>\$ 23,620</u> | <u>\$ 22,787</u> |

f. Employee benefits expense

| | Three-month period Ended March 31 | |
|------------------------------------|--|------------------|
| | 2024 | 2023 |
| Post-employment benefits (Note 18) | | |
| Defined contribution plan | \$ 10,319 | \$ 7,552 |
| Other employee benefits | <u>150,973</u> | <u>155,133</u> |
| | <u>\$ 161,292</u> | <u>\$162,685</u> |

| | Three-month period Ended March 31 | |
|--|--|------------------|
| | 2024 | 2023 |
| An analysis of employee benefits expense by function | | |
| Operating costs | \$ 72,952 | \$ 82,387 |
| Operating expenses | <u>88,340</u> | <u>80,298</u> |
| | <u>\$ 161,292</u> | <u>\$162,685</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 2024 and 2023 from January 1 to March 31 are as follows:

Estimated ratio

| | Three-month period Ended March 31 | |
|-----------------------|--|-------------|
| | 2024 | 2023 |
| Employee compensation | 0.2% | 0.2% |
| Director remuneration | 1.0% | -% |

Amount

| | Three-month period Ended March 31 | |
|-----------------------|--|---------------|
| | 2024 | 2023 |
| Employee compensation | <u>\$ 59</u> | <u>\$ 106</u> |
| Director remuneration | <u>\$ 295</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.

The company has passed a resolution of the remuneration committee on March 13, 2024, to increase the proportion of directors' remuneration with reference to the distribution ratio of shareholder dividends from the original 0.8% to 1%. On the same day, the board of directors held a resolution that was reviewed and approved by the remuneration committee, resulting in employee remuneration and The actual amount of remuneration distributed to directors and supervisors is different from the amount recognized in the annual consolidated financial report, and the difference is adjusted to the profit and loss for 2024.

| | For the Year Ended December 31, 2023 | |
|--|---|----------------------------------|
| | Employee compensation | Director remuneration |
| The amount of allotment determined by the board of directors | <u>\$ 672</u> | <u>\$ 3,294</u> |
| Amount recognized in annual financial report | <u>\$ 664</u> | <u>\$ 2,623</u> |

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.

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

| | Three-month period Ended March 31 | |
|-------------------------|--|--------------------|
| | 2024 | 2023 |
| Foreign exchange gains | \$ 5,471 | \$ 3,859 |
| Foreign exchange losses | - | (6,126) |
| | <u>\$ 5,471</u> | <u>(\$ 2,267)</u> |

22. INCOME TAX

a. Income tax recognized in profit or loss:

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

| | Three-month period Ended March 31 | |
|---|--------------------------------------|------------------|
| | 2024 | 2023 |
| Current tax | | |
| In respect of the current year | \$ 14,094 | \$ 9,363 |
| Adjustments from previous years | (358) | - |
| Deferred tax | | |
| In respect of the current year | <u>5,954</u> | <u>998</u> |
| Income tax expense (benefit) recognized in profit or loss | <u>\$ 19,690</u> | <u>\$ 10,261</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. Redwood France S.A.S, Redwood Projects US Inc., Redwood Projects (Vietnam) Company Limited, Redwood Projects Philippines Inc. and Redwood Specialties India Private Limited 2022, have been assessed by the tax authorities. The tax returns of Redwood Projects Japan K.K. until 2023, have been assessed by the tax authorities.

23. EARNINGS (LOSS) PER SHARE

Unit: NT\$ Per Share

| | Three-month period Ended March 31 | |
|-----------------------------------|--------------------------------------|----------------|
| | 2024 | 2023 |
| Basic earnings (loss) per share | <u>\$ 0.69</u> | <u>\$ 1.12</u> |
| Diluted earnings (loss) per share | <u>\$ 0.69</u> | <u>\$ 1.12</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 | |
|--|--------------------------------------|------------------|
| | 2024 | 2023 |
| Loss used in the computation of basic earnings per share | <u>\$ 34,468</u> | <u>\$ 56,487</u> |
| Loss used in the computation of diluted earnings per share | <u>\$ 34,468</u> | <u>\$ 56,487</u> |

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

| | Three-month period Ended March 31 | |
|--|--------------------------------------|---------------|
| | 2024 | 2023 |
| Weighted average number of ordinary shares used in the computation of basic earnings per share | 50,243 | 50,243 |
| Impact of potentially dilutive ordinary shares: Employees' compensation | <u>8</u> | <u>-</u> |
| Weighted average number of ordinary shares used in the computation of diluted earnings per share | <u>50,251</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, 2024

| | Opening Balance | Cash Flows | Non-cash Changes | | | Closing Balance |
|-----------------------|--------------------|--------------------|------------------|--------------|------------------|--------------------|
| | | | New Leases | Interest | Others | |
| Short-term borrowings | \$ 34,935 | (\$ 35,210) | \$ | \$ | \$ 275 | \$ - |
| Long-term borrowings | 563,183 | (22,457) | - | | 10,300 | 551,026 |
| Lease liabilities | <u>1,442</u> | <u>(367)</u> | <u>-</u> | <u>13</u> | <u>23</u> | <u>1,111</u> |
| | <u>\$ 599,560</u> | <u>(\$ 58,034)</u> | <u>\$</u> | <u>\$ 13</u> | <u>\$ 10,598</u> | <u>\$ 552,137</u> |

For three-month period ended March 31, 2023

| | Opening Balance | Cash Flows | Non-cash Changes | | | Closing Balance |
|-----------------------|--------------------|--------------------|------------------|-------------|---------------|--------------------|
| | | | New Leases | Interest | Others | |
| Short-term borrowings | \$ 34,320 | \$ - | \$ - | \$ - | \$ 45 | \$ 34,365 |
| Long-term borrowings | 620,026 | (20,817) | - | - | 552 | 599,761 |
| Lease liabilities | <u>704</u> | (<u>207</u>) | <u>-</u> | <u>6</u> | <u>-</u> | <u>503</u> |
| | <u>\$ 655,050</u> | <u>(\$ 21,024)</u> | <u>\$ -</u> | <u>\$ 6</u> | <u>\$ 597</u> | <u>\$ 634,629</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 2023 consolidated financial report. For related explanations, please refer to Note 26 of the 2023 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, 2024

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|----------------------------|----------------|----------------|------------------|------------------|
| Financial assets at FVTOCI | | | | |
| Unlisted shares | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 46,077</u> | <u>\$ 46,077</u> |

December 31, 2023

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|----------------------------|----------------|----------------|------------------|------------------|
| Financial assets at FVTOCI | | | | |
| Unlisted shares | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 45,241</u> | <u>\$ 45,241</u> |

March 31, 2023

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|----------------------------|----------------|----------------|------------------|------------------|
| Financial assets at FVTOCI | | | | |
| Unlisted shares | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 32,583</u> | <u>\$ 32,583</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, 2024

| | <u>Financial Assets at FVTOCI</u> |
|----------------------------|-----------------------------------|
| | <u>Equity Instruments</u> |
| <u>Financial assets</u> | |
| Balance at January 1, 2024 | \$45,241 |
| Net exchange difference | <u>836</u> |
| Balance at March 31, 2024 | <u>\$46,077</u> |

For three-month ended March 31, 2023

| | <u>Financial Assets at FVTOCI</u> |
|----------------------------|-----------------------------------|
| | <u>Equity Instruments</u> |
| <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> |

3) 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

| | <u>March 31</u> | <u>December 31</u> | <u>March 31</u> |
|--|-----------------|--------------------|-----------------|
| | <u>2024</u> | <u>2023</u> | <u>2023</u> |
| Financial assets | | | |
| Financial assets at amortized cost (1) | \$781,069 | \$796,159 | \$790,568 |
| Financial assets at FVTOCI | | | |

| | | | |
|---|---------|---------|---------|
| Equity instruments | 46,077 | 45,241 | 32,583 |
| Financial liabilities | | | |
| Financial liabilities at amortized cost (2) | 833,780 | 931,221 | 932,909 |

- 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.

| | Currency MYR's Impact | |
|----------------|---------------------------------------|-------------|
| | For Three-Month Ended March 31 | |
| | 2024 | 2023 |
| Profit or loss | (\$6,461) | (\$1,967) |

| | Currency USD's Impact | |
|----------------|---------------------------------------|-------------|
| | For Three-Month Ended March 31 | |
| | 2024 | 2023 |
| Profit or loss | \$1,930 | \$1,089 |

| | Currency EUR's Impact | |
|----------------|---------------------------------------|-------------|
| | For Three-Month Ended March 31 | |
| | 2024 | 2023 |
| Profit or loss | \$336 | \$303 |

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:

| | March 31 2024 | December 31 2023 | March 31 2023 |
|-------------------------------|--------------------------|-----------------------------|--------------------------|
| Fair value interest rate risk | | | |
| -financial liabilities | \$379,718 | \$427,266 | \$452,017 |
| Cash flow interest rate risk | | | |
| -financial liabilities | 171,308 | 170,852 | 182,109 |

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, 2024 and 2023 would have decreased by \$214 thousand and \$228 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, 2024 and 2023, and December 31, 2023, 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, 2024

| | Less than 1 Year | 1-5 Years | 5+ Years |
|---|-----------------------------|-------------------|-------------------|
| <u>Non-derivative financial liabilities</u> | | | |
| Short-term borrowings | \$ - | \$ - | \$ - |
| Trade payables | 134,128 | - | - |
| Lease liabilities | 870 | 257 | - |
| Other payables | 148,626 | - | - |
| Current portion of long-term borrowings | 103,463 | - | - |
| Long-term borrowings | - | <u>181,514</u> | <u>371,147</u> |
| | <u>\$ 387,087</u> | <u>\$ 181,771</u> | <u>\$ 371,147</u> |

December 31, 2023

| | Less than 1 Year | 1-5 Years | 5+ Years |
|---|-----------------------------|-------------------|-------------------|
| <u>Non-derivative financial liabilities</u> | | | |
| Short-term borrowings | \$ 35,220 | \$ - | \$ - |
| Trade payables | 155,618 | - | - |
| Lease liabilities | 1,023 | 456 | - |
| Other payables | 176,228 | - | - |
| Current portion of long-term borrowings | 101,998 | - | - |
| Long-term borrowings | - | <u>190,572</u> | <u>373,505</u> |
| | <u>\$ 470,087</u> | <u>\$ 191,028</u> | <u>\$ 373,505</u> |

March 31, 2023

| | Less than 1 Year | 1-5 Years | 5+ Years |
|---|-----------------------------|-------------------|-------------------|
| <u>Non-derivative financial liabilities</u> | | | |
| Short-term borrowings | \$ 35,362 | \$ - | \$ - |
| Trade payables | 161,490 | - | - |
| 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>\$ 430,361</u> | <u>\$ 217,376</u> | <u>\$ 394,292</u> |

b) Financing facilities

| | March 31 2024 | December 31 2023 | March 31 2023 |
|------------------------------------|--------------------------|-----------------------------|--------------------------|
| Unsecured bank overdraft facility: | | | |
| Amount used | \$ - | \$ - | \$ - |
| Amount unused | <u>6,037</u> | <u>5,928</u> | <u>5,831</u> |
| | <u>\$ 6,037</u> | <u>\$ 5,928</u> | <u>\$ 5,831</u> |
| Secured bank overdraft facility: | | | |

| | | | |
|---------------|-------------------|-------------------|-------------------|
| Amount used | \$ 551,026 | \$ 598,118 | \$ 634,126 |
| Amount unused | <u>143,351</u> | <u>110,517</u> | <u>110,572</u> |
| | <u>\$ 694,377</u> | <u>\$ 708,635</u> | <u>\$ 744,698</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

| <u>Related Party Categories</u> | <u>For Three-Month Ended March 31</u> | |
|---------------------------------|---------------------------------------|-----------------|
| | <u>2024</u> | <u>2023</u> |
| Related party in substance | <u>\$ 2,044</u> | <u>\$ 5,433</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)

| <u>Line Items</u> | <u>Related Party Categories</u> | <u>March 31 2024</u> | <u>December 31 2023</u> | <u>March 31 2023</u> |
|-------------------|---------------------------------|--------------------------|-----------------------------|--------------------------|
| Other receivables | Related party in substance | <u>\$ 40</u> | <u>\$ 70</u> | <u>\$ 81</u> |

The outstanding trade receivables from related parties are unsecured. For three-month ended March 31, 2024 and 2023, no impairment loss was recognized for trade receivables from related parties.

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

| <u>Line Items</u> | <u>Related Party Categories</u> | <u>March 31 2024</u> | <u>December 31 2023</u> | <u>March 31 2023</u> |
|-------------------|---------------------------------|--------------------------|-----------------------------|--------------------------|
| Trade payables | Related party in substance | <u>\$ 223</u> | <u>\$ 1,257</u> | <u>\$ 1,572</u> |

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

e. Other transactions with related parties

| Line Items | Related Party Categories | For Three Months Ended March 31 | |
|--------------|----------------------------|------------------------------------|-----------------|
| | | 2024 | 2023 |
| Other income | Related party in substance | \$ 478 | \$ 477 |
| Other income | Related party in substance | <u>-</u> | <u>2,291</u> |
| | | <u>\$ 478</u> | <u>\$ 2,768</u> |

f. Compensation of key management personnel

| | For Three Months Ended March 31 | |
|------------------------------|---------------------------------|----------------|
| | 2024 | 2023 |
| Short-term employee benefits | \$6,697 | \$5,284 |
| Post-employment benefits | <u>215</u> | <u>189</u> |
| | <u>\$6,912</u> | <u>\$5,473</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.

| | March 31 2024 | December 31 2023 | March 31 2023 |
|------------------------------------|------------------|---------------------|------------------|
| Land | \$31,581 | \$31,095 | \$32,248 |
| Right-of-use - asset (land access) | 40,703 | 40,385 | 40,963 |
| Buildings | 703,536 | 699,827 | 717,238 |
| Equipments | <u>74,200</u> | <u>77,635</u> | <u>68,478</u> |
| | <u>\$850,020</u> | <u>\$848,942</u> | <u>\$858,927</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, 2024 and 2023 were as follows:

Significant Commitments

- a. As of March 31, 2024 , December 31, 2023, and March 31, 2023, the Group signed a contractual commitment with the manufacturer for purchases of machinery and equipment amounting to approximately \$5,551 thousand, \$8,544 thousand and \$23,639 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, 2024

Unit: In Thousands for Currencies, Except Exchange Rates

| | Foreign Currencies | Exchange Rate | Carrying Amount |
|------------------------------|-------------------------------|----------------------|----------------------------|
| <u>Financial assets</u> | | | |
| Monetary items | | | |
| USD | \$7,171 | 1.33 (USD:SGD) | \$226,219 |
| EUR | 1,154 | 1.45 (EUR:SGD) | \$39,762 |
| THB | 13,721 | 0.037(EUR:SGD) | <u>12,148</u> |
| | | | <u>\$ 278,129</u> |
| <u>Financial liabilities</u> | | | |
| Monetary items | | | |
| USD | 983 | 1.33 (USD:SGD) | \$31,024 |
| EUR | 178 | 1.45(EUR:SGD) | 6,120 |
| PHP | 13,281 | 0.024(PHP:SGD) | 7,561 |
| MYR | 90,882 | 0.285(MYR:SGD) | 614,165 |
| SGD | 222 | 5.38 (SGD:RMB) | <u>5,260</u> |
| | | | <u>\$ 664,130</u> |

December 31, 2023

Unit: In Thousands for Currencies, Except Exchange Rates

| | Foreign Currencies | Exchange Rate | Carrying Amount |
|-------------------------|-------------------------------|----------------------|----------------------------|
| <u>Financial assets</u> | | | |
| Monetary items | | | |
| USD | \$5,757 | 1.300 (USD:SGD) | \$182,869 |
| USD | 158 | 7.303 (USD:MYR) | 5,009 |
| EUR | 2,088 | 1.459 (EUR:SGD) | <u>70,803</u> |
| | | | <u>\$ 258,681</u> |

Financial liabilities

Monetary items

| | | | |
|-----|--------|-----------------|-------------------|
| USD | 783 | 1.300 (USD:SGD) | \$24,865 |
| USD | 173 | 4,550 (USD:MYR) | 5,500 |
| SGD | 8,663 | 3.500 (SGD:MYR) | 204,239 |
| EUR | 277 | 1.459 (EUR:SGD) | 9,383 |
| MYR | 51,754 | 0.286 (MYR:SGD) | <u>354,126</u> |
| | | | <u>\$ 598,113</u> |

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> |

Financial liabilities

Monetary items

| | | | |
|-----|--------|------------------|-------------------|
| USD | 783 | 1.330 (USD:SGD) | \$23,866 |
| SGD | 4,529 | 3.320 (SGD:MYR) | 103,765 |
| MYR | 28,506 | 0.3012 (MYR:SGD) | 196,704 |
| EUR | 166 | 1.447 (EUR:SGD) | <u>5,510</u> |
| | | | <u>\$ 329,845</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:

For Three-Month Ended March 31

| Foreign Currencies | 2024 | | 2023 | |
|--------------------|---------------|-------------------------------------|---------------|-------------------------------------|
| | Exchange Rate | Net Foreign Exchange Gains (Losses) | Exchange Rate | Net Foreign Exchange Gains (Losses) |
| SGD | (SGD:NTD) | \$5,927 | (SGD:NTD) | (\$ 1,536) |
| MYR | (MYR:NTD) | (339) | (MYR:NTD) | (650) |
| RMB | (RMB:NTD) | (164) | (RMB:NTD) | 17 |
| JPY | (JPY:NTD) | (9) | (JPY:NTD) | 12 |
| KRW | (KRW:NTD) | 12 | (KRW:NTD) | 10 |
| USD | (USD:NTD) | - | (USD:NTD) | (101) |
| VND | (VND:NTD) | 42 | (VND:NTD) | (2) |
| PHP | (PHP:NTD) | <u>2</u> | (PHP:NTD) | <u>(17)</u> |
| | | <u>\$ 5,471</u> | | <u>(\$ 2,267)</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. (None)
 - 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, 2024

(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 | \$ - | - | \$ - | \$ 343,440 | \$ 457,920 |
| | | Redwood Furniture Sdn. Bhd. | Other receivables for related parties | Yes | 30,000 | 30,000 | - | - | Short-term financing | - | Financing need | - | - | - | 343,440 | 457,920 |
| 1 | Redwood Interior Pte. Ltd. | Redwood Furniture Sdn. Bhd. | Other receivables for related parties | Yes | 30,000 | 30,000 | - | - | Short-term financing | - | Financing need | - | - | - | 1,001,659 | 1,001,659 |
| | | Redwood (Shanghai) Pte. Ltd. | Other receivables for related parties | Yes | 12,000 | 12,000 | - | - | Short-term financing | - | Financing need | - | - | - | 1,001,659 | 1,001,659 |
| | | Redwood Specialities India Private Limited | Other receivables for related parties | Yes | 12,000 | 12,000 | - | - | Short-term financing | - | Financing need | - | - | - | 1,001,659 | 1,001,659 |
| | | Redwood Projects Sdn. Bhd. | Other receivables for related parties | Yes | 12,000 | 12,000 | - | - | Short-term financing | - | Financing need | - | - | - | 1,001,659 | 1,001,659 |
| | | Redwood Projects Korea Co., Ltd. | Other receivables for related parties | Yes | 12,000 | 12,000 | - | - | Short-term financing | - | Financing need | - | - | - | 1,001,659 | 1,001,659 |
| | | Redwood Projects Japan K.K. | Other receivables for related parties | Yes | 12,000 | 12,000 | - | - | Short-term financing | - | Financing need | - | - | - | 1,001,659 | 1,001,659 |
| | | Redwood Projects France S.A.S. | Other receivables for related parties | Yes | 12,000 | 12,000 | - | - | Short-term financing | - | Financing need | - | - | - | 1,001,659 | 1,001,659 |
| | | Redwood Projects US Inc. | Other receivables for related parties | Yes | 12,000 | 12,000 | - | - | Short-term financing | - | Financing need | - | - | - | 1,001,659 | 1,001,659 |
| | | Redwood Projects (VIETNAM) Company Limited | Other receivables for related parties | Yes | 12,000 | 12,000 | - | - | Short-term financing | - | Financing need | - | - | - | 1,001,659 | 1,001,659 |
| | | Redwood Projects Philippines Inc. | Other receivables for related parties | Yes | 12,000 | 12,000 | - | - | Short-term financing | - | Financing need | - | - | - | 1,001,659 | 1,001,659 |
| Redwood (Thailand) Co., Ltd. | Other receivables for related parties | Yes | 12,000 | 12,000 | - | - | Short-term financing | - | Financing need | - | - | - | 1,001,659 | 1,001,659 | | |
| Redwood Projects Australia Pty Ltd | Other receivables for related parties | Yes | 12,000 | 12,000 | - | - | Short-term financing | - | Financing need | - | - | - | 1,001,659 | 1,001,659 | | |
| Redwood Group Ltd | Other receivables for related parties | Yes | 12,000 | 12,000 | - | - | Short-term financing | - | Financing need | - | - | - | 1,001,659 | 1,001,659 | | |

Note 1: The limit amount is calculated as follows:

- a. The total amount available for lending purposes shall not exceed \$1,144,800 (in thousands) x 40% = \$457,920 (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 \$1,144,800 (in thousands) x 30% = \$343,440 (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 $\$1,001,659$ (in thousands) $\times 40\% = \$400,664$ (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 $\$1,001,659$ (in thousands) $\times 20\% = \$200,332$ (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 $\$1,001,659$ (in thousands) $\times 100\% = \$1,001,659$ (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, 2024

(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 | \$1,373,760 | \$ 590,562 | \$ 589,204 | \$ 570,228 | \$ - | 51.47% | \$ 1,373,760 | Y | N | N |
| 1 | Redwood Interior Pte. Ltd. | Redwood Furniture Sdn. Bhd. | Note 2 | 801,327 | 2,595 | 1,894 | 1,894 | - | 0.17% | 801,327 | 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:

- a. 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.
- b. According to the above regulations, the maximum limit for the endorsement of the external endorsement on March 31, 2024 is the net value of \$1,144,800 (in thousands) × 120% = \$1,373,760 (in thousands); the limit for endorsement of a single enterprise is net value of \$1,144,800 (in thousands) × 20% = \$228,960 (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:

- a. 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.
- b. According to the above regulations, the maximum limit for the endorsement of the external endorsement on March 31, 2024 is the net value of \$1,001,659 (in thousands) × 80% = \$801,327 (in thousands); the limit for endorsement of a single enterprise is net value of \$1,001,659 (in thousands) × 20% = \$200,332 (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, 2024**

(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, 2024 | | | |
|----------------------------|---|---------------------------------------|-----------------------------|------------------------------|-----------------|-----------------------------|------------|
| | | | | 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 | 9,067 | \$ 46,077 | 18.48% | \$ 46,077 |

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, 2024

(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 | (\$ 149,408) | (24.81%) | 60 days of the month | According to the Company's transfer pricing policy | - | \$ 306,146 | 77.41% | |

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, 2024

(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 | \$ 306,146 | 1.84 | \$ - | - | \$ 11,564 | \$ - |

REDWOOD GROUP LTD AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THREE MONTHS ENDED MARCH 31, 2024**

(Amounts in Thousands of New Taiwan Dollars)

| 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 Furniture Sdn. Bhd. | 3 | Purchase and sales revenue | \$ 149,408 (MYR 22,428) | By Redwood Interior Pte. Ltd. transfer pricing policy | 24.81% |
| 1 | Redwood Interior Pte. Ltd. | Redwood Furniture Sdn. Bhd. | 3 | Other receivable (payable) | 115,507 (SGD 4,889) | No significant difference in terms for related parties | 5.15% |
| 1 | Redwood Interior Pte. Ltd. | Redwood Furniture Sdn. Bhd. | 3 | Accounts payable (receivable) | 306,146 (MYR 45,302) | No significant difference in terms for related parties | 13.64% |
| 1 | Redwood Interior Pte. Ltd. | Redwood Projects Sdn. Bhd. | 3 | Sales revenue and purchase | 7,374 (SGD 314) | By Redwood Interior Pte. Ltd. transfer pricing policy | 1.22% |
| 1 | Redwood Interior Pte. Ltd. | Redwood (Shanghai) Pte. Ltd. | 3 | Accounts receivable (payable) | 5,157 (SGD 222) | No significant difference in terms for related parties | 0.23% |
| 1 | Redwood Interior Pte. Ltd. | Redwood (Shanghai) Pte. Ltd. | 3 | Accounts payable (receivable) | 9,166 (RMB 2,080) | No significant difference in terms for related parties | 0.41% |
| 1 | Redwood Interior Pte. Ltd. | Redwood (Shanghai) Pte. Ltd. | 3 | Sales revenue and purchase | 5,206 (RMB 1,176) | By Redwood Interior Pte. Ltd. transfer pricing policy | 0.86% |
| 1 | Redwood Interior Pte. Ltd. | Redwood Projects France S.A.S. | 3 | Other payable (receivable) | 5,420 (EUR 157) | No significant difference in terms for related parties | 0.24% |
| 1 | Redwood Interior Pte. Ltd. | Redwood Projects US Inc. | 3 | Other receivable (payable) | 46,934 (SGD 1,979) | No significant difference in terms for related parties | 2.09% |
| 1 | Redwood Interior Pte. Ltd. | Redwood Projects US Inc. | 3 | Sales revenue and purchase | 36,104 (SGD 1,538) | By Redwood Interior Pte. Ltd. transfer pricing policy | 6.00% |
| 1 | Redwood Furniture Sdn. Bhd. | Redwood Projects Sdn. Bhd. | 3 | Sales revenue and purchase | 18,331 (MYR 2,752) | By Redwood Interior Pte. Ltd. transfer pricing policy | 3.04% |

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, 2024
(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, 2024 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) | Note |
|-----------------------------|--|-------------|--|----------------------------|----------------------------|----------------------|-------|-----------------|-----------------------------------|------------------------|------------------------|
| | | | | March 31, 2024 | December 31, 2023 | 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 | \$ 1,001,659 | \$39,176 | \$39,176 | 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 | 532,461 | 16,794 | 16,794 | 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 | 115,126 | 6,889 | 6,889 | Second-tier subsidiary |
| | Redwood Projects Korea Co., Ltd. | Korea | Decoration of global advanced boutique brand store | 11,160 (KRW400,000) | 11,160 (KRW400,000) | 80,000 | 100 | 10,880 | (52) | (52) | 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 | 21,975 | 172 | 172 | 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 | 11,192 | (1,183) | (1,183) | 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 | 57,131 | 4,028 | 4,028 | 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 | 2,136 | 73 | 73 | 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 | 10,113 | (1,096) | (1,096) | Second-tier subsidiary |
| | Redwood Specialties India Private Limited | India | Decoration of global advanced boutique brand store | 15,717 (INR 40,300) | 15,717 (INR 40,300) | 4,029,999 | 99.99 | 35,448 | 13,776 | 13,776 | Second-tier subsidiary |
| | Redwood (Thailand) Co., Ltd | Thailand | Decoration of global advanced boutique brand store | 3,097 (THB 3,500) | - (THB -) | 35,000 | 100 | 3,096 | | | |
| 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 | | 13,776 | - | Second-tier subsidiary |

Note 1: For information on investments in mainland China, please refer to Table 8.

Note 2: The exchange rate was SGD1=NT\$23.72; MYR1=NT\$6.7578; KRW1=NT\$0.0237; EUR1=NT\$34.4604; JPY1=NT\$0.2111; US\$1=NT\$31.5476; VND1=NT\$0.0013; PHP1=NT\$0.5693; INR1=NT\$0.3843; THB1=NT\$0.8848 as of March 31, 2024.

REDWOOD GROUP LTD AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THREE MONTHS ENDED MARCH 31, 2024
(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, 2024 | Remittance of Funds | | Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2024 | Net Income (Loss) of the Investee | % Ownership of Direct or Indirect Investment | Investment Gain (Loss) | Carrying Amount as of March 31, 2024 | Accumulated Repatriation of Investment Income as of March 31, 2024 |
|------------------------------|--|-----------------------|---|---|---------------------|--------|--|-----------------------------------|--|------------------------|--------------------------------------|--|
| | | | | | 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. | \$ - | \$ - | \$ - | \$ - | (\$ 2,502) | 100 | (\$ 2,502) | \$ 34,001 | \$ - |

| Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2024 | 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, 2024**

| Name of Major Shareholders | Shares | |
|---|------------------|-----------------------------|
| | Number of Shares | Percentage of Ownership (%) |
| Standard Chartered Bank Trust Account of Soh Thong Ming | 16,558,571 | 32.95% |
| Standard Chartered Bank Trust Account of Teh Lee Mui | 16,495,264 | 32.83% |

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.