

**Redwood Group Ltd and Subsidiaries**

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

**As of September 30,2024 and 2023  
And For The Nine-month Period Then Ended  
(Stock Code:8426)**

## REVIEW REPORT OF INDEPENDENT AUDITORS

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 September 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"). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Account Standard 34 "Interim Financial Reporting" as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### Scope of Review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of September 30, 2024 and 2023, and their consolidated financial performance and cash flows for the nine-month periods then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Li-Huang Lee

Zong-Yuan Cai

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

November 11, 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 SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023 (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6 and 26 )	\$ 384,856	16	\$ 335,989	15	\$ 276,205	11
Contract assets - current (Note 20)	281,963	12	293,641	13	365,214	15
Trade receivables (Notes 8, 20 and 26)	377,698	16	438,910	19	519,949	21
Other receivables (Notes 8 and 26)	8,643	1	12,863	1	5,006	-
Other receivables from related parties (Notes 8, 26 and 27)	127	-	70	-	75	-
Current tax assets (Note 22)	2,248	-	-	-	11,909	-
Inventories (Note 9)	119,773	5	128,035	5	140,381	6
Prepayments (Notes 13)	123,404	5	50,065	2	106,432	4
Other current assets (Note 13)	<u>5,856</u>	<u>-</u>	<u>6,706</u>	<u>-</u>	<u>4,687</u>	<u>-</u>
Total current assets	<u>1,304,568</u>	<u>55</u>	<u>1,266,279</u>	<u>55</u>	<u>1,429,858</u>	<u>57</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income - non-current (Notes 7 and 26)	48,019	2	45,241	2	37,868	2
Property, plant and equipment (Notes 11 and 28)	953,835	40	912,660	39	932,768	37
Right-of-use assets (Notes 12 and 28)	42,225	2	41,754	2	42,984	2
Deferred tax assets (Note 4 and 22)	11,986	-	26,496	1	28,335	1
other non-current assets (Notes 13, 26 and 29)	<u>14,454</u>	<u>1</u>	<u>16,699</u>	<u>1</u>	<u>18,987</u>	<u>1</u>
Total non-current assets	<u>1,070,519</u>	<u>45</u>	<u>1,042,850</u>	<u>45</u>	<u>1,060,942</u>	<u>43</u>
<b>TOTAL</b>	<u>\$ 2,375,087</u>	<u>100</u>	<u>\$ 2,309,129</u>	<u>100</u>	<u>\$ 2,490,800</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Note 14, 24 and 26)	\$ -	-	\$ 34,935	1	\$ 35,295	1
Contract liabilities-current (Note 20)	269,160	11	191,763	8	477,538	19
Trade payables (Notes 15 and 26)	153,865	6	155,618	7	227,194	9
Trade payables to related parties (Notes 15, 26 and 27)	1,760	-	1,257	-	4,785	-
Other payables (Notes 16 and 26)	164,093	7	176,228	8	124,294	5
Current tax liabilities (Note 22)	13,692	1	34,291	1	31,228	1
Provision - current (Note 17)	32,573	1	42,752	2	24,646	1
Lease liabilities - current (Note 12, 24 and 26)	591	-	994	-	1,167	-
Current portion of long-term borrowings (Note 14, 24 and 26)	74,182	3	88,750	4	90,225	4
Other current liabilities (Note 16)	<u>12,918</u>	<u>1</u>	<u>15,729</u>	<u>1</u>	<u>15,501</u>	<u>1</u>
Total current liabilities	<u>722,834</u>	<u>30</u>	<u>742,317</u>	<u>32</u>	<u>1,031,873</u>	<u>41</u>

NON-CURRENT LIABILITIES

Long-term borrowings (Note 14, 24 and 26)	460,366	19	474,433	20	501,703	20
Deferred tax liabilities (Note 22)	13,455	1	16,451	1	10,093	1
Lease liabilities - non-current (Note 12, 24 and 26)	<u>136</u>	<u>-</u>	<u>448</u>	<u>-</u>	<u>651</u>	<u>-</u>
Total non-current liabilities	<u>473,957</u>	<u>20</u>	<u>491,332</u>	<u>21</u>	<u>512,447</u>	<u>21</u>

Total liabilities	<u>1,196,791</u>	<u>50</u>	<u>1,233,649</u>	<u>53</u>	<u>1,544,320</u>	<u>62</u>
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EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)

Share capital - ordinary shares	<u>502,425</u>	<u>21</u>	<u>502,425</u>	<u>22</u>	<u>502,425</u>	<u>20</u>
Capital surplus	<u>293,911</u>	<u>12</u>	<u>293,911</u>	<u>13</u>	<u>293,911</u>	<u>12</u>
Retained earnings						
Special reserve	347,096	15	252,393	11	252,393	10
Unappropriated earnings	<u>237,809</u>	<u>10</u>	<u>357,396</u>	<u>15</u>	<u>211,952</u>	<u>9</u>
Total retained earnings	<u>584,905</u>	<u>25</u>	<u>609,789</u>	<u>26</u>	<u>464,345</u>	<u>19</u>

Other equity

Exchange differences on translation of foreign financial statements	( 129,277)	( 5)	( 256,977)	( 11)	(232,675 )	( 10)
Unrealized loss on financial assets of fair value through other comprehensive income	<u>( 73,668)</u>	<u>( 3)</u>	<u>( 73,668)</u>	<u>( 3)</u>	<u>( 81,526)</u>	<u>( 3)</u>
Total other equity	<u>( 202,945)</u>	<u>( 8)</u>	<u>( 330,645)</u>	<u>( 14)</u>	<u>( 314,201)</u>	<u>( 13)</u>

Total equity attributable to owners of the Company	<u>1,178,296</u>	<u>50</u>	<u>1,075,480</u>	<u>47</u>	<u>946,480</u>	<u>38</u>
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TOTAL	<u>\$ 2,375,087</u>	<u>100</u>	<u>\$ 2,309,129</u>	<u>100</u>	<u>\$ 2,490,800</u>	<u>100</u>
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The accompanying notes are an integral part of the consolidated financial statements.

## REDWOOD GROUP LTD AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three months Ended September 30				For the Nine months Ended September 30			
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Note 20)								
Construction revenue	\$ 730,223	100	\$ 780,787	100	\$ 1,864,484	100	\$ 1,905,094	100
OPERATING COSTS (Note 9, 21 and 27)								
Construction costs	( 493,910)	( 68)	( 550,373)	(70)	( 1,286,393)	( 69)	( 1,335,954)	(70)
GROSS PROFIT	<u>236,313</u>	<u>32</u>	<u>230,214</u>	<u>30</u>	<u>578,091</u>	<u>31</u>	<u>569,140</u>	<u>30</u>
OPERATING EXPENSES (Notes 21 and 27)								
Selling and marketing expenses	( 4,304)	-	( 5,040)	(1)	( 1,089)	( 1)	( 15,176)	(1)
General and administrative expenses	( 130,854)	( 18)	( 122,641)	(16)	( 385,442)	( 21)	( 328,507)	(17)
Expected credit (loss) gain	<u>2,653</u>	<u>-</u>	( 1,405)	-	( 1,016)	-	<u>23</u>	-
Total operating expenses	( 132,505)	( 18)	( 129,086)	(17)	( 396,547)	( 22)	( 343,660)	(18)
PROFIT FROM OPERATIONS	<u>103,808</u>	<u>14</u>	<u>101,128</u>	<u>13</u>	<u>181,544</u>	<u>9</u>	<u>225,480</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 27)								
Interest income	395	-	107	-	899	-	308	-
Other income	7,495	1	3,107	-	12,843	1	7,223	1
Other gains and losses	(22,787)	( 3)	(2,625)	-	(21,898)	(1)	(937)	-
Finance costs	( 4,969)	-	( 4,989)	(1)	( 13,614)	(1)	( 14,758)	(1)
Total non-operating income and expenses	( 19,866)	( 2)	(4,400)	(1)	(21,770)	(1)	(8,164)	-
PROFIT BEFORE INCOME TAX	83,942	12	96,728	12	159,774	8	217,316	12
INCOME TAX EXPENSE (Note 22)	( 28,900)	( 4)	( 8,812)	(1)	( 59,052)	(3)	( 33,730)	(2)
NET PROFIT FOR THE YEAR	<u>55,042</u>	<u>8</u>	<u>87,916</u>	<u>11</u>	<u>100,722</u>	<u>5</u>	<u>183,586</u>	<u>10</u>
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)	(1)
Exchange differences arising on translation to the presentation currency	35,985	5	391	-	81,421	4	( 23,507)	(1)

(Continued)

## REDWOOD GROUP LTD AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three months Ended September 30				For the Nine months Ended September 30			
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statement of foreign operations	<u>38,291</u>	<u>5</u>	<u>21,269</u>	<u>3</u>	<u>46,279</u>	<u>3</u>	<u>17,938</u>	<u>1</u>
Other comprehensive income (loss) for the year, net of income tax	<u>74,276</u>	<u>10</u>	<u>21,660</u>	<u>3</u>	<u>127,700</u>	<u>7</u>	<u>(16,874)</u>	<u>( 1)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>\$ 129,318</u>	<u>18</u>	<u>\$ 109,576</u>	<u>14</u>	<u>\$ 228,422</u>	<u>12</u>	<u>\$ 166,712</u>	<u>9</u>
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	<u>\$ 55,042</u>	<u>8</u>	<u>\$ 87,916</u>	<u>11</u>	<u>\$ 100,722</u>	<u>5</u>	<u>\$ 183,586</u>	<u>10</u>
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:								
Owners of the Company	<u>\$ 129,318</u>	<u>18</u>	<u>\$ 109,576</u>	<u>14</u>	<u>\$ 228,422</u>	<u>12</u>	<u>\$ 166,712</u>	<u>9</u>
EARNINGS PER SHARE (Note 23)								
Basic	<u>\$ 1.09</u>		<u>\$ 1.75</u>		<u>\$ 2.00</u>		<u>\$ 3.65</u>	
Diluted	<u>\$ 1.09</u>		<u>\$ 1.75</u>		<u>\$ 2.00</u>		<u>\$ 3.65</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 NINE MONTHS ENDED SEPTEMBER 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	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2023	\$ 502,425	\$ 293,911	\$ 252,393	\$ 28,366	(\$ 227,106)	(\$ 70,221)	\$ 779,768
Net profit for the period ended September 30, 2023	-	-	-	183,586	-	-	183,586
Other comprehensive income (loss) for the period ended September 30, 2023, net of income tax	-	-	-	-	( 5,569)	( 11,305)	( 16,874)
Total comprehensive income (loss) for the period ended September 30, 2023	-	-	-	183,586	( 5,569)	( 11,305)	166,712
<b>BALANCE AT SEPTEMBER 30, 2023</b>	<b>\$ 502,425</b>	<b>\$ 293,911</b>	<b>\$ 252,393</b>	<b>\$ 211,952</b>	<b>(\$ 236,675)</b>	<b>(\$ 81,526)</b>	<b>\$ 946,480</b>
BALANCE AT JANUARY 1, 2024	\$ 502,425	\$ 293,911	\$ 252,393	\$ 357,396	(\$ 256,977)	(\$ 73,668)	\$1,075,480
Appropriation of 2023 earnings							
Special reserver	-	-	94,703	( 94,703)	-	-	-
Cash dividend distributed by the Company	-	-	-	(125,606)	-	-	(125,606)
Net loss for the period ended September 30, 2024	-	-	-	100,722	-	-	100,722
Other comprehensive income(loss) for the period ended September 30, 2024, net of income tax	-	-	-	-	127,700	-	127,700
Total comprehensive income(loss) for the period ended September 30, 2024	-	-	-	100,722	127,700	-	127,700
<b>BALANCE AT SEPTEMBER 30, 2024</b>	<b>\$ 502,425</b>	<b>\$ 293,911</b>	<b>\$ 347,096</b>	<b>\$ 237,809</b>	<b>(\$ 129,277)</b>	<b>(\$ 73,668)</b>	<b>\$ 1,178,296</b>

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

## REDWOOD GROUP LTD AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ 159,774	\$217,316
Adjustments for:		
Depreciation expenses	69,212	70,446
Expected credit loss recognized (reversed) on trade receivables	1,016	( 23)
Finance costs	13,614	14,758
Interest income	( 899)	( 308)
Disposal of investment loss	2,998	-
Write-downs (reversed) of inventories	5,745	2,154
Loss(Gain) on disposal of property, plant and equipment	59	( 1,962)
Recognition of provision	20,290	18,845
Net (gain) loss on foreign currency exchange	4,881	( 7,438)
Changes in operating assets and liabilities		
Contracts assets	11,678	( 46,476)
Trade receivables	59,590	( 242,082)
Other receivables	4,163	( 2,781)
Inventories	( 1,210)	( 47,600)
Prepayments	( 73,339)	( 48,995)
Other current assets	850	( 3,724)
Contracts liabilities	77,397	29,950
Trade payables	( 1,250)	68,512
Other payables	( 8,413)	12,834
Provisions	( 33,268)	( 16,782)
Other current liabilities	( 2,811)	( 701)
Cash generated from operations	310,077	15,743
Interest paid	( 15,187)	( 15,188)
Income taxes paid	( 63,168)	( 10,287)
Net cash generated from operating activities	<u>231,722</u>	<u>( 9,732)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets measured at fair value through other comprehensive profit or loss	\$ -	(\$ 15,642)
Payments for property, plant and equipment	( 32,764)	( 48,869)
Decrease (Increase) in refundable deposits	706	( 437)
Disposal of investment	( 2,998)	-
Proceeds from disposal of property, plant and equipment	1,948	2,717
Interest received	<u>899</u>	<u>308</u>
Net cash used in investing activities	<u>( 32,209)</u>	<u>( 61,923)</u>

(Continued)

## REDWOOD GROUP LTD AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	Nine Months Ended September 30,2024	Nine Months Ended September 30,2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	( 35,210)	-
Proceeds from long-term borrowings	5,382	-
Repayments of long-term borrowings	( 68,845)	( 47,731)
Distributed cash dividend	( 125,606)	-
Repayment of the principal portion of lease liabilities	( 832)	( 886 )
Net cash generated from financing activities	( 225,111)	( 44,617)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>74,465</u>	<u>1,368</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	48,867	( 114,904)
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>\$ 384,856</u>	<u>\$ 276,205</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 NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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#### 1. GENERAL INFORMATION

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

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

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

#### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 11, 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 into effect by the FSC.

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

- b. The IFRSs approved by the Financial Supervisory Commission (FSC) applicable in 2024

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

Note: 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 it's expected to affect its results of operations, financial position and cash flows.

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

New IFRSs	Effective Date Announced by IASB (Note)
“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
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 : 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.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

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.

Classification of current and non-current assets and liabilities

Current assets include:

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

Current liabilities include:

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

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

Taxation

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

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

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

### Key Sources of Estimation Uncertainty

#### Construction contracts

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

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

## 6. CASH AND CASH EQUIVALENTS

	September 30 2024	December 31 2023	September 30 2023
Cash on hand	\$ 776	\$ 798	\$ 4,172
Checking accounts and demand deposits	322,613	335,191	272,033
Deposit	<u>61,467</u>	<u>-</u>	<u>-</u>
	<u>\$ 384,856</u>	<u>\$ 335,989</u>	<u>\$ 276,205</u>

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

### Investments in Equity Instruments at FVTOCI

	September 30 2024	December 31 2023	September 30 2023
<u>Non-current</u>			
Foreign investments			
Unlisted shares	<u>\$ 48,019</u>	<u>\$ 45,241</u>	<u>\$ 37,868</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

	September 30 2024	December 31 2023	September 30 2023
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 386,335	\$ 445,926	\$ 525,132
Less: Allowance for impairment loss	( 8,637)	( 7,016)	( 5,183)
	<u>\$ 377,698</u>	<u>\$ 438,910</u>	<u>\$519,949</u>
<u>Other receivables</u>			
Other receivables	<u>\$ 8,643</u>	<u>\$ 12,863</u>	<u>\$ 5,006</u>
Other receivables from related parties	<u>\$ 127</u>	<u>\$ 70</u>	<u>\$ 75</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.

September 30, 2024

	<b>Less than 60 Days</b>	<b>61 to 180 Days</b>	<b>181 to 360 Days</b>	<b>361 to 720 Days</b>	<b>Over 721 Days</b>	<b>Total</b>
Expected credit loss rate	0%-0.1%	0%-1.15%	0%-10.47%	0%-100%	100%	
Gross carrying amount	\$ 283,451	\$ 42,830	\$ 42,293	\$ 12,194	\$ 5,567	\$ 386,335
Loss allowance (Lifetime ECL)	( 135 )	( 259 )	( 323 )	( 2,353 )	( 5,567 )	( 8,637 )
Amortized cost	<u>\$ 283,316</u>	<u>\$ 42,571</u>	<u>\$ 41,970</u>	<u>\$ 9,841</u>	<u>\$ -</u>	<u>\$ 377,698</u>

December 31, 2023

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

September 30, 2023

	<b>Less than 60 Days</b>	<b>61 to 180 Days</b>	<b>181 to 360 Days</b>	<b>361 to 720 Days</b>	<b>Over 721 Days</b>	<b>Total</b>
Expected credit loss rate	0%-0.1%	0%-0.96%	0%-1.114%	4.33%-60.29%	100%	
Gross carrying amount	\$ 346,448	\$ 138,782	\$ 30,342	\$ 7,682	\$ 1,878	\$ 525,132
Loss allowance (Lifetime ECL)	( 196 )	( 294 )	( 73 )	( 2,742 )	( 1,878 )	( 5,183 )
Amortized cost	<u>\$ 346,252</u>	<u>\$ 138,488</u>	<u>\$ 30,269</u>	<u>\$ 4,940</u>	<u>\$ -</u>	<u>\$ 519,949</u>

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

	<b>Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 7,016	\$ 5,098
Less: Reverse net remeasurement of loss allowance	1,016	( 23 )
Foreign exchange gains and losses	605	108
Balance at September 30	<u>\$ 8,637</u>	<u>\$ 5,183</u>

**9. INVENTORIES**

	<b>September 30</b>	<b>December 31</b>	<b>September 30</b>
	<b>2024</b>	<b>2023</b>	<b>2023</b>
Raw materials	<u>\$ 119,773</u>	<u>\$ 128,035</u>	<u>\$ 140,381</u>

The nature of cost of goods sold is as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Cost of good sold	\$ 492,801	\$ 550,123	\$1,280,648	\$1,333,800
Write-downs of inventories	<u>1,109</u>	<u>450</u>	<u>5,745</u>	<u>2,154</u>
	<u>\$ 493,910</u>	<u>\$ 550,573</u>	<u>\$ 1,286,393</u>	<u>\$ 1,335,954</u>

## 10. SUBSIDIARIES

### Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Description	Remark
			September 30	December 31	September 30		
			2024	2023	2023		
Redwood Ltd.	Group 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 Pte. Ltd.	Interior 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 Pte. Ltd.	Interior Redwood (Shanghai) Pte. Ltd.	Decoration of global advanced boutique brand store	100	100	100	Established by 100% direct or indirect investment in February 2012.	(1)
Redwood Pte. Ltd.	Interior Redwood Projects Sdn. Bhd.	Decoration of global advanced boutique brand store	100	100	100	Established by 100% direct or indirect investment in November 2012.	(1)
Redwood Pte. Ltd.	Interior Redwood Projects Korea Co., Ltd.	Decoration of global advanced boutique brand store	-	100	100	Established by 100% direct or indirect investment in June 2017,	(2)
Redwood Pte. Ltd.	Interior 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 Pte. Ltd.	Interior 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 Pte. Ltd.	Interior Redwood Projects US Inc.	Decoration of global advanced boutique brand store	100	100	100	Established by 100% direct or indirect investment in October 2018,	(1)
Redwood Pte. Ltd.	Interior Redwood (Vietnam) Limited	Projects Decoration of global advanced boutique brand store	100	100	100	Established by 100% direct or indirect investment in September 2020.	(1)
Redwood Pte. Ltd.	Interior Redwood Philippines Inc.	Projects Decoration of global advanced boutique brand store	100	100	100	Established by 100% direct or indirect investment in December 2020.	(1)

Redwood Pte. Ltd.	Interior	Redwood India Private Limited	Specialities	Decoration of global advanced boutique brand store	99.99	99.99	99.99	Established by 100% direct or indirect investment in November 2022.	(1)
Redwood Pte. Ltd.	Interior	Redwood (Thailand) LTD	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 Pte. Ltd.	Interior	Redwood Ltd	Australia Pty	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 Pte. Ltd.	Interior	Redwood Indonesia	Projects	Decoration of global advanced boutique brand store	99.9	-	-	Established by 100% direct or indirect investment in May 2024.	(1)
Redwood Sdn. Bhd	Furniture	Redwood India Private Limited	Specialities	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 Sdn. Bhd	Furniture	Redwood Indonesia	Projects	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 consolidated 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

	September 30 2024	December 31 2023	September 30 2023
Land	\$ 35,881	\$ 31,095	\$ 31,977
Buildings	751,369	716,313	732,967
Machinery	144,866	141,429	143,815
Transportation Equipment	6,052	3,881	4,478
Other Equipment	13,825	17,896	14,994
Construction in Progress	<u>1,842</u>	<u>2,046</u>	<u>4,537</u>
	<u>\$ 953,835</u>	<u>\$ 912,660</u>	<u>\$ 932,768</u>

No impairment assessment was performed for the nine months ended September 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

	September 30 2024	December 31 2023	September 30 2023	
<u>Carrying amounts</u>				
Land access	\$ 41,530	\$ 40,385	\$ 41,225	
Buildings	<u>695</u>	<u>1,369</u>	<u>1,759</u>	
	<u>\$ 42,225</u>	<u>\$ 41,754</u>	<u>\$ 42,984</u>	
<u>Depreciation change for right of use assets</u>				
	Three Months Ended September 30		Nine months Ended September 30	
	2024	2023	2024	2023
Additions for right of use assets			\$ -	\$ 1,957
Depreciation change for right of use assets				
Buildings	\$ 441	\$ 423	\$ 1,294	\$ 1,247
Office equipment	<u>196</u>	<u>474</u>	<u>755</u>	<u>871</u>
	<u>\$ 637</u>	<u>\$ 897</u>	<u>\$ 2,049</u>	<u>\$ 2,118</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 nine months period ended September 30, 2024 and 2023.

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

### b. Lease liabilities

	September 30 2024	December 31 2023	September 30 2023
<u>Carrying amounts</u>			
Current	<u>\$ 591</u>	<u>\$ 994</u>	<u>\$ 1,167</u>
Non-current	<u>\$ 136</u>	<u>\$ 448</u>	<u>\$ 651</u>

Range of discount rate for lease liabilities was as follows:

	September 30 2024	December 31 2023	September 30 2023
Land	4.32%	4.32%	4.32%
Buildings	4.09%~4.32%	4.09%~4.32%	4.09%~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 September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term leases expenses	<u>\$ 8,604</u>	<u>\$ 2,635</u>	<u>\$ 25,031</u>	<u>\$ 6,954</u>
Expenses relating to low-value asset leases	<u>\$ 342</u>	<u>\$ 342</u>	<u>\$ 1,001</u>	<u>\$ 999</u>
Total cash outflow for leases			<u>(\$ 26,834)</u>	<u>(\$ 8,839)</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

	September 30	December 31	September 30
	2024	2023	2023
<u>Current</u>			
Prepayments - goods	\$ 98,609	\$ 32,112	\$ 82,030
Prepayments - expenses	21,033	17,337	22,311
Other prepayments	<u>3,762</u>	<u>616</u>	<u>2,091</u>
	<u>\$ 123,404</u>	<u>\$ 50,065</u>	<u>\$ 106,432</u>
Other current assets	<u>\$ 5,856</u>	<u>\$ 6,706</u>	<u>\$ 4,687</u>
<u>Non-current</u>			
Prepaid equipment	\$ 6,833	\$ 8,372	\$ 12,032
Refundable deposits	<u>7,621</u>	<u>8,327</u>	<u>6,955</u>
	<u>\$ 14,454</u>	<u>\$ 16,699</u>	<u>\$ 18,987</u>

14. BORROWINGS

a. Short-term borrowings

	September 30	December 31	September 30
	2024	2023	2023
<u>Secured borrowings (Note 28)</u>			
Line of credit borrowing	<u>\$ -</u>	<u>\$ 34,935</u>	<u>\$ 35,295</u>

The range of weighted average effective interest rate on bank loans was 6.36% per annum as of December 31, 2023 and September 30, 2023.

b. Long-term borrowings

	September 30	December 31	September 30
	2024	2023	2023
<u>Secured borrowings (Note 28)</u>			
Bank loans*	\$ 534,548	\$ 563,183	\$ 591,928
Less: Current portion	<u>( 74,182)</u>	<u>( 88,750)</u>	<u>( 90,225)</u>
Long-term borrowings	<u>\$ 460,366</u>	<u>\$ 474,433</u>	<u>\$ 501,703</u>

\* As of September 30, 2024, December 31, 2023 and September 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

	September 30 2024	December 31 2023	September 30 2023
<u>Current</u>			
Other payables			
Payable for salaries or bonuses	\$ 80,314	\$ 86,438	\$ 49,973
Payable for directors and employee compensation	1,040	3,314	-
Payable for purchase of equipment	5,864	7,983	5,808
Payable for utilities	5,353	4,149	4,590
Payable for provident fund	4,462	3,780	4,912
Payable for professional service fees	1,643	1,946	1,218
Payable for shipping expenses	41,018	45,889	23,729
Payable for tax	4,600	2,313	4,020
Payable for interest expenses	-	1,603	1,054
Others	<u>19,799</u>	<u>18,813</u>	<u>28,990</u>
	<u>\$ 164,093</u>	<u>\$ 176,228</u>	<u>\$ 124,294</u>
Deferred Income			
Government Grants	\$ 11,362	\$ 13,114	\$ 15,176
Others	<u>\$ 1,556</u>	<u>\$ 2,615</u>	<u>\$ 325</u>
	<u>\$ 12,918</u>	<u>\$ 15,729</u>	<u>\$ 15,501</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

	September 30 2024	December 31 2023
<u>Current</u>		
Warranty liabilities	<u>\$ 32,573</u>	<u>\$ 42,752</u>
<b>Nine-month Period Ended September 30</b>		
	2024	2023
Balance at January 1	\$ 42,752	\$ 21,975
Additional provisions recognized	20,290	18,845
Amount used	( 33,268)	( 16,782)
Effect of foreign currency exchange differences	<u>2,799</u>	<u>6,080</u>
Balance at September 30	<u>\$ 32,573</u>	<u>\$ 24,646</u>

## 18. RETIREMENT BENEFIT PLANS

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

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

## 19. EQUITY

### a. Share capital

#### Ordinary shares

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

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

### b. Capital surplus

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

	<b>September 30</b>	<b>December 31</b>	<b>September 30</b>
	<b>2024</b>	<b>2023</b>	<b>2023</b>
Issuance of ordinary shares	<u>\$ 293,911</u>	<u>\$ 293,911</u>	<u>\$ 293,911</u>

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

### c. Retained earnings and dividend policy

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

1) No less than 0.2% as employees' bonus;

2) No more than 5% as directors' bonus; and

3) No less than 20% as members' dividends, provided that cash dividends shall not be less than 10% of the total amount of dividends.

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

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

The 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:

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

d. Special reserve

	<b>Six-month Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$252,393	\$252,393
Appropriations in respect of		
Debits to other equity items	<u>94,703</u>	<u>-</u>
Balance at September 30	<u>\$347,096</u>	<u>\$252,393</u>

e. Other equity items

Exchange differences on translation of foreign financial statements

	<b>Nine months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	(\$256,977)	(\$227,106)
Recognized for the year		
Exchange differences on translating the financial statement of foreign operations	46,279	17,938
Express currency conversion differences	<u>81,421</u>	<u>(23,507)</u>
Balance at September 30	<u>(\$129,277)</u>	<u>(\$232,675)</u>

Unrealized valuation gain or loss on financial assets at FVTOCI

	<b>Nine months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	(\$ 73,668)	(\$ 70,221)
Recognized for the year		
Unrealized gain or loss - equity instruments	<u>-</u>	<u>( 11,305)</u>
Balance at September 30	<u>(\$ 73,668)</u>	<u>(\$ 81,256)</u>

**20. REVENUE**

	<b>Three Month Ended September 30</b>		<b>Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Revenue from contracts with customers				
Construction contract revenue	<u>\$ 730,223</u>	<u>\$ 780,7872</u>	<u>\$ 1,864,484</u>	<u>\$1,905,0941</u>

a. Contract information

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

b. Contract balances

	<b>September 30 2024</b>	<b>December 31 2023</b>	<b>September 30 2023</b>
Trade receivables (Note 8)	<u>\$ 377,698</u>	<u>\$ 438,910</u>	<u>\$ 519,949</u>
Contract assets			
Retentions receivable	\$ 51,472	\$ 63,133	\$ 47,830
Decoration project	<u>230,491</u>	<u>230,508</u>	<u>317,384</u>
Contract assets - current	<u>\$ 281,963</u>	<u>\$ 293,641</u>	<u>\$ 365,214</u>
Contract liabilities			
Decoration project	<u>\$ 269,160</u>	<u>\$ 191,763</u>	<u>\$ 477,538</u>

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

	<b>September 30 2024</b>	<b>December 31 2023</b>	<b>September 30 2023</b>
Expected credit loss rate	0.10%	0.2%	0.1%
Gross carrying amount	\$ 281,963	\$ 293,641	\$ 365,214
Allowance for impairment loss (Lifetime ECLs)	-	-	-
	<u>\$ 281,963</u>	<u>\$ 293,641</u>	<u>\$ 365,214</u>

c. Disaggregation of revenue

	<b>Three Month Ended September 30</b>		<b>Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Asia	\$ 437,957	\$ 531,620	\$ 1,158,975	\$ 1,330,448
The Middle East	32,757	74,089	168,116	163,207
United States	258,143	160,323	526,809	383,755
Europe	1,366	14,755	10,584	27,644
	<u>\$ 730,223</u>	<u>\$ 780,787</u>	<u>\$ 1,864,484</u>	<u>\$ 1,905,094</u>

**21. NET INCOME (LOSS)**

a. Interest income

	<b>Three Months Ended September 30</b>		<b>Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest income				
Bank deposits	<u>\$ 395</u>	<u>\$ 107</u>	<u>\$ 899</u>	<u>\$ 308</u>

b. Other income

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Government grants	\$ 1,219	\$ 2,013	\$ 4,434	\$ 4,115
Others	<u>6,276</u>	<u>1,094</u>	<u>8,409</u>	<u>3,108</u>
	<u>\$ 7,495</u>	<u>\$ 3,107</u>	<u>\$ 12,843</u>	<u>\$ 7,223</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 \$247 thousand and \$189 thousand from January 1 to September 30, 2024 and 2023, respectively.
- 2) In order to elevate average salary and industry competitiveness, the Singapore government conducted “Wage Credit Scheme” starting from 2013 to invest small and medium business for salary raise. This program is part of public finance strategies of Singapore government to support business in transition period. The Company recognized subsidy revenue of \$1,149 thousand and \$317 thousand from January 1 to September 30, 2024 and 2023, respectively.
- 3) 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 \$2,459 thousand and \$2,396 thousand from January 1 to September 30, 2024 and 2023, respectively.
- 4) 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 \$579 thousand and \$1,213 thousand from January 1 to September 30, 2024 and 2023, respectively.

c. Other gains and losses

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Gain (Loss) on disposal of property, plant and equipment	(\$ 98)	(\$ 18)	(\$ 59)	\$ 1,962
Loss on disposal subsidiaries	-	-	( 2,998)	-
Net foreign exchange losses	( 21,783)	( 1,673)	( 16,149)	( 333)
Others	<u>( 906)</u>	<u>( 934)</u>	<u>( 2,692)</u>	<u>( 2,566)</u>
	<u>(\$ 22,787)</u>	<u>(\$ 2,625)</u>	<u>(\$ 21,898)</u>	<u>(\$ 937)</u>

d. Finance costs

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Interest on bank loans	\$ 4,961	\$ 4,961	\$ 13,584	\$ 14,712
Interest on lease liabilities	<u>8</u>	<u>28</u>	<u>30</u>	<u>46</u>
	<u>\$ 4,969</u>	<u>\$ 4,989</u>	<u>\$ 13,614</u>	<u>\$ 14,758</u>

e. Depreciation and amortization

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
An analysis of depreciation by function				
Operating costs	\$ 9,250	\$ 10,549	\$ 28,387	\$ 30,220
Operating expenses	<u>13,780</u>	<u>13,713</u>	<u>40,825</u>	<u>40,226</u>
	<u>\$ 23,030</u>	<u>\$ 24,262</u>	<u>\$ 69,212</u>	<u>\$ 70,446</u>

f. Employee benefits expense

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Post-employment benefits (Note 18)				
Defined contribution plan	\$ 7,348	\$ 8,640	\$ 30,646	\$ 23,950
Other employee benefits	<u>177,918</u>	<u>157,216</u>	<u>484,017</u>	<u>471,404</u>
	<u>\$ 185,266</u>	<u>\$ 165,856</u>	<u>\$ 514,663</u>	<u>\$ 495,354</u>
	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
An analysis of employee benefits expense by function				
Operating costs	\$ 86,455	\$ 79,610	\$ 240,039	\$ 252,270
Operating expenses	<u>98,811</u>	<u>86,246</u>	<u>274,624</u>	<u>243,084</u>
	<u>\$ 185,266</u>	<u>\$ 165,856</u>	<u>\$ 514,663</u>	<u>\$ 495,354</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 Company accrued employees' compensation and remuneration of directors for nine months ended September 30, 2024 and 2023 as following:

Accrued percentage

	Nine Months Ended September 30			
	2024	2023		
Employees' compensation	0.2%	0.2%		
Remuneration of directors	1.0%	2.0%		
<u>Amount</u>	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Employees' compensation	<u>\$ 97</u>	<u>\$ 163</u>	<u>\$ 173</u>	<u>\$ 327</u>
Remuneration of directors	<u>\$ 486</u>	<u>\$ 3,691</u>	<u>\$ 865</u>	<u>\$ 3,691</u>

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

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

	FY 2023	
	Employee compensation	Director remuneration
The amount determined by the board of directors	<u>\$ 672</u>	<u>\$ 3,294</u>
Amount recognized in annual financial report	<u>\$ 664</u>	<u>\$ 2,623</u>

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

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

h. Gains or losses on foreign currency exchange

	Three Months Ended September 30		Three Months Ended September 30	
	2024	2023	2024	2023
Foreign exchange gains	(\$ 5,634)	(\$ 4,681)	\$ -	\$ 718
Foreign exchange losses	( 16,149)	3,008	( 16,149)	( 1,051)
	<u>(\$21,783)</u>	<u>(\$ 1,673)</u>	<u>(\$ 16,149)</u>	<u>(\$ 333)</u>

## 22. INCOME TAX

a. Income tax recognized in profit or loss:

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
<u>Current tax</u>				
In respect of the current year	\$ 22,392	\$ 17,810	\$ 48,675	\$ 34,243
Adjustment for past year	-	-	( 358)	-
<u>Deferred tax</u>				
In respect of the current year	6,508	( 8,998)	10,735	( 513)
Income tax benefit recognized in profit or loss	<u>\$ 28,900</u>	<u>\$ 8,812</u>	<u>\$ 59,052</u>	<u>\$ 33,730</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 Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Basic earnings (loss) per share	<u>\$ 1.09</u>	<u>\$ 1.75</u>	<u>\$ 2.00</u>	<u>\$ 3.65</u>
Diluted earnings (loss) per share	<u>\$ 1.09</u>	<u>\$ 1.75</u>	<u>\$ 2.00</u>	<u>\$ 3.65</u>

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

**Net Profit for the Year**

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Profit used in the computation of basic earnings per share	<u>\$ 55,042</u>	<u>\$ 87,916</u>	<u>\$ 100,722</u>	<u>\$ 183,586</u>
Profit used in the computation of diluted earnings per share	<u>\$ 55,042</u>	<u>\$ 87,916</u>	<u>\$ 100,722</u>	<u>\$ 183,586</u>

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

	Three Months Ended September 30		Nine Months Ended September 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	<u>6</u>	<u>-</u>	<u>6</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>50,249</u>	<u>50,243</u>	<u>50,249</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**

Changes in liabilities arising from financing activities

For nine months ended September 30, 2024

	Opening Balance	Cash Flows	Non-cash Changes			Closing Balance
			New Leases	Interest Payment	Others	
Short-term borrowings	\$ 34,935	\$ (35,210)	\$ -	\$ -	\$ 275	\$ -
Long-term borrowings	563,183	( 63,463)	-	-	34,828	534,548
Lease liabilities (Note 12)	<u>1,442</u>	<u>( 832)</u>	<u>-</u>	<u>30</u>	<u>87</u>	<u>727</u>
	<u>\$ 599,560</u>	<u>(\$99,505)</u>	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ 35,190</u>	<u>\$ 535,275</u>

For nine months ended September 30, 2023

	Opening Balance	Cash Flows	Non-cash Changes			Closing Balance
			New Leases	Interest Payment	Others	
Short-term borrowings	\$ 34,320	\$ -	\$ -	\$ -	\$ 975	\$ 35,295
Long-term borrowings	620,026	( 43,731)	-	-	15,633	591,928
Long-term borrowings	<u>704</u>	<u>( 886)</u>	<u>1,957</u>	<u>46</u>	<u>( 3)</u>	<u>1,818</u>
	<u>\$ 655,050</u>	<u>(\$44,617)</u>	<u>\$ 1,957</u>	<u>\$ 46</u>	<u>\$ 16,605</u>	<u>\$ 629,041</u>

## 25. CAPITAL MANAGEMENT

The objectives, policies and procedures for capital risk management of the Group, and the composition of the Group's capital structure are the same as the 2023 consolidated financial report. For related explanations, please refer to Note 26 of the 2023 annual consolidated Financial Report.

## 26. FINANCIAL INSTRUMENTS

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

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

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

#### 1) Fair value hierarchy

September 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Unlisted shares	\$ -	\$ -	\$ 48,019	\$ 48,019

December 31, 2023

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

September 30, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Unlisted shares	\$ -	\$ -	\$ 37,868	\$ 37,868

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

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

For nine months ended September 30, 2024

	Financial Assets at FVTOCI Equity Instruments
<u>Financial assets</u>	
Balance at January 1, 2024	\$ 45,241
Net exchange difference	2,778
Balance at September 30, 2024	<u>\$ 48,019</u>

For nine months ended September 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	991
Balance at September 30, 2023	<u>\$ 37,868</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

	September 30 2024	December 31 2023	September 30 2023
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 778,945	\$ 796,159	\$ 808,190
Financial assets at FVTOCI			
Equity instruments	48,019	45,241	37,868
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	854,266	931,221	983,496

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, trade and other receivables, and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans, trade and other payables.

d. Financial risk management objectives and policies

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

1) Market risk

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

a) Foreign currency risk

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

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

Sensitivity analysis

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

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

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

	<b>Currency MYR's Impact</b>	
	<b>For Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Profit or loss	(\$ 2,173)	(\$ 3,039)

	<b>Currency USD's Impact</b>	
	<b>For Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Profit or loss	\$ 1,575	\$ 1,279

	<b>Currency EUR's Impact</b>	
	<b>For Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Profit or loss	\$ 145	\$ 445

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 :

	<b>September 30</b>	<b>December 31</b>	<b>September 30</b>
	<b>2024</b>	<b>2023</b>	<b>2023</b>
Fair value interest rate risk			
-financial liabilities	\$ 361,268	\$ 427,266	\$ 451,660
Cash flow interest rate risk			
-financial liabilities	173,280	170,852	175,563

Sensitivity analysis

If interest rates had been 0.5% higher and all other variables were held constant, the Group's pre-tax profit for nine months ended September 30, 2024 and 2023 would have decreased by \$650 thousand and \$658 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 September 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. 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.

September 30, 2024

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Trade payables	\$ 155,625	\$ -	\$ -
Lease liabilities	786	138	-
Other payables	164,093	-	-
Current portion of long-term borrowings	88,394	-	-
Long-term borrowings	<u>-</u>	<u>183,050</u>	<u>389,621</u>
	<u>\$ 408,898</u>	<u>\$ 183,188</u>	<u>\$ 389,621</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	156,875	-	-
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>\$ 471,344</u>	<u>\$ 191,028</u>	<u>\$ 373,505</u>

September 30, 2023

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Short-term borrowings	\$ 36,149	\$ -	\$ -
Trade payables	231,979	-	-
Lease liabilities	1,196	665	-
Other payables	124,294	-	-
Current portion of long-term borrowings	104,304	-	-
Long-term borrowings	<u>-</u>	<u>217,425</u>	<u>386,557</u>
	<u>\$ 497,922</u>	<u>\$ 218,090</u>	<u>\$ 386,557</u>

b) Financing facilities

	September 30 2024	December 31 2023	September 30 2023
<u>Unsecured bank overdraft facility:</u>			
Amount used	\$ -	\$ -	\$ -
Amount unused	<u>6,292</u>	<u>5,928</u>	<u>5,989</u>
	<u>\$ 6,292</u>	<u>\$ 5,928</u>	<u>\$ 5,989</u>
<u>Secured bank overdraft facility:</u>			
Amount used	\$ 534,548	\$ 598,118	\$ 627,223
Amount unused	<u>152,278</u>	<u>110,517</u>	<u>112,284</u>
	<u>\$ 686,826</u>	<u>\$ 708,635</u>	<u>\$ 739,507</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 September 30		For Nine Months Ended September 30	
	2024	2023	2024	2023
Related party in substance	\$ 5,282	\$ 8,038	\$ 11,587	\$ 20,475

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	September 30	December 31	September 30
		2024	2023	2023
Other receivables	Related party in substance	\$ 127	\$ 70	\$ 75

The outstanding trade receivables from related parties are unsecured. For nine months ended September 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	September 30	December 31	September 30
		2024	2023	2023
Trade payables	Related party in substance	\$ 1,760	\$ 1,257	\$ 4,785

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 September 30		For Nine Months Ended September 30	
		2024	2023	2024	2023
Other income	Related party in substance	\$ 509	\$ 473	\$ 1,474	\$ 1,408
Financial assets at fair value through other comprehensive income	Related party in substance	\$ -	\$ -	\$ -	\$ 15,642

### g. Compensation of key management personnel

	For Three Months Ended September 30		For Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 5,953	\$ 9,021	\$ 19,273	\$ 19,612
Post-employment benefits	219	197	654	576
	<u>\$ 6,172</u>	<u>\$ 9,218</u>	<u>\$ 19,927</u>	<u>\$ 20,188</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.

	September 30 2024	December 31 2023	September 30 2023
Land	\$ 35,881	\$ 31,095	\$ 31,977
Right-of-use - asset (land access)	41,530	40,385	41,225
Buildings	728,349	699,827	716,149
Equipments	<u>70,073</u>	<u>77,635</u>	<u>84,524</u>
	<u>\$ 875,833</u>	<u>\$ 848,942</u>	<u>\$ 873,875</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 September 30, 2022 and 2021 were as follows:

### Significant Commitments

As of September 30, 2024, December 31, 2023, and September 30, 2023, the Group signed a contractual commitment with the manufacturer for purchases of machinery and equipment amounting to approximately \$988 thousand, \$8,544 thousand and \$7,929 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:

September 30, 2024

**Unit: In Thousands for Currencies, Except Exchange Rates**

	<u>Foreign Currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
Monetary items			
USD	\$ 5,472	1.270 (USD:SGD)	\$ 171,785
EUR	826	1.431 (EUR:SGD)	29,223
AUD	5856	0.887 (AUD:SGD)	12,827
JPY	63,142	0.009 (JPY:SGD)	14,048
MYR	5,200	0.311 (MYR:SGD)	<u>39,924</u>
			<u>\$ 267,807</u>
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 668	1.270 (USD:SGD)	\$ 20,976
EUR	281	1.431(EUR:SGD)	9,970
EUR	156	4.608 (EUR:MYR)	5,529
SGD	298	6.068 (SGD:RMB)	7,369
MYR	33,506	0.311 (MYR:MYR)	257,260
JPY	38,966	0.009 (JPY:SGD)	<u>8,707</u>
			<u>\$ 309,811</u>

December 31, 2023

**Unit: In Thousands for Currencies, Except Exchange Rates**

	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<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	1.4592 (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>

September 30, 2023

**Unit: In Thousands for Currencies, Except Exchange Rates**

	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 4,714	1.35 (USD:SGD)	\$ 149,733
USD	181	4.642 (USD:MYR)	5,759
JPY	150,106	0.0092 (JPY:SGD)	32,494
EUR	1,539	1.441 (EUR:SGD)	<u>52,176</u>
			<u>\$ 240,162</u>
<u>Financial liabilities</u>			
Monetary items			
USD	589	1.35 (USD:SGD)	\$ 18,709
USD	376	4.642 (USD:MYR)	11,933
SGD	7,530	3.349 (SGD:MYR)	177,173
SGD	229	5.359 (SGD:RMB)	5,398
EUR	188	1.441 (EUR:SGD)	6,359
EUR	168	4.956 (EUR:MYR)	5,691
MYR	44,416	0.291 (MYR:SGD)	<u>303,915</u>
			<u>\$ 529,178</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 September 30**

Foreign Currency	2024		2023	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
SGD	(SGD:NTD)	(\$ 23,961)	(SGD:NTD)	(\$ 1,969)
MYR	(MYR:NTD)	2,776	(MYR:NTD)	198
RMB	(RMB:NTD)	( 417)	(RMB:NTD)	81
KRW	(KRW:NTD)	-	(KRW:NTD)	9
USD	(USD:NTD)	-	(USD:NTD)	( 54)
VND	(VND:NTD)	( 60)	(VND:NTD)	63
PHP	(PHP:NTD)	( 2)	(PHP:NTD)	( 1)
INR	(INR:NTD)	( 25)	(INR:NTD)	-
THB	(THB:NTD)	1	(THB:NTD)	-
AUD	(AUD:NTD)	( 95)	(AUD:NTD)	-
		<u>(\$ 21,783)</u>		<u>(\$ 1,673)</u>

**For Nine Months Ended September 30**

Foreign Currency	2024		2023	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
SGD	(SGD:NTD)	(\$ 18,290)	(SGD:NTD)	\$ 2,531
MYR	(MYR:NTD)	3,039	(MYR:NTD)	( 2,588)
RMB	(RMB:NTD)	( 496)	(RMB:NTD)	18
JPY	(JPY:NTD)	( 9)	(JPY:NTD)	12
KRW	(KRW:NTD)	( 300)	(KRW:NTD)	23
USD	(USD:NTD)	-	(USD:NTD)	( 375)
VND	(VND:NTD)	25	(VND:NTD)	64
PHP	(PHP:NTD)	1	(PHP:NTD)	( 18)
IDR	(IDR:NTD)	( 25)	(IDR:NTD)	-
INR	(INR:NTD)	1	(INR:NTD)	-
THB	(THB:NTD)	( 95)	(THB:NTD)	-
		<u>(\$ 16,149)</u>		<u>(\$ 333)</u>

**32. 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.
- c. 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 NINE MONTHS ENDED SEPTEMBER 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 1-2)	Aggregate Financing Limit (Note 1-2)
													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	\$ -	-	\$ -	\$353,489	\$471,318
		Redwood Furniture Sdn. Bhd.	Other receivables for related parties	Yes	30,000	30,000	-	-	Short-term financing	-	Financing need	-	-	-	35334894	471,318
1	Redwood Interior Pte. Ltd.	Redwood Furniture Sdn. Bhd.	Other receivables for related parties	Yes	30,000	30,000	-	-	Short-term financing	-	Financing need	-	-	-	1,165,890	1,165,890
		Redwood (Shanghai) Pte. Ltd.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,165,890	1,165,890
		Redwood Specialities India Private Limited	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,165,890	1,165,890
		Redwood Projects Sdn. Bhd.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,165,890	1,165,890
		Redwood Projects Korea Co., Ltd.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,165,890	1,165,890
		Redwood Projects Japan K.K.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,165,890	1,165,890
		Redwood Projects France S.A.S.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,165,890	1,165,890
		Redwood Projects US Inc.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,165,890	1,165,890
		Redwood Projects (VIETNAM) Company Limited	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,165,890	1,165,890
		Redwood Projects Philippines Inc.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,165,890	1,165,890
		Redwood Projects (Thailand) Co., Ltd.	Other receivables for related parties	Yes	30,000	30,000	19,200	5.5	Short-term financing	-	Financing need	-	-	-	1,165,890	1,165,890
Redwood Projects Australia Pty Ltd	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,165,890	1,165,890		
Redwood Group LTD	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-	-	1,165,890	1,165,890		

Note 1: The limit amount is calculated as follows:

- a. The total amount available for lending purposes shall not exceed  $\$1,178,296$  (in thousands)  $\times 40\% = \$471,318$  (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  $\$1,178,296$  (in thousands)  $\times 30\% = \$353,489$  (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  $\$1,165,890$  (in thousands)  $\times 40\% = \$466,356$  (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  $\$1,165,890$  (in thousands)  $\times 20\% = \$233,178$  (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  $\$1,165,890$  (in thousands)  $\times 100\% = \$1,165,890$  (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 NINE MONTHS ENDED SEPTEMBER 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	\$ 1,413,955	\$ 590,562	\$ 580,385	\$ 560,609	\$ -	49.26%	\$ 1,413,955	Y	N	N
1	Redwood Interior Pte. Ltd.	Redwood Furniture Sdn. Bhd.	Note 2	932,712	2,595	-	-	-	-%	932,712	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 September 30, 2024 is the net value of \$1,178,296 (in thousands)  $\times$  120% = \$1,413,955 (in thousands); the limit for endorsement of a single enterprise is net value of \$1,178,296 (in thousands)  $\times$  20% = \$235,659 (in thousands). If the Company directly and indirectly holds 100% of the voting rights of the Company, it is not subject to the guarantee limit of the single enterprise endorsement.

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

- a. The total amount of the external endorsement guarantee is 80% of the net equity value and the limit for endorsement of a single enterprise is 20% of the net equity value.
- b. According to the above regulations, the maximum limit for the endorsement of the external endorsement on September 30, 2024 is the net value of \$1,165,890 (in thousands)  $\times$  80% = \$932,712 (in thousands); the limit for endorsement of a single enterprise is net value of \$1,165,89 (in thousands)  $\times$  20% = \$233,178 (in thousands). If the Company directly and indirectly holds 100% of the voting rights of the Company, it is not subject to the guarantee limit of the single enterprise endorsement.

**REDWOOD GROUP LTD AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD  
SEPTEMBER 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	September 30, 2024			
				Number of Shares (Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value
Redwood Interior Pte. Ltd.	<u>Unlisted shares</u> DDG Glass Pte. Ltd.	Related party in substance	Financial assets at FVTOCI	9,067	\$ 48,019	18.48%	\$ 48,019

## 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 NINE MONTHS ENDED SEPTEMBER 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	(\$ 486,794)	(26.11%)	60 days	According to the Company's transfer pricing policy	-	\$ 220,349	57.04%	
Redwood Interior Pte Ltd.	Redwood Projects US Inc.	Subsidiary	Sale	( \$247,421)	(13.27%)	60 days	According to the Company's transfer pricing policy	-	\$ 17,800	4.61%	

**REDWOOD GROUP LTD AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
SEPTEMBER 30, 2024**

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

Accounts Receivable Company	Transaction Object	Relationship	Balance of receivables from related parties	Turnover Rate	Overdue receivables from related parties		Receivables from related parties recovered after the due date	Provision for bad debts
					Amount	Processing method		
Redwood Furniture Sdn. Bhd.	Redwood Interior Pte Ltd.	Parent	\$220,349	2.31 / year	\$ -	-	\$40,892	\$ -

## REDWOOD GROUP LTD AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR NINE MONTHS ENDED SEPTEMBER 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	\$ 486,768 (SGD 20,300)	By Redwood Interior Pte. Ltd. transfer pricing policy	26.11%
		REDWOOD FURNITURE SDN. BHD.	3	Other receivables	83,677 (SGD 3,385)	No significant difference in terms for related parties	3.52%
		REDWOOD FURNITURE SDN. BHD.	3	Accounts receivables	220,349 (SGD 8,914)	No significant difference in terms for related parties	9.28%
		REDWOOD PROJECTS SDN. BHD.	3	Sales revenue and purchase	7,374 (SGD 314)	By Redwood Interior Pte. Ltd. transfer pricing policy	0.41%
		REDWOOD (SHANGHAI) PTE. LTD.	3	Accounts receivables	7,369 (SGD 298)	No significant difference in terms for related parties	0.31%
		REDWOOD (SHANGHAI) PTE. LTD.	3	Sales revenue and purchase	14,440 (SGD 596)	By Redwood Interior Pte. Ltd. transfer pricing policy	0.77%
		REDWOOD PROJECTS FRANCE S.A.S.	3	Other payable	5,303 (SGD 215)	No significant difference in terms for related parties	0.22%
		REDWOOD PROJECTS FRANCE S.A.S.	3	Administration expenses and sales revenue	\$ 7,588 (EUR 218)	By Redwood Interior Pte. Ltd. transfer pricing policy	0.41%
		REDWOOD PROJECTS US INC.	3	Other receivable	\$ 17,800 (SGD 737)	No significant difference in terms for related parties	0.75%
		REDWOOD PROJECTS US INC.	3	Sales revenue and purchase	\$ 247,421 (SGD 10,240)	By Redwood Interior Pte. Ltd. transfer pricing policy	13.27%
		REDWOOD PROJECTS JAPAN K.K.	3	Sales revenue and purchase	25,235 (SGD 1,048)	By Redwood Interior Pte. Ltd. transfer pricing policy	0.59%
		REDWOOD PROJECTS JAPAN K.K.	3	Other receivables	14,064 (SGD 569)	No significant difference in terms for related parties	1.35%
		REDWOOD (THAILAND) CO., LTD	3	Other receivables	21,345 (SGD 863)	No significant difference in terms for related parties	0.90%
REDWOOD GROUP LTD.	2	Dividends payable and other receivables	6,585 (SGD 266)	No significant difference in terms for related parties	0.28%		

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	36,319 (MYR 5,327)	By Redwood Furniture Sdn.Bhd. transfer pricing policy	1.95%
		REDWOOD PROJECTS SDN BHD	3	Other receivables	34,753 (MYR 4,526)	No significant difference in terms for related parties	1.46%

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 NINE MONTHS ENDED SEPTEMBER 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 September 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 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 (SGD30,034)	\$ 704,949 (SGD30,034)	17,989,395	100	\$ 1,165,890	\$ 112,498	\$ 112,498	Subsidiary
Redwood Interior Pte. Ltd.	Redwood Furniture Sdn. Bhd.	Malaysia	Design, produce and sale of customized furniture	509,476 (SGD21,668)	509,476 (SGD21,668)	25,000,000	100	540,315	42,321	42,321	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	85,956	24,732	24,732	Second-tier subsidiary
	Redwood Projects Korea Co., Ltd.	Korea	Decoration of global advanced boutique brand store	- (KRW -)	11,160 (KRW400,000)	-	-	-	(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	22,954	562	562	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	18,027	4,919	4,919	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	56,490	4,203	4,203	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	1,956	(114)	(114)	Second-tier subsidiary
	Redwood Projects Philippines Inc.	Philippines	Decoration of global advanced boutique brand store	5,895 (PHP10,000)	5,895 (PHP 10,000)	10,000,000	100	8,768	(2,375)	(2,375)	Second-tier subsidiary
	Redwood Specialities India Private Limited	India	Decoration of global advanced boutique brand store	15,717 (INR40,300)	15,717 (INR 40,300)	4,029,999	99.99	56,170	35,661	35,661	Second-tier subsidiary
	Redwood (Thailand) Co., Ltd	Thailand	Decoration of global advanced boutique brand store	3,097 (THB 3,500)	- (THB -)	35,000	100	6,205	2,548	2,548	Second-tier subsidiary
Redwood Projects Australia Pty Ltd	Australia	Decoration of global advanced boutique brand store	3,209 (AUD 149)	- (AUD -)	149,000	100	16,034	12,567	12,567	Second-tier subsidiary	

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
	Redwood Projects Indonesia	Indonesia	Decoration of global advanced boutique brand store	20,179 (IDR9,990,000)	- (IDR -)	9,990	99.9	20,572	(190)	(190)	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	-	35,661	-	Second-tier subsidiary
	Redwood Projects Indonesia	Indonesia	Decoration of global advanced boutique brand store	21 (IDR 10,000)	- (IDR -)	10	0.1	21	(190)	-	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\$24.72; MYR1=NT\$7.678; EUR1=NT\$35.3793; JPY1=NT\$0.2225; US\$1=NT\$31.3944; VND1=NT\$0.0012; PHP1=NT\$0.5661; INR1=NT\$0.3782 ; THB1=NT\$0.9863 ; AUD1=NT\$21.9291 ; IDR1=NT\$0.0021 as of September 30, 2024.

**REDWOOD GROUP LTD AND SUBSIDIARIES**

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR NINE MONTHS ENDED SEPTEMBER 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 September 30, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of September 30, 2024	Accumulated Repatriation of Investment Income as of September 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.	\$ -	\$ -	\$ -	\$ -	(\$ 11,554)	100%	(\$ 11,554)	\$ 25,750	\$ -

Accumulated Outward Remittance for Investment in Mainland China as of September 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 NINE MONTHS ENDED SEPTEMBER 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	15,495,264	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.