

Redwood Group Ltd and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2024 and 2023 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Redwood Group Ltd

Opinion

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 June 30, 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").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the period 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.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the six months ended June 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the six months ended June 30, 2024 are stated as follows:

Revenue Recognized Based on Construction in Progress

As described in Notes 4, section 10 and Note 5 of the FY2023 consolidated financial statements, revenue recognition of the Group is based on the percentage of completion of construction. Furthermore, the calculation of percentage of completion of construction is significant with regard to revenue recognition; therefore, we identified the estimation of unfinished construction cost to be a key audit matter.

We tested the related internal controls, and the main audit procedures that we performed were the following:

1. We sampled the construction proposals and examined whether the total contract price was consistent with the total contract price for calculating the project revenue or not. If the project changed, we examined the relevant proposal and revised order, etc.
2. We sampled each construction proposal, examined the contract, estimated cost sheet and other relevant documents of the project, and recalculated the completion percentage to assess the correctness of the project revenue recognition.
3. We verified the completion status of the construction in progress at the end of the period and whether there were major changes or contract modifications, obtained appropriate certificates, gathered supporting documents for the variation of the project, and verified its rationality.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the six months ended June 30, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Li Huang Lee and Ming Chung Hsieh.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 22, 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 June 30, 2024, DECEMBER 31,2023 AND JUNE 30,2023 (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2024 (Audited)		December 31,2023 (Audited)		June 30, 2023 (Audited)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6 and 26)	\$ 441,327	18	\$ 335,989	15	\$ 236,035	11
Contract assets - current (Note 20)	209,017	9	293,641	13	306,162	14
Trade receivables (Notes 8,20 and 26)	556,710	23	438,910	19	434,514	19
Other receivables (Notes 8 and 26)	6,985	-	12,863	1	3,289	-
Other receivables from related parties (Notes 8, 26 and 27)	82	-	70	-	73	-
Current tax assets (Note 22)	350	-	-	-	12,059	1
Inventories (Note 9)	121,965	5	128,035	5	111,055	5
Prepayments (Notes 13)	56,011	3	50,065	2	95,363	4
Other current assets (Note 13)	<u>6,393</u>	<u>-</u>	<u>6,706</u>	<u>-</u>	<u>3,203</u>	<u>-</u>
Total current assets	<u>1,398,840</u>	<u>58</u>	<u>1,266,279</u>	<u>55</u>	<u>1,201,753</u>	<u>54</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Notes 7 and 26)	46,465	2	45,241	2	36,951	2
Property, plant and equipment (Notes 11 and 28)	911,569	37	912,660	39	921,079	41
Right-of-use assets (Notes 12 and 28)	41,458	2	41,754	2	41,580	2
Deferred tax assets (Note 22)	16,657	1	26,496	1	19,797	1
other non-current assets (Notes 13,26 and 29)	<u>7,243</u>	<u>-</u>	<u>16,699</u>	<u>1</u>	<u>11,446</u>	<u>-</u>
Total non-current assets	<u>1,023,392</u>	<u>42</u>	<u>1,042,850</u>	<u>45</u>	<u>1,030,853</u>	<u>46</u>
TOTAL	<u>\$2,422,232</u>	<u>100</u>	<u>\$ 2,309,129</u>	<u>100</u>	<u>\$ 2,232,606</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 14, 24 and 26)	\$ -	-	\$ 34,935	1	\$ 34,440	2
Contract liabilities-current (Note 20)	345,828	14	191,763	8	435,988	19
Trade payables (Notes 15 and 26)	133,969	6	155,618	7	167,427	78
Trade payables to related parties (Notes 15, 26 and 27)	2,073	-	1,257	-	3,055	-
Other payables (Notes 16 and 26)	261,727	11	176,228	8	92,903	4
Current tax liabilities (Note 22)	32,223	1	34,291	1	15,414	1
Provisions - current (Note 17)	39,201	2	42,752	2	21,718	1
Lease liabilities - current (Note 12, 24 and 26)	713	-	994	-	668	-
Current portion of long-term borrowings (Note 14, 24 and 26)	83,276	3	88,750	4	87,790	4
Other current liabilities (Note 16)	<u>13,670</u>	<u>1</u>	<u>15,729</u>	<u>1</u>	<u>14,774</u>	<u>1</u>
Total current liabilities	<u>912,680</u>	<u>38</u>	<u>742,317</u>	<u>32</u>	<u>873,637</u>	<u>39</u>

NON-CURRENT LIABILITIES

Long-term borrowings (Note 14, 24 and 26)	449,597	19	474,433	20	511,451	23
Deferred tax liabilities (Note 22)	10,816	-	16,451	1	10,307	1
Lease liabilities - non-current (Note 12,24 and 26)	<u>162</u>	<u>-</u>	<u>448</u>	<u>-</u>	<u>307</u>	<u>-</u>
Total non-current liabilities	<u>460,575</u>	<u>19</u>	<u>491,332</u>	<u>21</u>	<u>522,065</u>	<u>24</u>
Total liabilities	<u>1,373,255</u>	<u>57</u>	<u>1,233,649</u>	<u>53</u>	<u>1,395,702</u>	<u>63</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 198)						
Share capital - ordinary shares	<u>502,425</u>	<u>21</u>	<u>502,425</u>	<u>22</u>	<u>502,425</u>	<u>22</u>
Capital surplus	<u>293,911</u>	<u>12</u>	<u>293,911</u>	<u>13</u>	<u>293,911</u>	<u>13</u>
Retained earnings						
Special reserve	347,096	14	252,393	11	252,393	11
Unappropriated earnings	<u>182,767</u>	<u>8</u>	<u>357,396</u>	<u>15</u>	<u>124,036</u>	<u>6</u>
Total retained earnings	<u>529,863</u>	<u>22</u>	<u>609,789</u>	<u>26</u>	<u>376,429</u>	<u>17</u>
Other equity						
Exchange differences on translation of foreign financial statements	(203,554)	(9)	(256,977)	(11)	(254,335)	(11)
Unrealized loss on financial assets of fair value through other comprehensive income	(73,668)	(3)	(73,668)	(3)	(81,526)	(4)
Total other equity	<u>(272,222)</u>	<u>(12)</u>	<u>(330,645)</u>	<u>(14)</u>	<u>(335,861)</u>	<u>(15)</u>
Total equity attributable to owners of the Company	<u>1,048,977</u>	<u>43</u>	<u>1,075,480</u>	<u>47</u>	<u>836,904</u>	<u>37</u>
TOTAL	<u>\$ 2,422,232</u>	<u>100</u>	<u>\$ 2,309,129</u>	<u>100</u>	<u>\$ 2,232,606</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 JUNE 30, 2024 AND 2023 AND FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three months Ended June 30				For the Six months Ended June 30			
	2024	%	2023	%	2024	%	2023	%
OPERATING REVENUE (Note 20)								
Construction revenue	\$ 532,089	100	\$ 603,352	100	\$ 1,134,261	100	\$ 1,124,307	100
OPERATING COSTS (Note 9,21 and 27)								
Construction costs	(370,806)	(70)	(443,688)	(74)	(792,483)	(70)	(785,381)	(70)
GROSS PROFIT	161,283	30	159,664	26	341,778	30	338,926	30
OPERATING EXPENSES (Notes 21 and 27)								
Selling and marketing expenses	(2,852)	-	(5,121)	(1)	(5,785)	(1)	(10,136)	(1)
General and administrative expenses	(132,721)	(25)	(101,132)	(16)	(254,588)	(22)	(205,866)	(18)
Expected credit (loss) gain	1,380	-	1,217	-	(3,669)	-	1,428	-
Total operating expenses	(134,193)	(25)	(105,036)	(17)	(264,042)	(23)	(214,574)	(19)
PROFIT FROM OPERATIONS	27,090	5	54,628	9	77,736	7	124,352	11
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 27)								
Interest income	405	-	86	-	504	-	201	-
Other income	1,988	1	1,774	-	5,348	1	4,116	-
Other gains and losses	(3,808)	(1)	2,277	1	889	1	1,688	-
Finance costs	(4,001)	(1)	(5,025)	(1)	(8,645)	(1)	(9,769)	(1)
Total non-operating income and expenses	(5,416)	(1)	(888)	-	(1,904)	-	(3,764)	(1)
PROFIT (LOSS) BEFORE INCOME TAX	21,674	4	53,740	9	75,832	7	120,588	10
INCOME TAX EXPENSE (Note 22)	(10,462)	(2)	(14,557)	(3)	(30,152)	(3)	(24,918)	(2)
NET PROFIT (LOSS) FOR THE YEAR	11,212	2	39,183	6	45,680	4	95,670	8
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized loss on investments in debt instruments as at fair value through other comprehensive income	-	-	(11,305)	(2)	-	-	(11,305)	(1)
Exchange differences arising on translation to the presentation currency	10,006	2	(17,307)	(2)	45,435	4	(23,898)	(2)

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REDWOOD GROUP LTD AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2024 AND 2023 AND FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>For the Three months Ended June 30</u>				<u>For the Six months Ended June 30</u>			
	<u>2024</u>	<u>%</u>	<u>2023</u>	<u>%</u>	<u>2024</u>	<u>%</u>	<u>2023</u>	<u>%</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating to the financial statement of foreign operations	<u>8,565</u>	<u>2</u>	<u>1,757</u>	<u>-</u>	<u>7,988</u>	<u>1</u>	<u>(3,331)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>18,571</u>	<u>4</u>	<u>(26,585)</u>	<u>(4)</u>	<u>53,423</u>	<u>5</u>	<u>(38,534)</u>	<u>(3)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>\$ 29,783</u>	<u>6</u>	<u>\$ 12,598</u>	<u>2</u>	<u>\$ 99,103</u>	<u>9</u>	<u>\$ 57,136</u>	<u>5</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the company	<u>\$ 11,212</u>	<u>2</u>	<u>\$ 39,183</u>	<u>6</u>	<u>\$ 45,680</u>	<u>4</u>	<u>\$ 95,670</u>	<u>8</u>
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:								
Owners of the company	<u>\$ 29,783</u>	<u>6</u>	<u>\$ 12,598</u>	<u>2</u>	<u>\$ 99,103</u>	<u>9</u>	<u>\$ 57,136</u>	<u>5</u>
EARNINGS PER SHARE (Note23)								
Basic	<u>\$ 0.22</u>		<u>\$ 0.78</u>		<u>\$ 0.91</u>		<u>\$ 1.90</u>	
Diluted	<u>\$ 0.22</u>		<u>\$ 0.78</u>		<u>\$ 0.91</u>		<u>\$ 1.90</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 SIX-MONTH PERIOD ENDED JUNE 30, 2024 AND 2023
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company						Total Equity
	Capital	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	
				Comprehensive Income	Foreign Operations		
BALANCE AT JANUARY 1, 2023	\$ 502,425	\$ 293,911	\$ 252,393	\$ 28,366	(\$ 70,221)	(\$ 227,106)	\$ 779,768
Net profit for the period ended June 30, 2023	-	-	-	95,670	-	-	95,670
Other comprehensive income (loss) for the period ended June 30, 2023, net of income tax	-	-	-	-	(11,305)	(27,229)	(38,534)
Total comprehensive income (loss) for the period ended June 30, 2023	-	-	-	95,670	(11,305)	(27,229)	57,136
BALANCE AT JUNE 30, 2023	<u>502,425</u>	<u>\$ 293,911</u>	<u>\$ 252,393</u>	<u>\$ 124,036</u>	<u>(\$ 81,526)</u>	<u>(\$ 254,335)</u>	<u>\$ 836,904</u>
BALANCE AT JANUARY 1, 2024	502,425	\$ 293,911	\$ 252,393	\$ 357,396	(\$ 73,668)	(\$ 256,977)	\$ 1,075,480
Earnings allocation and distribution							
Special reserve	-	-	94,703	(94,703)	-	-	-
Cash dividend	-	-	-	(125,606)	-	-	(125,606)
Net profit for the period ended June 30, 2024	-	-	-	45,680	-	-	45,680
Other comprehensive income(loss) for the period ended June 30, 2024, net of income tax	-	-	-	-	-	53,423	53,423
Total comprehensive income(loss) for the period ended June 30, 2024	-	-	-	45,680	-	53,423	99,103
BALANCE AT JUNE 30, 2024	<u>\$ 502,425</u>	<u>\$ 293,911</u>	<u>\$ 347,096</u>	<u>\$ 182,767</u>	<u>(\$ 73,668)</u>	<u>(\$ 203,554)</u>	<u>\$ 1,048,977</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 SIX-MONTH PERIOD ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	Six Months Ended June 30, 2024 (Audited)	Six Months Ended June 30, 2023 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 75,832	\$ 120,588
Adjustments for:		
Depreciation expenses	46,182	46,184
Expected credit loss recognized (reversed) on trade receivables	3,669	(1,428)
Finance costs	8,645	9,769
Interest income	(504)	(201)
Disposal of investment loss	2,998	-
Write-downs of inventories	4,636	1,704
Gain on disposal of property, plant and equipment	(39)	(1,980)
Recognition of provisions	15,410	13,128
Net (gain) loss on foreign currency exchange	24,130	(19,649)
Changes in operating assets and liabilities		
Contracts assets	84,624	12,376
Trade receivables	(121,795)	(155,148)
Other receivables	5,866	(1,062)
Inventories	693	(17,107)
Prepayments	(5,946)	(37,926)
Other current assets	313	(2,240)
Contracts liabilities	154,065	(11,600)
Trade payables	(20,833)	7,015
Provisions	(20,021)	(14,015)
Other payables	(31,616)	(12,409)
Other current liabilities	<u>(2,059)</u>	<u>(1,428)</u>
Cash generated from operations	224,250	(65,429)
Interest paid	(9,230)	(10,685)
Income taxes paid	<u>(19,271)</u>	<u>(9,728)</u>
Net cash generated from operating activities	<u>195,749</u>	<u>(85,842)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets measured at fair value through other comprehensive profit or loss	\$ -	(\$ 15,642)
Disposal of investment	(2,998)	-
Payments for property, plant and equipment	(19,734)	(33,645)
Proceeds from disposal of property, plant and equipment	1,949	2,346
Increase in refundable deposits	1,872	(1,914)
Interest received	<u>504</u>	<u>201</u>
Net cash used in investing activities	<u>(18,407)</u>	<u>(48,654)</u>

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REDWOOD GROUP LTD AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	<u>Six Months Ended June 30,2024 (Audited)</u>	<u>Six Months Ended June 30,2023 (Audited)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(35,210)	-
Repayments of long-term borrowings	(45,259)	(21,538)
Repayment of the principal portion of lease liabilities	(624)	(408)
Net cash generated from financing activities	<u>(81,093)</u>	<u>(21,946)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>9,089</u>	<u>1,368</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	105,338	(155,074)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>335,989</u>	<u>391,109</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 441,327</u>	<u>\$ 236,035</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 SIX MONTHS ENDED JUNE 30, 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 August 22, 2024.

3. APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS 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. IFRS accounting standards approved by the Financial Supervisory Commission applicable in 2024

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 21 “Lake of Exchangeability”	January 1, 2025 (Note 1)

Note 1: 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 21 “Lake of Exchangeability”

The amendment stipulates that a currency is convertible when an enterprise is able to exchange one currency for another currency through an exchange transaction with enforceable rights and obligations established through the market or exchange mechanism within the time frame of normal administrative delays. When currencies are not convertible on the measurement date, the combined company should estimate spot exchange rates to reflect the exchange rates that would be used by market participants to conduct orderly transactions on the measurement date, taking into account prevailing economic conditions. In such cases, the combined company should also disclose information that enables users of financial statements to assess how the lack of currency convertibility has affected or is expected to affect its results of operations, financial position and cash flows.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
"Annual Improvement of IFRS Accounting Standards - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026

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
IFRS 19 “Subsidiaries not subject to public accountability: disclosure”	January 1, 2027

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

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. Explanation of other significant accounting policies

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 subcontracting 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

	June 30	December 31	June 30
	2024	2023	2023
Cash on hand	\$ 755	\$ 798	\$ 661
Checking accounts and demand deposits	398,987	335,191	235,374
Deposits	<u>41,594</u>	<u>-</u>	<u>-</u>
	<u>\$ 441,327</u>	<u>\$ 335,989</u>	<u>\$ 236,035</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	June 30 2024	December 31 2023	June 30 2023
<u>Non-current</u>			
Foreign investments			
Unlisted shares	<u>\$46,465</u>	<u>\$ 45,241</u>	<u>\$ 36,951</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

	June 30 2024	December 31 2023	June 30 2023
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 567,721	\$ 445,926	\$ 438,198
Less: Allowance for impairment loss	(11,011)	(7,016)	(3,684)
	<u>\$556,710</u>	<u>\$ 438,910</u>	<u>\$ 434,514</u>
<u>Other receivables</u>			
Other receivables	<u>\$ 6,985</u>	<u>\$ 12,863</u>	<u>\$ 3,289</u>
Other receivables from related parties	<u>\$ 82</u>	<u>\$ 70</u>	<u>\$ 73</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.

June 30, 2024

	<u>Less than 60 Days</u>	<u>61 to 180 Days</u>	<u>181 to 360 Days</u>	<u>361 to 720 Days</u>	<u>Over 721 Days</u>	<u>Total</u>
Expected credit loss rate	0%-0.11%	0%-2.1%	0%-9.95%	12.49%-100%	100%	
Gross carrying amount	\$399,133	\$ 62,797	\$ 90,475	\$ 9,204	\$ 6,112	\$567,721
Loss allowance (Lifetime ECL)	(154)	(373)	(3,004)	(1,368)	(6,112)	(11,011)
Amortized cost	<u>\$398,979</u>	<u>\$ 62,424</u>	<u>\$ 87,471</u>	<u>\$ 7,836</u>	<u>\$ -</u>	<u>\$556,710</u>

December 31, 2023

	<u>Less than 60 Days</u>	<u>61 to 180 Days</u>	<u>181 to 360 Days</u>	<u>361 to 720 Days</u>	<u>Over 721 Days</u>	<u>Total</u>
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>

June 30, 2023

	<u>Less than 60 Days</u>	<u>61 to 180 Days</u>	<u>181 to 360 Days</u>	<u>361 to 720 Days</u>	<u>Over 721 Days</u>	<u>Total</u>
Expected credit loss rate	0%-0.09%	0%-0.19%	0%-2.86%	15.7%-465%	100%	
Gross carrying amount	\$310,016	\$99,992	\$20,758	\$ 5,617	\$ 1,815	\$438,198
Loss allowance (Lifetime ECL)	(125)	(16)	(136)	(1,592)	(1,815)	(3,684)
Amortized cost	<u>\$309,891</u>	<u>\$99,976</u>	<u>\$20,622</u>	<u>\$ 4,025</u>	<u>\$ -</u>	<u>\$434,514</u>

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

	<u>Six Months Ended June 30</u>	
	<u>2024</u>	<u>2023</u>
Balance at January 1	\$ 7,016	\$ 5,098
Add: Net remeasurement of loss allowance	(3,669)	(1,428)
Foreign exchange gains and losses	<u>326</u>	<u>14</u>
Balance at June 30	<u>\$ 11,011</u>	<u>\$ 3,684</u>

9. INVENTORIES

	June 30	December 31	June 30	
	2024	2023	2023	
Raw materials	<u>\$ 121,965</u>	<u>\$ 128,035</u>	<u>\$ 111,055</u>	
	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Cost of good sold	\$ 366,651	\$ 442,984	\$ 787,847	\$ 783,677
Inventory write-downs (recovery benefits)	<u>4,155</u>	<u>704</u>	<u>4,636</u>	<u>1,704</u>
	<u>\$ 370,806</u>	<u>\$ 443,688</u>	<u>\$ 792,483</u>	<u>\$ 785,381</u>

10. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Description	Remark
			June 30	December 31	June 30		
			2024	2023	2023		
Redwood Group Ltd.	Redwood Interior Pte. Ltd.	Decoration of global advanced boutique brand store	100	100	100	Acquired the ownership through exchange of shares on December 10, 2010.	
Redwood Interior Pte. Ltd.	Redwood Furniture Sdn. Bhd	Design, produce and sale of customized furniture	100	100	100	Acquired the ownership through exchange of shares on December 10, 2010.	
Redwood Interior Pte. Ltd.	Redwood (Shanghai) Pte. Ltd.	Decoration of global advanced boutique brand store	100	100	100	Established by 100% direct or indirect investment in February 2012.	(1)
Redwood Interior Pte. Ltd.	Redwood Projects Sdn. Bhd.	Decoration of global advanced boutique brand store	100	100	100	Established by 100% direct or indirect investment in November 2012.	(1)
Redwood Interior Pte. Ltd.	Redwood Projects Korea Co., Ltd.	Decoration of global advanced boutique brand store	-	100	100	Established by 100% direct or indirect investment in June 2017,	(1)
Redwood Interior Pte. Ltd.	Redwood Projects France S.A.S.	Decoration of global advanced boutique brand store	100	100	100	Established by 100% direct or indirect investment in January 2018.	(1)
Redwood Interior Pte. Ltd.	Redwood Projects Japan K.K.	Decoration of global advanced boutique brand store	100	100	100	Established by 100% direct or indirect investment in February 2018.	(1)
Redwood Interior Pte. Ltd.	Redwood Projects US Inc.	Decoration of global advanced boutique brand store	100	100	100	Established by 100% direct or indirect investment in October 2018,	(1)
Redwood Interior Pte. Ltd.	Redwood Projects (Vietnam) Company Limited	Decoration of global advanced boutique brand store	100	100	100	Established by 100% direct or indirect investment in September 2020.	(1)
Redwood Interior Pte. Ltd.	Redwood Projects Philippines Inc.	Decoration of global advanced boutique brand store	100	100	100	Established by 100% direct or indirect investment in December 2020.	(1)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Description	Remark
			June 30 2024	December 31 2023	June 30 2023		
Redwood Interior Pte. Ltd.	Redwood Specialities India Private Limited	Decoration of global advanced boutique brand store	99.99	99.99	99.99	Established by 100% direct or indirect investment in November 2022.	(1)
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 Interior Pte. Ltd.	Redwood Projects Australia Pty Ltd	Decoration of global advanced boutique brand store	100	-	-	Established by 100% direct or indirect investment in May 2023. Capital injection completed in May 2024.	(1)
Redwood Interior Pte. Ltd.	PT Redwood Projects Indonesia	Decoration of global advanced boutique brand store	99.9	-	-	Established by 100% direct or indirect investment in May 2024.	(1)
Redwood Furniture Sdn. Bh	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)
Redwood Furniture Sdn. Bh	PT Redwood Projects Indonesia	Decoration of global advanced boutique brand store	0.1	-	-	Established by 100% direct or indirect investment in May 2024.	(1)

Remarks:

- (1) Those companies are an immaterial subsidiary for consolidated statements; those financial statements have not been audited
(2) The consolid company's board of directors resolved to dissolve and liquidate on April 20, 2023, and repatriated the share capital back to REDWOOD INTERIOR PTE LTD on April 23, 2024.

11. PROPERTY, PLANT AND EQUIPMENT

	June 30 2024	December 31 2023	June 30 2023
Land	\$ 32,149	\$31,095	\$31,116
Buildings	723,284	716,313	723,109
Machinery	136,701	141,429	142,666
Transportation Equipment	5,422	3,881	3,858
Other Equipment	13,116	17,896	16,778
Construction in Progress	<u>897</u>	<u>2,046</u>	<u>3,552</u>
	<u>\$ 911,569</u>	<u>\$912,660</u>	<u>\$921,079</u>

No impairment assessment was performed for the six months ended June 30, 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

	June 30 2024	December 31 2023	June 30 2023
<u>Carrying amounts</u>			
Land access	\$40,616	\$ 40,385	\$ 40,639
Buildings	<u>842</u>	<u>1,369</u>	<u>941</u>
	<u>\$ 41,458</u>	<u>\$ 41,754</u>	<u>\$ 41,580</u>

Depreciation change for right of use assets

	Three Months Ended June 30		Six months Ended June 30	
	2024	2023	2024	2023
Additions for right of use assets			<u>\$ -</u>	<u>\$ 693</u>
Depreciation change for right of use assets				
Buildings	\$ 430	\$ 413	\$ 853	\$ 824
Office equipment	<u>193</u>	<u>210</u>	<u>559</u>	<u>397</u>
	<u>\$ 623</u>	<u>\$ 623</u>	<u>\$ 1,412</u>	<u>\$ 1,221</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 six-month period ended June 30, 2024 and 2023.

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

b. Lease liabilities

	June 30 2024	December 31 2023	June 30 2023
<u>Carrying amounts</u>			
Current	<u>\$ 713</u>	<u>\$ 994</u>	<u>\$ 668</u>
Non-current	<u>\$ 162</u>	<u>\$ 448</u>	<u>\$ 307</u>

Range of discount rate for lease liabilities was as follows:

	June 30 2024	December 31 2023	June 30 2023
Land	4.32%	4.32%	4.32%
Buildings	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 Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Short-term leases expenses	<u>\$ 8,756</u>	<u>\$ 1,516</u>	<u>\$ 16,427</u>	<u>\$ 4,319</u>
Expenses relating to low-value asset leases	<u>\$ 101</u>	<u>\$ 319</u>	<u>\$ 659</u>	<u>\$ 657</u>
Total cash outflow for leases			<u>(\$ 17,710)</u>	<u>(\$ 5,384)</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

	June 30 2024	December 31 2023	June 30 2023
<u>Current</u>			
Prepayments - goods	\$ 33,966	\$ 32,112	\$ 75,054
Prepayments - expenses	19,414	17,337	17,880
Other prepayments	<u>2,631</u>	<u>616</u>	<u>2,429</u>
	<u>\$ 56,011</u>	<u>\$ 50,065</u>	<u>\$ 95,363</u>
Other current assets	<u>\$ 6,393</u>	<u>\$ 6,706</u>	<u>\$ 3,203</u>
<u>Non-current</u>			
Prepaid equipment	\$ 788	\$ 8,372	\$ 3,014
Refundable deposits	<u>6,455</u>	<u>8,327</u>	<u>8,432</u>
	<u>\$ 7,243</u>	<u>\$ 16,699</u>	<u>\$ 11,446</u>

14. BORROWINGS

a. Short-term borrowings

	June 30 2024	December 31 2023	June 30 2023
<u>Secured borrowings (Note 28)</u>			
Line of credit borrowing	<u>\$ -</u>	<u>\$ 34,935</u>	<u>\$ 34,440</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 June 30, 2024

respectively.

b. Long-term borrowings

	June 30	December 31	June 30
	2024	2023	2023
<u>Secured borrowings (Note 28)</u>			
Bank loans*	\$ 532,873	\$ 563,183	\$ 599,241
Less: Current portion	(83,276)	(88,750)	(87,790)
Long-term borrowings	<u>\$ 449,597</u>	<u>\$ 474,433</u>	<u>\$ 511,451</u>

* As of June 30, 2024, December 31, 2023 and June 30, 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 2.25%~7.06% 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

	June 30	December 31	June 30
	2024	2023	2023
<u>Current</u>			
Other payables			
Payable for salaries or bonuses	\$ 66,793	\$ 86,438	\$ 37,073
Payable for directors and employee compensation	462	3,314	-
Payable for purchase of equipment	99	7,983	118
Payable for utilities	4,355	4,149	4,931
Payable for provident fund	4,090	3,780	1,171
Payable for professional service fees	2,024	1,946	889
Payable for shipping expenses	23,037	45,889	15,588
Payable for tax	4,576	2,313	507
Payable for interest expenses	996	1,603	596
Payable for dividend	125,606	-	-
Others	<u>29,689</u>	<u>18,813</u>	<u>32,030</u>
	<u>\$ 261,727</u>	<u>\$ 176,228</u>	<u>\$ 92,903</u>
<u>Deferred Income</u>			
Government Grants (Note 21)	\$ 11,819	\$ 13,114	\$ 14,511
Others	<u>1,851</u>	<u>2,615</u>	<u>263</u>
	<u>\$ 13,670</u>	<u>\$ 15,729</u>	<u>\$ 14,774</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 company has amortized the income in phases according to the service life of the equipment. (refer to Note 21)

17. PROVISION

	June 30	December 31	June 30
	2024	2023	2023
<u>Current</u>			
Warranty liabilities	<u>\$ 39,201</u>	<u>\$ 42,752</u>	<u>\$ 21,178</u>

	Six-month Period Ended	
	June 30	
	2024	2023
Balance at January 1	\$42,752	\$21,975
Additional provisions recognized	15,410	13,128
Amount used	(20,021)	(14,015)
Effect of foreign currency exchange differences	1,060	90
Balance at June 30	<u>\$39,201</u>	<u>\$21,178</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 providing service are calculated on the basis of a certain percentage of employees' salaries and wages.

19. EQUITY

a. Share capital

Ordinary shares

	June 30	December 31	June 30
	2024	2023	2023
Shares authorized (in thousands of shares)	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Shares authorized, par value \$10 (in thousands of dollars)	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ 800,000</u>
Shares issued and fully paid (in thousands of shares)	<u>50,243</u>	<u>50,243</u>	<u>50,243</u>
Shares issued	<u>\$ 502,425</u>	<u>\$ 502,425</u>	<u>\$ 502,425</u>

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

b. Capital surplus

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

	June 30	December 31	June 30
	2024	2023	2023
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 appropriations of earnings for 2022 was approved in the shareholders' meetings on June 28, 2023, not distributed earnings.

The company held a annual stockholder's meeting on June 21, 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>

d. Special reserve

	Six-month Ended June 30	
	2024	2023
Balance at January 1	\$252,393	\$252,393
Appropriations in respect of		
Debits to other equity items	<u>942,703</u>	<u>-</u>
Balance at June 30	<u>\$347,096</u>	<u>\$252,393</u>

e. Other equity items

1.Exchange differences on translation of foreign financial statements

	Six-month Ended June 30	
	2024	2023
Balance at January 1	(\$256,977)	(\$227,106)
Recognized for the year		
Exchange differences on translating the financial Statement of foreign operations	7,988	(3,331)
Express currency conversion differences	<u>45,435</u>	<u>(23,898)</u>
Balance at June 30	<u>(\$203,554)</u>	<u>(\$254,335)</u>

2. Unrealized valuation gain or loss on financial assets at FVTOCI

	Six-month Ended June 30	
	2024	2023
Balance at January 1	(\$73,668)	(\$70,221)
Recognized for the year		
Unrealized gain or loss-equity instruments	-	(11,305)
Balance at June 30	<u>(\$ 73,668)</u>	<u>(\$ 81,526)</u>

20. REVENUE

	Three Month Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Revenue from contracts with customers				
Construction contract revenue	<u>\$ 532,089</u>	<u>\$ 603,352</u>	<u>\$1,134,261</u>	<u>\$1,124,307</u>

a. Contact 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. Contact balances

	June 30 2024	December 31 2023	June 30 2023	January 1 2023
Trade receivables (Note 8)	<u>\$ 556,710</u>	<u>\$ 438,910</u>	<u>\$ 434,514</u>	<u>\$ 277,952</u>
Contract assets				
Retentions receivable	\$ 55,136	\$ 63,133	\$ 46,843	\$ 38,932
Decoration project	<u>153,881</u>	<u>230,508</u>	<u>259,319</u>	<u>279,606</u>
Contract assets - current	<u>\$ 209,017</u>	<u>\$ 293,641</u>	<u>\$ 306,162</u>	<u>\$ 318,538</u>
Contract liabilities				
Decoration project	<u>\$ 345,828</u>	<u>\$ 191,763</u>	<u>\$ 435,988</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.

	June 30 2024	December 31 2023	June 30 2023
Expected credit loss rate	0.11%	0.2%	0.09%
Gross carrying amount	\$209,017	\$293,641	\$306,162
Allowance for impairment loss (Lifetime ECLs)	-	-	-
	<u>\$209,017</u>	<u>\$293,641</u>	<u>\$306,162</u>

c. Disaggregation of revenue

	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Asia	\$ 354,505	\$ 451,681	\$ 721,018	\$ 798,868
The Middle East	44,932	55,210	135,359	89,118
United States	132,121	87,862	268,666	223,432
Europe	<u>531</u>	<u>8,599</u>	<u>9,218</u>	<u>12,889</u>
	<u>\$ 532,089</u>	<u>\$ 603,352</u>	<u>\$ 1,134,261</u>	<u>\$ 1,124,307</u>

21. NET LOSS

a. Interest income

	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Interest income				
Bank deposits	<u>\$ 405</u>	<u>\$ 86</u>	<u>\$ 504</u>	<u>\$ 201</u>

b. Other income

	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Government grants	\$ 1,004	\$ 834	\$ 3,215	\$ 2,102
Others	<u>984</u>	<u>940</u>	<u>2,133</u>	<u>2,014</u>
	<u>\$ 1,988</u>	<u>\$ 1,774</u>	<u>\$ 5,348</u>	<u>\$ 4,116</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 \$60 thousand and \$1,416 thousand from January 1 to June 30, 2024 and 2023, respectively.
- 2) In order to boost the employment rate, the Singapore government has implemented the Jobs Growth Incentive, the Senior Employment Credit and the CPF Transition Offset respectively. The above plans will respectively provide employee salary subsidies and guarantee employment opportunities for the elderly. From January 1, 2023 to June 30, 2023. The Company recognized subsidy revenue of \$219 thousand in the six-month period ended June 30, 2023.
- 3) 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 six-month period ended June 30, 2024.
- 4) In order to improve the overall productivity of local enterprises, the Enterprise Development Agency of Singapore launched relevant subsidy measures (Capability Development Grant) in 2018 to encourage enterprises to renovate old factories, and the government provides subsidies to help enterprises purchase high-capacity machinery and equipment. The new factory building of Singapore subsidiary Redwood Interior Pte Ltd was completed in 2021. The Company recognized subsidy revenue of \$1,633 and \$1,575 thousand in the six-month period ended June 30, 2024 and 2023, respectively.
- 5) Other government subsidies are mainly the subsidy for childcare leave and on-the-job training programs provided by the Singapore government. The Company recognized subsidy revenue of \$373 and \$167 thousand in the six-month period ended June 30, 2024 and 2023, respectively.

c. Other gains and losses

	Three Month Ended June 30		Six Month Ended June 30	
	2024	2023	2024	2023
Gain (Loss) on disposal of property, plant and equipment	\$ 30	(\$ 366)	\$ 39	\$ 1,980
Disposal of investment loss	(2,998)	-	(2,998)	-
Net foreign exchange	163	3,607	5,634	1,340
Others	(1,003)	(964)	(1,786)	(1,632)
	<u>(\$ 3,808)</u>	<u>\$ 2,277</u>	<u>\$ 889</u>	<u>\$ 1,688</u>

d. Finance costs

	Three Month Ended June 30		Six Month Ended June 30	
	2024	2023	2024	2023
Interest on bank loans	\$ 3,992	\$ 5,013	\$ 8,623	\$ 9,751
Interest on lease liabilities	9	12	22	18
	<u>\$ 4,001</u>	<u>\$ 5,025</u>	<u>\$ 8,645</u>	<u>\$ 9,769</u>

e. Depreciation and amortization

	Three Month Ended June 30		Six Month Ended June 30	
	2024	2023	2024	2023
An analysis of depreciation by function				
Operating costs	\$ 9,406	\$ 9,937	\$ 19,137	\$ 19,671
Operating expenses	13,156	13,460	27,045	26,513
	<u>\$ 22,562</u>	<u>\$ 23,397</u>	<u>\$ 46,182</u>	<u>\$ 46,184</u>

f. Employee benefits expense

	Three Month Ended June 30		Six Month Ended June 30	
	2024	2023	2024	2023
Post-employment benefits (Note 18)				
Defined contribution plan	\$ 12,979	\$ 7,758	\$ 23,298	\$ 15,310
Other employee benefits	155,126	159,055	306,099	314,188
	<u>\$ 168,105</u>	<u>\$ 166,813</u>	<u>\$ 329,397</u>	<u>\$ 329,498</u>

	Three Month Ended June 30		Six Month Ended June 30	
	2024	2023	2024	2023
An analysis of employee benefits expense by function				
Operating costs	\$ 80,632	\$ 90,273	\$ 153,584	\$ 172,660
Operating expense	87,473	76,540	175,813	156,838
	<u>\$ 168,105</u>	<u>\$ 166,813</u>	<u>\$ 329,397</u>	<u>\$ 329,498</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 June 30 are as follows:

Estimated ratio

	Six-month period Ended June 30	
	2024	2023
Employee compensation	0.2%	0.2%
Director remuneration	1.0%	-%

Amount

	Three Month Ended June 30		Six Month Ended June 30	
	2024	2023	2024	2023
Employee compensation	\$ 17	\$ 58	\$ 76	\$ 164
Director remuneration	\$ 84	\$ -	\$ 379	\$ -

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.

FY 2023

	Employee compensation	Director remuneration
The amount determined by the board of directors	\$ 672	\$ 3,294
Amount recognized in annual financial report	\$ 664	\$ 2,623

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 Ended June 30		Six Month Ended June 30	
	2024	2023	2024	2023
Foreign exchange gains	\$ 163	\$ 1,540	\$ 5,634	\$ 5,399
Foreign exchange losses	-	2,067	-	(4,059)
	\$ 163	\$ 3,067	\$ 5,634	\$ 1,340

22. INCOME TAX

a. Income tax recognized in profit or loss:

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

	Three Month Ended June 30		Six Month Ended June 30	
	2024	2023	2024	2023
<u>Current tax</u>				
In respect of the current year	\$ 12,189	\$ 7,070	\$ 26,283	\$ 16,433
Adjustment for past year	-	-	(358)	-
<u>Deferred tax</u>	(1,727)	7,487	4,227	8,485
In respect of the current year				
Income tax expense recognized in profit or loss	<u>\$ 10,462</u>	<u>\$ 14,557</u>	<u>\$ 30,152</u>	<u>\$ 24,918</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. and Redwood Specialties India Private Limited until 2022, have been assessed by the tax authorities. The tax returns of Redwood Projects Japan K.K., Redwood (Shanghai) Pte Ltd., Redwood Korea Co., Ltd., Redwood Projects France S.A.S, Redwood Projects US Inc., Redwood Projects (Vietnam) Company Limited and Redwood Projects Philippines Inc. until 2023, have been assessed by the tax authorities.

23. EARNINGS (LOSS) PER SHARE

Unit: NT\$ Per Share

	Three Month Ended June 30		Six Month Ended June 30	
	2024	2023	2024	2023
Basic earnings (loss) per share	<u>\$ 0.22</u>	<u>\$ 0.78</u>	<u>\$ 0.91</u>	<u>\$ 1.90</u>
Diluted earnings (loss) per share	<u>\$ 0.22</u>	<u>\$ 0.78</u>	<u>\$ 0.91</u>	<u>\$ 1.90</u>

The earnings 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 Ended June 30		Six Month Ended June 30	
	2024	2023	2024	2023
Loss used in the computation of basic earnings per share	<u>\$ 11,212</u>	<u>\$ 39,183</u>	<u>\$ 45,680</u>	<u>\$ 95,670</u>
Loss used in the computation of diluted earnings per share	<u>\$ 11,212</u>	<u>\$ 39,183</u>	<u>\$ 45,680</u>	<u>\$ 95,670</u>

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

	Three Month Ended June 30		Six Month Ended June 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	50,243	50,243	50,243	50,243
Impact of potentially dilutive ordinary shares: Employees' compensation	5	-	5	-
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>50,248</u>	<u>50,243</u>	<u>50,248</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 six-month period ended June 30, 2024

	Opening Balance	Cash Flows	Non-cash Changes			Closing Balance
			New Leases	Interest paid	Others	
Short-term borrowings	\$ 34,935	(\$ 35,210)	\$ -	\$ -	\$ 275	\$ -
Long-term borrowings	563,183	(45,259)	-	-	14,949	532,873
Lease liabilities (Note 12)	1,442	(624)	-	22	35	875
	<u>\$ 599,560</u>	<u>(\$ 81,093)</u>	<u>\$ -</u>	<u>\$ 22</u>	<u>\$ 15,259</u>	<u>\$ 533,748</u>

For six-month period ended June 30, 2023

	Opening Balance	Cash Flows	Non-cash Changes			Closing Balance
			New Leases	Interest paid	Others	
Short-term borrowings	\$ 34,320	\$ -	\$ -	\$ -	\$ 120	\$ 34,440
Long-term borrowings	620,026	(21,538)	-	-	753	599,241
Lease liabilities (Note 12)	704	(408)	693	18	(32)	975
	<u>\$ 655,050</u>	<u>(\$ 21,946)</u>	<u>\$ 693</u>	<u>\$ 18</u>	<u>\$ 841</u>	<u>\$ 634,656</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 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

June 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Unlisted shares	\$ -	\$ -	\$ 46,465	\$ 46,465

December 31, 2023

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

June 30, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTOCI				
Unlisted shares	\$ -	\$ -	\$ 36,591	\$ 36,591

There were no transfers between Levels 1 and 2 in the six months ended June 30, 2024 and 2023.

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

For six months ended June 30, 2024

	Financial Assets at FVTOCI	
	Equity Instruments	
<u>Financial assets</u>		
Balance at January 1, 2024	\$	45,241
Net exchange difference		<u>1,224</u>
Balance at June 30, 2024	\$	<u>46,465</u>

For six months ended June 30, 2023

	Financial Assets at FVTOCI	
	Equity Instruments	
<u>Financial assets</u>		
Balance at January 1, 2023	\$	32,540
Purchase		15,642
Recognized in other comprehensive income		(11,305)
Net exchange difference		<u>74</u>
Balance at June 30, 2022	\$	<u>36,951</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 31% and 25% is regarded as the assumed liquidity discount in an available market.

c. Categories of financial instruments

	June 30	December 31	June 30
	2024	2023	2023
Financial assets			
Financial assets at amortized cost (1)	\$ 1,011,559	\$ 796,159	\$ 682,343
Financial assets at FVTOCI			
Equity instruments	46,465	45,241	36,951
Financial liabilities			
Financial liabilities at amortized cost (2)	930,642	931,221	918,244

- 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. For the management of foreign currency risk, the Group regularly reviews the assets and liabilities affected by exchange rates, and uses appropriate hedging tools to control the risks arising from foreign exchange fluctuations.

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, 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 Six Months Ended June 30	
	2024	2023
Profit or loss	(\$ 2,275)	(\$ 1,383)

	Currency USD's Impact	
	For Six Months Ended June 30	
	2024	2023
Profit or loss	\$ 2,213	\$ 971

	Currency EUR's Impact	
	For Six Months Ended June 30	
	2024	2023
Profit or loss	\$ 308	\$ 628

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 follows.

	June 30	December 31	June 30
	2024	2023	2023
Fair value interest rate risk			
-financial liabilities	\$ 362,867	\$ 427,266	\$ 459,690
Cash flow interest rate risk			
-financial liabilities	170,006	170,852	173,991

Sensitivity analysis

If interest rates had been 0.5% higher and all other variables were held constant, the Group's pre-tax profit for six months ended June 30, 2024 and 2023 would have decreased by \$425 thousand and \$435 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 June 30, 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. (Includes principal and estimated interest) 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.

June 30, 2024

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Trade payables	\$ 136,042	\$ -	\$ -
Lease liabilities	723	165	-
Other payables	261,727	-	-
Current portion of long-term borrowings	97,122	-	-
Long-term borrowings	-	170,745	364,925
	<u>\$ 495,614</u>	<u>\$ 170,910</u>	<u>\$ 364,925</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>-</u>	<u>190,572</u>	<u>373,505</u>
	<u>\$ 470,087</u>	<u>\$ 191,028</u>	<u>\$ 373,505</u>

June 30, 2023

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Short-term borrowings	\$ 34,907	\$ -	\$ -
Trade payables	191,660	-	-
Lease liabilities	693	320	-
Other payables	55,830	-	-
Current portion of long-term borrowings	102,147	-	-
Long-term borrowings	<u>-</u>	<u>219,880</u>	<u>386,172</u>
	<u>\$ 385,237</u>	<u>\$ 220,200</u>	<u>\$ 386,172</u>

b) Financing facilities

	June 30 2024	December 31 2023	June 30 2023
<u>Unsecured bank overdraft facility:</u>			
Amount used	\$ -	\$ -	\$ -
Amount unused	<u>6,088</u>	<u>5,928</u>	<u>5,844</u>
	<u>\$ 6,088</u>	<u>\$ 5,928</u>	<u>\$ 5,844</u>
<u>Secured bank overdraft facility:</u>			
Amount used	\$ 532,873	\$ 598,118	\$ 633,681
Amount unused	<u>144,852</u>	<u>110,517</u>	<u>109,467</u>
	<u>\$ 677,725</u>	<u>\$ 708,635</u>	<u>\$ 743,148</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

Related Party Name	Related Party Category
DDG Glass Pte. Ltd.	Related party in substance
DDG Glass MFG Sdn. Bhd.	Related party in substance

b. Purchases of goods

Related Party Categories	For Three Months Ended June 30		For Six Months Ended June 30	
	2024	2023	2024	2023
Related party in substance	\$ 4,261	\$ 7,004	\$ 6,305	\$ 12,437

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)

Line Items	Related Party Categories	June 30	December 31	June 30
		2024	2023	2023
Other receivables	Related party in substance	\$ 82	\$ 70	\$ 73

The outstanding trade receivables from related parties are unsecured. For six months ended June 30, 2024 and 2023, no impairment loss was recognized for trade receivables from related parties.

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

Line Items	Related Party Categories	June 30	December 31	June 30
		2024	2023	2023
Trade payables	Related party in substance	\$ 2,073	\$ 1,257	\$ 3,055

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 June 30		For Six Months Ended June 30	
		2024	2023	2024	2023
Other income	Related party in substance	\$ 487	\$ 464	\$ 965	\$ 941
Financial assets at fair value through other comprehensive income	Related party in substance	\$ -	\$ 15,642	\$ -	\$ 15,642

f. Compensation of key management personnel

	For Three Months Ended June 30		For Six Months Ended June 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 6,623	\$ 5,307	\$ 13,320	\$ 10,591
Post-employment benefits	220	190	435	379
	<u>\$ 6,843</u>	<u>\$ 5,497</u>	<u>\$ 13,755</u>	<u>\$ 10,970</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.

	June 30	December 31	June 30
	2024	2023	2023
Land	\$ 32,149	\$ 31,095	\$ 31,116
Right-of-use - asset (land access)	40,616	40,385	40,639
Buildings	700,917	699,827	705,980
Equipments	<u>67,361</u>	<u>77,635</u>	<u>86,996</u>
	<u>\$ 841,043</u>	<u>\$ 848,942</u>	<u>\$ 864,731</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 June 30, 2024 and 2023 were as follows:

Significant Commitments

As of June 30, 2024, December 31, 2023, and June 30, 2023, the Group signed a contractual commitment with the manufacturer for purchases of machinery and equipment amounting to approximately \$6,727 thousand, \$8,544 thousand and \$10,898 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:

June 30, 2024

Unit: In Thousands for Currencies, Except Exchange Rates

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 6,964	1.35 (USD: SGD)	\$ 224,872
EUR	1,068	1.45 (EUR: SGD)	37,085
THB	49,664	0.037 (THB: SGD)	44,073
AUD	306	0.9 (AUD: SGD)	6,584
JPY	53,675	0.008 (JPY : SGD)	<u>10,785</u>
			<u>\$ 323,399</u>
<u>Financial liabilities</u>			
Monetary items			
SGD	377	5.385 (SGD: SGD)	\$ 9,018
MYR	33,076	0.29 (MYR: SGD)	227,540
EUR	1835	1.453 (EUR: SGD)	<u>6,335</u>
			<u>\$ 242,893</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>
<u>Financial liabilities</u>			
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>

June 30, 2023

Unit: In Thousands for Currencies, Except Exchange Rates

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 3,549	1.580 (USD: SGD)	\$ 109,989
EUR	2,033	1.473 (EUR: SGD)	68,734
THB	8,448	0.038 (THB: SGD)	<u>7,833</u>
			<u>\$ 186,556</u>
<u>Financial liabilities</u>			
Monetary items			
USD	416	1.350 (USD: SGD)	\$ 12,896
SGD	4,549	3.448 (SGD: MYR)	104,443
MYR	20,770	0.290 (MYR: SGD)	138,292
EUR	175	1.473 (EUR: SGD)	<u>5,931</u>
			<u>\$ 261,562</u>

The Group is mainly exposed to SGD, MYR, HKD and RMB. 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 Months Ended June 30

Foreign Currency	2024		2023	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
SGD	(SGD: NTD)	(\$ 256)	(SGD: NTD)	\$ 6,036
MYR	(MYR: NTD)	602	(MYR: NTD)	(2,136)
RMB	(RMB: NTD)	85	(RMB: NTD)	(80)
KRW	(KRW: NTD)	(312)	(KRW: NTD)	4
USD	(USD: NTD)	-	(USD: NTD)	(220)
VND	(VND:NTD)	43	(VND:NTD)	3
PHP	(PHP:NTD)	<u>1</u>	(PHP:NTD)	<u>-</u>
		<u>\$ 163</u>		<u>\$ 3,607</u>

For Three Months Ended June 30

Foreign Currency	2024		2023	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
SGD	(SGD: NTD)	\$ 5,671	(SGD: NTD)	\$ 4,500
MYR	(MYR: NTD)	263	(MYR: NTD)	(2,786)
RMB	(RMB: NTD)	(79)	(RMB: NTD)	(63)
JPY	(JPY: NTD)	(9)	(JPY: NTD)	12
KRW	(KRW: NTD)	(300)	(KRW: NTD)	14
USD	(USD: NTD)	-	(USD: NTD)	(321)
VND	(VND: NTD)	85	(VND: NTD)	1
PHP	(PHP: NTD)	<u>3</u>	(PHP: NTD)	<u>(17)</u>
		<u>\$ 5,634</u>		<u>\$ 1,340</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 SIX MONTHS ENDED JUNE 30, 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	\$ -	-	\$ -	\$314,693	\$419,591
		Redwood Furniture Sdn. Bhd.	Other receivables for related parties	Yes	30,000	30,000	-	-	Short-term financing	-	Financing need	-	-	-	314,693	419,591
1	Redwood Interior Pte. Ltd.	Redwood Furniture Sdn. Bhd.	Other receivables for related parties	Yes	30,000	30,000	-	-	Short-term financing	-	Financing need	-	-	-	1,033,370	1,033,370
		Redwood (Shanghai) Pte. Ltd.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,033,370	1,033,370
		Redwood Specialities India Private Limited	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,033,370	1,033,370
		Redwood Projects Sdn. Bhd.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,033,370	1,033,370
		Redwood Projects Korea Co., Ltd.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,033,370	1,033,370
		Redwood Projects Japan K.K.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,033,370	1,033,370
		Redwood Projects France S.A.S.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,033,370	1,033,370
Redwood Projects US Inc.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,033,370	1,033,370		

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		
		Redwood Projects (VIETNAM) Company Limited	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,033,370	1,033,370
		Redwood Projects Philippines Inc.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,033,370	1,033,370
		Redwood (Thailand) Co., Ltd	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,033,370	1,033,370
		Redwood Projects Australia Pty Ltd	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,033,370	1,033,370
		Redwood Group Ltd	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,033,370	1,033,370

Note 1: The limit amount is calculated as follows:

- a. The total amount available for lending purposes shall not exceed \$1,048,977 (in thousands) x 40% = \$419,591 (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 \$1,048,977 (in thousands) x 30% = \$314,693 (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 \$1,033,370 (in thousands) x 40% = \$413,348 (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 \$1,033,370 (in thousands) x 20% = \$206,674 (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 \$1,033,370 (in thousands) x 100% = \$1,033,370 (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 SIX MONTHS ENDED JUNE 30, 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	\$ 1,258,772	\$ 590,562	\$ 577,917	\$ 558,781	\$ -	55.09	\$ 1,258,772	Y	N	N
1	Redwood Interior Pte. Ltd.	Redwood Furniture Sdn. Bhd.	Note 2	826,696	2,595	771	771	-	0.07	826,696	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 June 30, 2024, is the net value of \$1,048,977 (in thousands) \times 120% = \$1,258,772 (in thousands); the limit for endorsement of a single enterprise is net value of \$1,048,977 (in thousands) \times 20% = \$209,795 (in thousands). If the Company directly and indirectly holds 100% of the voting rights of the Company, it is not subject to the guaranteed 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 June 30, 2024, is the net value of \$1,033,370 (in thousands) \times 80% = \$826,696 (in thousands); the limit for endorsement of a single enterprise is net value of \$1,033,370 (in thousands) \times 20% = \$206,674 (in thousands). If the Company directly and indirectly holds 100% of the voting rights of the Company, it is not subject to the guaranteed limit of the single enterprise endorsement.

REDWOOD GROUP LTD AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 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	June 30, 2024			
				Number of Shares (Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value
Redwood Interior Pte. Ltd.	<p style="text-align: center;"><u>Unlisted shares</u> DDG Glass Pte. Ltd.</p>	Related party in substance	Financial assets at FVTOCI	9,067	\$ 46,465	18.48%	\$ 46,465

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 SIX MONTHS ENDED JUNE 30, 2024

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

Buyer	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	(\$ 277,310)	(24.45%)	60 days of the month	According to the Company's transfer pricing policy	-	\$ 226,690	39.93	
Redwood Interior Pte. Ltd.	Redwood Projects US Inc.	Subsidiary	Sale	(\$ 108,786)	(9.59%)	60 days of the month	According to the Company's transfer pricing policy	-	\$ 11,247	1.98	

REDWOOD GROUP LTD AND SUBSIDIARIES

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

FOR SIX MONTHS ENDED JUNE 30, 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
					Amount	Actions Taken	
Redwood Furniture Sdn. Bhd.	Redwood Interior Pte. Ltd.	Subsidiary	\$ 226,690	1.95	\$ -	-	\$ 154,522

REDWOOD GROUP LTD AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
 FOR SIX MONTHS ENDED JUNE 30, 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	\$ 277,310 (MYR41,149)	By Redwood Interior Pte. Ltd. transfer pricing policy	24.45%
		REDWOOD FURNITURE SDN. BHD.	3	Other payables	43,166 (MYR 6,275)	No significant difference in terms for related parties	1.78%
		REDWOOD FURNITURE SDN. BHD.	3	Accounts payables	226,690 (MYR32,952)	No significant difference in terms for related parties	9.36%
		REDWOOD PROJECTS SDN. BHD.	3	Sales revenue and purchase	7,374 (SGD 314)	By Redwood Interior Pte. Ltd. transfer pricing policy	0.65%
		REDWOOD (SHANGHAI) PTE LTD	3	Accounts receivables	9,018 (SGD 377)	No significant difference in terms for related parties	0.37%
		REDWOOD (SHANGHAI) PTE LTD	3	Sales revenue and purchase	8,918 (SGD 377)	By Redwood Interior Pte. Ltd. transfer pricing policy	0.79%
		REDWOOD PROJECTS FRANCE S.A.S	3	Other payables	5,273 (SGD 152)	No significant difference in terms for related parties	0.22%
		REDWOOD PROJECTS FRANCE S.A.S	3	Administrative expense	5,245 (SGD 152)	By Redwood Interior Pte. Ltd. transfer pricing policy	0.46%
		REDWOOD PROJECTS US INC.	3	Other receivables	11,247 (SGD 470)	By Redwood Interior Pte. Ltd. transfer pricing policy	0.46%
		REDWOOD PROJECTS US INC.	3	Sales revenue and purchase	108,786 (SGD 4,578)	By Redwood Interior Pte. Ltd. transfer pricing policy	9.59%
		REDWOOD PROJECTS JAPAN K.K.	3	Sales revenue and purchase	14,722 (SGD 618)	By Redwood Interior Pte. Ltd. transfer pricing policy	1.30%
		REDWOOD PROJECTS JAPAN K.K.	3	Other receivables / Accounts payable	10,785 (SGD 451)	By Redwood Interior Pte. Ltd. transfer pricing policy	0.45%
		REDWOOD PROJECTS AUSTRALIA PTY LTD	3	Other receivables	6,583 (AUD 306)	By Redwood Interior Pte. Ltd. transfer pricing policy	0.27%
		REDWOOD GROUP LTD	2	Dividends payable and other receivables	140,324 (SGD 5,866)	No significant difference in terms for related parties	5.79%

No.	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
2	REDWOOD FURNITURE SDN BHD	REDWOOD PROJECTS SDN BHD	3	Sales revenue and purchase	28,236 (MYR 4,202)	By Redwood Interior Pte. Ltd. transfer pricing policy	2.49%
		REDWOOD PROJECTS SDN BHD	3	Other receivables	21,772 (MYR 3,165)	By Redwood Interior Pte. Ltd. transfer pricing policy	0.90%
		REDWOOD INTERIOR PTE LTD	3	Dividends payable and other receivables	82,553 (MYR12,000)	No significant difference in terms for related parties	3.41%
3	REDWOOD PROJECTS SDN BHD	REDWOOD INTERIOR PTE LTD	3	Dividends payable and other receivables	57,787 (MYR 8,400)	No significant difference in terms for related parties	2.39%

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 SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 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	\$ 1,033,370	\$ 58,152	\$ 58,152	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	462,871	20,155	20,155	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	69,904	17,311	17,311	Second-tier subsidiary
	Redwood Projects Korea Co., Ltd.	Korea	Decoration of global advanced boutique brand store	- (KRW -)	11,160 (KRW 400,000)	-	-	-	(366)	(366)	Second-tier subsidiary
	Redwood Projects France S.A.S.	France	Decoration of global advanced boutique brand store	21,233 (EUR 600)	21,233 (EUR 600)	600,000	100	22,350	389	389	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	12,741	7	7	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	56,041	2,073	2,073	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	2,099	59	59	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	9,049	(1,913)	(1,913)	Second-tier subsidiary
	Redwood Specialities 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	49,964	27,683	27,683	Second-tier subsidiary
	Redwood (Thailand) Co., Ltd	Thailand	Decoration of global advanced boutique brand store	3,097 (THB 3,500)	- (THB -)	35,000	100	4,256	1,150	1,150	Second-tier subsidiary
	Redwood Projects Australia Pty Ltd	Australia	Decoration of global advanced boutique brand store	3,209 (AUD 149)	- (AUD -)	149,000	100	5,204	1,979	1,979	Second-tier subsidiary
	PT Redwood Projects Indonesia	Indonesia	Decoration of global advanced boutique brand store	20,179 (IDR 9,990,000)	- (IDR -)	9,900	99.9	19,819	(35)	(35)	Second-tier subsidiary
Redwood Furniture Sdn. Bhd.	Redwood Specialities India Private Limited	India	Decoration of global advanced boutique brand store	- (INR 0.01)	- (INR 0.01)	1	0.01	-	27,683	-	Second-tier subsidiary
	PT Redwood Projects Indonesia	Indonesia	Decoration of global advanced boutique brand store	21 (IDR 10,000)	- (IDR -)	10	0.1	21	(35)	-	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\$23.92; MYR1=NT\$6.8794; EUR1=NT\$34.7103; JPY1=NT\$0.2009; US\$1=NT\$32.2920; VND1=NT\$0.0012; PHP1=NT\$0.5549; INR1=NT\$0.3899; THB1=NT\$0.8874; AUD1=NT\$21.5208; IDR1=NT\$0.0020 as of June 30, 2024.

REDWOOD GROUP LTD AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR SIX MONTHS ENDED JUNE 30, 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 June 30, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of June 30, 2024	Accumulated Repatriation of Investment Income as of June 30, 2024
					Outward	Inward						
Redwood (Shanghai) Pte. Ltd.	Decoration of global advanced boutique brand store	\$ 24,486 (US\$ 825)	Established by 100% direct investment by Redwood Interior Pte. Ltd.	\$ -	\$ -	\$ -	\$ -	(\$ 8,111)	100%	(\$ 8,111)	\$ 28,695	\$ -

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 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 SIX MONTHS ENDED JUNE 30, 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.