

Stock Code: 8426

Redwood Group Ltd



2023 Annual Report

Printed on April 30, 2024

Market Observation Post System: <http://newmops.twse.com.tw>

Company Website: <http://www.redwoodgroup.co>

I. Name, Title, Telephone Number, and E-mail Address of the Spokesperson and Acting Spokesperson

Spokesperson	Acting Spokesperson
Name: Thong-ming Soh	Name: Pin-ching Su
Title: Chairman	Title: Chief Governance officer
Tel: (886)2-2778-9121	Tel: (886)2-2778-9121
E-mail: rwg@redwoodgroup.co	E-mail: bensu@redwoodgroup.co

II. Address and Telephone Number of Headquarters, Branch Offices, and Factories

Name: Redwood Group Ltd Website: www.redwoodgroup.co

Address: One Nexus Way, Camana Bay, Grand Cayman, KY1-9005 Cayman Islands

Name: Redwood Group Ltd Taipei Office

Address: International Building Room 1107 No.205, Sec.1, Dunhua S. Rd Da'an Dist., Taipei City 106, Taiwan(R.O.C) Tel: (886)2-2778-9121

Name: Redwood Interior Pte Ltd Website: www.redwood.com.sg

Address: 25 Sungei Kadut Street 2 Singapore 729239 Tel: (65)6368-0838

Name: Redwood Furniture Sdn. Bhd. Tel: (607)3867-888

Address: No.1, Jalan Bukit, Kawasan Miel, 81750 Seri Alam, Johor, Malaysia

III. Name, Address, E-mail Address, and Telephone Number of the Stock Transfer Agency

Name: KGI Securities Co. Ltd Website: <http://www.kgieworld.com.tw>

Address: 5F, No. 2, Section 1, Chongqing South Road, Zhongzheng District, Taipei City Tel: (886)2-2389-2999

IV. Name of the CPA who Audited the Financial Statements for the Most Recent Year, and the Name, Address and Telephone Number of the CPA's Accounting Firm

Name of CPA: Li-huang Lee and Ming-chung Hsieh

CPA Firm: Deloitte Taiwan

Address: 20F, No. 100, Songren Road, Xinyi District, Taipei City

Website: <http://www.deloitte.com.tw>

Tel: (886)2-2725-9988

V. Board Members

Title	Name	Nationality	Work Experience
Director	Thong-ming Soh	Singapore	<ul style="list-style-type: none"> ● Founder of Redwood Group Ltd ● Founder of Redwood Interior Pte Ltd ● Founder of Redwood Furniture Sdn. Bhd. ● Director of DDG Glass Pte Ltd ● Director of DDG Glass Mfg Sdn
Director	Jun-wei Soh	Singapore	<ul style="list-style-type: none"> ● Special assistant to the chairman of Redwood Interior Pte Ltd ● Director of Redwood Project Philippines Inc.
Independent Director	Min-chiu Chien	Republic of China	<ul style="list-style-type: none"> ● CPA of ACTION & Co., CPAs ● Supervisor of Hokuang Optics Co., Ltd. ● Supervisor of UniLite Corporation ● Supervisor of Chinatrust Investment Co., Ltd. ● Supervisor of Coho Technology Co., Ltd. ● Independent Director of Hey Song Corporation ● Independent Director of Shin Kong Financial Holding Co.,Ltd ● Independent Director of Wowprime Corp.
Independent Director	Chia-shi Lo	Republic of China	<ul style="list-style-type: none"> ● Chief Attorneys-at-law of Forum, Legal Professionals ● Attorneys-at-law of Tsar & Tsai Law Firm ● Attorneys-at-law of Deloitte Legal ● Independent Director of Young Shine Electric Co., Ltd. ● Independent Director of Shin Kong Life Insurance Co., Ltd. ● Independent Director of Shin Kong Bank Co., Ltd.
Independent Director	Yu-Chun Hsiao	Republic of China	<ul style="list-style-type: none"> ● Senior Vice President of First Securities Incorporation ● Deputy General Manager of KGI Securities Co.,Ltd. ● Independent Director of Far Bio-Tec.Co.,Ltd. ● Independent Director of Bafang Yunji International Co.,Ltd. ● Independent Director of Kingcan Holdings Limited..

VI. Appointed Domestic Representative

Name: Pin-ching Su

Title: Chief Governance Officer

Tel: (886)2-2778-9121

E-mail: bensu@redwoodgroup.co

VII. Name of Any Overseas Exchanges where the Company's Securities are Traded, and the Securities Inquiry Method:

None.

VIII. Company Website:

<http://www.redwoodgroup.co>

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Chapter I Letter to Shareholders

Redwood had another year of growth in 2023 as the Company continued to execute well on its strategic priorities. We are particularly pleased that all business units and regions have performed strongly. Overall revenue was NT\$2,860 million, an over 68% growth where the income after tax growth of over 910%. The economic recovery after the pandemic coupled with improvements we have implemented in recent years have directly contributed to our financial track record. Throughout the last 2 years, we have consistently advanced and developed our business. We established two subsidiaries in Australia and India, thereby extending our presence across regions, broadening and enhancing our services.

From the luxury market macro perspective, the weight of the overall global luxury market has reached 1,500 billion Euros in 2023, representing a growth of 8-10% compared to 2022. The personal luxury goods generated a continued growth in 2023 to about Euro 387 billion, about 4% higher than 2022. Analysis by McKinsey that luxury brands are forging ahead and forecasts an expected growth of 2-4% in 2024. Such market growth is expected to be sustainable at 5-7% and could last until 2023 (according to the report from Bain & Company).

From the Company perspective, Redwood will continue the efforts in strategic pricing, costs management, optimized operation processes and create further value to clients. In addition, more efforts in sustainability development will be implemented. The Company has initiated efforts in monitoring greenhouse gas emissions in our operations and evaluating various options in adapting renewable energy sources to make our operations more efficient and sustainable.

Responsible sourcing would be another area that the Company will be focusing on in the next couple years. The Company has started to prepare for the FSC certification process to ensure our wood related raw materials are being obtained from sustainable sources. Redwood will continue to make progress toward our sustainability, social and governance goals.

2024 outlook, we continue to see positive momentum across the group, and we expect another year of strong growth in revenue and operating profit. Lastly, on behalf of the Board, I would like to thank Redwood employees for their many contributions throughout 2023. We are confident that with their knowledge and commitment, Redwood will continue to be successful in the year ahead.

I. Implementation Results of 2023 Business Plan

(I) Implementation results of business plan

Unit: NT\$1,000

Item	FY2023	
	Amount	Percentage (%)
Operating revenue	2,860,254	100.00%
Operating costs	1,941,069	67.86%
Gross profit	919,185	32.14%
Net operating income	425,790	14.89%
Net income before tax	411,132	14.37%

(II) Budget execution status: This is not applicable as the Company does not have to disclose its financial forecasts to the public.

(III) Cash flows and profitability analysis

Unit: NT\$1,000

Item		FY2023	
Cash flows	Operating revenue	2,860,254	
	Gross profit	919,185	
	Net income before tax	411,132	
Profitability	Return on assets (%)	15.26%	
	Return on shareholders' equity (%)	35.47%	
	Percentage of paid-in capital (%)	Net operating income	84.75%
		Net income before tax	81.83%
	Net profit margin (%)	11.50%	
Earnings per share (NT\$)	6.55		

(IV) Research and development

Redwood has been actively looking into the company's production capabilities. In the last couple of years. The company has developed and mastered the process in producing curved glass which can suit complicated showcase and store design. In addition, the company is continuing its efforts in introducing new substitute materials for weight and handling advantages.

II. Summary of 2024 Business Plan

(I) Business directions

- To offer quality crafted products and satisfying services at luxury display locations worldwide.
- To improve project management capabilities and provide customers more comprehensive "one-stop" service.
- To deeply develop existing customers and maintain good interaction; continue to develop new customers and step into other high-end decoration businesses.
- To increase the training of technical talents and develop new skills in combination with new technologies.

(II) Expected market conditions and reasons of forecasts.

There are some highlights from the industry research from Statista in the luxury goods market.

- In 2024, the Luxury Goods market is projected to generate a revenue of US\$368.90bn
- This market is anticipated to grow at an annual rate of 3.22% (CAGR2024-2028)
- The largest segment within this market is Luxury Fashion

(III) Significant production and sales policies

The Group accelerates in setting up overseas operation bases to serve existing customers and explore new brand customers. We will quickly respond to customer needs and create value in response to industrial development and market conditions and achieve common prosperity and mutual benefit with customers based on high-quality service and loyalty to customers.

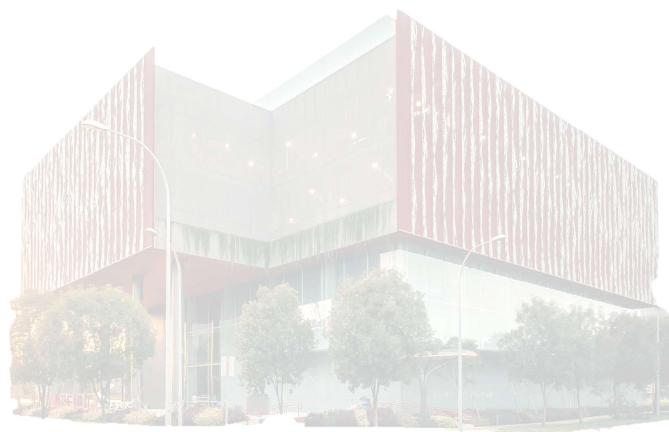
III. Future development strategies

- (I) To research and develop automated manufacturing processes, improve production efficiency and capacity, and training technical talents, etc.
- (II) To continuously improve the project management capabilities and production technologies of projects and provide customers with satisfying products and service.
- (III) To explore new customers with high growth potential on the basis of interior fittings for luxury brands.
- (IV) The Group actively seeks merger and acquisition targets which can complement the Group in operation, business and customer aspects.
- (V) Focus on sustainable development of enterprise.

IV. Impacts from external competition, regulatory compliance and macro-economic.

The industry continues to be challenged by geopolitical and economic headwinds. In addition, climate change brings increasingly extreme weather events and global temperatures rise, the coming years are likely to mark a heightened industry focus on environmental, social, and governance (ESG) issues.

Such industry focus will have impacts to the company overall operations and costs. However, this can also be an advantage to Redwood as smaller companies may have difficulties to comply. Hence, the company will need to continue finding a balance among sustainability initiatives, risk management, and commercial imperatives.



Chairman: Thong-ming Soh

General Manager: Sing-keong Lee

CFO: Ai-ai Siew

Chapter II Company Profile

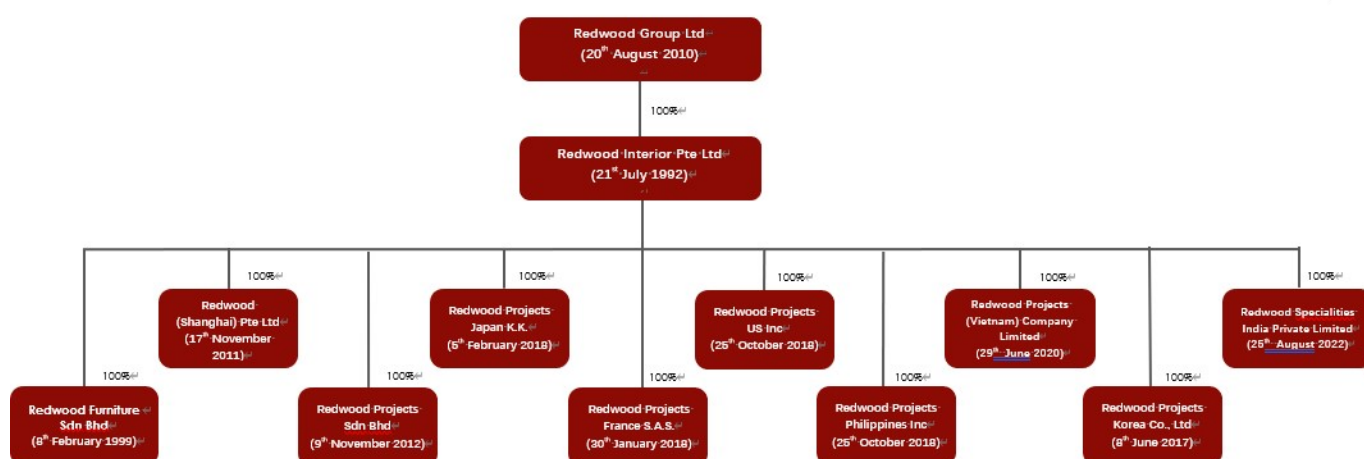
I. Introduction to the Company and the Group

Founded in Cayman Islands on August 20, 2010, Redwood Group Ltd (hereinafter referred to as the Company or Redwood Group) is a holding company that provides high-quality interior fittings for many world's top luxury brands. The Company sets out to expand its clientele which now includes Bvlgari, Cartier, Coach, Gucci, Hermes, Louis Vuitton, Michael Kors, Tiffany & Co, and many more which are the world's most luxurious brands across Asia, Europe and America, and Middle East. With production and quality meeting the requirements of the world's most luxurious brands, the Company is committed to meeting the needs and expectations of its customers.

(I) Date of foundation: August 20, 2010

(II) Group structure

December 31, 2023



Company Name (Abbreviation)	Shareholding Ratio	Country/Region of Foundation
Redwood Group Ltd (Redwood Group)	-	Cayman Islands
Redwood Interior Pte Ltd (Redwood Interior)	100%	Singapore
Redwood Furniture Sdn. Bhd. (Redwood Furniture)	100%	Malaysia
Redwood (Shanghai) Pte Ltd	100%	Shanghai, China
Redwood Projects Sdn Bhd	100%	Malaysia
Redwood Projects Korea Co., Ltd	100%	Seoul, South Korea
Redwood Projects France S.A.S	100%	Paris, France
Redwood Projects Japan K.K.	100%	Tokyo, Japan
Redwood Projects US Inc.	100%	USA
Redwood Projects (Vietnam) Company Limited	100%	Vietnam
Redwood Projects Philippines Inc.	100%	Philippines
Redwood Specialities India Private Limited	100%	India

(III) Analysis of risks: Please refer to Chapter.VII –VI Risk. of the Annual Report(Page#175).

II. Brief History of the Company

1992	<ul style="list-style-type: none"> ● Redwood Interior Pte Ltd was founded in Singapore.
1997	<ul style="list-style-type: none"> ● The plant and the office were expanded by 1,124 ping (40,000 sq. ft.).
1999	<ul style="list-style-type: none"> ● Redwood Furniture Sdn. Bhd. was founded in Malaysia.
2001	<ul style="list-style-type: none"> ● The Company ranked in the top 500 SMEs by DP Information Group.
2002	<ul style="list-style-type: none"> ● The first decoration project of Redwood Group for the international luxury brand in Singapore was completed. ● The Company ranked in the top 500 SMEs by DP Information Group.
2004~2007	<ul style="list-style-type: none"> ● The Company ranked in the top 500 SMEs by DP Information Group.
2005	<ul style="list-style-type: none"> ● The main business changed to the decoration of the world's high-end boutiques.
2007	<ul style="list-style-type: none"> ● The plant in Malaysia was expanded by 7,026 ping (250,000 sq. ft.).
2008	<ul style="list-style-type: none"> ● The Company ranked in the top 500 SMEs by DP Information Group. ● The government granted tax concessions for import from ASEAN member states. ● The main production base was moved to Malaysia due to capacity expansion and organizational adjustment.
2009	<ul style="list-style-type: none"> ● The Company received the UL48 and UL65 certifications from Underwriters Laboratories Inc. ● The government granted tax concessions for import from Australia, China, India, Japan, South Korea, and New Zealand. ● The Company ranked in the top 500 SMEs by DP Information Group.
2010	<ul style="list-style-type: none"> ● The Company was awarded the Business Superbrands 2010. ● The Company ranked in the top 500 SMEs by DP Information Group. ● The Company's overseas sales ranked in the top 20 among Singapore's top 100 international enterprises. ● Products were sold to more than 29 countries or regions, with an annual turnover of NT\$1.1 billion (approximately SGD50 million). ● Redwood Group Ltd was founded in August. ● Redwood Group Ltd, Redwood Interior Pte Ltd, and Redwood Furniture Sdn. Bhd. exchanged shares separately in December. After the completion of the aforementioned restructuring, the share capital of Redwood Group Ltd became NT\$295,500,000.
2011	<ul style="list-style-type: none"> ● In April, Redwood Group Ltd increased its capital by NT\$22,482,000 from the retained earnings in 2010. ● In April, Redwood Group Ltd increased its capital by NT\$42,018,000 from cash. After these increases in capital, the paid-in capital of Redwood Group Ltd became NT\$360 million. ● The Chairman of the Company was awarded the Successful Entrepreneur Award, Singapore.

	<ul style="list-style-type: none"> ● In May, the Company's stocks were officially registered in the emerging stock exchange. ● Redwood Interior Pte Ltd Taiwan Branch was founded in August. ● In November, Redwood (Shanghai) Pte Ltd was founded in Shanghai. ● In December, the Company's stocks were officially listed, becoming the only one luxury brands concept stock in Taiwan. ● In December, Redwood Group Ltd increased its capital by NT\$40 million from cash, and its paid-in capital became NT\$400 million.
2012	<ul style="list-style-type: none"> ● In February, Redwood (HK) Ltd was founded in Hong Kong. ● In June, the shareholders' meeting passed the issuance of stock dividends, where 50 shares per 1,000 shares held were issued free of charge. A total of 2,000,000 shares were issued. As of the end of 2012, the paid-in capital of Redwood Group Ltd was NT\$420 million. ● In November, Redwood Projects Sdn Bhd was founded in Malaysia.
2013	<ul style="list-style-type: none"> ● At the beginning of the year, the Company was awarded BizSAFE certification in Singapore. ● In January, Redwood Interior Pte Ltd Taiwan Branch was renamed. ● In February, the Company obtained the ISO14001 certification. ● In November, the Board of Directors passed the increase in capital of the Company from cash. ● In November, the Company was awarded the Singapore Furniture Industry Award 2013 - The Interior Builder Award (Gold Winner). ● In December, Redwood Interior Pte Ltd increased the capital of Redwood (Shanghai) Pte Ltd by US\$625,000. As of the end of 2013, the paid-in capital of Redwood (Shanghai) Pte Ltd was US\$825,000.
2014	<ul style="list-style-type: none"> ● In January, the Company issued 4,000,000 shares at NT\$50/share to raise NT\$200 million in total, and its paid-in capital became NT\$460 million. ● In June, the shareholders' meeting passed the issuance of stock dividends, where 50 shares per 1,000 shares held were issued free of charge. A total of 2,300,000 shares were issued. As of the end of 2014, the paid-in capital of Redwood Group Ltd was NT\$483 million. ● In November, the board of directors decided to buy back 450,000 shares of the company, planning to use it as a treasury for issuing employee stock option certificates.
2015	<ul style="list-style-type: none"> ● The plant expansion project of Redwood Furniture Sdn. Bhd. was completed to increase approximately 50,000 sq. ft.
2017	<ul style="list-style-type: none"> ● In June, Redwood Projects Korea Co., Ltd. was founded in Seoul, South Korea. ● In June, the shareholder's meeting passed the issuance of stock dividends, where 50 shares per 1,000 shares held were issued free of charge, A total of 2,392,500 shares were issued. As of the end of 2017, the paid-in capital of Redwood Group Ltd was NT\$507 million. ● In November, due to the deadline for the transfer of treasury shares, the board of directors decided to set January 8 , 2018 as the base date for canceling 450,000 treasury shares.

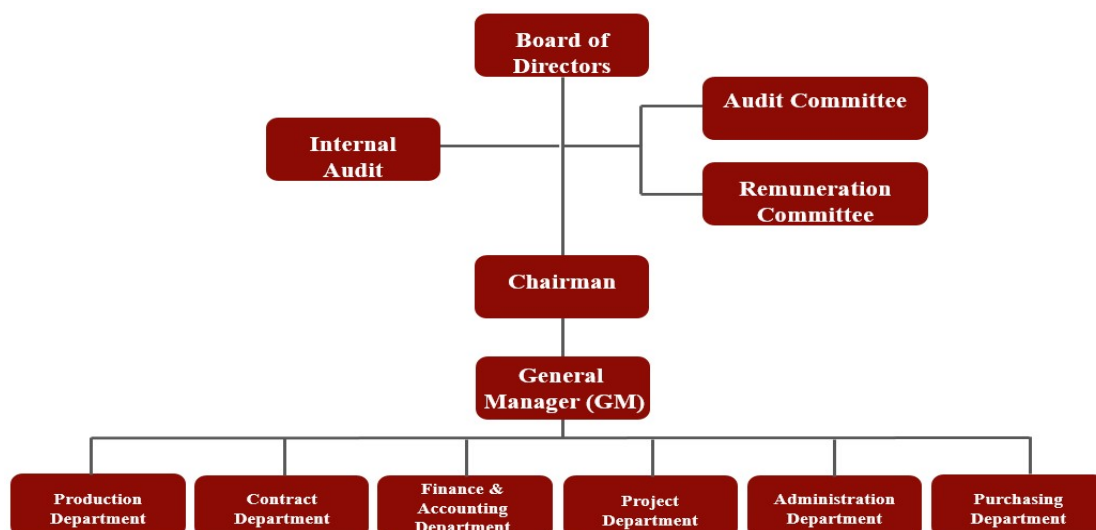
2018	<ul style="list-style-type: none"> ● In January, Redwood Projects France S.A.S. was founded in Paris, France. ● In February, Redwood Projects Japan K.K. was founded in Tokyo, Japan. ● In October, Redwood Projects US Inc. was founded in Delaware, the U.S.
2019	<ul style="list-style-type: none"> ● In February, the Company was involved in the preparation of a new production facility in Singapore.
2020	<ul style="list-style-type: none"> ● In June, Redwood Projects (Vietnam) Company Limited was founded in Ho Chi Minh City, Vietnam. ● In December, Redwood Projects Philippines Inc. was founded in Manila, Philippines.
2021	<ul style="list-style-type: none"> ● In February, Singapore headquarters moved to a new factory
2022	<ul style="list-style-type: none"> ● In response to the group's business planning and layout, Redwood (HK) Ltd., which has duplicated operating functions, was abolished. ● In May, Redwood Specialities India Private Limited was founded in New Delhi, India.
2023	<ul style="list-style-type: none"> ● Annual revenue and profit hit record highs for Redwood Group Ltd. ● Won the first Singapore Furniture Industry Council Sol Award-ALL-round Enterprise Silver-Award. ● Won the Bronze medal from EcoVadis (Global Supply Chain Continuous Assesment) in September.



Chapter III Corporate Governance Report

I. Organizational System

(I) The Company's structure



(II) Tasks of principal departments

Department	Tasks
Internal Audit Department	The Internal Audit Department is responsible to assist the Board of Directors check and evaluate the internal control system and give advice on improvement in a timely manner to ensure the effective operation of the internal control system.
Production Department	The Production Department is responsible to produce and manufacture all customized products of Redwood Group.
Contract Department	The Contract Department is responsible to calculate actuarial costs and offer prices for the decoration projects and complete the signing of contracts.
Finance & Accounting Department	<ol style="list-style-type: none"> 1. Responsible for funding plan, fund allocation, control, and management 2. Establish and improve the financial management system and control the Company's overall daily management, annual budgets, and funds. 3. Provide advice and decision-making support on the Group's major investments, loans, and mergers and acquisitions. 4. Perform accounting treatments and provide correct and real-time financial information.
Project Department	<p>The Project Department is responsible to perform contracts, including:</p> <ol style="list-style-type: none"> 1. Control and oversee the progress and quality of projects. 2. Communicate with customers and other departments (such as communicating the design layout with the drawing unit and communicating raw materials and patterns with the production unit).
Administration Department	<ol style="list-style-type: none"> 1. Arrange the meetings of the Board of Directors, shareholders' meetings, general affairs, and stock affairs. 2. Act as the contact window of the Company.
Purchasing Department	The Purchasing Department is responsible to purchase raw materials/materials required for the operation and production and control inventory.

II. Information on the Company's Directors, Supervisors, GM, Vice GMs, Assistant Managers, and the Supervisors of All Divisions and Branches

(I) Directors and supervisors

1. Principal work experience and academic qualifications of directors and supervisors

April 30, 2023/Unit: Shares; %

Title	Nationality or Place of Registration	Name	Gender/age	Date of Assumption	Term of Service	Commencement Date of First Term	Shares Held upon Assumption		Shares Held Currently		Shares Held Currently by Spouse and Children of Minor Age		Shares Held through Nominees		Principal Work Experience and Academic Qualifications	Positions Held Concurrently in the Company and/or in Any Other Company	Spouse or Relative within the Second Degree of Kinship Is a Managerial Officer, Director or Supervisor			Note
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Chairman	Singapore	Thong-Ming,Soh	Male/51~60	2022..06.27	3 years	2010.08.20	16,608,571	33.06	16,558,571	32.96	16,495,264	32.83	-	-	<ul style="list-style-type: none"> ● Pei Chun Primary School, Malaysia ● Founder of Redwood Group ● Founder of Redwood Interior Pte Ltd ● Founder of Redwood Furniture Sdn. Bhd. ● Founder of DDG Glass Pte Ltd ● Founder of DDG Glass Mfg Sdn Bhd 	<ul style="list-style-type: none"> ● Chairman of Redwood Interior Pte Ltd ● Chairman of Redwood Furniture Sdn. Bhd. ● Chairman of Redwood (Shanghai) Pte Ltd ● Chairman of Redwood Specialities India Private Limited ● Chairman of Redwood Projects Sdn. Bhd ● Director of Redwood Projects Japan Kabushiki Kaisha ● Director of Redwood Projects France ● Director of Redwood Projects Korea Co., Ltd ● Director of Redwood Projects US Inc. ● Director of Redwood Projects (Vietnam) Company Limited ● Director of Redwood Projects Philippines Inc. ● Director of DDG Glass Pte Ltd ● Director of DDG Glass Mfg Sdn Bhd 	Director	Soh-Jun,Wei	Father and Son	The Company's Chairman and General Manager or personnel with equivalent position (chief manager) are not the same person, spouses of relatives within one degree of kinship.

Title	Nationality or Place of Registration	Name	Gender/age	Date of Assumption	Term of Service	Commencement Date of First Term	Shares Held upon Assumption		Shares Held Currently		Shares Held Currently by Spouse and Children of Minor Age		Shares Held through Nominees		Principal Work Experience and Academic Qualifications	Positions Held Concurrently in the Company and/or in Any Other Company	Spouse or Relative within the Second Degree of Kinship Is a Managerial Officer, Director or Supervisor			Note
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Director	Singapore	Jun-Wei, Soh	Male/25~35	2022.06.27	3 years	-	-	-	-	-	-	-	-	<ul style="list-style-type: none"> ● Bachelor of Mechanical Engineering Nanyang Technological University, Singapore 	<ul style="list-style-type: none"> ● Special assistant to the chairman of Redwood Interior Pte Ltd ● Director of Redwood Projects Philippines Inc. 	Director	Thong-Ming, Soh	Father and son		
Independent Director	Taiwan	Min-chiu Chien	Female/51~60	2022.06.27	3 years	2010.12.10	-	-	-	-	-	-	-	<ul style="list-style-type: none"> ● Master of Accounting, Soochow University ● CPA of Jing Hua Co., CPAs ● Supervisor of Hokuang Optics Co., Ltd. ● Supervisor of UniLite Corporation ● Independent Director of Tat Hong Equipment Service Co., Ltd. ● Independent Director of Lian Fa International Dining Business Corporation 	<ul style="list-style-type: none"> ● CPA of Action & Co., CPAs ● Supervisor of Coho Technology Co., Ltd. ● Supervisor of Chinatrust Investment Co., Ltd. ● Independent Director of Hey Song Corporation ● Independent Director of WowPtimr Corp. ● Independent Director of Shin Kong Financial Holding Co., Ltd 	None	None	None		

Title	Nationality or Place of Registration	Name	Gender/age	Date of Assumption	Term of Service	Commencement Date of First Term	Shares Held upon Assumption		Shares Held Currently		Shares Held Currently by Spouse and Children of Minor Age		Shares Held through Nominees		Principal Work Experience and Academic Qualifications	Positions Held Concurrently in the Company and/or in Any Other Company	Spouse or Relative within the Second Degree of Kinship Is a Managerial Officer, Director or Supervisor			Note
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Independent Director	Taiwan	Chia-shi Lo	Male/51~60	2022.06.27	3 years	2011.03.05	-	-	-	-	-	-	-	-	<ul style="list-style-type: none"> ● Master of Electrical Engineering, University of Southern California ● Master of Law, Soochow University ● Attorneys-at-law of Tsar & Tsai Law Firm ● Attorneys-at-law of Deloitte Legal ● Independent Director of Shin Kong Life Insurance Co.,Ltd ● Independent Director of Shin Kong Bank Co., Ltd 	<ul style="list-style-type: none"> ● Chief Attorneys-at-law of Forum, Legal Professionals ● Independent Director of Young Shine Electric Co., LTD. 	None	None	None	
Independent Director	Taiwan	Yu-chun Hsiao	Female/41~50	2022.06.27	3 years	2022.06.27	-	-	-	-	-	-	-	-	<ul style="list-style-type: none"> ● Bachelor of Finance, National Taiwan University ● Senior Vice President of First Securities Inc. ● Deputy General Manager of KGI Securities Inc. 	<ul style="list-style-type: none"> ● Independent Director of Far East Bio-Tech.Co.,Ltd. ● Independent Director of Bafang Yunji International Co., Ltd ● Independent Director of Kingcan Holding Limited. 	None	None	None	

Note 1: The audit committee and the remuneration committee of the company are composed of three independent directors. (Min-chiu Chien / Chia-shi Lo / Yu-chun Hsiao)

Note 2: Although CPA Min-chiu Chien and Lawyer Chia-shi Lo have served as independent directors of the company for more than three terms, considering that they are familiar with the company's operations and corporate governance, and they have a lot of suggestions for the company when exercising their duties as independent directors; in addition, the two independent directors Possess accounting and legal expertise and expertise, and serve as independent directors of several other listed companies at the same time. They have extensive experience in the operation and management of listed companies and related laws and regulations. Therefore, they continue to be appointed as an independent director so that they can supervise the directors of the company and provide advice.

2. Major shareholders of the institutional shareholders: None (the Company did not have an institutional shareholder elected as a Director).
3. If major shareholders of the institutional shareholders are corporations, their major shareholders: None.
4. Disclosure of information on the professional qualifications of directors and the independence of independent directors:

Condition Name	Professional qualifications and experience	Independence situation	Number of Other Listed Companies where the Individual Concurrently Serves as an Independent Director
Thong-ming Soh	<p>Founder of Redwood Group Ltd , Redwood Interior Pte Ltd and Redwood Furniture Sdn Bhd. Mr. Thong-ming Soh Congming has been 30 years since he founded Redwood Interior Pte Ltd.</p> <p>From a small company with only a few people at the beginning of its establishment to a group. At present, there are nearly 1,000 employees, and products are sold in more than 40 countries, and in the world major cities (New York, Paris, Tokyo, Shanghai .. etc.) have branches. Extensive experience in business operations and management practices.</p> <p>After inspection, Mr. Thong-min Soh did not violate the company law Article 30 of the Act.</p>	-	-
Jun-Wei Soh	<p>Serve as a special assistant for an important subsidiary, with industry operation planning and management practices; make analysis and implementation suggestions for the company's important operation plans, and provide the chairman for decision-making.</p> <p>After inspection, Mr. Jun-wei Soh did not violate the company law Article 30 of the Act.</p>	-	-
Min-chiu Chien	<p>Master of Accounting from Soochow University, and as a certificate of passing the national examination Certified Public Accountant. Besides auditing and taxation, she has also served as liquidator and bankruptcy administrator of troubled enterprises for several times. Have a profound understanding of enterprise risk management. She was also employed as a lecturer in the accounting department of</p>	Please refer to 5. Circumstances that independent directors meet independence	3

Condition Name	Professional qualifications and experience	Independence situation	Number of Other Listed Companies where the Individual Concurrently Serves as an Independent Director
	<p>the college. After inspection, Ms. Min-chiu Chien did not violate the company law Article 30 of the Act.</p>		
Chia-shi Lo	<p>Master of Laws from Soochow University with a national examination certificate lawyer. In addition to his legal expertise, Mr. Chia-shi Lo also has a master's degree in electrical engineering from the University of Southern California. It is a cross-disciplinary profession. After inspection, Mr. Chia-shi Lo did not violate the company law Article 30 of the Act.</p>	Please refer to 5. Circumstances that independent directors meet independence	1
Yu-chun Hsiao	<p>Bachelor of Finance from National Taiwan University, worked in several well-known securities firms in Taiwan and held important positions. She has worked in the capital market for more than 20 years. , enterprise internal control, legal compliance and other majors have extensive experience. After inspection, Ms. Yu-chun Hsiao did not violate the company law Article 30 of the Act.</p>	Please refer to 5. Circumstances that independent directors meet independence	3

5. Circumstances that independent directors meet independence

Independent Director Circumstance of independence	Min-chiu Chien	Yu-chun Hsiao	Chia-shi Lo
Including but not limited to the person, spouse, relatives within the second degree Not serving as a director, supervisor or employee of the company or affiliated companies	Meet	Meet	Meet
The company's shares and proportions are held by themselves, their spouses, relatives within the second degree, or in the name of others.	Does not hold any shares of the company	Does not hold any shares of the company	Does not hold any shares of the company
Whether or not served as a company with a specific relationship with the company (refer to Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Measures for the Establishment of Independent Directors of Public Companies and Matters to be Complied with and Article 6, Paragraph 1, Subparagraphs 5 to 8 of the establishment of the Compensation and Remuneration Committee of companies that are listed or traded at the business office of a securities firm for regulations on exercise of powers) Directors, supervisors or employees of)	Yes	Yes	Yes
The amount of remuneration obtained from providing business, legal, financial, accounting and other services to the company or affiliated companies in the last 2 years	No related services	No related services	No related services

6. Diversity and Independence of Board of Directors:

(1) Diversity:

According to Article 20 of the company's "Corporate Governance Code of Practice", the company's board of directors should guide the company's strategies, supervise the management, and be responsible to the company and shareholders. The various operations and arrangements of its corporate governance should ensure that the board of directors complies with laws and regulations. Directors shall be exercised in accordance with the provisions of the Articles of Association or the resolution of the shareholders' meeting. In addition, according to Article 23 of the company's articles of association, the company's board of directors shall have at least five directors, of which the number of independent directors shall not be less than three and shall account for 1/5 of all directors' seats; more than half of the directors shall not have spouses, or a relative relationship within the second degree of kinship.

The company's board of directors formulates appropriate diversification policies based on its own operations, operating types and development needs, which should include but not be limited to the following two major standards:

- A. Basic conditions and values: gender, age, nationality and culture, etc. The ratio of female directors in one-third of director numbers.
- B. Professional knowledge and skills: professional background (such as law, accounting,

industry, finance, marketing or technology), professional skills and industrial experience, etc. In addition, director members should generally possess the necessary knowledge, skills and qualities to perform their duties. In order to achieve the idea goals of corporate governance, the board of directors as a whole should have the following capabilities:

◎Ability to make operational judgments. ◎Accounting and financial analysis skills.

◎ Operation and management capabilities. ◎ Crisis handling capabilities. ◎ Industrial Knowledge.◎International market outlook. ◎Leadership.◎Decision-making ability.

Based on the scale of business development and the shareholding situation of major shareholders, and considering practical operational needs, the company has decided that the current (fifth) board of directors will have an appropriate number of five directors. The backgrounds of the members cover difference nationalities, cultures, industries, finance, accounting, law, Operations and management and other fields; including three independent directors, accounting for 60%, and there are two female on the board of directors, accounting for 40%. In addition, the implementation of diversity among board members is summarized in the following table:

The implementation status of the board member diversity policy is as follows:

Director	Basic composition			Industry experience and related skills						
	Nationality	Gender	Age	Operation management	International market	industry knowledge	Production manufacturing	Finance	accounting and auditing	legal compliance
Thong-ming Soh	Singapore	Male	51~60	V	V	V	V			
Jun-wei Soh	Singapore	Male	25~35	V	V	V	V			
Min-chiu Chien	Taiwan	Female	51~60	V	V	V		V	V	
Chia-shi Lo	Taiwan	Male	51~60	V	V	V		V		V
Yu-Chun Hsiao	Taiwan	Female	41~50	V	V	V		V	V	V

(2) Independence:

Independence of the board of directors In terms of objective level, the board of directors of the company consists of 5 members, which complies with the provisions of Article 26-3 (1) of the Securities and Exchange Act and Article 23.1 of the Articles of Association of the company, and the number of directors shall not be less than five. In addition, the members of the board of directors have no spouse or relatives within the second degree, except that Mr. Thong-ming Soh and Mr. Jun-wei Soh is a first degree relationship, which complies with the provisions of Article 26-3, Items 3 and 4 of the Securities and Exchange Act.

On a subjective level, the company believes that the independence of directors must be judged on the basis of the actual situation, taking into account all relevant factors during the

director's tenure, including: whether the director can continue to provide constructive suggestions and opinions for the company's operations and management. Whether it is independent of management or other directors, and whether the words and deeds of the board of directors are appropriate during the term of office, etc. Until now, the members of the Company's Board of Directors have demonstrated the aforementioned qualities and met expectations.



(II) General managers, vice general managers, assistant managers and the supervisors of all divisions and branches

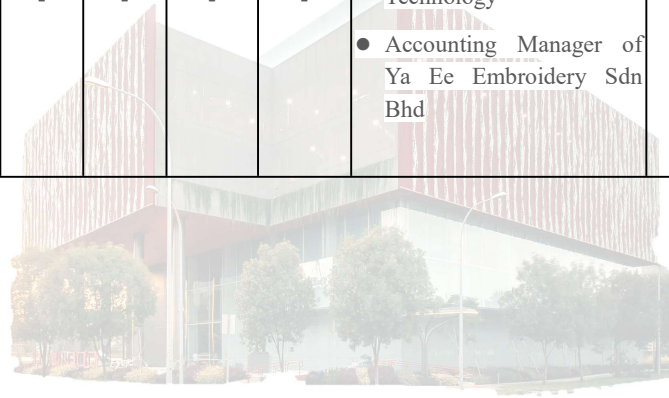
April 30, 2024; Unit: Shares; %

Title	Nationality	Name	Gender	Date of Appointment	Shares Held		Shares Held by Spouse and Children of Minor Age		Shares Held through Nominees		Principal Work Experience and Academic Qualifications	Positions Held Concurrently in Other Companies	Spouse or Relative within the Second Degree of Kinship Is a Managerial Officer			Note
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Redwood Group General Manager	Singapore	Sing-keong Lee	Male	2009.06.10	19,153	0.04	-	-	-	-	<ul style="list-style-type: none"> ● Bachelor of Commerce in Honors Business Administration, University of Windsor ● Asia Pacific Business Manager of DuPont Singapore 	<ul style="list-style-type: none"> ● Chief Operations Officer of Redwood Interior Pte Ltd ● GM of Redwood Projects Japan KK ● GM of Redwood Projects France S.A.S ● GM of Redwood Projects Korea Co., Ltd ● GM of Redwood Projects US Inc. ● GM of Redwood Projects (Vietnam) Company Limited ● GM of Redwood Projects Philippines Inc. 	None	None	None	The General Manager or personnel with equivalent position (chief manager) and Chairman are not the same person, spouses or relatives within one degree of kinship.
Redwood Group CFO	Singapore	Ai-ai Siew	Female	2009.03.16	1,025	-	-	-	-	-	<ul style="list-style-type: none"> ● Bachelor of Accounting, Sunway University, Malaysia ● EY Malaysia Auditor 	<ul style="list-style-type: none"> ● CFO of Redwood Interior Pte Ltd ● CFO of Redwood Furniture Sdn. Bhd. ● CFO of Redwood (Shanghai) Pte Ltd ● CFO of Redwood Projects Sdn. Bhd. ● CFO of Redwood Projects Japan K.K. ● CFO of Redwood Projects France S.A.S ● CFO of Redwood Projects Korea Co., Ltd ● CFO of Redwood Projects US Inc. ● CFO of Redwood Projects (Vietnam) Company Limited ● CFO of Redwood Projects Philippines Inc. 	None	None	None	

Title	Nationality	Name	Gender	Date of Appointment	Shares Held		Shares Held by Spouse and Children of Minor Age		Shares Held through Nominees		Principal Work Experience and Academic Qualifications	Positions Held Concurrently in Other Companies	Spouse or Relative within the Second Degree of Kinship Is a Managerial Officer			Note
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Redwood Group Manager of Corporate Governance	Taiwan	Pin-ching Su	Male	2010.11.15	4	-	-	-	-	-	<ul style="list-style-type: none"> ● Doctoral Candidate at Sun Yat-Sen University Enterprise Management Institute ● EMBA (Accounting), National Taiwan University ● Underwriting Department of Hua Nan Securities ● Shine Wing Taiwan 	<ul style="list-style-type: none"> ● Agent of Redwood Group Ltd in Taiwan for litigious and non-litigious matters ● Manager of Finance and Investor Relations 	None	None	None	
Redwood Group Internal Audit Manager	Taiwan	Tsui-ling Hsu	Female	2013.10.07	-	-	-	-	-	-	<ul style="list-style-type: none"> ● Master of Finance and Management, University of Exeter ● Audit Manager of EY Taiwan 	<ul style="list-style-type: none"> ● Internal Audit Officer of Redwood Interior Pte Ltd ● Internal Audit Officer of Redwood Furniture Sdn. Bhd. ● Internal Audit Officer of Redwood (Shanghai) Pte Ltd ● Internal Audit Officer of Redwood Projects Sdn. Bhd. ● Internal Audit Officer of Redwood Projects Japan KK ● Internal Audit Officer of Redwood Projects France S.A.S ● Internal Audit Officer of Redwood Projects Korea Co., Ltd ● Internal Audit Officer of Redwood Projects US Inc. ● Internal Audit Officer of Redwood Projects (Vietnam) Company Limited ● Internal Audit Officer of Redwood Projects Philippines Inc. 	None	None	None	

Title	Nationality	Name	Gender	Date of Appointment	Shares Held		Shares Held by Spouse and Children of Minor Age		Shares Held through Nominees		Principal Work Experience and Academic Qualifications	Positions Held Concurrently in Other Companies	Spouse or Relative within the Second Degree of Kinship Is a Managerial Officer			Note
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Redwood Interior Pte Ltd Contract Director	Singapore	Teck-ling Tey	Male	1996.04.01	-	-	-	-	-	-	<ul style="list-style-type: none"> ● Bachelor of Architectural Design, Royal Melbourne Institute of Technology ● Contract Actuary of Davis Langdon & Seah Singapore Pte Ltd 	None	None	None	None	
Redwood Interior Pte Ltd Project Director	Singapore	Chee-king Chow	Male	1997.05.05	-	-	-	-	-	-	<ul style="list-style-type: none"> ● Woodsville Secondary School, Singapore ● Foreman of Production Department of Soh Brothers Furniture Pte Ltd 	None	None	None	None	
Redwood Interior Pte Ltd Production Director	Singapore	Tien-fok Wong	Male	2003..02.15	-	-	-	-	-	-	<ul style="list-style-type: none"> ● Interior Design of Palin School of Arts & Design, Singapore ● Production Department (Woodworking Division) of Redwood Furniture Sdn. Bhd. 	<ul style="list-style-type: none"> ● Senior Manager of Production Department of Redwood Furniture Sdn Bhd 	None	None	None	

Title	Nationality	Name	Gender	Date of Appointment	Shares Held		Shares Held by Spouse and Children of Minor Age		Shares Held through Nominees		Principal Work Experience and Academic Qualifications	Positions Held Concurrently in Other Companies	Spouse or Relative within the Second Degree of Kinship Is a Managerial Officer			Note
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Redwood Furniture Sdn. Bhd. Chief Operating Officer	Malaysia	Lay-guat Soh	Female	1996.08.01	-	-	-	-	-	-	<ul style="list-style-type: none"> ● Bachelor of Business Administration, Malaysia University of Science & Technology ● Accounting Manager of Ya Ee Embroidery Sdn Bhd 	<ul style="list-style-type: none"> ● Chief Operating Officer of Redwood Projects Sdn Bhd 	Chairman	Thong-ming Soh	Sibling	The General Manager or personnel with equivalent position (chief manager) and Chairman are not the same person, spouses or relatives within one degree of kinship.



III. Remuneration Paid during the Most Recent Year to the Directors, Supervisors, GMs , and Vice GMs

(I) Remuneration paid to directors (including independent directors)

Unit: NT\$1,000

Title	Name	Remuneration Paid to Director								Ratio of Total Remuneration (A, B, C, and D) to Net Income (%) (Note 9)		Remuneration Paid to Concurrent Employee						Ratio of Total Remuneration (A, B, C, D, E, F, and G) to Net Income (%) (Note 9)		Remuneration Paid to Director from Invested Companies Other than Subsidiaries (Note 10)		
		Remuneration (A) (Note 1)		Severance Pay (B)		Director Bonus (C) (Note 2)		Allowances (D) (Note 3)		Salary, Bonus and Allowances (E) (Note 4)	Severance Pay (F)	Employee Bonus (G) (Note 5)				The Company	Companies in the Consolidated Financial Statements (Note 6)					
		The Company	Companies in the consolidated Financial Statements (Note 6)	The Company	Companies in the consolidated Financial Statements (Note 6)	The Company	Companies in the consolidated Financial Statements (Note 6)	The Company	Companies in the consolidated Financial Statements (Note 6)			The Company	Companies in the consolidated Financial Statements (Note 6)	Cash Dividends	Stock Dividends			Cash Dividends	Stock Dividends			
Chairman	Thong-ming Soh	840	-	-	-	1,356	-	-	-	2,196 / 0.67%	2,196 / 0.67%	-	13,886	-	821	-	-	-	-	16,903 / 5.14%	16,903 / 5.14%	None
Director	Jun-wei Soh	840	-	-	-	813	-	-	-	1,653 / 0.50%	1,653 / 0.50%	-	2,339	-	397	-	-	-	-	4,389 / 1.33%	4,389 / 1.33%	None
Independent Director	Min-chiu Chien	420	-	-	-	375	-	-	-	855 / 0.26%	855 / 0.26%	-	-	-	-	-	-	-	-	855 / 0.26%	855 / 0.26%	None
Independent Director	Chia-shi Lo	480	-	-	-	375	-	-	-	855 / 0.26%	855 / 0.26%	-	-	-	-	-	-	-	-	855 / 0.26%	855 / 0.26%	None
Independent Director	Yu-Chun Hsiao	420	-	-	-	375	-	-	-	855 / 0.26%	855 / 0.26%	-	-	-	-	-	-	-	-	855 / 0.26%	855 / 0.26%	None

1. Please describe the remuneration policy, system, standard and structure of independent directors, and describe the relevance of the remuneration amount according to the responsibilities, risks, investment time and other factors:

According to Article 32 of the Articles of the Company, a director of the Company shall be paid remuneration regardless of the profit or loss of the Company and shall be paid on a monthly basis. The remuneration committee of the company formulate remuneration range of directors (including independent directors) and submits it to the board of directors for discussion based on the level of participation and contribution value of each director and independent director in the company's operations, after considering the company's risk appetite and the industry standard. In addition, if there is a surplus in the year, according to the resolution of the board of directors and the profit distribution proposal approved by the shareholders' meeting, within 5% of the annual after-tax net profit, the remuneration committee will formulate the amount of each director's remuneration according to the above-mentioned review method and propose it. report to the board for discussion. All the relevant salary remuneration proposals were discussed by the board of directors, and the interests of all parties were avoided.

2. In addition to those disclosed in the above table, the remuneration received by the directors of the company in the most recent year for providing services (such as serving as a consultant for non-employees of the parent company / all companies listed in the financial report / transfer investment enterprises, etc.):

The salaries and remunerations received by the directors and independent directors of the Company have been disclosed as shown in the above table, and there are no other additional remunerations received.

Directors Remuneration Range Table

Remuneration Range for Directors	Name of Directors			
	Aggregate of A, B, C, and D		Aggregate of A, B, C, D, E, F, and G	
	The Company (Note 7)	Companies in the Consolidated Financial Statements (Note 8) H	The Company (Note 7)	Companies in the Consolidated Financial Statements (Note 8) I
Under NT\$ 1,000,000	-	-	-	-
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	Jun-wei Soh	Jun-wei Soh	Jun-wei Soh	Jun-wei Soh
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Thong-ming Soh	Thong-ming Soh	Thong-ming Soh	-
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	-	-	-	-
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	-	-	-	-
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	-	-	-	Thong-ming Soh
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-	-	-
Over NT\$100,000,000	-	-	-	-
Total	2 directors	2 directors	2 directors	2 directors

Independent Directors Remuneration Range Table

Remuneration Range for Directors	Name of Directors			
	Aggregate of A, B, C, and D		Aggregate of A, B, C, D, E, F, and G	
	The Company (Note 7)	Companies in the Consolidated Financial Statements (Note 8) H	The Company (Note 7)	Companies in the Consolidated Financial Statements (Note 8)
Under NT\$ 1,000,000	Min-chiu Chien, Chia-shi Lo and Yu-chun Hsiao	Min-chiu Chien, Chia-shi Lo and Yu-chun Hsiao	Min-chiu Chien, Chia-shi Lo and Yu-chun Hsiao	Min-chiu Chien, Chia-shi Lo and Yu-chun Hsiao
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	-	-	-	-
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	-	-	-	-
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	-	-	-	-
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	-	-	-	-
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	-	-	-	-
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-	-	-
Over NT\$100,000,000	-	-	-	-
Total	3 Independent directors	3 Independent directors	3 Independent directors	3 Independent directors

Note 1: Remuneration paid to Directors in the most recent year (including salary, job allowance, severance pay, bonuses, and incentive fee).

Note 2: Planned payout of bonuses for Directors approved by the Board of the Directors in the most recent year should be specified.

Note 3: Business expenses paid to Directors in the most recent year (including travel expense, special expense, allowances, accommodation, and company car). If housing, vehicle or other means of transportation, or personal expense is provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments should be disclosed. If a driver is provided, remuneration paid to the driver should be disclosed in the note; however, such remuneration should be excluded.

- Note 4: Remuneration for Directors concurrently holding positions (including the GM, Vice GMs, other managerial officers, or employees) in the Company in the most recent year should include salary, job allowance, severance pay, bonus, incentive fee, travel expense, special expense, allowances, accommodation, and company car. If housing, vehicle or other means of transportation, or personal expense is provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments should be disclosed. If a driver is provided, remuneration paid to the driver should be disclosed in the note; however, such remuneration should be excluded. Any salary listed under IFRS 2 Share-Based Payment, including employee share subscription warrants, new restricted employee shares, and cash capital increase by stock subscription should also be included in remuneration.
- Note 5: Employee bonuses (including stock and cash) for Directors concurrently holding positions (including the GM, Vice GMs, other managerial officers, or employees) in the Company in the most recent year; planned payout of bonuses for employees approved by the Board of the Directors in the most recent year should be specified.
- Note 6: Total remuneration paid to the Company's Directors by all companies (including the Company) listed in the consolidated financial statements should be disclosed.
- Note 7: The name of a Director to whom the total remuneration is paid by the Company should be disclosed in the corresponding remuneration range.
- Note 8: The name of a Director to whom the total remuneration is paid by all companies (including the Company) listed in the consolidated financial statements should be disclosed in the corresponding remuneration range.
- Note 9: Net income refers to that in the most recent year; if IFRSs are adopted, net income refers to that in the latest parent only or individual financial statements.
- Note 10: a. Remuneration received by Directors of the Company from invested companies other than subsidiaries should be specified.
- b. If directors of the Company receive remuneration from invested companies other than subsidiaries, the remuneration received by the directors of the Company from invested companies other than subsidiaries should be included in Column I in the Remuneration Range Table, and the name of the column should be changed to "All Invested Companies."
- c. Remuneration in this case refers to remuneration, bonuses (including employee, Director, or Supervisor bonuses), and allowances received by Directors of the Company as the Directors, Supervisors, or managerial officers of invested companies other than subsidiaries.
- * The concept of remuneration disclosed in the table is different from that stipulated in the Income Tax Act. The purpose of the table is for the disclosure of information instead of taxation.
- (II) Remuneration paid to Supervisors: The Company does not have Supervisors, therefore this is not applicable.

(III) Remuneration paid to GMs and Vice GMs (Note)

Unit: NT\$1,000

Title	Name	Salary (A) (Note 1)		Severance Pay (B)		Bonuses and Allowances (C) (Note 2)		Employee Bonus (D) (Note 3)				Ratio of Total Remuneration (A, B, C, and D) to Net Income (%)		Remuneration Paid to Director from Invested Companies Other than Subsidiaries (Note 8)
		The Company	Companies in the Consolidated Financial Statements (Note 4)	The Company	Companies in the Consolidated Financial Statements (Note 4)	The Company	Companies in the Consolidated Financial Statements (Note 4)	The Company		Companies in the Consolidated Financial Statements (Note 4)		The Company	Companies in the Consolidated Financial Statements (Note 4)	
								Cash Dividends	Stock Dividends	Cash Dividends	Stock Dividends			
GM of Redwood Group Ltd	Sing-keong Lee	-	3,525	-	472	-	1,592	-	-	-	-	-	5,589 / 1.70%	-
GM of Redwood Furniture Sdn. Bhd	Lay-guat Soh	-	1,179	-	200	-	491	-	-	-	-	-	1,870 / 0.57%	-

Note: The Company does not have Vice GMs.

Remuneration Range Table

Remuneration Range for GMs and Vice GMs.	Name of GMs and Vice GMs.	
	The Company (Note 5)	Companies in the Consolidated Financial Statements (Note 6) E
Under NT\$ 1,000,000	-	-
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	-	Lay-guat Soh
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	-	-
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	-	-
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	-	Sing-keong Lee
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-
Over NT\$100,000,000	-	-
Total	0 General Manager	2 General Managers

Note 1: Salary, job allowance, and severance pay paid to GMs and Vice GMs in the most recent year.

Note 2: Bonuses, incentive fee, travel expense, special expense, allowances, accommodation, and company car paid or offered to GMs and Vice GMs in the most recent year. If housing, vehicle or other means of transportation, or personal expense is provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments should be disclosed. If a driver is provided, remuneration paid to the driver should be disclosed in the note; however, such remuneration should be excluded. Any salary listed under IFRS 2 Share-Based Payment, including employee share subscription warrants, new restricted employee shares, and cash capital increase by stock subscription should also be included in remuneration.

Note 3: Planned payout of employee bonuses (including stock and cash) for GMs and Vice GMs approved by the Board of the Directors in the most recent year

should be specified. Net income refers to that in the most recent year; if IFRSs are adopted, net income refers to that in the latest parent only or individual financial statements.

Note 4: Total remuneration paid to the Company's GM and Vice GMs by all companies (including the Company) listed in the consolidated financial statements should be disclosed.

Note 5: The name of the GM or Vice GM to whom the total remuneration is paid by the Company should be disclosed in the corresponding remuneration range.

Note 6: The name of the GM or ViceGM to whom the total remuneration is paid by all companies (including the Company) listed in the consolidated financial statements should be disclosed in the corresponding remuneration range.

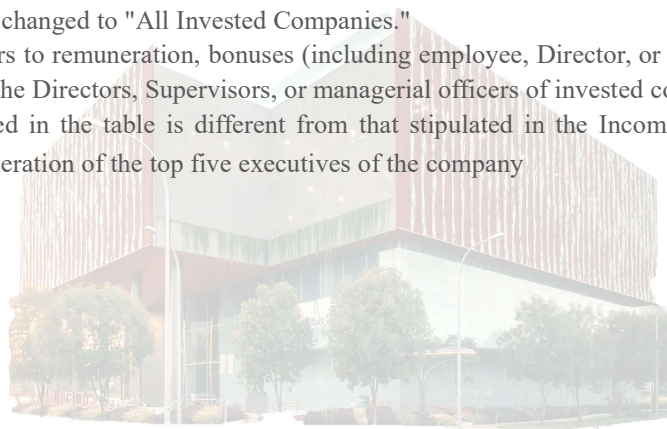
Note 7: Net income refers to that in the most recent year; if IFRSs are adopted, net income refers to that in the latest parent only or individual financial statements.

Note 8: a. Remuneration received by the GM and Vice GMs of the Company from invested companies other than subsidiaries should be specified.

b. If the GM and Vice GMs of the Company receive remuneration from invested companies other than subsidiaries, the remuneration received by the GM and Vice GMs of the Company from invested companies other than subsidiaries should be included in Column E in the Remuneration Range Table, and the name of the column should be changed to "All Invested Companies."

c. Remuneration in this case refers to remuneration, bonuses (including employee, Director, or Supervisor bonuses), and allowances received by the GM and Vice GMs of the Company as the Directors, Supervisors, or managerial officers of invested companies other than subsidiaries.

* The concept of remuneration disclosed in the table is different from that stipulated in the Income Tax Act. The purpose of the table is for the disclosure of information instead of taxation. Remuneration of the top five executives of the company



(IV) Remuneration of the top five executives of the company

Unit: NT\$1,000

Title	Name	Salary (A) (Note 1)		Severance Pay (B)		Bonuses and Allowances (C) (Note 2)		Employee Bonus (D) (Note 3)				Ratio of Total Remuneration (A, B, C, and D) to Net Income (%)(Note 5)		Remuneration Paid to Director from Invested Companies Other than Subsidiaries (Note 6)
		The Company	Companies in the Consolidated Financial Statements (Note 4)	The Company	Companies in the Consolidated Financial Statements (Note 4)	The Company	Companies in the Consolidated Financial Statements (Note 4)	The Company		Companies in the Consolidated Financial Statements (Note 4)		The Company	Companies in the Consolidated Financial Statements (Note 4)	
								Cash Dividends	Stock Dividends	Cash Dividends	Stock Dividends			
General Manager Americas	Xavier P Cantegrel	-	4,698	-	397	-	470	-	-	-	-	-	5,565 / 1.69%	-
General Manager Europe & Middle East	Bertrand Bonnefoy	-	3,820	-	845	-	1,420	-	-	-	-	-	6,085 / 1.85%	-
GM of Redwood Group Ltd	Sing-keong Lee	-	3,525	-	472	-	1,592	-	-	-	-	-	5,589 / 1.70%	-
Redwood Interior Pte Ltd Project Director	Chee-king Chow	-	3,424	-	460	-	1,789	-	-	-	-	-	5,673 / 1.72%	-
Redwood Interior Pte Ltd Project Director	Soo Yong Ping	-	3,341	-	472	-	1,754	-	-	-	-	-	5,567 / 1.69%	-

Note 1: Salary, job allowance, and severance pay paid to the top five executives in the most recent year.

Note 2: Bonuses, incentive fee, travel expense, special expense, allowances, accommodation, and company car paid or offered to the top five executives in the most recent year. If

housing, vehicle or other means of transportation, or personal expense is provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments should be disclosed. If a driver is provided, remuneration paid to the driver should be disclosed in the note; however, such remuneration should be excluded. Any salary listed under IFRS 2 Share-Based Payment, including employee share subscription warrants, new restricted employee shares, and cash capital increase by stock subscription should also be included in remuneration.

Note 3: Planned payout of employee bonuses (including stock and cash) for the top five executives approved by the Board of the Directors in the most recent year should be specified. Net income refers to that in the most recent year; if IFRSs are adopted, net income refers to that in the latest parent only or individual financial statements.

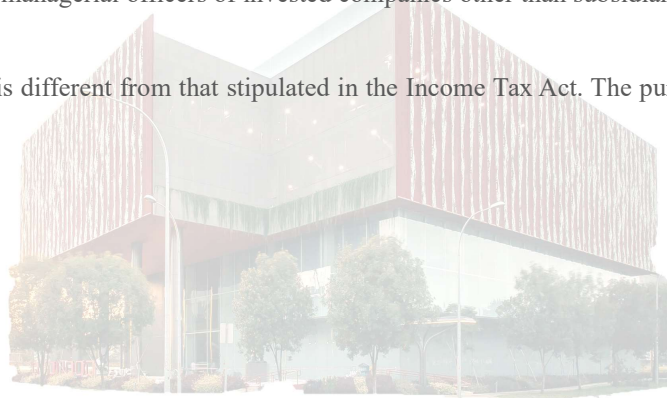
Note 4: Total remuneration paid to the Company's top five executives by all companies (including the Company) listed in the consolidated financial statements should be disclosed.

Note 5: Net income refers to that in the most recent year; if IFRSs are adopted, net income refers to that in the latest parent only or individual financial statements.

Note 6: a. Remuneration received by the top five executives of the Company from invested companies other than subsidiaries should be specified.

b. Remuneration in this case refers to remuneration, bonuses (including employee, Director, or Supervisor bonuses), and allowances received by the top five executives of the Company as the Directors, Supervisors, or managerial officers of invested companies other than subsidiaries or parent company.

* The concept of remuneration disclosed in the table is different from that stipulated in the Income Tax Act. The purpose of the table is for the disclosure of information instead of taxation



(V) Managerial officers receiving employee bonuses

Unit: NT\$1,000

	Title	Name	Stock Dividends	Cash Dividends	Total	Ratio of Total Employee Bonus to Net Income (%)
Managerial Officer	General Manager(GM)	Sing-keong Lee	-	545	545	0.17%
	CFO	Ai-ai Siew				
	Manager of Corporate Governance	Pin-ching Su				
	Internal Audit Manager	Tsui-ling Hsu				
	Contract Director	Teck-ling Tey				
	Project Director	Chee-king Chow				
	Project Director	Tien-fok Wong				
	Chief Operating Officer	Lay-guat Soh				

(VI) Separately compare and describe total remuneration, as a percentage of net income stated in the parent only or individual financial statements, as paid by the Company and by all companies in the consolidated financial statements during the past 2 fiscal years to Directors, Supervisors, GM, and Vice GMs of the Company, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to business performance and future risk exposure:

- Total remuneration, as a percentage of net income stated in the parent only or individual financial statements, as paid by the Company and by all other companies included in the consolidated financial statements during the past 2 fiscal years to Directors, Supervisors, GM, and Vice GMs of the Company

Unit: NT\$1,000

	FY2022				FY2023			
	Total Remuneration		Percentage of Net Income (%)		Total Remuneration		Percentage of Net Income (%)	
	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements
Director	3,540	18,247	10.95%	56.45%	6,414	23,857	1.95%	7.25%
GM	-	5,325	-%	16.47%	-	7,429	-%	2.27%
Total	3,540	23,572	10.95%	72.92%	6,414	31,316	1.95%	9.52%

2. Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to business performance and future risk exposure
 - (1) Remuneration paid to directors of the Company is based on the Articles of Incorporation. As managerial officers are responsible for the management and operation of the Company, their remuneration includes salaries, bonuses, and employee bonuses in accordance with the internal salary system; remuneration is paid to each managerial officer based on the years of service, work experience, performance, and contribution to the Company as well as future risks and standards of the industry.
 - (2) As of the date of publication of the Annual Report, the Company has not appointed Supervisors and Vice GMs.



IV. State of the Company's Implementation of Corporate Governance

(I) State of operations of the Board of Directors

A total of four (4) meetings of the Board of Directors were held in 2023, and the attendance is as follows:

Title	Name	Times of Attendance in Person	Times of Attendance by Proxy	Attendance Rate (%)	Remark
Chairman	Thong-ming Soh	4	-	100%	Reelected on June 27, 2022
Director	Jun-wei Soh	4	-	100%	Elected on June 27, 2022
Independent Director	Min-chiu Chien	4	-	100%	Reelected on June 27, 2022
Independent Director	Chia-shi Lo	4	-	100%	Reelected on June 27, 2022
Independent Director	Yu-chun Hsiao	4	-	100%	Elected on June 27, 2022

Others:

I. The date, term, proposals of the Board meetings, opinions of all Independent Directors, and the Company's handling of such opinions should be specified if one of the following circumstances occurs:

(I) Items listed in Article 14-3 of the Securities and Exchange Act:

Term (Date)	Proposals of the Board Meeting	Opinions of all Independent Directors	the company's handling of Independent Directors' opinions	Resolution Result
The 5th meeting of the 5th-term Board of Directors on March 24, 2023	Limits of lending of funds between the Company and its subsidiaries/sub-subsidiaries in 2023	None	Not applicable	Chairman consulted all directors present. After the discussion, the proposal was passed without objection.
	The company's CPA professional fee	None	Not applicable	
	Renewal of CPAs for the subsidiary, Redwood Interior Pte Ltd (RWI)	None	Not applicable	
	Amendments to the Company's internal control system	None	Not applicable	

The 6th meeting of the 5th-term Board of Directors on May 11, 2023	Formulate the company's "Pre-approval Measures for Non-Confirmed Services."	None	Not applicable	After the chairman consulted the opinions of all directors present, the case was passed according to the proposal; in addition, according to the recommendation of the audit committee, the content and wording of the procedure should be listed and explained based on the company's position, and can be modified at their discretion
	Amendments to certain articles within the Company's "Rules of Procedure for Shareholders' Meeting."	None	Not applicable	Chairman consulted all directors present. After the discussion, the proposal was passed without objection.
The 7th meeting of the 5th-term Board of Directors on August 22, 2023	The company and its subsidiaries budget amendment for 2023	None	Not applicable	Chairman consulted all directors present. After the discussion, the proposal was passed without objection.
	Second-tier subsidiary purchasing real estate.	None	Not applicable	
	The company's endorsement and guarantee liability is to be released.	None	Not applicable	
The 8th meeting of the 5th-term Board of Directors on November 10, 2023	The company and its subsidiaries budget for 2024	None	Not applicable	Chairman consulted all directors present. After the discussion, the proposal was passed without objection.
	The company's 2024 internal audit plan.	None	Not applicable	

(II) Any recorded or written Board resolutions to which independent directors have an objection or reservation that should be noted in addition to the above: None.

II. Regarding the recusal of Directors from voting due to the conflict of interests, the name of directors, proposals, reasons for recusal, and results of voting should be specified: None.

Term (Date)	Proposals of the Board Meeting	Reason for recusal and voting situation
The 5th meeting of the 5th-term Board of Directors on March 24, 2023	The Group's 2023 Salary Adjustment Proposal	Chairman Thong-ming Soh, and director Jun-wei Soh are concurrently serving as subsidiary managers. In order to avoid conflicts of interest, they requested to recuse themselves from the discussion and voting of the proposal. After independent director Yu-Chun Hsiao consulted the opinions of other directors present, the case was passed without objection.

III. The evaluation frequency, period, scope, method and details of the Board of Directors' self-or peer evaluation:

In order to implement corporate governance and strengthen the functions of the board of directors, and establish performance targets to enhance the operational efficiency of the board of directors, the company formulated the "Board of Directors Performance Evaluation Method" and will revise them at any time based on environmental changes and legal updates; the most recent revision was in August 13, 2020. In addition to regular self- or peer-evaluation of the board of directors and individual directors every year, the company also conducts evaluations at least once every three years by an external professional independent agency or a team of external experts and scholars. The most recent external evaluation was in March 2023 (evaluation period 2022/1-2022/12), which was commissioned by Diwan & Company, an external professional independent institution that has no business dealings with the company, to evaluate the five major aspects of the board of directors' performance. (degree of participation in company operations, quality of board decision-making, board composition and structure, director selection and continuing education, internal control), six aspects of director performance (mastery of company goals and tasks, awareness of directors' responsibilities, degree of participation in company operation, internal relationship management and communication, professional and continuing education of directors, internal control) and five aspects of functional committee performance (level of participation in company operations, awareness of functional committee responsibilities, functional committee decision-making quality, functional committee composition and member selection, internal control) were evaluated through questionnaires and on-site visits. The results of the evaluation by external professional and independent institutions concluded that the company's board of directors has formulated relevant policies and procedures for board operations in accordance with relevant laws and corporate governance indicators. Work is allocated based on different majors and experiences, so that the board of directors and various functional committees can operate effectively.

The company's 2023 board of directors (including functional committees) conduct self-evaluation and peer evaluation by board members. The relevant evaluations were summarized in the following table

Frequency	Period	Scope	Method	Details
Annually	2023.01.01~ 2023.12.31	Performance evaluations of the Board of Directors, individual Board member and functional committees	Self-evaluation of the Board of Directors, and self-andpeer evaluation of Board members.	<p>(I) Performance evaluation of the Board: Including procedure of participation in corporate operations, quality of Board, decisions, composition and structure of the Board, election and continuing education of Directors, internal control, etc. Assessment results: comply with relevant legal provisions and corporate governance requirements.</p> <p>(II) Performance evaluation of individual Board member: Including command over corporate goals and mission, understanding of Directors' duties, level of participation in corporate operations, internal relationship management and communication, specialty and continuing education of Directors, internal control, etc. Assessment results: comply with relevant legal provisions and corporate governance requirements.</p> <p>(III) Performance evaluation of functional committees: procedure of participation in corporate operations, understanding of functional committees' duties, quality of functional committees' decisions, composition of the functional committees and election of members, internal control, etc. Assessment results: comply with relevant legal provisions and corporate governance requirements.</p>

IV. Objectives and results of strengthening the functions of the Board of Directors (such as establishing the Audit Committee and improving the transparency of information) in the current year and the most recent year:

(I) Strengthening the functions of the Board of Directors: The Company has established the Rules and Procedures of Board of Director Meetings \ the Self-Evaluation or Peer Evaluation of the Board of Directors \ Director's Remuneration and Remuneration Payment Method, based on which the Board of Directors operates and is evaluated. To improve corporate governance, the Company has also appointed three independent directors and established the Audit Committee and the Remuneration Committee.

(II) Improving the transparency of information: The Company has a spokesman and an acting spokesman to reply to external inquiries. A company website is also in place to provide information on corporate governance, corporate social responsibility, financial information, Board of Directors, and shareholders' meetings , investor conferences and interested parties.

(II) State of operations of the Audit Committee

The Company' s Audit Committee is composed of three independent directors. The Audit Committee aims to assist the Board of Directors in fulfilling its duties of supervising the Company' s execution.

Regarding the quality and integrity of accounting, auditing, financial reporting processes and financial controls. Members' professional qualifications and experience are as follows:

Name	Condition	Professional qualifications and experience	Independence situation
Min-chiu Chien		Master of Accounting from Soochow University, and as a certificate of passing the national examination Certified Public Accountant. Besides auditing and taxation, she has also served as liquidator and bankruptcy administrator of troubled enterprises for several times. Have a profound understanding of enterprise risk management. She was also employed as a lecturer in the accounting department of the college.	Please refer to 5. Circumstances that independent directors meet independence
Chia-shi Lo		Master of Laws from Soochow University with a national examination certificate lawyer. In addition to his legal expertise, Mr. Chia-shi Lo also has a master's degree in electrical engineering from the University of Southern California. It is a cross-disciplinary profession.	Please refer to 5. Circumstances that independent directors meet independence
Yu-chun Hsiao		Bachelor of Finance from National Taiwan University, worked in several well-known securities firms in Taiwan and held important positions. She has worked in the capital market for more than 20 years. , enterprise internal control, legal compliance and other majors have extensive experience.	Please refer to 5. Circumstances that independent directors meet independence

In 2023, the Audit Committee held four (4) meetings, and the attendance of independent directors is as follows:

Title	Name	Times of Attendance in Person	Times of Attendance by Proxy	Attendance Rate (%)	Remark
Independent Director/ Convener	Min-chiu Chien	4	-	100%	Reelected on June 27, 2022
Independent Director/ Member	Chia-shi Lo	4	-	100%	Reelected on June 27, 2022
Independent Director/ Member	Yu-Chun Hsiao	4	-	100%	Elected on June 27, 2022

Others:

I. The date, term, proposals of the Board meetings, opinions of all Independent Directors, and the Company's handling of such opinions should be specified if one of the following circumstances occurs:

(I) Items listed in Article 14-5 of the Securities and Exchange Act:

Term (Date)	Proposals of the Audit Committee	Resolutions Not Approved by the Audit Committee but Approved by Two-thirds of All Directors	the company's handling of Audit Committee's opinions	Resolution Result
The 4th meeting of the 5th-term Audit Committee on March 24, 2023	2022 consolidated financial statements and the business report of the Company.	None	Not applicable	Chairman consulted all directors present. After the discussion, the proposal was passed without objection.
	2022 Statement of Internal Control System	None	Not applicable	
	Limits of lending of funds between the Company and its subsidiaries/sub-subsidiaries in 2023	None	Not applicable	
	The Company's CPA Professional fee.	None	Not applicable	
	Renewal of CPAs for the subsidiary, Redwood Interior Pte Ltd(RWI)	None	Not applicable	

	Amendments to the Company's internal control system.	None	Not applicable	
The 5th meeting of the 5th-term Audit Committee on May 11, 2023	Consolidated financial statements of the company for the first quarter of 2023.	None	Not applicable	Chairman consulted all directors present. After the discussion, the proposal was passed without objection.
	Formulate the company's "Pre-approval Measures for Non-Confirmed Services."	None	Not applicable	
	Amendments to certain articles within the Company's "Rules of Procedure for Shareholders' Meeting."	None	Not applicable	
The 6th meeting of the 5th-term Audit Committee on August 22, 2023	2023 semi-annual consolidated financial statements of the Company.	None	Not applicable	Chairman consulted all directors present. After the discussion, the proposal was passed without objection.
	The company and its subsidiaries budget amendment for 2023.	None	Not applicable	
	Second-tier subsidiary purchasing real estate	None	Not applicable	
	The company's endorsement and guarantee liability is to be released.	None	Not applicable	
The 7th meeting of the 5th-term Audit Committee on November 10, 2023	Consolidated financial statements of the company for the third quarter of 2023.	None	Not applicable	Chairman consulted all directors present. After the discussion, the proposal was passed without objection.
	The company and its subsidiaries budget for 2024.	None	Not applicable	
	The company's 2024 annual audit plan.	None	Not applicable	

(II) Other resolutions passed by two-thirds of all the directors but yet to be approved by the Audit Committee in addition to the above: None.

II. Regarding the recusal of Independent Directors from voting due to the conflict of interests, the name of Independent Directors, proposals, reasons for recusal, and results of voting should be specified: None.

III. Communication between Independent Directors, the internal audit officer, and CPAs (including important matters, methods, and results of the Company's finance and operations):

The Company's Audit Committee convened and passed relevant resolutions in accordance with the "Rules of Audit Committee Organization". When the company's audit committee and board of directors meet, the audit supervisor attends the meetings, and audit reports are regularly delivered to the audit committee. The accountants also communicate regularly with the company's internal audit supervisor. The company's independent directors have smooth communication with the internal audit supervisor and accountants.

Summary of communications between independent directors and internal audit supervisors and accountants:

Date	Summary of communication	Process execution results
The 4th meeting of the 5th-term Audit Committee on March 24, 2023	Review the results of the 2022 consolidated financial report and communicate with corporate governance units on the impact of the newly revised laws.	The independent directors have no objections to the content of the report and will submit it to the board of directors after passing the review resolution.
The 6th meeting of the 5th-term Audit Committee on August 22, 2023	Communicated with corporate governance units for the audit results of the consolidated financial report for the first half of 2023.	The independent directors have no objections to the content of the report and will submit it to the board of directors after passing the review resolution.

IV. Annual priorities and operations:

- (I) Review of financial reports: The board of directors prepares the company's 2023 business report, financial statements and earnings distribution proposal, etc. The financial report has been audited and completed by Deloitte and an audit report has been issued. The above-mentioned operating report, financial statements and earnings distribution proposal have been reviewed by the Audit Committee and are deemed to have no discrepancies.
- (II) Evaluate the effectiveness of the internal control system: The Audit Committee evaluates the effectiveness of the company's internal control system and procedures, reviews audit reports, and reviews periodic audit reports. The Audit Committee believes that the company's risk management and internal control systems are effective.
- (III) Appointment of certified public accountants: In order to ensure the independence of certified public accounting firms, the Audit Committee has taken into account Article 47 of the Accountants Act and the Accountant Professional Ethics Bulletin No. 10 "Integrity, Fairness, Objectivity and Independence", regarding the independence and professionalism of accountants. Assessment including whether the company is related to each other, has business or financial interests with the company, etc. When the certification accountant was appointed in 2023, it was reviewed and approved by the audit committee and the board of directors on November 11, 2022 that accountants Li-huang, Li and Ming-zhong, Xie of Deloitte and their affiliated auditors met the independence standards.

(III) State of the Company's implementation of corporate governance, any departure of such implementation from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies," and the reason for any such departure

Item	State of the Company's Implementation			Departure from the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and the Reason
	Yes	No	Summary	
I. Does the Company formulate and disclose the Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	V		The Company has formulated the "Corporate Governance Best Practice Principles", and related codes of practice (such as the "Sustainable Development Best Practice Principles", "Code of Practice on Risk Management", the internal system, the enforcement rules for internal audits, and the "Procedure for Preventing Insider Trading") and will be updated at any time in accordance with the latest letter of the competent authority, and disclosed on the company's website	No material departure.
II. Shareholding Structure & Shareholders' Rights				
(I) Does the Company establish an internal procedure for handling shareholder proposals, inquiries, disputes, and litigation? Are such matters handled according to the internal procedure?	V		(I) Although the Company has not clearly established an internal procedure for handling shareholder inquiries, the Company has appointed a spokesman and a professional stock transfer agency to handle shareholder proposals or disputes. The spokesman's e-mail and telephone number are available on the company website.	(I) No material departure.
(II) Does the Company maintain a register of major shareholders with controlling power as well as a register of persons exercising ultimate control over those major shareholders?	V		(II) The Company controls the major shareholders and persons exercising ultimate control over those major shareholders by reviewing the changes in equity during the monthly equity transaction declaration or on the stock book closure date.	(II) No material departure.
(III) Does the Company establish and enforce risk control and firewall systems with its affiliated businesses?	V		(III) The Company enforces risk control and firewall systems in accordance with the "Procedures for Having Business Dealings with Related Parties, Specific Companies, and Affiliates", the "Procedures for Supervision of Subsidiaries", the "Procedures for Lending Funds to Other Parties", and the "Procedures for Endorsement and Guarantee."	(III) No material departure.

<p>(IV) Does the Company establish an internal policy to prohibit insiders from using undisclosed information to buy and sell securities in the market?</p>	<p>V</p>	<p>(IV) The Company has formulated the Procedure for Preventing Insider Trading to regulate the behavior of insiders trading in securities. In 2023, the company educated managers and employees of each department on the prohibition of insider trading, including the laws, causes, identification and examples of insider trading. In addition, the company will remind the key points of prohibited insider trading by email every month and every quarter, reminding directors and relevant insider that they are not allowed to do so on the two days before and after the monthly revenue announcement and 30 days before the annual financial report announcement, every quarter. Trade its stocks during the closed period of 15 days before the announcement of the financial report to avoid accidentally violating legal regulations.</p>	<p>(IV) No material departure.</p>
<p>III. Composition and Responsibilities of the Board of Directors</p> <p>(I) Does the Company formulate and implement the policy for the diversification of the Board members?</p>	<p>V</p>	<p>(I)1. The Company takes into account the background, expertise, and work experience when nominating the Board members. Currently, the Board of Directors consists of 3 male members and 2 female members (including 3 independent directors). The five directors' professional backgrounds include business management, industrial knowledge, manufacturing, international markets, financial accounting and legal expertise, etc.; they are all professionals required for the company's operations. In addition, in accordance with Article 25.2 of the Company's Articles of Association, the nomination and selection of directors is based on a candidate nomination system. In addition to the company's "Director Election Methods", the evaluation of each candidate's qualifications must also comply with the "Corporate Governance Code".</p> <p>2. The current board of directors has 5 members, divided into 2 general</p>	<p>(I) No material departure.</p>

		<p>directors and 3 independent directors, and 2 of them are women; independent directors account for 60%, and female directors account for 40%. The company attaches great importance to gender equality in the composition of the board of directors and has achieved the target of more than 30% female directors to ensure the diversity and independence of the board members.</p> <p>3. The professional backgrounds of the board members are as follows: Mr. Thong-ming Soh is good at leadership, operational judgment, manufacturing, risk management and international market outlook; Mr. Jun-wei Soh is good at business management, industrial knowledge and operational planning, and crisis management; the other three independent directors Ms. Min-chiu Chien, Mr. Chia-shi Lo and Yu-Chun Hsiao are respectively good at accounting and auditing, legal compliance, and finance.</p> <p>4. The board of directors formulates a diversity policy on the composition of its members and discloses it on the company's website and public information observatory.</p>	
<p>(II) Does the Company establish other functional committees voluntarily in addition to the Remuneration Committee and the Audit Committee?</p>	<p>V</p>	<p>(II) The Company currently has the Remuneration Committee and the Audit Committee only.</p>	<p>(II) Other functional committees will be established based on the business development of the Company.</p>
<p>(III) Does the Company formulate the regulations and methods for the performance evaluation of the Board of Directors and evaluate the performance of the Board of Directors every year?</p>	<p>V</p>	<p>(III) The Company's board of directors conducts a performance evaluation of the board of directors, director members, remuneration committee and audit committee in accordance with the "Board Performance Evaluation Methods" and "Director Remuneration and Remuneration Payment Methods".</p>	<p>(III) No material departure.</p>

		<p>The internal evaluation of the board of directors (including its functional committees) is conducted at the end of each year and at the beginning of the next year, the performance evaluation of the previous year is conducted in accordance with relevant methods. The company's board of directors' performance evaluation measurement items include five aspects:</p> <ol style="list-style-type: none"> (1) Degree of participation in company operation. (2) Improve the decision-making quality of the board of directors. (3) Board composition and structure. (4) Selection and continuing education of directors. (5) Internal control. <p>Measurement items for director member performance evaluation include the following matters:</p> <ol style="list-style-type: none"> (1) Mastery of company goals and tasks. (2) Awareness of directors' responsibilities. (3) Degree of participation in company operations. (4) Internal relationship management and communication. (5) Professional and continuing education for directors. (6) Internal Control. <p>The measurement items for functional committee performance evaluation include the following matters:</p> <ol style="list-style-type: none"> (1) Degree of participation in company operations. (2) Cognition of functional committee responsibilities. (3) Improve the decision-making quality of functional committees. (4) Improve the composition and selection of functional committee members. 	
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		<p>(5) Internal control.</p> <p>The evaluations is carried out by the Administration Department and is conducted using an internal questionnaire. It is divided into four parts: board operation, director participation, remuneration committee, operation and audit committee. It adopts directors' evaluation of board operations, directors' evaluation of their own participation, and remuneration committee members' evaluation of committee operations. The Evaluation and Audit Committee evaluates the operations of the committee. The performance evaluation results are used as a reference for directors and functional committee members to determine their individual salaries and remuneration.</p> <p>After all questionnaires are collected in March every year, the company's administrative department will analyze them according to the previously established methods and report the results to the board of directors.</p> <p>The company completed the performance evaluation of the board of directors, board members, remuneration committee and audit committee in March 2024, and its expected that the board of directors meeting in May 2024 will report on the evaluation results and the direction for continuous improvement next year. This year's evaluation scores range from 4.93 to 4.96. The summary evaluation description is as follows:</p> <p>(1) Board of Directors:[4.95 points]</p> <p>The directors recommend that in addition to participating in audit committee meetings, accountants should also be invited to attend the board of directors for important accounting or financial matters in the future.</p> <p>(2) Remuneration Committee:[4.96</p>	
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<p>(IV) Does the Company regularly evaluate the independence of the CPAs?</p>	<p>V</p>	<p>points]</p> <p>It is recommended to plan and train senior manager success or talents as early as possible and formulate a training plan, and submit it to the board of directors for discussion.</p> <p>(3) Audit Committee:[4.93points]</p> <p>It is recommended that board members participate in other diversified courses outside their respective professional scopes. The corporate governance unit will be arranged in the refresher course for 2024.</p> <p>(IV) The company's audit committee regularly evaluates the independence of certified accountants every year, and then reports the evaluation results to the board of directors. The latest evaluation was reviewed and approved by the Audit Committee on March 13, 2024, and submitted to the Board of Directors for approval on March 13, 2024. Assessment items include (but are not limited to)</p> <ol style="list-style-type: none"> 1. Verify that there are no spouses, direct blood relatives/relatives by marriage, or collateral blood relatives within the second degree of blood between the company ' s audit members (including spouses and dependent relatives, the same below) and the company ' s directors and managers. relationship. 2. Has no direct or indirect significant financial interest in the company. 3. There is no business behavior that affects the independence of the company's directors and managers. 4. Not accepting gifts of great value (beyond ordinary social etiquette) from the company/directors/managers. 5. Other situations that violate 	<p>(IV) No material departure.</p>
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		<p>independence or unresolved conflicts.</p> <p>In addition, we obtain the independent statement issued by the accountant and the audit quality indicators (AQIs) information provided by the accounting firm, and evaluate the accounting firm and the audit team based on the "Audit Committee Interpretation of Audit Quality Indicators (AQI) Guidelines" issued by the competent authority. Audit quality. The evaluation results are as follows: the company has not appointed the same certified public accountant for five consecutive years, and the independence between the certified public accountant and the company complies with the Accounting Law of the Republic of China, the Code of Professional Ethics for Accountants, the U.S. SEC and PCAOB and other relevant regulations.</p>									
<p>IV. Does the Company have an adequate number of qualified corporate governance personnel and appoint a chief corporate governance officer, as well as establish a dedicated corporate governance unit or personnel to be in charge of corporate governance matters (including but not limited to furnishing information required for business execution by Directors and Supervisors, assisting Directors and Supervisors with regulatory compliance, handling matters relating to the Board meetings and shareholders' meetings according to laws, handling company registration and change registration, and producing minutes of the Board meetings and shareholders' meeting)?</p>	<p>V</p>	<p>The company's board of directors resolution on June 11, 2021 approved the establishment of a chief corporate governance officer to be responsible for corporate governance-related affairs. In addition, the company's important subsidiary - Redwood Interior Pte Ltd, according to the company regulations of its location, employs a professional external secretary company to be responsible for the board of directors and shareholders' meeting and other related affairs.</p> <p>The qualifications of the company's full-time corporate governance supervisor meet the relevant requirements of Article 3-1 of the "Code of Practice for Corporate Governance for Listed OTC Companies"</p> <p>The 2023 training status is as follows:</p> <table border="1" data-bbox="619 1709 1171 1998"> <thead> <tr> <th>Organization</th> <th>Topic</th> <th>Date</th> <th>Hours</th> </tr> </thead> <tbody> <tr> <td>Taiwan Corporate Governance Association</td> <td>How the board of directors develops ESG sustainable</td> <td>April 21,2023</td> <td>3</td> </tr> </tbody> </table>	Organization	Topic	Date	Hours	Taiwan Corporate Governance Association	How the board of directors develops ESG sustainable	April 21,2023	3	<p>No material departure.</p>
Organization	Topic	Date	Hours								
Taiwan Corporate Governance Association	How the board of directors develops ESG sustainable	April 21,2023	3								

			governance strategies			
		Taiwan Corporate Governance Association	Corporate governance trends and sustainable development of companies	May 5, 2023		3
		Taiwan Corporate Governance Association	How directors and supervisors supervise ESG risks - building sustainable corporate competitiveness	September 4, 2023		3
		Taiwan Corporate Governance Association	Mergers and acquisitions	September 4, 2023		3
		Taiwan Corporate Governance Association	Corporate Governance Supervisor Compliance Practice	November 17, 2023		
		Taiwan Stock Exchange and Securities Over-the-Counter Trading Center	Publicity meeting on sustainable development action plans for listed companies	April 27, 2023		3
V. Does the Company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and set up a stakeholder zone on the company website to respond to corporate social responsibility issues in a proper manner?	V		The Company has appointed a spokesman and an acting spokesman and an agent in Taiwan for litigious and non-litigious matters to respond to investors and other stakeholders with respect to inquiries about the operation of the Company or other issues. In addition, investors may visit the Interested Parties zone under Investor Relations on the company website and contact the Company at any time by phone, letter, fax, or E-mail.			No material departure.

<p>VI. Does the Company appoint a professional stock transfer agency to handle matters relating to the shareholders' meetings?</p>	<p>V</p>	<p>The Company has appointed KGI Securities Co. Ltd to handle stock affairs and matters relating to the shareholders' meetings.</p>	<p>No material departure.</p>
<p>VII. Disclosure of Information (I) Does the Company establish a website to disclose information on financial operations and corporate governance??</p>	<p>V</p>	<p>(I) In addition to the Chinese version (http://www.redwoodgroup.co/cn/investors-cn.html), the Company has set up the English company website (http://www.redwoodgroup.co/cn/about-us-en.html) to disclose related information. Related company information is also reported or announced on the Market Observation Post System (MOPS) according to the laws.</p>	<p>(I) No material departure.</p>
<p>(II) Does the Company set up other channels of information disclosure (such as setting up an English company website, appointing the designated person to collect and disclose information, appointing a spokesman, and publishing investor conferences on the company website)?</p>	<p>V</p>	<p>(II) In addition to the Chinese version, the Company has set up the English company website to disclose the company's operations-related matters, it also adopts Chinese and English announcements and declarations for major information, financial reports and annual reports, etc. The Company also holds investor conferences from time to time to improve the transparency of information.</p>	<p>(II) No material departure.</p>
<p>(III) Does the Company publicly announce and file its annual financial report within two months after the end of financial year, and its financial reports of the first three quarters as well as operational status of each month prior to the prescribed deadlines?</p>	<p>V</p>	<p>(III) The Company has its main operating entity at Singapore with overseas subsidiaries worldwide (e.g. Malaysia, Japan, South Korea, United States, Shanghai, Paris, Vietnam, Philippines and India.) To tie in with the subsidiaries' financial/accounting operations and CPA audits, the Company is currently unable to publicly announce and file its financial report within two months after the end of financial year or prior to the prescribed deadlines.</p>	<p>(III) The Company will consolidate the Group's financial/accounting operations and discuss the auditing schedules with CPAs.</p>

<p>VIII. Does the Company provide other material information that may improve the understanding of corporate governance of the Company (including but not limited to employee rights, employee care, investor relations, supplier relationship, stakeholder rights, training of directors and supervisors, implementation of risk management policy and risk assessment standards, implementation of customer policy, and participation in liability insurance of Directors and Supervisors)?</p>	<p>V</p>	<p>(I) Employee rights and employee care: The Company and its subsidiaries/sub-subsidiaries offer/implement employee rights in accordance with the local laws and have good labor-management relations.</p> <p>(II) Investor relations: The Company has an unit in charge of investor relations, which discloses/explains material information of the Company to investors or holds investor conferences from time to time to improve the transparency of information</p> <p>(III) Supplier relationship: The Purchasing Department follows the purchase-related regulations and forms a long-term relationship with suppliers based on the principles of mutual trust, reciprocity, and sustainable development.</p> <p>(IV) Stakeholder rights: The Company has appointed an agent in Taiwan for litigious and non-litigious matters to respond to stakeholders with respect to inquiries about the operation of the Company or their rights and interests. In addition, investors may visit the company website and contact the Company at any time by phone, letter, fax, or E-mail.</p> <p>(V) Training of directors and supervisors: The directors of the Company have attended training courses on corporate governance according to the regulations. For more information on training courses, refer to the Market Observation Post System→Corporate Governance→Attendance at the Board Meetings and Training of Directors and Supervisors.</p> <p>(VI) Implementation of risk management policy and risk assessment standards: The Company always takes preventive action against risks. The internal control</p>	<p>(I) No material departure.</p> <p>(II) No material departure</p> <p>(III) No material departure.</p> <p>(IV) No material departure.</p> <p>(V) No material departure.</p> <p>(VI) No material departure.</p>
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		<p>systems and policies have been formulated by the Company and its subsidiaries/sub-subsidiaries. The Internal Audit Department conducts internal audits and prepares the audit reports on a regular basis and from time to time. In addition, in terms of finance, in 2022 and as of the date of this annual report, the company and its subsidiaries have no operation/trading of derivative financial products; and will review the financial structure at any time to maintain a sound financial constitution.</p> <p>(VII) Implementation of customer policy: When receiving customer complaints, the Company communicates with customers immediately to understand their needs and improve mutual trust.</p> <p>(VIII) Participation in liability insurance of Directors and Supervisors: The Company purchases liability insurance for all directors every year. In 2023 (from June 1, 2023 to May 31, 2024), the liability insurance for directors and key managerial officers (including key employees of Redwood Group) totaled US\$5 million. The coverage contained 31 items, mainly about the liability for compensation for indiscretions. The participation in liability insurance was expected to reduce and distribute major damage caused by the indiscretions of Directors and key managerial officers to the Company and shareholders.</p>	<p>(VII) No material departure.</p> <p>(VIII) No material departure.</p>
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IX. Describe any improvements done and plans for future improvements based on the results of the latest corporate governance evaluation conducted by the TWSE Corporate Governance Center.

Results of the FY2023 Corporate Governance Evaluation and improvements are as follows:

Indicator	Item to Be Improved	Plans for Future Improvement
Protection of shareholders' rights and equal treatment of shareholders	1.18 Does the company record the important content of shareholders' questions and the company's replies in the minutes of shareholders' regular meetings?	There were no questions from shareholders regarding the "Reported Matters", "Recognized Matters" and "Discussed Matters" at the Company's 2023 regular shareholders' meeting, and there were no proposals for temporary motions. The minutes of future shareholders' meetings will be recorded in detail regardless of whether there are any questions from shareholders.
	1.19 Will the company's shareholder meeting be broadcast live online or be uploaded with uninterrupted audio and video recording after the shareholders' meeting?	Due to equipment constraints, the 2023 Annual Shareholders' Meeting cannot be broadcast live online; it is expected that after the 2024 Annual Shareholders' Meeting, the entire uninterrupted audio and video recording will be uploaded.
Enhancing the Structure and Functions of the Board of Directors	2.5 Among the company's directors, are the number of employees of the company, parent, subsidiary or brother company less than (inclusive) one-third of the number of directors?	Two directors of the company concurrently serve as managers of subsidiaries; however, since the number of directors (including three independent directors) in the company totals five, it cannot be less than 1/3.
	2.15 Does the company disclose the independent communication between independent directors and internal audit supervisors and CPA (such as the methods, matters and results of communication on the company's financial reports and financial business status, etc.) on the company's website?	The communication between the independent directors and the internal audit supervisor and accountants is disclosed in other records on the operation of the audit committee in this annual report and on the company's website.

		<p>2.17 Does the company's board of directors regularly (at least once a year) evaluate the independence and competency of certified accountants with reference to the Audit Quality Indicators (AQIs), and disclose the evaluation procedures in detail in the annual report?</p>	<p>Improved details (3) corporate governance operations and the differences and reasons from the governance code of practice for listed companies, explanation of assessment items III (4).</p>
		<p>2.18 Does the company regularly conduct internal performance evaluations of functional committees (which should include at least the audit committee and salary and remuneration committee) every year, and disclose the implementation status and evaluation results on the company's website or annual report?</p>	<p>Improved details (3) corporate governance operations and the differences and reasons from the governance code of practice for listed companies, explanation of assessment items III (3).</p>
		<p>2.21 Is the company's corporate governance manager full-time, with the scope of duties and further education status stated on the company's website and annual report?</p>	<p>Improvements have been made, please refer to the explanation of the performance evaluation of the Board of Directors and functional committees of this annual report.</p>
		<p>2.25 Does the company have a corporate governance manager who is responsible for corporate governance-related matters and explains the scope of duties and further training on the company website and annual report?</p>	<p>The board of directors in June 2021 approved the establishment of a corporate governance manager and will be responsible for corporate governance-related matters. Details of (3) corporate governance operations and the differences and reasons from the corporate governance code of practice for listed companies, as well as an explanation of the fourth assessment item..</p>

Improving Information Transparency	3.5 Does the company upload its annual financial report in English 16 days before the regular shareholders' meeting?	Will be improved in 2024..
	3.13 Does the company's annual report voluntarily disclose directors' individual remuneration?	Will gradually plan, improve and implement disclosure.
	3.17 Does the company website disclose relevant information including financial, business and corporate governance?	Improved, please refer to the company website for details.
Implementing Corporate Social Responsibility	4.1 Whether the company has set up a full-time (part-time) unit to promote sustainable development, conducts risk assessments on environmental, social or corporate governance issues related to the company's operations based on the principle of materiality, formulates relevant risk management policies or strategies, and the board of directors supervises sustainability Development promotion status and disclosed on the company website and annual report?	The company has established the "Corporate Governance Code of Practice", "Risk Management Code of Practice", "Corporate Social Responsibility Code of Practice", "Integrity Management Code", etc., which are supervised by the Board of Directors, with the corporate governance supervisor as a full-time staff, and implemented by relevant units. Environmental, social and corporate governance issues related to the company's operations; and preparing a "sustainability report" to disclose or explain.
	4.13 Has the company obtained ISO 14001, ISO50001 or similar environmental or energy management system certification?	Our company has obtained ISO 14001 certification, and its certificate is valid from December 2022 to January 2025 and Ecovadis certification (2023)
	4.14 Does the company's website or annual report disclose the identities of identified stakeholders, issues of concern, communication channels and response methods?	The company's website has a "Stakeholder Area" under the "Investor Relations" section, and has dedicated personnel to respond to relevant inquiries from stakeholders, disclose major company events/information from time to time, and also hold corporate briefings to enhance information. of transparency.

		<p>4.15 Does the company website or annual report disclose the integrity management policy approved by the board of directors, specify specific practices and plans to prevent dishonest behavior, and explain the implementation status?</p>	<p>The company has established and implemented the "Code of Corporate Social Responsibility Practice", "Code of Integrity Management" and other measures approved by the board of directors, and they are also published on the company's website.</p>
		<p>4.16 Has the company established and disclosed in detail on its website a system for reporting illegal (including dirty) and unethical behavior by internal and external personnel?</p>	<p>There is a "Stakeholder Area" under the "Investor Relations" section of the company's website. Internal and external stakeholders can directly contact the dedicated personnel; or internal personnel can make complaints to relevant units or personnel through the channels specified in the employee handbook. or report.</p>



(IV) Composition, duties, and operation of the Remuneration Committee

On August 24, 2011, the Board of Directors of the Company resolved to establish the Remuneration Committee and passed the Remuneration Committee Charter and the members of the 1st-term Remuneration Committee. Currently, the 5th-term Remuneration Committee consists of 3 Independent Directors, who are responsible to review the salary or remuneration of the Directors and executives of the Company and give advice to the Board of Directors for resolution.

1. Information on the members of the Remuneration Committee

Condition Name	Professional qualifications and experience	Number of Other Listed Companies where the Individual Concurrently Serves as an Independent Director
Yu-chun Hsiao	Bachelor of Finance from National Taiwan University, worked in several well-known securities firms in Taiwan and held important positions. She has worked in the capital market for more than 20 years. , enterprise internal control, legal compliance and other majors have extensive experience.	Please refer to 5. Circumstances that independent directors meet independence
Chia-shi Lo	Master of Laws from Soochow University with a national examination certificate lawyer. In addition to his legal expertise, Mr. Chia-shi Lo also has a master's degree in electrical engineering from the University of Southern California. It is a cross-disciplinary profession.	Please refer to 5. Circumstances that independent directors meet independence
Min-chiu Chien	Master of Laws from Soochow University with a national examination certificate lawyer. In addition to his legal expertise, Mr. Chia-shi Lo also has a master's degree in electrical engineering from the University of Southern California. It is a cross-disciplinary profession.	Please refer to 5. Circumstances that independent directors meet independence

2. State of operation of the Remuneration Committee

- (1) The Company's Remuneration Committee consists of 3 members.
 (2) Term of service: June 27, 2022 ~ June 26, 2025. In 2023, the Remuneration Committee held 2 meetings, and the attendance of the members is as follows:

Title	Name	Times of Attendance in Person	Times of Attendance by Proxy	Attendance Rate (%)	Remark
Independent Director/ Convener	Yu-chun Hsiao	2	–	100%	Elected on June 27, 2022
Independent Director/ Member	Min-chiu Chien	2	-	100%	Reelected on June 27, 2022
Independent Director/ Member	Chia-shi Lo	2	-	100%	Reelected on June 27, 2022

Important Resolutions and Implementation Status of the Compensation and Remuneration Committee:

Term (Date)	Proposals of the Remuneration Committee	Resolution Result
The 3rd meeting of the 5th-term Remuneration Committee on March 24, 2023	The company's 2023 manager salary adjustment proposal.	Chairman consulted all directors present. After the discussion, the proposal was passed without objection.
The 4th meeting of the 5th-term Remuneration Committee on November 10, 2023	The Company's 2024 Annual Director's Monthly Salary Remuneration Proposal.	Chairman consulted all directors present. After the discussion, the proposal was passed without objection.

Others:

- I. If the Board of Directors does not adopt or wishes to amend the proposals of the Remuneration Committee, please state the date and session of the Board meeting, proposals, resolutions from the Board of Directors, and handling of the Remuneration Committee's opinions (such as the difference between the salary and remuneration approved by the Board of Directors and those proposed by the Remuneration Committee and the reason): None.
- II. If the resolutions to which the members of the Remuneration Committee have an objection or reservation are recorded or written, please state the date and session of the meeting of the Remuneration Committee, proposals, opinions of the members, and handling of the opinions: None.

3. Scope of powers of the Remuneration Committee

Pursuant to the Company's Remuneration Committee Charter, the Remuneration Committee has the following powers and its recommendations are submitted to the Board of Directors for discussion:

- A. Formulate and regularly review the performance evaluations and the remuneration policy, system, standards and structure of Directors and managerial officers.
- B. Regularly assess and determine the remuneration of Directors and managerial officers.

The Remuneration Committee shall conform to the following principles when exercising the aforementioned powers:

- a. Performance evaluation and remuneration of Directors and managerial officers shall be determined with reference to the industry's remuneration standard and in light of the reasonableness of correlation between individual's performance and the Company's performance and future risks;
- b. Do not lead Directors and managerial officers on to engage in activities which exceed the Company's risk appetite in pursuit of remuneration; and
- c. The percentage of remuneration for short-term performance of Directors and senior managers and the timing for paying the variable part of remuneration shall be determined by the industry's characteristics and the Company's business nature.

(V) The implementation of the promotion of sustainable development and the difference from the company's sustainable development code of practice and the reasons:

Item	State of the Company's Implementation			Any Departure from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
I Has the company established a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle the senior management, and the board of directors supervises the situation?	V		In line with the implementation of the corporate governance 3.0 sustainable development blueprint, the company passed the "Code of Practice for Sustainable Development" through the resolution of the board of directors and appointed a corporate governance supervisor to coordinate related affairs and administrative departments to implement relevant business plans. After the administration department implements the business plan, it will attend the report of the board of directors from time to time, and accept the supervision and review of the board of directors.	No material departure.

Item	State of the Company's Implementation			Any Departure from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
II Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		The Company has formulated the "Sustainable Development Best Practice Principles." With its key corporate philosophy of integrity and honesty, it achieves the goal of sustainability through fulfilling the CSR and driving the progress of economy, environment and society. While pursuing sustainable development and profitability, the Company values environmental, social, and corporate governance factors and incorporates them into its management and operation. The Administration Department is responsible for the overall planning on the implementation of corporate governance, employee rights, environmental protection, and social engagement by every relevant department.	No material departure.
III. Environmental issues				
(I) Does the Company establish proper environment management systems based on the characteristics of its industries?	V		(I) The Company has obtained the ISO14001 (environmental management system) and BizSAFE (occupational safety and health) certification.	(I) No material departure.
(II) Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment?	V		(II) The factories continue to promote eco-friendly materials and the waste (wood and metal) recycling program.	(II) No material departure.
(III) Does the Company assess the present and future potential risks and opportunities of climate change for the entity, and take measures to respond to climate related issues?	V		(III) The Company keeps track and assesses the risk and threats in terms of the present and future supply of raw materials. Substitutes and new technology are adopted as countermeasures.	(III) No material departure.

Item	State of the Company's Implementation			Any Departure from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
(IV) Does the Company calculate its greenhouse gas (GHG) emissions, water consumption and total waste weight in the past two years, and formulate policies for energy conservation, reductions of carbon, GHG and water consumption, or other waste management?	V		(IV) Energy conservation and the reduction of carbon and GHG are implemented in the daily operations of the Company, its subsidiaries and factories. In addition, large vacuum plating facilities are installed to prevent pollution and damage to the environment and water resources.	(IV) No material departure.
IV. Social issues				
(I) Does the Company formulate appropriate management policies and procedures according to related laws and regulations and the International Bill of Human Rights?	V		(I) The Company has set the employee rights in the employee handbook according to the laws and regulations of countries where subsidiaries operate and the International Bill of Human rights.	(I) No material departure.
(II) Does the Company formulate and execute reasonable employee welfare measures (including compensation, leaves and other benefits), and have the operating performance or results properly reflected in employee compensation?	V		(II) The Company protects employees' legal rights pursuant to the laws and regulations of countries where the subsidiaries operate and the International Bill of Human rights. It also stipulates relevant employee rights in its employee handbook and executes accordingly.	(II) No material departure.
(III) Does the Company provide safe and healthful work environments and organize training on safety and health for the employees on a regular basis?	V		(III) The Company ensures that the work environment in factories is safe in accordance with the occupational safety laws and regulations of countries where subsidiaries operate and has obtained the BizSAFE (occupational safety and health)	(III) No material departure.

Item	State of the Company's Implementation			Any Departure from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
(IV) Does the Company establish an effective competency development career training program for employees?	V		(IV) In addition to orientation training, the Company and its subsidiaries organize on-the-job training based on the needs of departments and positions and allow employees to participate in external vocational training to improve their professional skills.	(IV) No material departure.
(V) Does the Company comply with related regulations and international standards in terms of customer health and safety, customer privacy, marketing and labeling of products and services, and formulate relevant consumer protection policies and complaint procedures?	V		(V) As the Company's customers are all internationally renowned luxury brands, the marketing and labeling of products and services fully comply with related laws and regulations. Moreover, the Company's internal control system contains procedures for handling customer complaints and the in-charge unit to protect the rights of products and customers.	(V) No material departure.
(VI) Does the Company formulate supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and the implementation results?	V		(VI) The Company has established the "Policy for Supplier Management" which demands suppliers to fulfill their CSRs on the premises of regulatory compliance and protection of suppliers' rights. The Company may terminate or revoke contacts if there is significant impact on the environment and society.	(VI) No material departure.
V. Does the Company refer to the internationally accepted report preparation standards or guidelines for its preparation of CSR or other reports which		V	In addition to disclosing information on honest management and sustainable development in the public prospectus, the company also prepares a sustainability report and	No material departure.

Item	State of the Company's Implementation			Any Departure from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
disclose the Company's non-financial information? Do the aforementioned reports obtain a third-party assurance or verification statement?			uploads it to the public information observatory; however, this report has not yet obtained the confidence or assurance of a third-party verification unit.	
<p>VI. If the Company has its own sustainable development best practice principles formulated according to the "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies," please explain the difference between its operation and the established code:</p> <p>The company formulated the "Code of Practice for Sustainable Development" to implement corporate governance, develop a sustainable environment, maintain social welfare, and strengthen sustainable information disclosure. There is no major difference between the current operation of relevant matters and this code.</p>				
<p>VII. Other important information that is helpful to understand the implementation of sustainable development:</p> <p>Environment-friendly – The Singapore factory, which will operate in 2021, has obtained the local green building certification; the Singapore factory and the Malaysian factory have also passed the ISO14001 environmental system certification.</p> <p>Social Responsibility – Pass the social compliance audit conducted by the external audit agency designated by the customer; and the company will inform all group employees and suppliers of the required code of conduct.</p> <p>Corporate Governance – Continue to strengthen external supervision and gender balance of directors; the fifth session of directors of the company consists of two general directors and three external independent directors, including two female directors; the proportion of independent directors and female directors is 60% respectively , 40%.</p>				

(VI) Climate-related information implementation status

Item	Implementation status
<p>1. Describe how the board of directors and management oversight and governance of climate-related risks and opportunities.</p>	<p>The board of directors is the highest unit of the company's climate risk management. It aims to comply with laws and regulations, supervise the company's overall climate-related risk management, understand the risks faced, and ensure the effectiveness of risk management. The above-mentioned climate-related actions, if they involve major investments or projects, will also be supervised by the board of directors.</p>
<p>2. Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short-term, medium-term and long-term).</p>	<p>As the global trend toward net-zero carbon emissions remains unchanged, the company's product and operating costs will inevitably increase under the influence of short-term increases in electricity bills, medium-term national carbon fees, and long-term national carbon tariffs.</p> <p>Brand customers require carbon reduct for suppliers and demand for sustainable products also continued to increase, becoming new opportunities for the company. Therefore, in addition to implementing various energy-saving projects, replacing energy-consuming equipment, and adding solar panels in the short term, the company will also work towards energy-saving factories, green manufacturing processes, and reducing the carbon footprint of products in the medium and long term.</p>
<p>3. Describing how extreme climate events and transition actions impact finance .</p>	<p>Extreme climate events may lead to work suspensions, water shortages, flooding, power outages, damage to power systems, etc., increasing company expenses or operating losses. In addition, the transformation actions mentioned in the previous paragraph will also increase the company's capital expenditures.</p>
<p>4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.</p>	<p>The company's climate risk identification, assessment and management processes will gradually comply with the requirements of the competent authorities and be integrated and implemented into risk management policies.</p>
<p>5. If scenario analysis is used to assess resilience to climate change risks, should explain the scenarios, parameters, assumptions, analysis factors be used and main financial impacts.</p>	<p>The company has not yet used scenario analysis for climate change risks</p>

<p>6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transformation risks.</p>	<p>In response to climate-related risks, the Company measures physical and transformation risks based on the magnitude of impact and likelihood of occurrence, and prioritizes response measures for high-risk individuals. Relevant plans include completing the installation of solar panels in factories in Singapore and Malaysia as soon as possible to comply with the requirements of the regulatory agency' s Renewable Energy Development Regulations</p>
<p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p>	<p>The Company has not yet implemented internal carbon pricing</p>
<p>8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning schedule, annual achievement progress and other information should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the information should be explained. Source and quantity of offset carbon reduction credits or quantity of renewable energy certificates (RECs).</p>	<p>The Company has not yet set climate-related targets.</p>
<p>9. Greenhouse gas inventory and assurance, reduction targets, strategies and specific action plans.</p>	<p>Not applicable (According to the regulations of the competent authority, the company should complete the disclosure of greenhouse gas inventory information from 2026 and the disclosure of confidential information from 2028)</p>

(VII) State of the Company's performance of ethical corporate management and the adoption of related measures

Item	State of the Company's Implementation		Any Departure from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	
I. Establishing Ethical Corporate Management Policies and Programs			
(I) Does the Company formulate ethical corporate management policies approved by the Board of Directors and declare its ethical corporate management policies and procedures along with commitments from the Board of Directors and senior management to proactively implement those management policies in its guidelines and external documents?	V		(I) Approved by the Board of Directors, the Sustainable Development Best Practice Principles are formulated to regulate the ethical conduct of the management and all employees. (I) No material departure.
(II) Does the Company establish assessment mechanism for risk arising from unethical acts, regularly analyze and assess operating activities with higher risk of unethical conducts within its business scope, and formulate preventive schemes accordingly, which at least contain preventive measures for conducts set forth in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?	V		(II) The Company's employee handbook specifies that all employees shall explain the Company's ethical corporate management policies and relevant rules to the counterparties and clearly refuse to directly or indirectly provide, promise, request or receive improper benefits in any form or name while engaging in business activities. (II) No material departure.

Item	State of the Company's Implementation		Summary	Any Departure from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No		
(III) Does the Company specify and thoroughly implement operating procedures, behavior guidelines, and punishment and grievance system for violations in the preventive schemes for unethical conducts, and regularly review and modify the aforementioned schemes?	V		(III) The Company's employee handbook specifies that all employees are not allowed to have unethical conduct. In addition to regular audits conducted by internal auditors, employees may express their opinions or complaints with the HR or management directly.	(III) No material departure.
II. Implementing Ethical Corporate Management				
(I) Does the Company evaluate the integrity records of counterparties and specify the terms of ethical conduct in the contracts signed with the counterparties?	V		(I) According to the "Policy for Supplier Management," the Company evaluates the integrity records of counterparties. After dealing with or visiting the counterparties, the Company proceeds to create supplier master data for management.	(I) No material departure.
(II) Does the Company set up an exclusively dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once per year) report its ethical corporate management policies and preventive schemes for unethical conducts as well as implementation status to the Board of Directors?	V		(II) The director of corporate governance and the administrative department are responsible for promoting honest management and implementing relevant business plans, and attend the report of the board of directors from time to time, and accept the supervision and review of the board of directors. In addition, the human resources department is responsible for the formulation and promotion of relevant measures for employees' professional ethics; the audit unit performs the inspection and supervision of relevant operations. If dishonest facts or behaviors are discovered, the superior supervisor will handle the incident and report the review and improvement methods to the board of directors.	(II) No material departure.

Item	State of the Company's Implementation			Any Departure from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
(III) Does the Company formulate policies to prevent conflicts of interest, provide proper channels of explanation, and implement them?	V		(III) The Company has formulated the "Procedures for Having Business Dealings with Related Parties, Specific Companies and Affiliates" to prevent any conflict of interests. In addition, the Company provides the proper channels of explanation for employees to express their opinions or complaints with the HR or management directly.	(III) No material departure.
(IV) Does the Company establish effective accounting and internal control systems to implement ethical corporate management and have an internal audit unit formulating relevant audit plans based on the assessment outcome of risk associated with unethical conducts for the audits on the compliance with the preventive schemes for unethical conducts, or entrust the CPAs to conduct the audits?	V		(IV) To ensure the effect of the Company's accounting system and internal control system, internal auditors audit the compliance of the systems on a regular basis, and external auditors are appointed to audit the internal control system every year.	(IV) No material departure.
(V) Does the Company regularly hold internal/external training on ethical corporate management?	V		(V) The Company conveys the importance of ethical corporate management in internal training or orientation training for new employees.	(V) No material departure.
III. Whistle-blowing System				
(I) Does the Company have a specific whistle-blowing and reward system, establish convenient whistle-blowing channels, and assign the appropriate personnel to deal with the reported personnel?	V		The Company's employee handbook specifies the channels of grievance or explanation. The HR is responsible to receive the employees' opinions/complaints/reporting cases and forward them in secret to the responsible manager/unit for handling. After the cases are closed, the employees will be informed of the results of handling. Necessary or special cases are covered in training to all employees.	No material departure.

Item	State of the Company's Implementation			Any Departure from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Summary	
(II) Does the Company formulate the standard operating procedures for investigation and the confidentiality mechanisms for the reported matters?	V			
(III) Does the Company take measures to protect the whistle-blowers from improper infringement due to reporting?	V			
IV. Enhancing Disclosure of Information (I) Does the Company disclose the status of operations of the "Ethical Corporate Management Best Practice Principles" on the company website and the Market Observation Post System?		V	The Company website → Investor Relations → Major Internal Policies → "Ethical Corporate Management Best Practice Principles"	In practice, the Company has performed the daily operation based on the spirit of ethical corporate management.
V. If the Company has its own ethical corporate management principles formulated according to the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," please explain any departure from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies": The company has formulated the "Corporate Governance Code of Practice", "Code of Integrity Management" and internal control systems related to the company's honest management for compliance. Currently, there is no major difference between the operation of the relevant matters and the relevant codes.				
VI. Other important information on the Company's implementation of ethical corporate management (such as amendments to the ethical corporate management principles): None.				

(VIII) If the Company has adopted corporate governance best practice principles or related bylaws, please disclose how these are to be searched:

Refer to the company website (www.redwoodgroup.co)→Investor Relations→Major Internal Policies.

(IX) Other significant information that will provide a better understanding of the state of the Company's implementation of corporate governance may also be disclosed:

Refer to the company website (www.redwoodgroup.co)→Investor Relations→Corporate Governance.

(X) State of implementation of the Company's internal control system

1. Statement of Internal Control System

Redwood Group Ltd
Statement of Internal Control System

Date: March 13, 2024

The Company hereby states the results of the self-evaluation of the internal control system in 2023 as follows:

- I. The Company acknowledges that the implementation and maintenance of an internal control system is the responsibility of the Board of Directors and managerial officers, and the Company has established the internal control system. The internal capital system is designed to provide reasonable assurance for the effectiveness and efficiency of the operations (including profitability, performance and protection of assets), reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.
- II. The internal control system has its innate restrictions. An effective internal control system can only provide reasonable assurance for the achievement of the foregoing three goals; besides, the effectiveness of the internal control system may vary due to changes in the environment and conditions. However, the internal control system of the Company has a self-monitoring function, and the Company will take corrective action against any defects identified.
- III. The Company uses the assessment items specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations") to determine whether the design and implementation of the internal control system are effective. Based on the process of control, the assessment items specified in the Regulations divide the internal control system into five constituent elements: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communications; and 5. monitoring activities. Each constituent element includes a certain number of items. For more information on such items, refer to the Regulations.
- IV. The Company has adopted the aforesaid assessment items for the internal control system to determine whether the design and implementation of the internal control system are effective.
- V. Based on the results of the determination in the preceding paragraph, the Company is of the opinion that the internal control system (including the supervision and management of subsidiaries), including the design and implementation of the internal control system relating to the effectiveness and efficiency of the operations, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, as of December 31, 2023 has been effective and can reasonably assure the achievement of the foregoing goals.
- VI. This statement will constitute the main content of the Company's annual report and the prospectus and will be disclosed to the public. Any falsehood and concealment of the above contents will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
- VII. This statement has been approved by the Board of Directors on March 13, 2024, and out of the 5 directors in attendance (including attendance by proxy), none objected to it and all consented to the content expressed in this statement.

Redwood Group Ltd

Chairman Thong-ming Soh

GM Sing-keong Lee

2. If a CPA has been hired to carry out a special audit of the internal control system, please furnish the CPA audit report: None.
- (XI) Disclose any sanctions imposed in accordance with the law upon the Company or its employees, any sanctions imposed by the Company upon its employees for violations of the internal control system policy, principal deficiencies, and the state of improvements during the most recent year and up to the date of publication of the Annual Report:

Mr. Thong-ming Soh, the director of the company , transferred 50,000 shares of the company's shares on the over-the-counter trading market in December 2023. Because he is a foreigner in Singapore and is not familiar with the securities trading laws of the Republic of China, he inadvertently violated the securities trading laws. Article 22-2,Item 1, Paragraph 2 of the Exchange Act stipulates that insider shareholding transfers must be reported in advance, and the competent authority imposed a fine NT\$240,000 (Financial Securities Exchange Penalty No.1130336007).

Except for the above incidents, the company and other insiders have not been punished according to law, and the company has strengthened the promotion of securities-related laws and regulations to avoid further violations of relevant laws and regulations.



(XII) Material resolutions of the shareholders' meeting or the Board meetings during the most recent year and up to the date of publication of the Annual Report.

Material Resolutions of the Shareholders' Meetings and Implementation

Date	Meeting	Proposals	Resolutions	Implementation situation
2022.06.28	Annual Shareholders' Meeting 2023	<p>I. Report Items</p> <ol style="list-style-type: none"> 1. 2022 business report 2. 2022 audit report of the Audit Committee 3. Amendments to the Company's Rules and Procedures of Board of Director Meetings <p>II. Adoption Items</p> <ol style="list-style-type: none"> 1. Adoption of 2022 financial statements 2. Adoption of distribution of 2022 earnings <p>III. Discussion Items</p> <ol style="list-style-type: none"> 1. Amendments to certain articles within the Company's "Articles of Incorporation." 2. Amendments to certain articles within the Company's "Rules of Procedure for Shareholders' Meeting." 3. Amendments to certain articles within the Company's "Procedures for Endorsement and Guarantee." 	<p>The proposal was passed by ordinary resolution.</p> <p>The proposal was passed by ordinary resolution.</p> <p>The proposal was passed by special resolution.</p> <p>The proposal was passed by ordinary resolution.</p> <p>The proposal was passed by ordinary resolution.</p>	<p>The 2022 annual final accounts have been recognized, and the report has been reported to the competent authority and announced in accordance with relevant laws and regulations.</p> <p>After the amendment is passed, it will be handled according to the procedures and announced on the website designated by the competent authority and the company website.</p>

Material Resolutions of the Board Meetings and Implementation

Date	Meeting	Material Resolutions	Resolutions and Implementation
2023.03.24	The 5th meeting of the 5th-term Board of Directors	<ol style="list-style-type: none"> 1. 2022 consolidated financial statements and business report of the Company. 2. 2022 earnings distribution. 3. Distribution of earnings of subsidiaries and sub subsidiaries. 4. Amendments to certain articles within the Company's "Articles of Incorporation". 5. Preparation of the Company's Statement of Internal Control System.. 6. Leading of funds between the Company and subsidiaries/sub subsidiaries in 2023. 7. The company's CPA professional fee. 8. Renewal of the CPAs of Redwood Interior Pte Ltd (RWI) 9. The company's 2023 annual manager salary adjustment plan. 10. Amendments to the Company's internal control regulations. 11. Formulation of the policy for handling of shareholder proposals. 12. Convention of the Company's annual shareholders' meeting 2023. 	<ol style="list-style-type: none"> 1. The proposal was passed without objection. 2. The proposal was passed without objection. 3. The proposal was passed without objection. 4. The proposal was passed without objection. 5. The proposal was passed without objection. 6. The proposal was passed without objection. 7. The proposal was passed without objection. 8. The proposal was passed without objection. 9. Chairman Thong-ming Soh and Director Jun-wei Soh concurrently serve as the managers of the subsidiary company. In order to avoid conflicts of interest, they requested to withdraw from the proposal before it was discussed and voted on . Director Yu-Chun Hsiao consulted other directors present, and the proposal was passed without objection.The proposal was passed without objection. 10. The proposal was passed without objection. 11. The proposal was passed without objection. 12. The proposal was passed without objection.

Date	Meeting	Material Resolutions	Resolutions and Implementation
2023.05.11	The 6th meeting of the 5th-term Board of Directors	<ol style="list-style-type: none"> 1. The company's consolidated financial statements for the first quarter of 2023 2. Formulate the company's "Pre-approval Measures for Non-confirmed Services" 3. Amendments to certain articles within the Company's " Rules of Procedure for Shareholders' Meeting." 4. Amendments to some articles of the Articles of Association of Redwood Furniture Snd. Bhd. 	<ol style="list-style-type: none"> 1. The proposal was passed without objection. 2. After the chairman consulted the opinions of all directors present, the case was passed according to the proposal; in addition, according to the audit committee's deliberation recommendations, the content and wording of the measure should be listed and explained from the company's position. It can be revised at the discretion and submitted to the latest audit committee and board discussion. 3. The proposal was passed without objection. 4. The proposal was passed without objection.
2023.08.22	The 7th meeting of the 5th-term Board of Directors	<ol style="list-style-type: none"> 1. Consolidated financial statements of the Company for the first half of 2023. 2. The Company proposed not to distribute dividends for the first half of 2023. 3. Revision of 2023 budgets of the Company and subsidiaries/ sub subsidiaries. 4. Real estate purchase case by Sub-subsidiary Company (RWP) 5. Proposed release of the company's endorsement and guarantee liability. 	<ol style="list-style-type: none"> 1. The proposal was passed without objection. 2. The proposal was passed without objection. 3. The proposal was passed without objection. 4. The proposal was passed without objection. 5. The proposal was passed without objection.
2023.11.10	The 8th meeting of the 5th-term Board of Directors	<ol style="list-style-type: none"> 1. The Company's consolidated financial statements for the third quarter of 2023. 2. 2024 budgets of the Company and subsidiaries/ sub-subsidiaries. 3. 2024 audit plan of the Company. 4. The company's monthly salary package for directors in 2024 5. Appointment of the company's top manager for information security-related matters. 	<ol style="list-style-type: none"> 1. The proposal was passed without objection. 2. The proposal was passed without objection. 3. The proposal was passed without objection. 4. The proposal was passed without objection. 5. The proposal was passed without objection.

Date	Meeting	Material Resolutions	Resolutions and Implementation
2024.01.12	The 9th meeting of the 5th-term Board of Directors	<ol style="list-style-type: none"> 1. Subsidiary Redwood Interior Pte Ltd (RWI) added a new investment plan. 2. Abolish Sub-subsidiary - Redwood Projects Korea Co., Ltd (RWPK) 	<ol style="list-style-type: none"> 1. The proposal was passed without objection. 2. The proposal was passed without objection.
2024.03.13	The 10th meeting of the 5th-term Board of Directors	<ol style="list-style-type: none"> 1. 2023 consolidated financial statements and business report of the Company. 2. 2023 earnings distribution 3. The Company's Directors' Remuneration and Employee Bonus Distribution for 2023. 4. Distribution of earnings of subsidiaries and sub subsidiaries. 5. Preparation of the Company's Statement of Internal Control System. 6. Lending of funds between the Company and subsidiaries / sub subsidiaries in 2023. 7. The Company's CPA professional fees. 8. Renewal of the CPAs of Redwood Interior Pte Ltd (RWI) 9. The company's 2023 annual manager salary adjustment plan. 10. Amendments to the Company's internal control regulations. 11. Formulation of the policy for handling of shareholder proposals. 12. Convention of the Company's annual shareholder's meeting 2023. 	<ol style="list-style-type: none"> 1. The proposal was passed without objection. 2. The proposal was passed without objection. 3. The proposal was passed without objection. 4. The proposal was passed without objection. 5. The proposal was passed without objection. 6. The proposal was passed without objection. 7. The proposal was passed without objection. 8. The proposal was passed without objection. 9. Chairman Thong-ming Soh and Director Jun-wei Soh concurrently serve as the managers of the subsidiary company. In order to avoid conflicts of interest, they requested to with draw from the proposal before it was discussed and voted on. Director Yu-Chun Hsiao consulted other directors present, and the proposal was passed without objection. 10. The proposal was passed without objection. 11. The proposal was passed without objection. 12. The proposal was passed without objection.

(XIII) If a Director or Supervisor has expressed a dissenting opinion with respect to a material resolution passed by the Board of Directors during the most recent year and up to the date of publication of the Annual Report, and the said dissenting opinion has been recorded or prepared as a written declaration, please disclose the principal content: None.

(XIV) A summary of resignations and dismissals of the Company's Chairman, GM, CFO, financial manager, chief internal auditor, and research and development officer during the most recent year and up to the date of publication of the Annual Report: None.

V. Information on CPA Professional Fees

Unit: NT\$1,000

CPA Firm	Name of CPAs	Period of Audit	Audit Fee	Non Audit Fee	Total	Remark
Deloitte Taiwan	Li-huang Lee	FY2023	NTD \$3,523	-	NTD \$3,523	None
	Ming-chung Hsieh					

- (I) When non-audit fees paid to the CPA, to the CPA firm, and/or to any affiliated enterprise of the CPA firm are 1/4 or more of the audit fees paid thereto, please disclose the amounts of both audit and non-audit fees and the details of non-audit service: N/A.
- (II) When the Company changes its CPA firm and the audit fees paid for the fiscal year in which such a change takes place are lower than those for the previous fiscal year, please disclose the amounts of the audit fees before and after the change and the reasons: N/A.
- (III) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 15% or more, please disclose the reduction in the amount of audit fees, reduction percentage, and reasons: None.

VI. Information on the Replacement of CPA: None.

VII. Where the Company's Chairman, GM, or Any Managerial Officer in Charge of Finance or Accounting Matters Has in the Most Recent Year Held a Position at the Accounting Firm of its CPA or at an Affiliated Enterprise of the Accounting Firm, Please Disclose the Name and Position of the Person and the Period during which the Position Was Held: None.

VIII. Any Transfer of Equity Interests and Pledge of or Change in Equity Interests by Directors, Supervisors, Managerial Officers, or Shareholders with a Stake of More than 10% during the Most Recent Year and Up to the Date of Publication of the Annual Report

(I) Change in equity interests by directors, supervisors, managerial officers, or major shareholders

Unit: Shares

Title	Name	2023	
		Change in the Number of Shares Held	Change in the Number of Shares Pledged
Chairman	Thong-ming Soh	(50,000)	-
Director	Lee-mui Teh	(50,000)	-
Director	Jun-wei Soh	-	-
Independent Director	Min-chiu Chien	-	-
Independent Director	Yu-chun Hsiao	-	-
Independent Director	Chia-shi Lo	-	-
GM	Sing-keong Lee	-	-
CFO	Ai-ai Siew	-	-
Chief Governance officer	Pin-ching Su	-	-

(II) Information on transfer of equity interests

None.

(III) Information on pledge of equity interests

None.

IX. Relationship Information between the Company's 10 Largest Shareholders (Such as Related Party or Relative within the Second Degree of Kinship)

Relationship Information between the Company's 10 Largest Shareholders

April 23, 2024

Unit: Shares; %

Name	Shares Held in Person		Shares Held by Spouse and Children of Minor Age		Shares Held through Nominees		Relationship Information, if among the Company's 10 Largest Shareholders Any One Is a Related Party or a Relative within the Second Degree of Kinship of Another		Remark
	Number of Shares	Shareholding Ratio (%)	Number of shares	Shareholding Ratio (%)	Number of shares	Shareholding Ratio (%)	Name	Relationship	
Thong-ming Soh	16,558,571	32.96	16,495,264	32.83	-	-	Lee-mui Teh	Spouse	
Lee-mui Teh	16,495,264	32.83	16,558,571	32.96	-	-	Thong-ming Soh	Spouse	
An-hui Chen	2,250,000	4.48	-	-	-	-	-	-	
Jui-ying Tsao	920,000	1.83	-	-	-	-	Chia-ying Tsao	Sister	
Chia-ying Tsao	727,406	1.45	-	-	-	-	Jui-ying Tsao	Sister	
EASTERN LEISURE & RECREATION CO., LTD.	647,000	1.29	-	-	-	-	-	-	
EASTERN LEISURE & RECREATION CO., LTD. (representative: Ming-Yuan, Hong)	-	-	-	-	-	-	-	-	
Kushat Investment Co., Ltd.	377,000	0.78	-	-	-	-	-	-	
Kushat Investment Co., Ltd. (representative: Guo-Shao, Zhong)	-	-	-	-	-	-	-	-	
Jing-xuan, Wen	357,100	0.71	-	-	-	-	-	-	
You-wei, Liang	279,000	0.56	-	-	-	-	-	-	
KrenzArtwork International Company Limited	272,000	0.54	-	-	-	-	-	-	
KrenzArtwork International Company Limited (representative: Guo-Shao, Zhong)	-	-	-	-	-	-	-	-	

X. Total Number of Shares and Total Equity Stake Held in Any Single Enterprise by the Company, its Directors and Supervisors, Managerial Officers, and Any Companies Controlled either Directly or Indirectly by the Company

Total Equity Stake

Invested Company (Note)	Investment by the Company		Investment by Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Companies		Total Investment	
	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage
Redwood Interior Pte Ltd	17,985,395	100.00	-	0	-	100.00
Redwood Furniture Sdn. Bhd.	25,000,000	100.00	-	0	-	100.00
Redwood (Shanghai) Pte Ltd	-	100.00	-	0	-	100.00
Redwood Projects Sdn. Bhd.	750,000	100.00	-	0	-	100.00
Redwood Projects Korea Co., Ltd	80,000	100.00	-	0	-	100.00
Redwood Projects Japan K.K.	900	100.00	-	0	-	100.00
Redwood Projects France S.A.S	600,000	100.00	-	0	-	100.00
Redwood Projects US Inc.	500,000	100.00	-	0	-	100.00
Redwood Project (Vietnam) Company Limited	-	100.00	-	0	-	100.00
Redwood Projects Philippines Inc.	10,000,000	100.00	-	0	-	100.00
Redwood Specialities India Private Limited	4,030,000	100.00	-	0	-	100.00

December 31, 2023/Unit: Shares; %

Note: Long-term investment using the equity method.

Chapter IV Information on Capital Raising Activities

I. Capital and Shares

(I) Source of share capital

Unit: NT\$; Shares

Year/ Month	Issue Price	Authorized Capital		Paid-in Capital		Remark		
		Number of Shares	Amount	Number of Shares	Amount	Source of Share Capital	Capital Increased by Assets Other than Cash	Other
2010.08	10	150,000	1,500,000	50,000	500,000	Incorporation	None	-
2010.12	10	50,000,000	500,000,000	29,550,000	295,500,000	Exchange of new shares issued by the Company with Redwood Interior Pte Ltd and Redwood Furniture Sdn Ltd	None	-
2011.04	10	50,000,000	500,000,000	31,798,200	317,982,000	Capital increase by retained earnings	None	-
2011.04	10	50,000,000	500,000,000	36,000,000	360,000,000	Capital increase by cash	None	-
2011.12	10	80,000,000	800,000,000	40,000,000	400,000,000	Capital increase by cash	None	Note 1
2012.07	10	80,000,000	800,000,000	42,000,000	420,000,000	Capital increase by retained earnings	None	Note 2
2013.12	10	80,000,000	800,000,000	46,000,000	460,000,000	Capital increase by cash	None	Note 3
2014.08	10	80,000,000	800,000,000	48,300,000	483,000,000	Capital increase by retained earnings	None	Note 4
2017.07	10	80,000,000	800,000,000	50,692,500	506,925,000	Capital increase by retained earnings	None	Note 5
2018.01	10	80,000,000	800,000,000	50,242,500	502,425,000	Cancellation of treasury stock	None	Note 6

Note 1: Approved by the Financial Supervisory Commission, Executive Yuan according to the Order Jin-Guan-Zheng-Fa-Zi No. 1000054460 on November 9, 2011.

Note 2: Approved by Taipei Exchange according to the Order Zheng-Gui-Jian-Zi No. 10100182581 on July 31, 2012.

Note 3: Approved by the Financial Supervisory Commission, Executive Yuan according to the Order Jin-Guan-Zheng-Fa- i No. 1020049050 on December 4, 2013.

Note 4: Approved by Taipei Exchange according to the Order Zheng-Gui-Jian-Zi No. 10300198102 on August 1, 2014.

Note 5: Announced by Taipei Exchange (Taipei Exchange→Announcement & Law Inquiries→Market Announcement→News Concerning Capital Reductions by Common Share) on July 20, 2017.

Note 6: In the 13th meeting of the 2nd-term Board of Directors on November 11, 2014, the Board of Directors of the Company resolved to repurchase 450,000 shares, which were used as treasury stock for the issuance of employee share subscription warrants; as of the end of the transfer period of treasury stock, however, the Company did not issue employee share subscription warrants or transfer treasury stock to employees. Therefore, in the 11th meeting of the 3rd-term Board of Directors on November 14, 2017, the Board of Directors of the Company resolved to set January 8, 2018 as the record date of cancellation of treasury stock for capital reduction, and apply for the cancellation of treasury stock for capital reduction to the local competent authority in accordance with the regulations of Cayman Islands (country of registration) and Taiwan (country of listing). After receiving the application, Taipei Exchange announced that the Company cancelled 450,000 shares of treasury stock on January 12, 2018.

April 23, 2024; Unit: Shares

Type of Shares	Authorized Capital			Remark
	Outstanding Shares	Unissued Shares	Total	
Registered Common Share	50,242,500	29,757,500	80,000,000	Note

(II) Shareholder structure

April 23, 2024; Unit: Person; Shares

Shareholder Structure	Government Agencies	Financial Institutions	Other Institutions	Individuals	Foreign Institutions and Foreigners	Total
Quantity						
Number of Shareholders	-	-	11	3,748	23	3,782
Number of Shares Held	-	-	1,441,612	15,284,368	33,516,520	50,242,500
Shareholding Percentage	-	-	2.87%	30.42%	66.71%	100.00%

Note: As of publication of the Annual Report, the Company did not have shareholders from Mainland China.

(III) Shareholding distribution status

April 23, 2024

Shareholding Percentage	Number of Shareholders	Number of Shares Held	Shareholding Percentage (%)
1 ~ 999	1,059	164,633	0.33
1,000 ~ 5,000	2,305	4,338,650	8.64
5,001 ~ 10,000	226	1,721,914	3.43
10,001 ~ 15,000	84	1,065,653	2.12
15,001 ~ 20,000	35	649,265	1.29
20,001 ~ 30,000	24	603,333	1.20
30,001 ~ 40,000	11	389,571	0.78
40,001 ~ 50,000	8	349,807	0.70
50,001 ~ 100,000	13	862,333	1.72
100,001 ~ 200,000	4	530,000	1.05
200,001 ~ 400,000	7	1,969,100	3.92
400,001 ~ 600,000	-	-	-
600,001 ~ 800,000	2	1,374,406	2.74
800,001 ~ 1,000,000	1	920,000	1.83
Over 1,000,001	3	35,303,835	70.25
Total	3,782	50,242,500	100.00

(IV) List of major shareholders

April 23, 2024

Shares		
Major Shareholder	Number of Shares Held	Shareholding Percentage
Thong-ming Soh	16,558,571	32.96
Lee-mui Teh	16,495,264	32.83
An-hui Chen	2,250,000	4.48
Jui-ying Tsao	920,000	1.83
Chia-ying Tsao	727,406	1.45
EASTERN LEISURE & RECREATION CO., LTD. (representative: Ming-Yuan, Hong)	647,000	1.29
Kushat Investment Co., Ltd. (representative: Guo-Shao, Zhong)	377,000	0.75
Jing-xuan, Wen	357,100	0.71
You-wei, Liang	279,000	0.56
KrenzArtwork International Company Limited (representative: Guo-Shao, Zhong)	272,000	0.54
Total	38,883,341	77.40

(V) Market price per share, net worth per share, earnings per share, dividends per share, and related information over the past two years

Unit: 1,000 shares; NT\$

Item	Year	2022	2023	
Market Price per Share	Highest	32.20	92.80	
	Lowest	13.00	27.55	
	Average	19.20	54.19	
Net Worth per Share	Before distribution	15.52	21.41	
	After distribution	(Note 1)	(Note 1)	
Earnings per Share	Weighted average number of shares	50,243	50,243	
	Earnings (losses) per share (Note 2)	0.64	6.55	
Dividends per Share	Cash dividends	-	(Note 1)	
	Stock dividends	Stock distribution from earnings	-	-
		Stock distribution from capital surplus	-	-
	Accumulated undistributed dividends (Note 3)	-	-	
Return on Investment	Price-earnings ratio (Note 4)	30.00	8.27	
	Price-dividend ratio (Note 5)	-	(Note 1)	
	Cash dividend yield (Note 6)	-	(Note 1)	

Source: CPA-audited consolidated financial statements for 2022 and 2023.

Note 1: The proposal for 2023 earnings distribution is based on the resolution of the board of directors on 2024.03.13, pending the resolution of the 2024 shareholders meeting

Note 2: In case of a retroactive adjustment due to the distribution of stock dividends, earnings per share before/after adjustment should be disclosed.

Note 3: If, according to equity securities issuance conditions, the undistributed dividends of equity securities of a given year may be accumulated until a profitable year, the accumulated undistributed dividends as of the year should be disclosed.

Note 4: Price-earnings ratio = Average closing price per share for the year / Earnings per share.

Note 5: Price-dividend ratio = Average closing price per share for the year / Cash dividend per share.

Note 6: Cash dividend yield = Cash dividends per share / Average closing price per share for the year.

(VI) Dividend policy and implementation

1. Dividend policy

As a boutique decoration business, the Company is currently the growing stage of its life cycle, where its operations are expanding steadily. Considering the overall business development, financial planning, need of funds, outlook of the industry, and the rights and interests of shareholders, the Company should adopt a conservative and healthy dividend policy. Unless otherwise provided for the rights attached to any share, the Company may distribute earnings according to the proposal adopted by the Board of Directors and the ordinary resolution passed by the shareholders' meeting without violating the Company Law of the Cayman Islands and the Company's Articles of Incorporation, including Article 12.4(a). If the Company has earnings, the Board of Directors should set aside the earnings for the following uses for the fiscal year when resolving on the distribution of earnings: (i) tax payment for the fiscal year; (ii) deficit compensation for past years; and (iii) special capital reserve as required by the competent authority according to the regulations governing public companies. Without violating the Company Law of the Cayman Islands, the Company should appropriate an adequate and specific amount of accumulated undistributed earnings as a reserve for every fiscal year for development purpose according to Article 34.6 of the Company's Articles of Incorporation. Upon approval of the shareholders, the remainder should be distributed in the following order and manner:

- (1) No less than 0.2% as employee bonuses;
- (2) No more than 5% as directors' remuneration; and
- (3) No less than 20% as dividends paid to shareholders, where cash dividends should account for at least 10%.

Based on the resolution passed by the Board of Directors, dividends paid to shareholders and employee bonuses may be distributed by cash or stock or a combination of both. The Board of Directors may adjust the proportion of cash dividends to be distributed according to the actual profits and operations of the year. When employee bonuses are distributed by stock, employees of subsidiaries meeting certain specific requirements may be entitled to the distribution of bonuses by stock and cash. No interest should be paid by the Company in respect of the undistributed dividends and bonuses.

In addition to the distribution of dividends after the end of each fiscal year, the Company can also distribute interim dividends in the first half of the fiscal year. If the Board of Directors decides not to pay interim dividends, the Board of Directors shall, after the first half of the fiscal year, confirm the non-payment of interim dividends by a resolution. The distribution of dividends after the end of the fiscal year shall comply with the requirements, and procedures specified in Articles 34.1 to 34.8 and Articles 34.12 to 34.13 of this Articles of Association, and shall comply with Articles 34.8 to Articles 34.8 to 34.13 of the Articles of Association when dividends are distributed after the first half of the fiscal year.

2. Distribution of dividends proposed at the most recent shareholders' meeting

The company's 2023 earnings distribution has been approved by the board of directors on March 13, 2024, to distribute a cash dividend of NT\$125,606,000 (NT\$2.5 per share), but it has yet to be approved by the shareholders' regular meeting on June 21, 2024.

- (VII) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting

The Company did not propose any stock dividend distribution in 2023.

- (VIII) Remuneration of employees, Directors, and Supervisors

1. Percentage or range of employee, Director, and Supervisor remuneration as set forth in the Company's Articles of Incorporation

Refer to the dividend policy in (6)1. above.

2. Bases for estimating the amount of employee, Director, and Supervisor remuneration and for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure for the current period

The Company's employee bonuses and Director remuneration payable (as set forth in the Company's Articles of Incorporation)were estimated in the interim and annual financial statements and recognized based on the nature of employee bonuses and Director remuneration. The shareholders' meeting resolved that the discrepancy, if any between the actual distributed amount and the estimated figure should be regarded as a change in estimates and recognized as profit or loss for the shareholders' meeting resolution year.

3. Information on any approval by the Board of Directors of distribution of remuneration:

- (1) Amount of any employee, Director and Supervisor remuneration distributed in cash or stock (If there is any discrepancy between the actual amount and the estimated figure for the fiscal year, the discrepancy, its cause, and the status of treatment should be disclosed)

The company's after-tax earnings for 2023 were resolved by the board of directors on March 13, 2024, and the amount of employee bonuses planned to be distributed is NT\$671,625, and the directors' cash remuneration is NT\$3,294,152; however, the estimated amount of employee bonuses is NT\$663,679. The amount is NT\$671,625 less than NT\$7,946. The estimated amount of director's remuneration is NT\$2,622,993, which is NT\$671,159 less than the amount of NT\$3,294,152 proposed to be distributed. It is planned to be listed after approval at the regular meeting of shareholders on June 21, 2024. The fee for the month of issuance.

- (2) Amount of any employee remuneration distributed in stock, and its size as a percentage of the sum of net income after tax and total employee remuneration stated in the parent company only financial statements or individual financial statements for the current period:

The Company did not resolve to distribute any employee bonuses in stock.

4. Actual distribution of employee, Director, and Supervisor remuneration for the previous fiscal year, with an indication of the number, monetary amount, and price of the shares distributed (if there is any discrepancy between the actual distribution and the recognized employee, Director, or Supervisor remuneration, the discrepancy, its cause, and the status of treatment should be disclosed)

The company's 2022 is a loss after tax. According to the resolution of the board of directors on March 24, 2023 and the shareholders' meeting on June 28, 2023, no cash dividends for employees and cash remuneration for directors will be distributed.

- (IX) Share repurchases

The Company did not repurchase any of its shares in 2023.

II. Issuance of Corporate Bonds: None

III. Preferred Shares: None

IV. Overseas Depository Shares: None

V. Employee Share Subscription Warrants: None

VI. New Restricted Employee Shares: None

VII. Issuance of New Shares in Connection with Mergers or Acquisitions of Other Companies:
None

VIII. Implementation of the Company's Capital Allocation Plans

- (I) Description of the plans: None.
- (II) Status of implementation: Not applicable.



Chapter V Overview of Business Operations

I. Description of the Business

(I) Scope of business

1. Major lines of business

Specializing in high quality interior fittings for the world's top luxury brands, Redwood Group has the clientele across Asia, Europe, and Middle East, including Bvlgari, Cartier, Coach, Gucci, Hermes, Louis Vuitton, Michael Kors, Tiffany & Co., and so on.

2. Weight of business for main offerings

Unit: NT\$1,000; %

Item	Year	2022		2023	
		Amount	Percentage	Amount	Percentage
Interior Decoration		1,321,632	77.78	2,016,389	70.50
General Construction		229,372	13.50	484,908	16.95
Storefront Decoration		148,120	8.72	358,957	12.55
Total		1,699,124	100.00	2,860,254	100.00

3. Current products (services)

- (1) Interior decoration: High quality interior renovation, display, furnishing, and fittings for the world's top luxury brands.
- (2) General construction: Indoor electrical engineering and general construction.
- (3) Storefront decoration: Overall outdoor curtain wall decoration for luxury brand storefronts.

4. New products (services) planned for development

Due to the nature of the industry, Redwood Group has no concrete development of new products or technologies, but continues to enhance the quality of products and production efficiency, so as to further improve the entire production process and problem-solving skills in project management. Besides, the Company also works with the suppliers of original equipment manufacturers (OEM). With many years of experience in boutique decoration craftsmanship, the Company gives advice on the design and manufacture of equipment to contracted OEM and helps to improve the automated production process. Such new equipment benefits both the Company in terms of production costs and quality, as well as environmental protection.

(II) Overview of the industry

1. Current status and development of the industry

(1) Current status of the luxury goods market

As Redwood Group specializes in the decoration of the world's top boutiques and the production of customized products, the development of the luxury goods industry is closely relevant to the Company. The current status of the luxury goods market is summarized as follows:

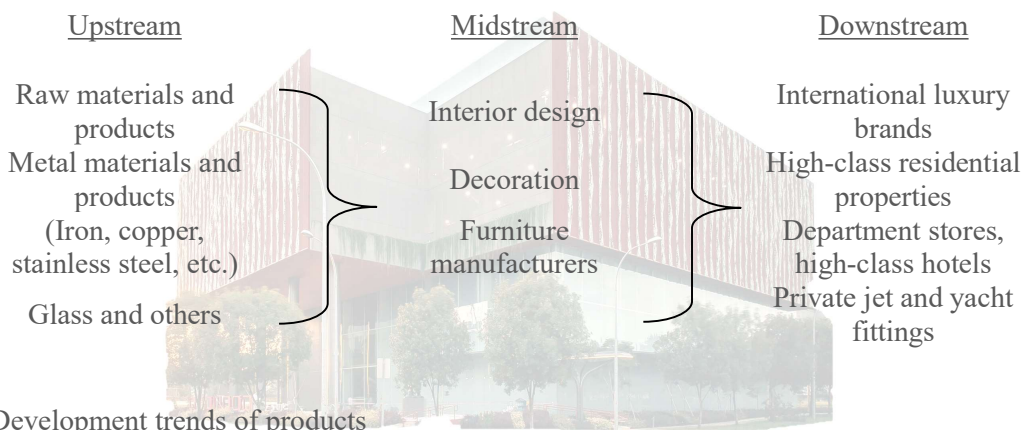
Because according to the research report updated in November 2023 by the authoritative market research organization Bain & Company, driven by the recovery of social interaction and tourism, experience consumption has returned to its highest level in history. In addition, more and more luxury consumers are beginning to purchase "experience-based products" defined by

Bain&Company, thereby promoting the development of experiential brands, requiring brands to provide excellent experiences through the entire consumption process. Therefore, storefront sales channels have become main strategic channels. The report predicts that physical retail sales will grow by 7.5% by 2024.

(2) Overview of Redwood Group

Redwood Group specializes in the decoration of the world's top boutiques and the production of customized products. Having been in existence for more than 30 years since its incorporation, Redwood Group has the clientele across more than 40 countries or regions. The Company has been widely praised for its years of experience in the boutique decoration industry. With high quality craftsmanship and the best execution in the industry, Redwood Group aims to present a completely new appearance of the world's top 100 brand stores. In the future, with the vigorous development of the global boutique industry and the expansion of sales regions, the Group is committed to improving the quality of its products and services, increasing its international market share, and achieving sustainable operations as important future operating goals.

2. Links between the upstream, midstream, and downstream segments of the industry supply chain



3. Development trends of products

Redwood Group mainly provides interior decoration, furnishing, and curtain wall decoration of high-class boutiques as well as customized fittings and displays cabinets and stands for the world's leading luxury brands. Therefore, the primary requirements of the products are quality and unique features. To meet the needs of customers and establish long-term partnership, the products and services of boutiques focus on the following development trends:

- (1) Fashion: The ideas of fashion designers should be reflected in the interior of boutiques, to provide the sense of elegance and fashion, so that the boutiques can be favored by customers in long run.
- (2) Technology: The use of computer numerical control (CNC) can improve the quality of products, save raw materials, and enhance the diversification and efficiency of product design and production, while reducing limitations too.
- (3) Building of customer relationship: Long-term trust and cooperation should be established to extend the business scale of the Company with the expansion of sales regions and outlets of luxury brands.
- (4) Production integration: A complex and diversity of parts assembly and production processes are integrated creatively to provide one-stop service for boutiques, which can improve production costs and quality of products, respond to customers in the shortest possible time, and shorten the delivery time to enhance customer satisfaction and global competitiveness.
- (5) Environment, Society and Governance: Taking sustainable business operations as the main goal, in

addition to complying with the standards of ISO14001 environmental management system, it also adheres to corporate social responsibilities, implements occupational health and safety systems, and rigorous corporate governance.

4. Competition of products

The world-renowned boutique decoration industry consists of few manufacturers. The style and quality of each decoration project must be rigorously and long verified before being adopted by the world's leading luxury brands. New challengers face a certain degree of barriers to entry, including the qualified decoration style, quality of each decoration project, and whether production is highly computerized (CNC, which reduces limitations to styles or designs) and centralized (one-stop production that reduces outsourcing of projects or items, in order to control the quality and delivery of products) and reaches a certain economic scale.

(III) Overview of technologies and research and development (R&D)

1. The boutique decoration industry mostly focuses on the changes in the production process, improvement in equipment, and application of other raw materials rather than on the R&D of expertise. Therefore, there is usually no independent R&D department and investment in research and development. With many years of experience and skills in boutique decoration, the Company communicates with its clientele to improve the production methods and technologies constantly, so as to offer more creative products that meet the expectations of customers.
2. In terms of patents, the Company sources raw materials required for decoration from other companies, processes such materials, and makes them into components for assembly. Any change in the production process or replacement of raw materials does not involve the R&D of new products or the development of manufacturing technologies or the use of patented production technologies. Therefore, the Company does not have any patents currently. The patent-related operating risk is low according to the characteristics of the industry.
3. Based on the above, the Company focuses the technologies and R&D on the following:

(1) Technological level and R&D of the business

A. Research and development (R&D)

Based on the needs of owners, the Company integrates design and offers products required for each decoration project. In response to the development trends and product diversification of the luxury goods market, Redwood Group continues to focus on its major lines of business, namely interior decoration, furnishing, curtain wall decoration of high-class boutiques as well as customized fittings and displays cabinets and stands, by developing the application of new materials and enhancing craftsmanship, so as to strengthen the functionality, features, and added value of existing products and overall market competitiveness.

B. Technological innovation

With many years of experience and skills in boutique decoration, the Company gives advice on preliminary design to shorten the development schedule and cost of customers. High-tech equipment is also used in the production process to improve production methods and technologies. Built on many years of experience in boutique fittings, the Company finds or develops suitable alternative materials to make custom projects or products more distinctive and production more efficient.

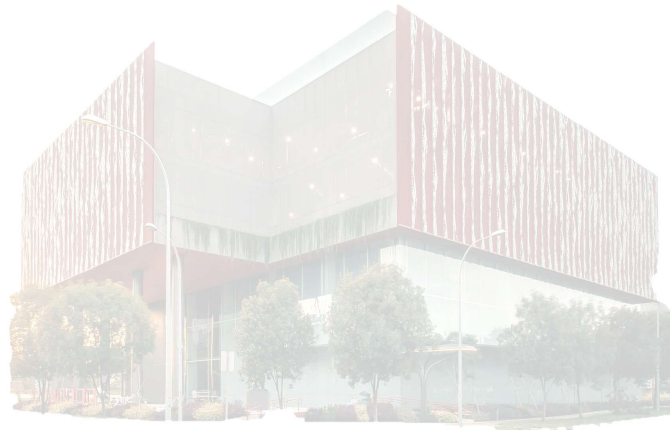
(IV) Long-term and short-term business development plans

Redwood Group will continue to focus on the design and manufacture of its major lines of business and improve its global standing in the boutique decoration industry with leading products and

technologies. The long-term and short-term business development plans for the business and production of Redwood Group are described separately below.

Item	Short-term Business Development Plans	Long-term Business Development Plans
Business	<ol style="list-style-type: none"> 1. Enhance the weight of high value-added products in line with the needs of customers. 2. Focus on the existing key customers and develop customers with potential in a market-oriented approach. 3. Actively expand markets in America and Australia. 4. Reinforce the financial strength and develop the capability of expanding the business scale and introducing new technologies with the help of the capital market. 5. Enhance the corporate culture of high performance and improve employee cohesiveness and market competitiveness. 	<ol style="list-style-type: none"> 1. Provide customers one-stop service covering the existing customized products and refined, functional accessories to improve gross margins. 2. Strengthen the financial structure and long-term development strength of Redwood Group through a diversity of financing channels in the capital market and enrich the management and brand visibility with the growth in business scale. 3. Provide better and more efficient service with the advantage of localization of subsidiaries to improve customer satisfaction. 4. Strengthen market share of general construction by improving the allocation and strategy of resources. 5. Explore and develop markets related to boutique decoration, such as high-class residential and commercial properties as well as private jet and yacht fittings to expand the development potential of Redwood Group.
Production	<ol style="list-style-type: none"> 1. Strengthen the long-term cooperation with raw material suppliers. 2. Provide customers with comprehensive supply chain management to create additional value for production. 3. Focus on the deployment of 	<ol style="list-style-type: none"> 1. Expand the production scale and achieve modular, refined, and automated production to improve the output value and quality. 2. Set up operations according to customer bases, reinforce the long-term customer relationship and development strategies, and enhance brand visibility and market share. 3. Establish the long-term customer

Item	Short-term Business Development Plans	Long-term Business Development Plans
	<p>manpower and equipment, control the production process, and enhance the production skills and quality of products.</p> <p>4. Actively promote the use of FSC certified forest wood to ensure the sustainability of supply.</p>	<p>relationship, from preliminary design to production.</p> <p>4. Develop supplier management plans to maintain the optimal level of raw material prices.</p>



II. Analysis of the Market, Production, and Sales

(I) Market analysis

1. Geographic areas where the main products are provided

Unit: NT\$1,000; %

Area \ Year		2022		2023	
		Amount	Percentage	Amount	Percentage
Export	Asia	1,259,673	73.96	2,018,243	70.56
	America	293,700	17.29	552,316	19.31
	Europe	2,288	0.13	11,115	0.39
	Middle East	146,463	8.62	278,580	9.74
Total		1,699,124	100.00	2,860,254	100.00

2. Market share

As the boutique decoration service covers international boutiques, high-class residential properties and department stores, and high-class hotels, and companies in the industry are quite different in terms of areas of expertise, true market share in a single market is less likely to be reflected. Therefore, it is not possible to calculate the market share of Redwood Group from its output value on a consistent basis.

With years of experience in the boutique decoration industry, Redwood Group currently provides more than 30 luxury brands across 40 countries or more a range of service, from interior decoration, custom fittings, to curtain wall decoration, in terms of project scale and technological maturity. Redwood Group is one of the few listed companies comparable to its peers in Singapore or elsewhere. This demonstrates that the Company's construction technologies and quality of products have been widely recognized by the customers.

3. Demand and supply conditions for the market in the future and growth potential

(1) Future supply

As boutique decoration service requires the long-term accumulation of technology and experience, and the barriers to entry, such as professionalism, company reputation, and achievements, are high, there are only few players in the global boutique decoration industry, and Redwood Group is one of them.

(2) Future demand

In the overall luxury goods market, due to the continuous growth of the luxury goods industry, especially in emerging markets in Asia, it is estimated that top luxury brands will continue to expand their operations.

Customized projects derive from the customers' investment in new stores or renovation. In addition to the world's top luxury brands, Redwood Group serves high-class hotels, residential and commercial properties, and private jet and yacht fittings, creating new market needs for the fashion industry and bringing a bright future for the boutique decoration industry.

(3) Growth potential

In recent years, many middle-class consumers have also begun to consume high-quality brand names, which makes the high-quality goods market expand year by year. In addition to the original European and American markets as the foundation, it is also actively expanding its layout to Asia. According to the forecast of Bain & Company, a research firm, the overall global boutique industry will still show a growth trend by 2030, and the prospect of the personal luxury goods market will also be very optimistic. Solid market fundamentals and profit pools supported by new technologies will boost market value from € 353 billion in 2022 to € 540-580 billion by the start of the next decade, an increase of 60% or more.

4. The Company's competitive niche

(1) Excellent performance in decoration

Having been in existence for more than 30 years since its incorporation, Redwood Group has provided high quality interior fittings for the world's top luxury brands. Its technologies, services, and customized products have been widely recognized in the global luxury goods industry.

(2) Quality image and reputation

Redwood Group has been committed to providing high quality decorative technologies, services, and customized products and has established a good reputation among customers. To ensure that its production and operations, products, and pollutants comply with related regulations, the Company formulates, implements, and maintains environmental policies and objectives; improves the environmental management system to reduce environmental impact; in addition, the Company has obtained the ISO14001 Environmental Management System certification to enhance its corporate image and competitiveness.

Moreover, the Company attaches more importance to the implementation of corporate social responsibility and takes into account factors having an impact on society and the environment, while being liable for shareholders, so as to improve its competitiveness, reputation and sustainable development.

(3) Customized services

The Company provides customers customized services based on their design needs. The Company specializes in the decoration of the world's top boutiques and the production of customized products. Therefore, design, production, and quality of products must meet the requirements of world-class luxury brands. Redwood Group is committed to providing customized products and services that meet the needs and expectations of its customers.

(4) Long-term customer relationship and strategic alliances

Redwood Group establishes long-term cooperation with customers and aims to achieve excellence in the quality of products and business performance together with customers. In terms of material supply management, Redwood Group also maintains the good relationship with its upstream or strategic partners in hopes of offering better design solutions and more competitive products.

(5) The Group has carried out better planning and management in sustainable operations and sustainable development to formulate more detailed and systematic management methods. In addition to meeting the requirements and needs of customers in relevant aspects, it is also one of the Group's current competitive advantages, and is actively promoting the use of FSC certified forest wood to ensure the sustainability of the supply chain and meet customer requirements for materials.

5. Positive and negative factors for future development and the Company's response

(1) Positive factors

- A. With more than 30 years of experience in the decoration of world-class boutiques, Redwood Group has been widely recognized and trusted by the world's top luxury brands.
- B. With the capability of one-stop project execution, Redwood Group offers overall solution that includes planning, construction, supervision etc., to boutique decoration, from interior decoration to curtain wall decoration, and customized products based on the needs of customers.
- C. With the excellent capability of product integration and customized service, the Company delivers efficient production and good quality control in the process of project and product execution. In addition, the application of CNC to the production process can improve the quality of products and deliver a full range of designs and technologies.
- D. Redwood Group has its products exported to Europe, Middle East, the U.S., Australia, and Asia, which can effectively dilute the impact of prosperity of a single area. Redwood Group can benefit from the increasing sales of luxury brands as a result of a boom in any area.
- E. Although Redwood Group has small market share in the global boutique decoration industry, it has strived to improve the quality of products and the timely delivery of construction. As Western peers have gradually withdrawn from the boutique decoration industry due to high labor costs, Redwood Group expects to expand its market share in the global boutique decoration industry.
- F. Through the selection and use of raw materials, the Group has the resources and ability to assist customers in fulfilling corporate social responsibilities and achieving sustainable development goals.

(2) Negative factors

- A. It is difficult to seek and develop talents with rich experience in the boutique decoration industry, so the Company often pays high prices to hire outstanding talents. To reinforce employees' loyalty, the Company will pay higher labor costs.

Response

- (A) Redwood Group provides employees on-the-job training and external training programs, to develop talents by itself, and increases employee benefits to reduce the turnover.
- (B) The Company goes TPEX-listed to attract talents.

- B. Limited to its production capacity, Redwood Group currently focuses on the decoration of international boutiques.

Response

The Company can obtain long-term and lower-cost capital from the capital market to expand its production capacity and recruit talents. The Company can also plan to tap into high-class hotels, residential and commercial properties, and private jet and yacht fittings to dilute the impact of prosperity in a single industry or customer case.

- C. The price reduction as a result of new challengers in the boutique decoration industry may have an impact on the Company's performance.

Response

- (A) Maintaining good quality of products

The storefronts of international boutiques make the first impression on customers, so each boutique is very particular about the quality of its store decoration. All of the Company's equipment, procedures, and staffing are designed for the decoration of international

boutiques, so the Company can maintain the good quality of products without losing customers due to the price reduction of other manufacturers.

(B) Maintaining good customer relationship

After receiving projects, the Company will designate employees to discuss the projects with customers. Projects may be modified based on the opinions of customers to realize the conception. As the Company maintains the long-term relationship with customers, time for communication is significantly shortened, accelerating the completion of projects and the opening of customers' stores.

(C) Control over material prices

The Company sources major raw materials from at least two suppliers and sources most of the raw materials directly from OEM instead of dealers to reduce prices of raw materials and improve the competitiveness of products.

(D) Improving production efficiency

Continuously improving the output of production equipment can enhance the quality of products and reduce the loss of raw materials, so as to reduce the production costs and improve the competitiveness of products.

(E) Strengthening inventory control and delay of investment in fixed assets

In the face of economic downturn in the future, the Company will strengthen inventory control, reduce capital backlog, and delay the investment in fixed assets, so that the Company has sufficient funds for maintaining the normal operation.

(II) Usage and manufacturing processes for main products

As Redwood Group is a contract manufacturer of high quality interior fittings for luxury brands, it does not engage in the mass production of specific products.

(III) Supply situation for major raw materials

Major raw materials of Redwood Group include wood, glass, copper, iron, stainless steel, and paint. Redwood Group sources raw materials from major suppliers under long-term cooperation, so the supply of raw materials is stable.

(IV) List of customers/suppliers accounting for 10% or more of the Company's total procurement (sales) amount in either of the most recent two years and the reason for increase/decrease

1. List of suppliers accounting for 10% or more of the Company's total procurement amount in either of the most recent two years: The main business of the Group is the decoration project of global high-end boutique brand-name stores, so the main procurement items are the raw materials required for the decoration of boutique brand-name stores. However, in the last two years, there are no suppliers accounting for more than 10% of the total purchases, so it is not applicable

2. List of customers accounting for 10% or more of the Company's total sales amount in either of the most recent two years

Unit: NT\$1,000

Item	2022				2023			
	Name	Amount	Percentage of Net Sales for the Year (%)	Relationship with the Issuer	Name	Amount	Percentage of Net Sales for the Year (%)	Relationship with the Issuer
1	Customer A	416,593	24.52	None	Customer A	701,604	24.53	None
2	Customer B	389,348	22.91	None	Customer B	415,616	14.53	None
3	Customer C	87,564	5.15	None	Customer C	369,744	12.93	None
4	Customer D	249,744	14.70	None	Customer D	302,490	10.58	None
	Others	555,875	32.72	None	Others	1,070,800	37.43	
	Net Sales	1,699,124	100.00		Net Sales	2,860,254	100.00	

Note 1: Customers accounting for 10% or more of the Company's total sales amount in either of the most recent two years are listed. Where the Company is prohibited by contract from revealing the name of a customer, or where a trading counterpart is an individual person who is not a related party, a code may be used in place of the actual name

Note 2 Customer A's sales in 2023 increased significantly by 68.41% compared with 2022, accounting for 24.53% of the total annual net sales in 2023, and continues to maintain the first place. This is mainly due to the completion of the brand's exclusive store projects in The Exchange TRX in Kuala Lumpur, Malaysia, Marassi Galleria Mall in Bahrain, and Texas Dallas Galleria and Beverly Hills Saks in the United States in 2023..

Note 3: Customer B's sales in 2023 increased by 6.75% compared with 2022, accounting for 14.53% of the net sales in 2023. This is mainly due to the fact that there are many cases of completing the brand's exclusive store in India in 2023.

Note 4: Customer C's sales in 2023 increased significantly by 322.26% compared with 2022, accounting for 12.93% of the net sales in 2023. This was mainly due to the completion of the brand's exclusive store project at the Four Seasons Hotel in Macau, China in 2023, and There are many construction cases in the United States and Japan, but the number of construction cases for this brand in 2022 is small.

Note 5: Customer D's sales in 2023 increased by 21.12% compared with 2022, accounting for 10.58% of the net sales in 2023. This was mainly due to the completion of the brand's exclusive store project in The Galleria Mall, Abu Dhabi, United Arab Emirates, in 2023. Due to the specialty store case at The Gardens Mall in Kuala Lumpur, Malaysia, and the specialty store case at Marassi Galleria Mall in Bahrain. Production volume and value for the most recent two years

(V) Production volume and value for the most recent two years

Unit: NT\$1,000

Production Volume/Value Main Product (or Sector)	Year	2022			2023		
		Production Capacity	Production Volume	Production Value	Production Volume	Production Capacity	Production Value
Interior Decoration		-	402	978,508	-	416	1,377,320
General Construction		-	154	168,126	-	215	326,816
Storefront Decoration		-	16	108,265	-	37	240,541
Total		-	572	1,254,899	-	668	1,944,677

Note: Redwood Group is a contract manufacturer of high quality interior fittings for many world's top luxury brands, so the production capacity is incalculable; instead, the manufacturing costs are calculated based on the types of main products.

(VI) Sales volume and value for the most recent two years

Unit: NT\$1,000

Sales Volume/Value Main Product (or Sector)	Year	2022				2023			
		Domestic Sales		Export		Domestic Sales		Export	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Interior Decoration		-	-	402	1,321,632	-	-	416	2,016,389
General Construction		-	-	154	229,372	-	-	215	484,908
Storefront Decoration		-	-	16	148,120	-	-	37	358,957
Storefront Decoration		-	-	572	1,699,124	-	-	668	2,860,254

Note: Redwood Group has no domestic sales; export refers to sale to other areas outside the Cayman Islands.

III. Number of Employees Employed during the Most Recent Two Years and Up to the Date of Publication of the Annual Report, Their Average Years of Service, Average Age, and Education Levels

Year		2022	2023	As of March 31, 2024
Number of Employees	Managerial officers or above	69	75	72
	General employees	206	239	253
	Production line staff	780	796	837
	Total	1,055	1,110	1,162
Average Age		35.93	34.65	34.53
Average Years of Service		5.02	6.21	6.72
Education Level	Doctor of Philosophy	0.00%	0.00%	0.00%
	Master's Degree	0.85%	0.72%	0.86%
	Bachelor's Degree	14.03%	16.67%	15.83%
	Senior High School or below	85.12%	82.61%	83.31%

IV. Environmental Protection Expenditures

Total losses (including damage awards) and fines for environmental pollution during the most recent years and up to the date of publication of the Annual Report, and the measures (including corrective measures) and possible expenditures to be made in the future: None.

The Group's operating activities do not generate any special pollution, so there are no requirements for facilities and equipment or application for discharge permits. In addition, the company continues to work hard and is committed to sustainable development, including the use of sustainable and environmentally friendly building materials, the use of energy-saving equipment and machines, and the maximum use of natural lighting and ventilation to make the new plant more energy-saving and carbon-reducing.

V. Labor Management Relations

- (I) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests:

- 1 Employee benefit plans, continuing education, training

Redwood Group offers employee benefits in accordance with the regulations of countries where subsidiaries operate, including social (employee/health) insurance, pensions or provident funds, and health examinations. Redwood Group also plans and organizes activities for employees, including team building and other activities.

The Company organizes orientation training for new employees in accordance with the regulations to explain the history, goals and missions, work environment and internal policies of the Company. To continuously improve the performance and expertise of employees, each department makes the training plan based on its annual objectives and organizes internal/external training accordingly.

2 Retirement systems

Redwood Group implements the retirement systems in accordance with the regulations of countries where subsidiaries operate. The governments of Singapore and Malaysia have no specific pension plan, but have a provident fund system that is similar to the nature of the pension plan. The provident fund system is applicable to Singaporean/Malaysian citizens and permanent residents. There is no relevant regulatory restriction on foreign employees.

According to the policy of the governments of Singapore and Malaysia, companies must pay the provident fund for citizens and permanent residents every month. The provident fund has two components. One is withdrawn from a certain percentage of an employee's basic wage per month, and the other is paid by the Company at a percentage of an employee's basic wage per month. Companies are responsible to deposit the provident fund in the central provident fund board. The central provident fund board is responsible to set the percentage of the provident fund paid, which may vary depending on nationality, age, and monthly basic wage.

3 Status of labor-management agreements

Redwood Group always values employee rights and feedback. The Company's labor relations are harmonious. Employees may communicate with the management and give advice on the operation of the Company through the human resources department. Therefore, the Company has no significant labor dispute so far.

4 Measures for preserving employees' rights and interests

Currently, the Company has no labor union. Attaching great importance to harmonious labor relations and employee feedback, the Company has formulated the employee handbook, which properly stipulates the salaries, working hours, and leaves, and implemented occupational safety and health measures and training since its incorporation. In terms of employee feedback, the Company communicates with employees and finds proper solutions to win the trust and support of its employees. As of today, the Company has no loss caused by material labor disputes and therefore has harmonious labor relations.

5 Protective measures for work environment and employees' personal safety

The Company is mainly engaged in the production and sales and has no air or water pollution. The Company has also purchased insurance covering public liability, group business travel, and overseas sickness for each employee.

- (II) List any loss sustained as a result of labor disputes during the most recent year and up to the date of publication of the Annual Report, disclose an estimate of losses incurred to date or likely to be incurred in the future, and indicate mitigation measures being or to be taken. If the loss cannot be reasonably estimated, make a statement to that effect: None.

VI. Information security management

- (1) Describe the security risk management structure of Zitong, the security policy of Zitong, the specific management plan and the capital invested in the security management of Zitong source etc:

The company currently adopt a full cloud platform which allow secured and seamless remote access. In addition, the company has 2 levels of firewall to protect the incoming traffic to minimize the cyber risk exposure.

All access of data is being controlled for only assigned personnel, any sharing of information beyond the assigned group (internal and external) will require permission from the administrator.

The company has established IT users policy to highlight and guide users on good IT practices to mitigate the cyber risk.

- (2) List the losses, possible impacts and countermeasures suffered from major information security incidents in the most recent year and as of the date of publication of the annual report. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: None.

VII. Important Contracts

Supply/distribution contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts, and other contracts that would affect shareholders' equity, where said contracts were either still effective as of the date of publication of the Annual Report or expired in the most recent year:

(I) Redwood Interior Pte Ltd

Nature of Contract	Contracting Party	Commencement Date and Expiration Date	Major Content	Restrictive Clauses
Bank Facility Agreement	DBS Bank	July 1996~ (Note 1)	<ol style="list-style-type: none"> 1. Bank overdraft, with the line of credit reaching SGD50,000. 2. Foreign exchange loans, with the line of credit reaching SGD 2 million for a term of up to 12 months. 3. Revolving credit, with the line of credit reaching SGD 1,500,000. 4. Standby letter of credit, with the line of credit reaching SGD 1,200,000.. 5. Non-revolving mutual credit, with the line of credit reaching SGD 15 million for a term of up to 60 months. 6. Long-term loans for the construction of new office 	<ol style="list-style-type: none"> 1. The factory and land at No. 25 Sungei Street 2 in Singapore are used as collateral. 2. Redwood Group Ltd acts as a joint guarantor. 3. Redwood Interior Pte Ltd and Jurong Town Corporation enter into the assignment agreement for the lease agreement.

Nature of Contract	Contracting Party	Commencement Date and Expiration Date	Major Content	Restrictive Clauses
			<p>buildings, with the line of credit reaching SGD 23 million for a term of 20 years.</p> <p>7. Installment for equipment, with the line of credit reaching SGD3 million.</p> <p>8. Corporate financing plan, temporary overdue loan of SGD 5 million.</p> <p>9. Corporate financing plan, temporary overdue loan of SGD 1million.</p>	
Sales Agreement	Company T (Note 3)	May 2023~ (Note 4)	Interior decoration of Company T's store in America.	None
Supply Agreement	Redwood Furniture Sdn. Bhd.	January 2011~ (Note 5)	Redwood Furniture Sdn. Bhd. is commissioned to provide products and services.	None
Long-term Lease Agreement	Jurong Town Corporation	February 2018~ January 2048	Long-term leasehold of Redwood Interior Pte Ltd's land	None
Lease Agreement	TAC Alliance Pte Ltd	November 2023 ~ October 2024	Staff dormitory.	None
Lease Agreement	Lian Beng Centurion (Dormitory) Pte Ltd	January 2023 ~ December 2023	Staff dormitory.	None
Lease Agreement	32 Mandai Estate, Westlite Mandai Dormitory	December 2023~ November 2024	Staff dormitory.	None
Investment Agreement	DDG Glass Pte Ltd.	March 2016~ (Note 6)	Participation in the capital increase of DDG Glass Pte Ltd. by cash	<ol style="list-style-type: none"> 1. An undertaking is given that no legal action or taxation results in the contingent loss of the Company. 2. Material matters require approval of all shareholders. 3. In case of a full capacity, the affiliates of

Nature of Contract	Contracting Party	Commencement Date and Expiration Date	Major Content	Restrictive Clauses
				<p>Redwood Group Ltd enjoy the priority of supply when the conditions of procurement are the same as those of other customers.</p> <p>4. In the future, if the issue price per new share is lower than the investment price of RWI, an assessment report from an independent auditor or appraiser should be provided.</p>
Investment Agreement	Thong-ming Soh and Lee-mui Teh	March 2016~ (Note 6)	Participation in the capital increase of DDG Glass Pte Ltd. by cash	<p>1. To dispose of the shares of DDG Glass Pte Ltd., Thong-ming Soh, and Lee-mui Teh, a written notice 30 days in advance shall be given.</p> <p>4. For the aforesaid matter, RWI enjoys the pre-emptive right and right of first disposal.</p>

Note 1: The bank facility agreement does not set an expiration date. The facilities under the agreement are subject to different trading periods depending on their nature. For the letter of credit, trust receipts, notes receivable factoring, bill of lading for sea/air transport guarantee, and foreign exchange loans, with the line of credit reaching SGD1.2 million, the commencement date of the contract is August 1999.

Note 2: The bank facility agreement does not set an expiration date or period. The trading period of the facility under the agreement depends on its nature. If there is no overdue or notice to stop the drawdown or mutual termination of the agreement, the agreement will continue to be valid.

Note 3: Due to the non-disclosure agreement, the contracting party for construction is kept confidential.

Note 4: The construction agreement does not set the date of completion. After the construction commences upon the owner's notice, the date of completion will be set according to the progress.

Note 5: The supply agreement does not set a termination date of supply.

Note 6: The investment agreement does not set an expiration date. The contract will continue to be valid unless Redwood Interior Pte Ltd no longer holds the shares of DDG Glass Pte Ltd. or Thong-ming Soh and Lee-mui Teh are no longer the shareholders of DDG Glass Pte Ltd.

(I) Redwood Furniture Sdn. Bhd.

Nature of Contract	Contracting Party	Commencement Date and Expiration Date	Major Content	Restrictive Clauses
Comprehensive Credit Line Agreement	RHB Bank	July 2015~ (Note 1)	1 Letter of credit, trust receipts, bank guarantees, bank acceptance, foreign currency trade finance, and bill of lading, with the line of credit reaching MYR1,250,000. 2 Bank overdrafts, with the line of credit reaching MYR1.33 million. 3 Bank guarantees, with the line of credit reaching MYR 2.15 million. 4 Long-term loans, with the line of credit reaching MYR1.464 million 5 Installment loan, with the line of credit reaching MYR3.392 million.	The plant building and land are used as collateral.
Comprehensive Credit Line Agreement	CIMB Bank Berhad	2016.04~2022.08	1 Letter of credit, trust receipts, bank acceptance, bill of lading, financial guarantee and performance guarantee, with the line of credit reaching US\$1,750,000. 2 Long-term loans, with the line of credit reaching US\$2.5 million. 3 Bank guarantees, with the line of credit reaching MYR564,000. 4 Installment loan amount: RMB 3 million.	The dormitory building and land are used as collateral.
Supply Agreement	Redwood Interior Pte Ltd	January 2011~ (Note 2)	Redwood Furniture Sdn. Bhd. is commissioned to provide products and services.	None

Note 1: The comprehensive credit line agreement does not set an expiration date. The facilities under the agreement are subject to different trading periods depending on their nature.

Note 2: The supply agreement does not set a termination date of supply.

Chapter VI Overview of Financial Status

I. Condensed Balance Sheets and Statements of Comprehensive Income for the Most Recent Five Years

Unit: NT\$1,000

Item	Year	Financial Information for the Past Five Years (Note 1)				
		2019	2020	2021	2022	2023
Current Assets		878,316	760,722	811,414	1,151,153	1,266,279
Property, Plant, and Equipment (Note 2)		855,857	995,505	922,669	940,543	912,660
Intangible Assets		-	-	-	-	-
Other Assets (Note 2)		111,707	119,264	111,849	119,453	130,190
Total Assets		1,845,880	1,875,491	1,845,932	2,211,149	2,309,129
Current Liabilities	Before distribution	588,932	525,380	569,595	881,567	742,317
	After distribution	588,932	525,380	569,595	881,567	(Note 2)
Non-current Liabilities		343,954	594,402	560,232	549,814	491,332
Total Liabilities	Before distribution	932,886	1,119,782	1,129,827	1,431,381	1,233,649
	After distribution	932,886	1,119,782	1,129,827	1,431,381	(Note 2)
Equity Attributable to Owners of Parent Company						
Share Capital		502,425	502,425	502,425	502,425	502,425
Capital Surplus		293,911	293,911	293,911	293,911	293,911
Retained Earnings	Before distribution	369,052	242,618	248,437	280,759	609,789
	After distribution	369,052	242,618	248,437	280,759	(Note 2)
Others		(252,394)	(283,245)	(328,668)	(297,327)	(330,645)
Treasury Stock		-	-	-	-	-
Non-controlling Interests		-	-	-	-	-
Total Equity	Before distribution	912,994	755,709	716,105	779,768	1,075,480
	After distribution	912,994	755,709	716,105	779,768	(Note 2)

Note 1: The CPA-audited consolidated financial statements for 2019~2023.

Note 2: The proposal for 2023 earnings distribution plan is based on the resolution of the board of directors on March 13, 2024, and is yet to be passed by the resolution of the 2024 shareholders' meeting

Item \ Year	Financial Information for the Past Five Years (Note 1)				
	2019	2020	2021	2022	2023
Operating Revenue	1,654,214	777,536	1,420,170	1,699,124	2,860,254
Gross Profit	421,368	67,190	306,526	444,271	919,185
Operating Profit or Loss	46,232	(219,588)	(32,012)	51,749	425,790
Non-operating Income and Expenses	(842)	55,613	34,907	3,810	(14,658)
Net Income before Tax	45,390	(163,975)	2,895	55,559	411,132
Net Income from Continuing Operations	29,761	(126,434)	5,819	32,322	329,030
Loss from Discontinued Operations	-	-	-	-	-
Net Income (Loss)	29,761	(126,434)	5,819	32,322	329,030
Other Comprehensive Income (net, after tax)	(62,914)	(30,851)	(45,423)	31,341	(33,318)
Total Comprehensive Income	(33,153)	(157,285)	(39,604)	63,663	295,712
Net Income Attributable to Owners of Parent Company	29,761	(126,434)	5,819	32,322	329,030
Net Income Attributable to Non-controlling Interests	-	-	-	-	-
Total Comprehensive Income Attributable to Owners of Parent Company	(33,153)	(157,285)	(39,604)	63,663	295,712
Total Comprehensive Income Attributable to Non-controlling Interests	-	-	-	-	-
Earnings per Share	0.59	(2.52)	0.12	0.64	6.55

Note 1: The CPA-audited consolidated financial statements for 2019~2023.

(II) Name of the CPA and audit opinions for the past five years

Year	CPA Firm	Name of CPA	Opinion
2019	Deloitte Taiwan	Ming-chung Hsieh and Po-jen Weng	Unqualified opinion
2020	Deloitte Taiwan	Jui-Chuan Chih and Ming-chung Hsieh	Unqualified opinion
2021	Deloitte Taiwan	Hui-ming Chen and Ming-chung Hsieh	Unqualified opinion
2022	Deloitte Taiwan	Li-huang Lee and Ming-chung Hsieh	Unqualified opinion
2023	Deloitte Taiwan	Li-huang Lee and Ming-chung Hsieh	Unqualified opinion

II. Financial Analysis for the Most Recent Five Years

Item (Note 3)		Year	Financial Analysis for the Most Recent Five Years (Note 1)				
			2019	2020	2021	2022	2023
Financial Structure (%)	Debt ratio		50.54	59.71	61.21	64.73	53.42
	Ratio of long-term funds to property, plant, and equipment		146.86	135.62	138.33	141.36	171.68
Solvency (%)	Current ratio		149.14	144.79	142.45	130.58	170.58
	Quick ratio		125.47	123.35	120.95	113.34	146.59
	Times interest earned		6.75	-19.47	1.20	4.12	21.85
Operating Ability	Accounts receivable turnover (times)		5.71	3.75	6.65	6.54	7.85
	Average collection days		63.94	97.37	54.92	55.80	46.51
	Inventory turnover (times)		16.93	8.44	14.50	15.11	17.44
	Accounts payable turnover (times)		7.43	4.90	8.78	7.60	12.12
	Average days for sale		21.56	43.27	25.17	24.16	20.93
	Property, plant, and equipment turnover (times)		2.42	0.84	1.48	1.82	3.09
	Total assets turnover (times)		0.90	0.41	0.77	0.77	1.24
Profitability	Return on assets (%)		1.99	-6.46	1.87	2.10	15.26
	Return on equity (%)		3.20	-15.15	0.79	4.32	35.47
	Ratio of income before tax to paid-in capital (%)		9.03	-32.64	0.58	11.06	81.83
	Net margin (%)		1.80	-16.26	0.41	1.90	11.50
	Earnings per share (NT\$)		0.59	-2.52	0.12	0.64	6.55
Cash Flows	Cash flow ratio (%)		26.72	20.38	14.47	20.60	10.68
	Cash flow adequacy ratio (%)		82.61	59.46	40.11	61.38	66.68
	Cash flow reinvestment ratio (%)		9.26	5.88	4.83	9.71	3.67
Leverage	Operating leverage		2.56	0.71	-1.74	2.75	1.22
	Financial leverage		1.21	0.96	0.69	1.52	1.05
Please explain changes in financial ratios for the most recent two years (over 20%):							
<ol style="list-style-type: none"> Financial structure: The total equity in 2023 increased and the net amount of real estate, plant and equipment decreased, causing the ratio of long-term funds to real estate, plant and equipment to increase compared with 2022. Solvency : All measures of debt solvency in 2023 are better than those in 2022. The increase in current ratio and quick ratio is mainly due to the growth in profits in 2023, the increase in current assets such as accounts receivable and the decrease in current liabilities; the increase in interest cover is mainly due to the growth in revenue in 2023, net income before income tax and interest expenses Due to the substantial increase in profits Operating Ability : All measures of operating capabilities in 2023 have increased, mainly due to the substantial increase in revenue and costs in 2023. Profitability : In 2023, the number of projects will be larger and the scale will be larger. Revenue will increase and profit growth will generate more net profits, which will significantly increase all profitability measurement indicators. Cash flow : The cash flow ratio and cash reinvestment ratio in 2023 have dropped significantly, mainly due to the decrease in net cash inflow from operating activities in 2023. Leverage: Both operating leverage and financial leverage have declined in 2023, mainly due to the increase in revenue in 2023 and the increase in profit growth resulting in more operating net profits. 							

Note 1: The CPA-audited consolidated financial statements for 2019~2023.

Formula for IFRS financial ratios:

1. Financial Structure

- (1) Debt ratio = Total liabilities / Total assets
- (2) Ratio of long-term funds to property, plant, and equipment = (Total equity + Non-current liabilities) / Net property, plant, and equipment

2. Solvency

- (1) Current ratio = Current assets / Current liabilities
- (2) Quick ratio = (Current assets - Inventory - Prepaid expenses) / Current liabilities
- (3) Times interest earned = Earnings before interest and taxes / Interest expenses

3. Operating Ability

- (1) Accounts receivable turnover (including accounts receivable and bills receivable from business activities) = Net sales / Balance of average accounts receivable in each period (including accounts receivable and bills receivable from business activities)
- (2) Average collection days = 365 / Accounts receivable turnover
- (3) Inventory turnover = Cost of sales / Average inventory
- (4) Accounts payable turnover (including accounts payable and bills payable from business activities) = Cost of sales / Balance of average accounts payable in each period (including accounts payable and bills payable from business activities)
- (5) Average days for sale = 365 / Inventory turnover
- (6) Property, plant, and equipment turnover = Net sales / Average net property, plant, and equipment
- (7) Total assets turnover = Net sales / Average total assets

4. Profitability

- (1) Return on assets = [Profit or loss after tax + Interest expenses x (1 - Tax rate)] / Average total assets
- (2) Return on equity = Profit or loss after tax / Average total equity
- (3) Net margin = Profit or loss after tax / Net sales
- (4) Earnings per share = (Income attributable to owners of parent company - Preferred shares dividends) / Weighted average number of shares issued (Note 4)

5. Cash Flows

- (1) Cash flow ratio = Net cash flows from operating activities / Current liabilities
- (2) Cash flow adequacy ratio = Net cash flows from operating activities for the most recent five years / (Capital expenditures + Inventory increment + Cash dividends) for the most recent five years
- (3) Cash flow reinvestment ratio = (Net cash flows from operating activities - Cash dividends) / (Gross property, plant, and equipment + Long-term investment + Other non-current assets + Working capital) (Note 5)

6. Leverage

- (1) Operating leverage = (Net operating revenue - Variable operating costs and expenses) / Operating income (Note 6)
- (2) Financial leverage = Operating income / (Operating income - Interest expenses)

Note 2: Special attention should be paid to the following when the above formula for earnings per share is used:

1. The weighted average number of common shares is adopted instead of the number of shares issued by the end of the year.
2. The weighted average number of shares should be calculated in consideration of the period of

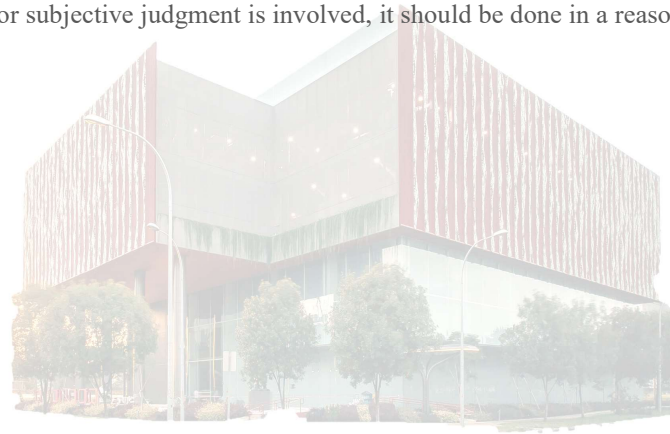
circulation of shares issued for capital increase by cash or treasury stock.

3. In case of a capital increase by earnings or by capital surplus, the earnings per share for the past year or half year should be retroactively adjusted based on the capital increase ratio, regardless of the period of the share issue.
4. If preferred shares are non-convertible and accumulative, preferred share dividends for the year (whether to be distributed) should be deducted from net profit after tax, or net loss after tax should be increased. If preferred shares are non-accumulative, preferred share dividends should be deducted from net profit after tax, if any; in case of the net loss after tax, no adjustment should be made.

Note 3: Special attention should be paid to the following when cash flows are measured:

1. Net cash flows from operating activities refer to Net cash flows generated from operating activities in the statement of cash flows.
2. Capital expenditures refer to cash flows used in the annual capital investment.
3. Inventory increment should only be calculated when the closing balance is larger than the opening balance. If inventory by the end of the year is reduced, inventory increment should be zero.
4. Cash dividends include cash dividends on common share and preferred share.
5. Gross property, plant, and equipment refers to total property, plant, and equipment net of accumulated depreciation.

Note 4: The operating costs and operating expenses should be classified into fixed or variable based on their nature. If estimation or subjective judgment is involved, it should be done in a reasonable and consistent manner.



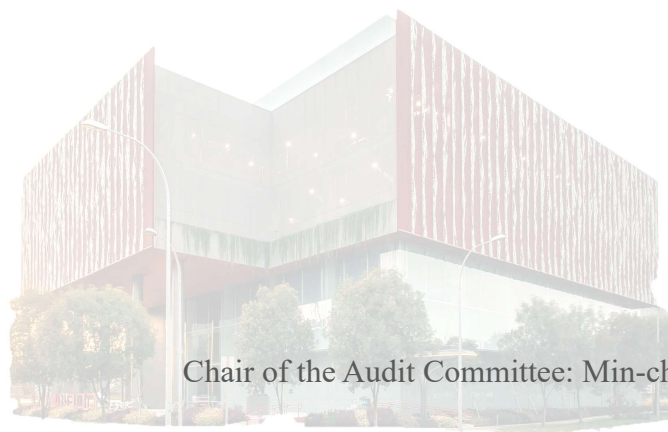
III. Audit Committee's Report for the Financial Statements of the Most Recent Year

Redwood Group Ltd Audit Committee's Audit Report

The Board of Directors has prepared the Company's 2023 Business Report, Consolidated Financial Statements and Annual Statement of Deficit Compensation. Among these documentations, the financial statements have been audited by the auditors, Deloitte, and the audit reports relating to the Financial Statements have been granted. The Business Report, Financial Statements and Annual Statement of Deficit Compensation have been audited and determined to be fairly presented by the Audit Committee members of Redwood Group Ltd. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company law, we hereby submit the audit report to the Company's shareholders.

Sincerely,

Redwood Group Ltd



Chair of the Audit Committee: Min-chiu Chien

March 13, 2024

- IV. Financial Statements for the Most Recent Year, Including an Auditor's Report Prepared by CPAs, Two-year Comparative Balance Sheets, Statements of Comprehensive Income, Changes in Equity, and Cash Flows, and Related Notes or Appendices:** Please refer to Pages#109 to #169.
- V. CPA-certified Parent Company Only Financial Statements for the Most Recent Year, Not Including the Statements of Major Accounting Items:** Not applicable.
- VI. Impact of Financial Difficulties the Company or Its Affiliates Have Experienced in the Most Recent Year and Up to the Date of Publication of the Annual Report on the Company's Financial Status:** None.



INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Redwood Group Ltd

Opinion

We have audited 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 December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

Revenue Recognized Based on Construction in Progress

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2024

Notice to Readers

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

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

REDWOOD GROUP LTD AND SUBSIDIARIES

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

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6 and 27)	\$ 335,989	15	\$ 391,109	18
Contract assets - current (Note 20)	293,641	13	318,538	14
Trade receivables (Notes 8 and 27)	438,910	19	277,952	13
Other receivables (Notes 8 and 27)	12,863	1	2,254	-
Other receivables from related parties (Notes 8, 27 and 28)	70	-	46	-
Current tax assets (Note 22)	-	-	8,327	-
Inventories (Note 9)	128,035	5	94,527	4
Prepayments (Notes 13)	50,065	2	57,437	3
Other current assets (Note 13)	6,706	-	963	-
Total current assets	<u>1,266,279</u>	<u>55</u>	<u>1,151,153</u>	<u>52</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 7 and 27)	45,241	2	32,540	1
Property, plant and equipment (Notes 11 and 29)	912,660	39	940,543	43
Right-of-use assets (Notes 12 and 29)	41,754	2	41,998	2
Deferred tax assets (Note 22)	26,496	1	30,506	1
Other non-current assets (Notes 13 and 27)	16,699	1	14,409	1
Total non-current assets	<u>1,042,850</u>	<u>45</u>	<u>1,059,996</u>	<u>48</u>
TOTAL	<u>\$ 2,309,129</u>	<u>100</u>	<u>\$ 2,211,149</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 14, 25, 27 and 29)	\$ 34,935	1	\$ 34,320	2
Contract liabilities-current (Note 20)	191,763	8	447,588	20
Trade payables (Notes 15 and 27)	155,618	7	161,880	7
Trade payables to related parties (Notes 15, 27 and 28)	1,257	-	1,587	-
Other payables (Notes 16 and 27)	176,228	8	109,952	5
Current tax liabilities (Note 22)	34,291	1	4,126	-
Provisions - current (Note 17)	42,752	2	21,975	1
Lease liabilities - current (Note 12, 25 and 27)	994	-	307	-
Current portion of long-term borrowings (Note 14, 25, 27 and 29)	88,750	4	83,630	4
Other current liabilities (Note 16)	15,729	1	16,202	1
Total current liabilities	<u>742,317</u>	<u>32</u>	<u>881,567</u>	<u>40</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 14, 25, 27 and 29)	474,433	20	536,396	24
Deferred tax liabilities (Note 22)	16,451	1	13,021	1
Lease liabilities - non-current (Note 12, 25 and 27)	448	-	397	-
Total non-current liabilities	<u>491,332</u>	<u>21</u>	<u>549,814</u>	<u>25</u>
Total liabilities	<u>1,233,649</u>	<u>53</u>	<u>1,431,381</u>	<u>65</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)				
Share capital - ordinary shares	502,425	22	502,425	23
Capital surplus	293,911	13	293,911	13
Retained earnings				
Special reserve	252,393	11	252,393	12
Unappropriated earnings	357,396	15	28,366	1
Total retained earnings	<u>609,789</u>	<u>26</u>	<u>280,759</u>	<u>13</u>
Other equity				
Exchange differences on translation of foreign financial statements	(256,977)	(11)	(227,106)	(11)
Unrealized loss on financial assets of fair value through other comprehensive income	(73,668)	(3)	(70,221)	(3)
Total other equity	<u>(330,645)</u>	<u>(14)</u>	<u>(297,327)</u>	<u>(14)</u>
Total equity attributable to owners of the Company	<u>1,075,480</u>	<u>47</u>	<u>779,768</u>	<u>35</u>
TOTAL	<u>\$ 2,309,129</u>	<u>100</u>	<u>\$ 2,211,149</u>	<u>100</u>

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

REDWOOD GROUP LTD AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Note 20)				
Construction revenue	\$ 2,860,254	100	\$ 1,699,124	100
OPERATING COSTS (Note 9, 21 and 28)				
Construction costs	(1,941,069)	(68)	(1,254,853)	(74)
GROSS PROFIT	919,185	32	444,271	26
OPERATING EXPENSES (Notes 21)				
Selling and marketing expenses	(20,164)	(1)	(26,921)	(2)
General and administrative expenses	(471,310)	(16)	(366,169)	(21)
Expected credit (loss) gain	(1,921)	-	568	-
Total operating expenses	(493,395)	(17)	(392,522)	(23)
NET PROFIT FROM OPERATIONS	425,790	15	51,749	3
NON-OPERATING INCOME AND EXPENSES (Notes 21, 24 and 28)				
Interest income	425	-	379	-
Other income	10,440	-	20,632	1
Other gains and losses	(5,800)	-	582	-
Finance costs	(19,723)	(1)	(17,783)	(1)
Total non-operating income and expenses	(14,658)	(1)	3,810	-
PROFIT BEFORE INCOME TAX	411,132	14	55,559	3
INCOME TAX EXPENSE (Note 22)	(82,102)	(3)	(23,237)	(1)
NET PROFIT FOR THE YEAR	329,030	11	32,322	2
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	(\$ 3,447)	-	(\$ 4,273)	-
Exchange differences arising on translation to the presentation currency	6,276	-	(37,418)	(2)

(Continued)

REDWOOD GROUP LTD AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statement of foreign operations	(36,147)	(1)	73,032	4
Other comprehensive income (loss) for the year, net of income tax	(33,318)	(1)	31,341	2
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 295,712</u>	<u>10</u>	<u>\$ 63,663</u>	<u>4</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	<u>\$ 329,030</u>	<u>11</u>	<u>\$ 32,322</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	<u>\$ 295,712</u>	<u>10</u>	<u>\$ 63,663</u>	<u>4</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 6.55</u>		<u>\$ 0.64</u>	
Diluted	<u>\$ 6.55</u>		<u>\$ 0.64</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 YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company						Total Equity
	Share Capital	Capital Surplus	Retained Earnings		Other Equity		
			Special Reserve	Unappropriated Earnings	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Exchange Differences on Translating the Financial Statements of Foreign Operations	
BALANCE AT JANUARY 1, 2022	\$ 502,425	\$ 293,911	\$ 252,393	\$ (3,956)	\$ (65,948)	\$ (262,720)	\$ 716,105
Net profit for the year ended December 31, 2022	-	-	-	32,322	-	-	32,322
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	(4,273)	35,614	31,341
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	32,322	(4,273)	35,614	63,663
BALANCE AT DECEMBER 31, 2022	502,425	293,911	252,393	28,366	(70,221)	(227,106)	779,768
Net profit for the year ended December 31, 2022	-	-	-	329,030	-	-	329,030
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(3,447)	(29,871)	(33,318)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	329,030	(3,447)	(29,871)	295,712
BALANCE AT DECEMBER 31, 2023	<u>\$ 502,425</u>	<u>\$ 293,911</u>	<u>\$ 252,393</u>	<u>\$ 357,396</u>	<u>\$ (73,668)</u>	<u>\$ (256,977)</u>	<u>\$ 1,075,480</u>

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

REDWOOD GROUP LTD AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 411,132	\$ 55,559
Adjustments for:		
Depreciation expenses	94,011	90,575
Expected credit loss recognized (reversed) on trade receivables	1,921	(568)
Net (gain) loss of financial assets and liabilities at fair value through profit and loss	-	(7,412)
Finance costs	19,723	17,783
Interest income	(425)	(379)
Reversal of write-downs of inventories	(3,608)	(46)
Gain on disposal of subsidiary	-	(3,348)
Net gain on foreign currency exchange	(30,659)	(27,767)
Net (gain)/loss on disposal of property, plant and equipment	(1,941)	122
Recognition of provisions	43,194	14,437
Changes in operating assets and liabilities		
Contracts assets	24,897	(174,779)
Trade receivables	(162,876)	(49,407)
Other receivables	(10,633)	14,359
Inventories	(28,890)	(21,714)
Prepayments	7,372	(6,540)
Other current assets	(5,743)	242
Contracts liabilities	(255,825)	261,047
Trade payables	(6,592)	39,354
Other payables	62,044	20,051
Provisions	(22,431)	(14,726)
Other current liabilities	(473)	(1,319)
Cash generated from operations	134,198	205,524
Interest paid	(19,588)	(17,005)
Income taxes paid	(35,356)	(8,696)
Net cash generated from operating activities	<u>79,254</u>	<u>179,823</u>

(Continued)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of financial assets at fair value through other comprehensive income	(\$ 15,642)	\$ -
Proceeds from sale of financial assets at fair value through profit or loss	-	6,010
Payments for property, plant and equipment	(52,204)	(29,144)
Proceeds from disposal of property, plant and equipment	2,716	1,246
Increase in refundable deposits	(1,809)	-
Decrease in refundable deposits	-	119
Net cash inflow on disposal of subsidiary	-	3,348
Increase in prepayments for equipment	(7,388)	(7,223)
Interest received	<u>425</u>	<u>379</u>
Net cash used in investing activities	<u>(73,902)</u>	<u>(25,265)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from short-term borrowings	-	3,630
Repayments of long-term borrowings	(66,228)	(23,443)
Repayment of the principal portion of lease liabilities	<u>(1,251)</u>	<u>(871)</u>
Net cash used in financing activities	<u>(67,479)</u>	<u>(20,684)</u>

EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>7,007</u>	<u>(35,964)</u>
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NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(55,120)	97,910
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CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>391,109</u>	<u>293,199</u>
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CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 335,989</u>	<u>\$ 391,109</u>
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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 YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

The Company’s shares have been listed on the Taipei Exchange (“TPEX”) main board since December 13, 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”) main board.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on March 13, 2024.

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

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

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

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

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

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

Note 3: The amendments provide some transition relief regarding disclosure requirements.

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

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

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Group shall disclose information that enables users of financial statements to understand the risk of the Group, which may have difficulty complying with the covenants and repaying its liabilities within twelve months after the reporting period.

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

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group’s financial position and financial performance.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a

presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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.

d. Presentation reclassification

The management of the Group consider the presentation of the estimated warranty expenses within provisions to be more appropriate and, therefore, the presentation of the consolidated balance sheets as of December 31, 2023 was changed, and the provisions were separated from trade payables and presented separately. In order to cooperate with the above adjustments, the comparative information of the consolidated balance sheets and the consolidated statements of cash flows for the year ended December 31, 2022 were reclassified to conform to the current year's presentation.

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 IFRSs as endorsed and issued into effect by the FSC.

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. 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.

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

d. 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 of the Group.

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

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

e. Foreign currencies

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (i.e, foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are re translated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are re translated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the re translation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the re translation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Company and its foreign operations (including subsidiaries in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income. The exchange differences accumulated in equity, which resulted from the translation of the assets and liabilities of the entities in the Group from functional currencies to the presentation currency, are not subsequently reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less costs of necessary input to the product to make the sale. Inventories are recorded at the first-in, first-out (FIFO) cost on the balance sheet date.

g. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Impairment of property, plant and equipment, right-of-use asset, and assets related to contract costs

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use asset, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Before the Group recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories and property, plant and equipment related to the contract applicable under IFRS 15 shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not

been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

i. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: financial assets at amortized and equity investments at FVTOCI.

i. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

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

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables, other receivables, and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of

such financial assets; and

- ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

- ii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

- b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables) as well as contract assets.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

- c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

j. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Construction contract revenue

Customers control properties while they are construction in progress, and thus, the Group recognizes revenue over time. The Group measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligations. Contract assets are recognized during the construction and are reclassified to trade receivables at the point at which the customer is invoiced. If the milestone payments exceed the revenue recognized to date, then the Group recognizes contract liabilities for the difference. Certain

payments, which are retained by the customer as specified in the contract, are intended to ensure that the Group adequately completes all of its contractual obligations. Such retention receivables are recognized as contract assets until the Group satisfies its performance obligations.

When the outcome of a performance obligation cannot be reasonably measured, contract revenue is recognized only to the extent of contract costs incurred in satisfying the performance obligation for which recovery is expected.

k. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any re measurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

1. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the

period in which they are incurred.

m. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in other income on a systematic basis over the periods in which the Group recognizes as expenses and the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred income and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

n. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plan are recognized as an expense when employees have rendered services entitling them to the contributions.

o. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

The Group calculates income tax payable (recoverable) based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments

in subsidiaries and associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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 on 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. Incentives and penalties stipulated in the contract 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

	December 31	
	2023	2022
Cash on hand	\$ 798	\$ 1,030
Checking accounts and demand deposits	<u>335,191</u>	<u>390,079</u>
	<u>\$ 335,989</u>	<u>\$ 391,109</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	December 31	
	2023	2022
<u>Non-current</u>		
Foreign investments		
Unlisted shares	<u>\$ 45,241</u>	<u>\$ 32,540</u>

The Group 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.

As of December 31, 2023 and 2022, the Group evaluated the above investment value for impairment and recognized impairment losses of \$3,447 thousand and \$4,273 thousand under other equity - unrealized gains and losses of financial assets measured at fair value through other comprehensive income.

8. TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2023	2022
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 445,926	\$ 283,050
Less: Allowance for impairment loss	(7,016)	(5,098)
	<u>\$ 438,910</u>	<u>\$ 277,952</u>
<u>Other receivables</u>		
Other receivables	<u>\$ 12,863</u>	<u>\$ 2,254</u>
Other receivables from related parties	<u>\$ 70</u>	<u>\$ 46</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.

December 31, 2023

	Less than 60 Days	61 to 180 Days	181 to 360 Days	361 to 720 Days	Over 721 Days	Total
Expected credit loss rate	0%~0.2%	0%~1.27%	0%~2.91%	0%~100%	100%	
Gross carrying amount	\$ 360,086	\$ 59,599	\$ 13,559	\$ 9,470	\$ 3,212	\$ 445,926
Loss allowance (Lifetime ECL)	(239)	(130)	(70)	(3,365)	(3,212)	(7,016)
Amortized cost	<u>\$ 359,847</u>	<u>\$ 59,469</u>	<u>\$ 13,489</u>	<u>\$ 6,105</u>	<u>\$ -</u>	<u>\$ 438,910</u>

December 31, 2022

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

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 5,098	\$ 7,851
Add: Net remeasurement of loss allowance	1,921	-
Less: Net remeasurement of loss allowance	-	(568)
Less: Amounts written off	-	(2,794)
Foreign exchange gains and losses	(3)	609
Balance at December 31	<u>\$ 7,016</u>	<u>\$ 5,098</u>

9. INVENTORIES

	December 31	
	2023	2022
Raw materials	<u>\$ 128,035</u>	<u>\$ 94,527</u>

The nature of operating costs is as follows:

	For the Year Ended December 31	
	2023	2022
Construction costs	\$1,944,677	\$1,254,899
Reversal of write-downs of inventories	(3,608)	(46)
	<u>\$ 1,941,069</u>	<u>\$ 1,254,853</u>

10. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements

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

Redwood Interior Pte. Ltd.	Redwood Projects (Vietnam) Company Limited	Decoration of global advanced boutique brand store	100%	100%	Established by 100% direct or indirect investment in September 2020.	(1)
Redwood Interior Pte. Ltd.	Redwood Projects Philippines Inc.	Decoration of global advanced boutique brand store	100%	100%	Established by 100% direct or indirect investment in December 2020.	(1)
Redwood Interior Pte. Ltd.	Redwood Specialities India Private Limited	Decoration of global advanced boutique brand store	99.99%	99.99%	Established by 100% direct or indirect investment in November 2022.	(1)
Redwood Furniture Sdn. Bhd	Redwood Specialities India Private Limited	Decoration of global advanced boutique brand store	0.01%	0.01%	Established by 100% direct or indirect investment in November 2022.	(1)

Remarks:

- (1) This is an immaterial subsidiary for consolidated statements.
- (2) Since there had been no actual operation in the past two years, the board of directors resolved to dissolve and liquidate Redwood (HK) Ltd in July 2022, and repatriated the share capital to Redwood Interior Pte. Ltd. on July 5, 2022. The liquidation procedure was completed on January 6, 2023.
- (3) The Group established Redwood (Thailand) Co., Ltd in Thailand in August 2020. As of December 31, 2023, the capital injection has not been completed, so it is not disclosed in the above table.
- (4) The Group established Redwood Projects Australia Pty Ltd in Australia in May 2023. As of December 31, 2023, the capital injection has not been completed, so it is not disclosed in the above table.

11. PROPERTY, PLANT AND EQUIPMENT

Assets used by the Group

	2023						
	Land	Buildings	Machinery	Transportation Equipment	Other Equipment	Construction in Progress	Total
<u>Cost</u>							
Balance at January 1, 2023	\$ 32,558	\$ 880,000	\$ 467,463	\$ 27,363	\$ 71,703	\$ 2,320	\$ 1,481,407
Additions	-	1,953	34,071	1,156	16,976	2,207	56,363
Disposal	-	(76)	(21,469)	(2,418)	(3,678)	-	(27,641)
Reclassified	-	43	9,207	-	-	(2,343)	6,907
Effect of foreign currency exchange differences	(1,463)	71	(12,496)	(98)	(277)	(138)	(14,688)
Balance at December 31, 2023	<u>\$ 31,095</u>	<u>\$ 881,991</u>	<u>\$ 476,776</u>	<u>\$ 26,003</u>	<u>\$ 84,724</u>	<u>\$ 2,046</u>	<u>\$ 1,502,635</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2023	\$ -	\$ 134,912	\$ 327,617	\$ 22,418	\$ 55,917	\$ -	\$ 540,864
Depreciation expense	-	33,930	40,335	2,128	14,709	-	91,102
Disposal	-	(76)	(20,844)	(2,328)	(3,618)	-	(26,866)
Effect of foreign currency exchange differences	-	(3,088)	(11,761)	(96)	(180)	-	(15,125)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 165,678</u>	<u>\$ 335,347</u>	<u>\$ 22,122</u>	<u>\$ 66,828</u>	<u>\$ -</u>	<u>\$ 589,975</u>
Carrying amounts at December 31, 2023	<u>\$ 31,095</u>	<u>\$ 716,313</u>	<u>\$ 141,429</u>	<u>\$ 3,881</u>	<u>\$ 17,896</u>	<u>\$ 2,046</u>	<u>\$ 912,660</u>
	2022						
	Land	Buildings	Machinery	Transportation Equipment	Other Equipment	Construction in Progress	Total
<u>Cost</u>							
Balance at January 1, 2022	\$ 30,969	\$ 801,090	\$ 429,554	\$ 25,033	\$ 67,227	\$ -	\$ 1,353,873
Additions	-	43	11,644	-	5,484	2,329	19,500
Disposal	-	(10)	(3,460)	-	(7,227)	(8)	(10,705)
Reclassified	-	-	53	-	-	-	53
Effect of foreign currency exchange differences	1,589	78,877	29,672	2,330	6,219	(1)	118,686
Balance at December 31, 2022	<u>\$ 32,558</u>	<u>\$ 880,000</u>	<u>\$ 467,463</u>	<u>\$ 27,363</u>	<u>\$ 71,703</u>	<u>\$ 2,320</u>	<u>\$ 1,481,407</u>
<u>Accumulated depreciation</u>							

Balance at January 1, 2022	\$ -	\$ 93,831	\$ 272,349	\$ 18,149	\$ 46,875	\$ -	\$ 431,204
Depreciation expense	-	33,239	41,101	2,508	11,311	-	88,159
Disposal	-	(10)	(2,127)	-	(7,200)	-	(9,337)
Effect of foreign currency exchange differences	-	7,852	16,294	1,761	4,931	-	30,838
Balance at December 31, 2022	\$ -	\$ 134,912	\$ 327,617	\$ 22,418	\$ 55,917	\$ -	\$ 540,864
Carrying amounts at December 31, 2022	\$ 32,558	\$ 745,088	\$ 139,846	\$ 4,945	\$ 15,786	\$ 2,320	\$ 940,543

No impairment assessment was performed by the Group for the years ended December 31, 2023 and 2022 as there was no indication of impairment.

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

Building	5-50 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 29.

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Carrying amounts</u>		
Land access	\$ 40,385	\$ 41,322
Buildings	<u>1,369</u>	<u>676</u>
	<u>\$ 41,754</u>	<u>\$ 41,998</u>
	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Additions to right-of-use assets	<u>\$ 1,957</u>	<u>\$ -</u>
<u>Depreciation charge for right-of-use assets</u>		
Land access	\$ 1,671	\$ 1,556
Buildings	<u>1,238</u>	<u>860</u>
	<u>\$ 2,909</u>	<u>\$ 2,416</u>

The right-of-use asset includes long-term prepaid rent for land leased by Redwood Singapore to the government, and the Group 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 2023 and 2022.

The right-of-use assets pledged as collateral for bank borrowings were set out in Note 29.

b. Lease liabilities

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Carrying amounts</u>		
Current	\$ 994	\$ 307
Non-current	\$ 448	\$ 397

Range of discount rate for lease liabilities was as follows:

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Land	4.32%	4.32%
Buildings	4.09%~4.32%	4.32%

c. Material lease-in activities and terms

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

d. Other lease information

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Short-term lease expenses	\$ 10,333	\$ 2,787
Expenses relating to low-value asset leases	\$ 1,298	\$ 1,139
Total cash outflow for leases	(\$ 12,882)	(\$ 4,797)

The Group leases certain assets which qualify as short-term leases and 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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Current</u>		
Prepayments - goods	\$ 32,112	\$ 38,201
Prepayments - expenses	17,337	16,694
Other prepayments	616	2,542
	<u>\$ 50,065</u>	<u>\$ 57,437</u>
Other current assets	<u>\$ 6,706</u>	<u>\$ 963</u>
<u>Non-current</u>		
Prepaid equipment	\$ 8,372	\$ 7,891

Refundable deposits	<u>8,327</u>	<u>6,518</u>
	<u>\$ 16,699</u>	<u>\$ 14,409</u>

14. BORROWINGS

a. Short-term borrowings

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Secured borrowings</u> (Note 29)		
Line of credit borrowings	<u>\$ 34,935</u>	<u>\$ 34,320</u>

The range of weighted average effective interest rate on bank loans was 6.36% and 5.96% per annum as of December 31, 2023 and 2022, respectively.

b. Long-term borrowings

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Secured borrowings</u> (Note 29)		
Bank loans*	\$ 563,183	\$ 620,026
Less: Current portion	(88,750)	(83,630)
Long-term borrowings	<u>\$ 474,433</u>	<u>\$ 536,396</u>

* As of December 31, 2023 and 2022, the weighted average effective interest rate of the bank borrowings secured by the Group's freehold land, building and machinery equipment (refer to Note 29) was 2.18%~7.06% and 2.25%~3.65% 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

	December 31	
	2023	2022
<u>Current</u>		
Other payables		
Payable for salaries or bonuses	\$ 86,438	\$ 30,049
Payable for directors and employee compensation	3,314	-
Payable for purchase of equipment	7,983	3,824
Payable for utilities	4,149	4,670
Payable for provident fund	3,780	4,330
Payable for professional service fees	1,946	2,090
Payable for shipping expenses	45,889	26,317
Payable for business tax	2,313	3,538
Payable for interest expenses	1,603	1,530
Others	<u>18,813</u>	<u>33,604</u>
	<u>\$ 176,228</u>	<u>\$ 109,952</u>
Other current liabilities		
Deferred Income		
Government Grants	\$ 13,114	\$ 16,038
Others	<u>2,615</u>	<u>164</u>
	<u>\$ 15,729</u>	<u>\$ 16,202</u>

Deferred income is that the Singapore government has subsidized the relevant company's equipment for the new plant. The Group recognized the income in installments based on the useful life of the equipment after the completion of the new plant in February 2021 (refer to Note 21).

17. PROVISION

	December 31	
	2023	2022
<u>Current</u>		
Warranty liabilities	<u>\$ 42,752</u>	<u>\$ 21,975</u>
	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 21,975	\$ 20,198
Additional provisions recognized	43,194	14,437
Amount used	(22,431)	(14,726)
Effect of foreign currency exchange differences	<u>14</u>	<u>2,066</u>
Balance at December 31	<u>\$ 42,752</u>	<u>\$ 21,975</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 benefit pension plan.

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

19. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2023	2022
Shares authorized (in thousands of shares)	<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>
Shares issued and fully paid (in thousands of shares)	<u>50,243</u>	<u>50,243</u>
Shares issued (in thousands of dollars)	<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

	December 31	
	2023	2022
Issuance of ordinary shares	<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 34.6, 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.

No appropriations of earnings for 2022 and 2021 were approved in the shareholders' meetings on June 28, 2023 and June 27, 2022.

The appropriation of earnings for 2023, which were proposed by the Company's board of directors on March 13, 2024, were as follows:

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

The appropriation of earnings for 2023 will be resolved by the shareholders in their meeting to be held on June 21, 2024.

d. Special reserve

	For the Year Ended December 31	
	2023	2022
Balance at January 1 and December 31	<u>\$ 252,393</u>	<u>\$ 252,393</u>

e. Other equity items

Exchange differences on translation of foreign financial statements

	For the Year Ended December 31	
	2023	2022
Balance at January 1	(\$ 227,106)	(\$ 262,720)
Recognized for the year		
Exchange differences on translating the financial statement of foreign operations	(36,147)	73,032
Exchange differences arising on translation to the presentation currency	<u>6,276</u>	<u>(37,418)</u>

Balance at December 31	(\$ 256,977)	(\$ 227,106)
<u>Unrealized valuation gain or loss on financial assets at FVTOCI</u>		
	<u>For the Year Ended December 31</u>	
	2023	2022
Balance at January 1	(\$ 70,221)	(\$ 65,948)
Recognized for the year		
Unrealized gain or loss - equity instruments	(3,447)	(4,273)
Balance at December 31	(\$ 73,668)	(\$ 70,221)

20. REVENUE

	<u>For the Year Ended December 31</u>	
	2023	2022
Revenue from contracts with customers		
Construction contract revenue	<u>\$ 2,860,254</u>	<u>\$ 1,699,124</u>

a. Contract information

The Group's decoration project contracts include terms on delay penalties. The Group estimates the transaction price using the most likely amount, taking into consideration the historical contracts with similar terms and sizes.

b. Contact balances

	December 31, 2023	December 31, 2022	January 1, 2022
Trade receivables (Note 8)	<u>\$ 438,910</u>	<u>\$ 277,952</u>	<u>\$ 228,586</u>
Contract assets			
Retentions receivable	\$ 63,133	\$ 38,932	\$ 19,401
Decoration project	<u>230,508</u>	<u>279,606</u>	<u>124,358</u>
Contract assets - current	<u>\$ 293,641</u>	<u>\$ 318,538</u>	<u>\$ 143,759</u>
Contract liabilities - current			
Decoration project	<u>\$ 191,763</u>	<u>\$ 447,588</u>	<u>\$ 186,541</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.

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Expected credit loss rate	0.20%	0.14%
Gross carrying amount	\$ 293,641	\$ 318,538
Allowance for impairment loss (Lifetime ECLs)	<u>-</u>	<u>-</u>
	<u>\$ 293,641</u>	<u>\$ 318,538</u>

Revenue recognized in the current year that was included in the contract liability balance at the beginning of the year and from the performance obligations satisfied in the previous periods is as follows:

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
From contract liabilities at the start of the year		
Decoration project	<u>\$ 447,588</u>	<u>\$ 186,541</u>

c. Disaggregation of revenue

Refer to Note 34 for information about the disaggregation of revenue.

d. Partially completed contracts

As of December 31, 2023 and 2022, the aggregate amounts of the transaction prices allocated to the performance obligations that are unsatisfied are \$191,763 thousand and \$447,588 thousand, respectively. The Group expects to recognize the related revenue as the building is constructed, which is expected to be within 1 year.

21. NET PROFIT (LOSS)

a. Interest income

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Interest income		
Bank deposits	<u>\$ 425</u>	<u>\$ 379</u>

b. Other income

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Government grants	\$ 6,170	\$ 8,562
Others	<u>4,270</u>	<u>12,070</u>
	<u>\$ 10,440</u>	<u>\$ 20,632</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 \$236 thousand and \$116 thousand in 2023 and 2022, respectively.

- 2) Due to the impact of Covid-19 pandemic, the Malaysian government has launched a new economic protection assistance package (Permai), in which in order to help employers retain employees and reduce unemployment, a special wage subsidy program (Program Subsidi Upah) will be provided. Employers operating during the MCD (Movement Control Order) period can apply, and there are no restrictions. The Company recognized subsidy revenue of \$167 thousand in 2022.
- 3) In order to elevate average salary and industry competitiveness, the Singapore government conducted "Wage Credit Scheme" starting from 2013 to invest small and medium business for salary raise. This program is part of public finance strategies of Singapore government to support business in transition period. The Company recognized subsidy revenue of \$1,179 thousand and \$1,319 thousand in 2023 and 2022, respectively.
- 4) In response to the impact of Covid-19 pandemic, the Singapore government has implemented the "Fortitude Budget" since 2020. The budget will subsidize employee salaries to help companies survive the peak of the epidemic. The Company recognized subsidy revenue of \$3,494 thousand in 2022.
- 5) In order to improve the overall productivity of local enterprises, Enterprise Singapore launched the relevant auxiliary measures (Capability Development Grant) in 2019 to encourage enterprises to renovate old factories. The government provides subsidies to help enterprises purchase high-capacity machinery and equipment. The new plant of Redwood Interior Pte. Ltd. was completed in 2021. The Company recognized subsidy revenue of \$3,219 thousand and \$2,906 thousand in 2023 and 2022, respectively.
- 6) In response to the impact of Covid-19 pandemic, the Korean government provides subsidies (Covid-19 Supporting Fund) for small and medium-sized enterprises affected by the third wave of the epidemic. The assistance objects include small and medium-sized enterprises and self-employed persons who are directly affected by sales, so as to help enterprises tide over the difficulties. The Company recognized subsidy revenue of \$208 thousand in 2022.
- 7) In order to revive the small and medium-sized enterprises affected by Covid-19 pandemic, the Japanese government has opened the application for relevant subsidies (Business Revival Support Fund) since 2022 for enterprises whose turnover has declined due to the epidemic within a specific period. The Company recognized subsidy revenue of \$352 thousand in 2022.
- 8) Other government subsidies mainly come from parental leave and on-the-job training programs subsidized by the Singapore government. The Company recognized subsidy revenue of \$1,536 thousand in 2023.

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Gain (Loss) on disposal of property, plant and equipment	\$ 1,941	(\$ 122)
Gain on disposal of subsidiary	-	3,348
Net foreign exchange loss	(4,399)	(7,203)
Valuation gain (loss) of financial liabilities at FVTPL	-	7,412
Others	(3,342)	(2,853)
	<u>(\$ 5,800)</u>	<u>\$ 582</u>

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	\$ 19,661	\$ 17,737
Interest on lease liabilities	<u>62</u>	<u>46</u>
	<u>\$ 19,723</u>	<u>\$ 17,783</u>

Information about capitalized interest is as follows:

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	\$ 39,825	\$ 40,281
Operating expenses	<u>54,186</u>	<u>50,294</u>
	<u>\$ 94,011</u>	<u>\$ 90,575</u>

f. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Post-employment benefits (Note 18)		
Defined contribution plan	\$ 34,386	\$ 30,219
Other employee benefits	<u>650,057</u>	<u>486,673</u>
	<u>\$ 684,443</u>	<u>\$ 516,892</u>

	For the Year Ended December 31	
	2023	2022
An analysis of employee benefits expense by function		
Operating costs	\$ 330,482	\$ 247,278
Operating expenses	<u>353,961</u>	<u>269,614</u>
	<u>\$ 684,443</u>	<u>\$ 516,892</u>

g. Employees' compensation and remuneration of directors and supervisors

According to the Company's Articles of Association, the Company accrues employees' compensation and remuneration of directors at rates of no less than 0.2% and no higher than 5%, respectively, of the net profit after tax (after deducting employees' compensation and remuneration of 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.

Employees' compensation and remuneration of directors accrued for the year ended December 31, 2023 and 2022 were as follows:

Accrual rate

	For the Year Ended December 31	
	2023	2022
Employees' compensation	0.2%	-
Remuneration of directors	0.8%	-

Amount

	For the Year Ended December 31	
	2023	2022
Employees' compensation	<u>\$ 664</u>	<u>\$ -</u>
Remuneration of directors	<u>\$ 2,623</u>	<u>\$ -</u>

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

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

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

22. INCOME TAX

a. Income tax recognized in profit or loss:

Major components of income expense are as follows:

	For the Year Ended December 31	
	2023	2022
<u>Current tax</u>		
In respect of the current year	\$ 72,525	\$ 7,830
Adjustments for prior year	66	(250)
Others	<u>1,256</u>	<u>653</u>
	<u>73,847</u>	<u>8,233</u>
<u>Deferred tax</u>		
In respect of the current year	<u>8,255</u>	<u>15,004</u>
Income tax expense recognized in profit or loss	<u>\$ 82,102</u>	<u>\$ 23,237</u>

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31	
	2023	2022
Profit before tax	<u>\$ 411,132</u>	<u>\$ 55,559</u>
Income tax expense calculated at the statutory rate	\$ 98,077	\$ 23,580
Nondeductible expenses in determining taxable income	13,176	9,886
Tax-exempt income	(413)	(194)
Unrecognized investment tax credits and deductible temporary differences	(3,600)	1,455
Adjustments for prior years' tax	66	(250)
Investment tax credits	(25,603)	(12,915)
Others	<u>399</u>	<u>1,675</u>
Income tax expense recognized in profit or loss	<u>\$ 82,102</u>	<u>\$ 23,237</u>

The applicable corporate income tax rate used by the Group entities in Singapore is 17%, while the tax rate applicable to subsidiaries in Malaysia is 24%, the tax rate applicable to subsidiary in China is 25%. Tax rates used by other entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

b. Current tax assets and liabilities

	December 31	
	2023	2022
Current tax assets		
Tax refund receivable	<u>\$ -</u>	<u>\$ 8,327</u>
Current tax liabilities		
Income tax payable	<u>\$ 34,291</u>	<u>\$ 4,126</u>

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Exchange Difference	Closing Balance
Temporary differences				
Capital allowance*	\$ 10,231	\$ 2,082	\$ 255	\$ 12,568
Write-down of inventory	-	4,859	(248)	4,611
Unrealized exchange gains and losses	21	341	(8)	354
Property, plant and equipment	55	(6)	(3)	46
Others	-	545	5	550
Tax losses	<u>20,199</u>	<u>(11,937)</u>	<u>105</u>	<u>8,367</u>
	<u>\$ 30,506</u>	<u>(\$ 4,116)</u>	<u>\$ 106</u>	<u>\$ 26,496</u>

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Exchange Difference	Closing Balance
Temporary differences				
Write-down of inventory	(\$ 5,866)	\$ 5,866	\$ -	\$ -
Unrealized exchange gains and losses	(669)	669	-	-
Property, plant and equipment	19,647	(2,494)	(710)	16,443
Others	<u>(91)</u>	<u>98</u>	<u>1</u>	<u>8</u>
	<u>\$ 13,021</u>	<u>\$ 4,139</u>	<u>(\$ 709)</u>	<u>\$ 16,451</u>

* Investment tax credits for property, plant and equipment in Malaysia.

For the year ended December 31, 2022

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Exchange Difference	Closing Balance
Temporary differences				
Unrealized exchange gains and losses	\$ 57	\$ -	(\$ 36)	\$ 21
Depreciation expense	85	(69)	(16)	-
Property, plant and equipment	(10)	27	38	55
Capital allowance*	-	(3,010)	13,241	10,231
Tax losses	<u>31,224</u>	<u>(1,962)</u>	<u>(9,063)</u>	<u>20,199</u>
	<u>\$ 31,356</u>	<u>(\$ 5,014)</u>	<u>\$ 4,164</u>	<u>\$ 30,506</u>

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Exchange Difference	Closing Balance
Temporary differences				
Write-down of inventory	(\$ 6,177)	\$ 617	(\$ 306)	(\$ 5,866)
Unrealized exchange gains and losses	(131)	(522)	(16)	(669)
Property, plant and equipment	20,219	(1,479)	907	19,647
Others	(<u>11,155</u>)	<u>11,374</u>	(<u>310</u>)	(<u>91</u>)
	<u>\$ 2,756</u>	<u>\$ 9,990</u>	<u>\$ 275</u>	<u>\$ 13,021</u>

* Investment tax credits for property, plant and equipment in Malaysia.

d. Information on unused loss carryforwards

Loss carryforwards as of December 31, 2023 comprised:

Company Name	Unused Amount	Expiry Year
Redwood Projects Japan K.K.	\$ 3,225	2033
Redwood Projects Philippines Inc.	1,141	2033
Redwood Projects (Vietnam) Company Limited	<u>872</u>	2028
	<u>\$ 5,238</u>	

e. Income tax assessments

Except for the Company not subject to income tax, the tax returns of Redwood Interior Pte. Ltd., Redwood Furniture Sdn. Bhd., Redwood Projects Sdn. Bhd., Redwood (Shanghai) Pte. Ltd., Redwood Projects Korea Co., Ltd., Redwood Projects France S.A.S., Redwood Projects US Inc., Redwood Projects (Vietnam) Company Limited, Redwood Projects Philippines Inc. and Redwood Specialities India Private Limited until 2022, have been assessed by the tax authorities. The tax returns of, Redwood Projects Japan K.K. until 2023, have been assessed by the tax authorities.

23. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2023	2022
Basic earnings per share	<u>\$ 6.55</u>	<u>\$ 0.64</u>
Diluted earnings per share	<u>\$ 6.55</u>	<u>\$ 0.64</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

	For the Year Ended December 31	
	2023	2022
Earnings used in the computation of basic earnings per share	<u>\$ 329,030</u>	<u>\$ 32,322</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 329,030</u>	<u>\$ 32,322</u>

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

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	50,243	50,243
Impact of potentially dilutive ordinary shares:		
Employees' compensation	<u>9</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>50,252</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 resolve the number of shares to be distributed to employees at their meeting in the following year.

24. DISPOSAL OF SUBSIDIARY

Since there had been no actual operation in the past two years, the board of directors resolved to dissolve and liquidate Redwood (HK) Ltd in July 2022, and repatriated the share capital to Redwood Interior Pte. Ltd. on July 5, 2022. The liquidation procedure was completed on January 6, 2023.

a. Consideration received from disposal

	Redwood (HK) Ltd
Sales proceeds receivable	\$ <u>-</u>
Total consideration received	\$ <u>3,348</u>

b. Gain on disposal of subsidiary

	Redwood (HK) Ltd
Gain on disposal	\$ <u>3,348</u>

25. CASH FLOWS INFORMATION

Changes in liabilities arising from financing activities

For the year ended December 31, 2023

	Opening Balance	Cash Flows	Non-cash Changes			Closing Balance
			New Leases	Interest	Others	
Short-term borrowings	\$ 34,320	\$ -	\$ -	\$ -	\$ 615	\$ 34,935
Long-term borrowings	620,026	(66,228)	-	-	9,385	563,183
Lease liabilities	<u>704</u>	<u>(1,251)</u>	<u>1,957</u>	<u>62</u>	<u>(30)</u>	<u>1,442</u>
	<u>\$ 655,050</u>	<u>(\$ 67,479)</u>	<u>\$ 1,957</u>	<u>\$ 62</u>	<u>\$ 9,970</u>	<u>\$ 599,560</u>

For the year ended December 31, 2022

	Opening Balance	Cash Flows	Non-cash Changes			Closing Balance
			New Leases	Interest	Others	
Short-term borrowings	\$ 30,690	\$ 3,630	\$ -	\$ -	\$ -	\$ 34,320
Long-term borrowings	643,469	(23,443)	-	-	-	620,026
Lease liabilities	1,529	(871)	-	46	-	704
	<u>\$ 675,688</u>	<u>(\$ 20,684)</u>	<u>\$ -</u>	<u>\$ 46</u>	<u>\$ -</u>	<u>\$ 655,050</u>

26. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

Key management personnel of the Group review the capital structure on a quarterly basis. As part of this review, key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased and the amount of new debt issued or existing debt redeemed.

27. 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

December 31, 2023

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

December 31, 2022

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

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

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

For the year ended December 31, 2023

	Financial Assets at FVTOCI Equity Instruments
<u>Financial assets</u>	
Balance at January 1, 2023	\$ 32,540
New acquisition	15,642
Recognized in other comprehensive income	(3,447)
Net exchange difference	<u>506</u>
Balance at December 31, 2023	<u>\$ 45,241</u>

For the year ended December 31, 2022

	Financial Assets at FVTOCI Equity Instruments
<u>Financial assets</u>	
Balance at January 1, 2022	\$ 33,219
Recognized in other comprehensive income	(4,273)
Net exchange difference	<u>3,594</u>
Balance at December 31, 2022	<u>\$ 32,540</u>

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

The fair values of overseas 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 inputs 31% and 27% are regarded as the assumed liquidity discount in an available market.

c. Categories of financial instruments

	<u>December 31</u>	
	2023	2022
<u>Financial assets</u>		
Financial assets at amortized cost (1)	\$ 796,159	\$ 677,879
Financial assets at FVTOCI		
Equity instruments	45,241	32,540
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (2)	931,221	927,765

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

d. Financial risk management objectives and policies

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

1) Market risk

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

a) Foreign currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, which exposes the Group to foreign currency risk. For the management of foreign currency risk, the Group regularly reviews the assets and liabilities affected by exchange rates, and uses appropriate hedging tools to control the risks arising from foreign exchange fluctuations.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 31.

Sensitivity analysis

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

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

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

	Currency MYR's Impact	
	For the Year Ended December 31	
	2023	2022
Profit or loss	(\$ 3,541)	(\$ 1,311)

	Currency USD's Impact	
	For the Year Ended December 31	
	2023	2022
Profit or loss	\$ 1,575	\$ 1,529

	Currency EUR's Impact	
	For the Year Ended December 31	
	2023	2022
Profit or loss	\$ 614	\$ 315

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 carrying amounts of the Group's financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31	
	2023	2022
Fair value interest rate risk		
Financial liabilities	\$ 427,266	\$ 468,471
Cash flow interest rate risk		
Financial liabilities	170,852	185,875

Sensitivity analysis

If interest rates had been 0.5% higher and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2023 and 2022 would have decreased by \$854 thousand and \$929 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that the counter party 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 December 31, 2023 and 2022, the Group had available unutilized short-term bank loan facilities set out in (b) below.

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

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

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

December 31, 2023

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

December 31, 2022

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Short-term borrowings	\$ 34,589	\$ -	\$ -
Trade payables	161,880	-	-
Lease liabilities	488	418	-
Other payables	109,952	-	-
Current portion of long-term borrowings	97,842	-	-
Long-term borrowings	-	226,014	399,678
	<u>\$ 404,751</u>	<u>\$ 226,432</u>	<u>\$ 399,678</u>

b) Financing facilities

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Unsecured bank overdraft facilities, reviewed annually:		
Amount used	\$ -	\$ -
Amount unused	<u>5,928</u>	<u>17,264</u>
	<u>\$ 5,928</u>	<u>\$ 17,264</u>
Secured bank overdraft facility:		
Amount used	\$ 598,118	\$ 654,346
Amount unused	<u>110,517</u>	<u>100,442</u>
	<u>\$ 708,635</u>	<u>\$ 754,788</u>

28. TRANSACTIONS WITH RELATED PARTIES

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

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

a. Related party name and category

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

b. Purchases of goods

<u>Related Party Categories</u>	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Related party in substance	<u>\$ 27,478</u>	<u>\$ 18,254</u>

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

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

<u>Line Items</u>	<u>Related Party Categories</u>	<u>December 31</u>	
		<u>2023</u>	<u>2022</u>
Other receivables	Related party in substance	<u>\$ 70</u>	<u>\$ 46</u>

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2023 and 2022, no impairment loss was recognized for trade receivables from related parties.

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

Line Items	Related Party Categories	December 31	
		2023	2022
Trade payables	Related party in substance	\$ <u>1,257</u>	\$ <u>1,587</u>

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

e. Acquisition of financial assets

For the year ended December 31, 2023

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Purchase Price
Related party in substance	Financial assets at FVTOCI	680 thousand	Foreign investments - Unlisted shares	\$ <u>15,642</u>

f. Other transactions with related parties

Line Items	Related Party Categories	For the Year Ended December 31	
		2023	2022
Other income	Related party in substance	\$ <u>1,869</u>	\$ <u>1,829</u>

g. Compensation of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 29,080	\$ 20,983
Post-employment benefits	<u>1,698</u>	<u>700</u>
	\$ <u>30,778</u>	\$ <u>21,683</u>

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings.

	December 31	
	2023	2022
Land	\$ 31,095	\$ 32,558
Buildings	699,827	725,419
Equipments	77,635	70,975
Right-of-use assets (land access)	<u>40,385</u>	<u>41,322</u>
	\$ <u>848,942</u>	\$ <u>870,274</u>

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

Significant Commitments

As of December 31, 2023 and 2022, the Group signed contractual commitments with the manufacturers for purchases of machinery and equipment amounted to approximately \$8,544 thousand and \$24,982 thousand, respectively.

31. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- a. In response to the group's business development, the Company's board of directors resolved on January 12, 2024 to establish a wholly-owned subsidiary in Indonesia.
- b. The Group reviewed the group's operations and business development. In order to strengthen the effective use of the group's resources, the Company's board of directors resolved on January 12, 2024 to dissolve Redwood Projects Korea Co., Ltd., which had no project business, to flexibly adjust resource allocation and improve operational efficiency.

32. 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 of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2023

Unit: In Thousands for Currencies, Except Exchange Rates

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 5,757	1.300 (USD:SGD)	\$ 182,869
USD	158	7.303 (USD: JPY)	5,009
EUR	2,088	1.459 (EUR:SGD)	<u>70,803</u>
			<u>\$ 258,681</u>
<u>Financial liabilities</u>			
Monetary items			
USD	783	1.300 (USD:SGD)	\$ 24,865
USD	173	4.550 (USD: MYR)	5,500
SGD	8,663	3.500 (SGD: MYR)	204,239
EUR	277	1.459 (EUR:SGD)	9,383
MYR	51,754	0.286 (MYR:SGD)	<u>354,126</u>
			<u>\$ 598,113</u>

December 31, 2022

Unit: In Thousands for Currencies, Except Exchange Rates

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 5,443	1.350 (USD:SGD)	\$ 168,129
USD	259	4.434 (USD: MYR)	7,987
EUR	964	1.430 (EUR:SGD)	31,536
JPY	23,614	0.0102 (JPY:SGD)	<u>5,511</u>
			<u>\$ 213,163</u>
<u>Financial liabilities</u>			
Monetary items			
USD	752	1.350 (USD:SGD)	\$ 23,221
SGD	2,815	3.284 (SGD: MYR)	64,405
MYR	18,819	0.305 (MYR:SGD)	<u>131,110</u>
			<u>\$ 218,736</u>

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

Functional Currency	For the Year Ended December 31			
	2023		2022	
	Functional Currency: Presentation Currency	Net Foreign Exchange Gains (Losses)	Functional Currency: Presentation Currency	Net Foreign Exchange Gains (Losses)
SGD	(SGD:NTD)	\$ 1,762	(SGD:NTD)	(\$ 1,122)
MYR	(MYR:NTD)	(6,012)	(MYR:NTD)	(3,951)
RMB	(RMB:NTD)	182	(RMB:NTD)	-
JPY	(JPY:NTD)	12	(JPY:NTD)	(1,809)
KRW	(KRW:NTD)	7	(KRW:NTD)	(26)
USD	(USD:NTD)	(387)	(USD:NTD)	(239)
VND	(VND:NTD)	55	(VND:NTD)	69
PHP	(PHP:NTD)	(18)	(PHP:NTD)	(125)
		<u>(\$ 4,399)</u>		<u>(\$ 7,203)</u>

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

- 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 year.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.
 - 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 year and the purposes.
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

34. 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.

a. Revenue from major products and services

The main products and services income of the continuing operations of the Group are all from the decoration and furniture trading of global high-end boutique brand stores.

b. Geographical information

The Group operates in three principal geographical areas - Singapore, Malaysia, and USA.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2023	2022	2023	2022
Asian	\$ 2,018,243	\$ 1,256,673	\$ 1,016,349	\$ 1,029,442
Middle East	278,580	146,463	-	-
America	552,316	293,700	-	-
Europe	11,115	2,288	5	48
	<u>\$ 2,860,254</u>	<u>\$ 1,699,124</u>	<u>\$ 1,016,354</u>	<u>\$ 1,029,490</u>

Non-current assets exclude deferred tax assets.

c. Information about major customers

Included in revenue arising from decoration of global advanced boutique brand store of \$2,860,254 thousand and \$1,699,124 thousand in 2023 and 2022, respectively, is revenue of approximately 1,789,454 thousand and \$1,055,685 thousand which arose from sales to single customers contributing 10% or more to the Group's revenue.

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31	
	2023	2022
Customer A (Note 1)	\$ 701,604	\$ 416,593
Customer B (Note 1)	415,616	389,348
Customer C (Note 1 and 2)	369,744	-
Customer D (Note 1)	302,490	249,744
	<u>\$ 1,789,454</u>	<u>\$ 1,055,685</u>

Note 1: Revenue from decoration.

Note 2: Single customers contributing 10% less to the Group's revenue for year 2022.

REDWOOD GROUP LTD AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1-2)	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	\$ -	-		\$ -	\$ 322,644	\$ 430,192
		Redwood Furniture Sdn. Bhd.	Other receivables for related parties	Yes	30,000	30,000	-	-	Short-term financing	-	Financing need	-	-		-	322,644	430,192
1	Redwood Interior Pte. Ltd.	Redwood Furniture Sdn. Bhd.	Other receivables for related parties	Yes	30,000	30,000	-	-	Short-term financing	-	Financing need	-	-		-	1,072,713	1,072,713
		Redwood (Shanghai) Pte. Ltd.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-		-	1,072,713	1,072,713
		Redwood Projects Sdn. Bhd.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-		-	1,072,713	1,072,713
		Redwood Projects Japan K.K.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-		-	1,072,713	1,072,713
		Redwood Projects France S.A.S.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-		-	1,072,713	1,072,713
		Redwood Projects Korea Co., Ltd.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-		-	1,072,713	1,072,713
		Redwood Projects US Inc.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-		-	1,072,713	1,072,713
		Redwood Projects Philippines Inc.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-		-	1,072,713	1,072,713
		Redwood Projects (Vietnam) Company Limited	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-		-	1,072,713	1,072,713
		Redwood Specialities India Private Limited	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-		-	1,072,713	1,072,713
Redwood Group Ltd.	Other receivables for related parties	Yes	12,000	12,000	-	-	Short-term financing	-	Financing need	-	-		-	1,072,713	1,072,713		

Note 1: The limit amount is calculated as follows:

- a. The total amount available for lending purpose shall not exceed \$1,075,480 (in thousands) x 40% = \$430,192 (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 \$1,075,480 (in thousands) x 30% = \$322,644 (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 purpose shall not exceed \$1,072,713 (in thousands) x 40% = \$429,085 (in thousands) of the net worth of Redwood Interior Pte. Ltd.

If there are transactions with Redwood Interior Pte. Ltd., the total amount available for lending purpose shall not exceed the amount of business transactions in the most recent year. The total amount for lending to a company for funding for a short-term period shall not exceed \$1,072,713 (in thousands) x 20% = \$214,543 (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 \$1,072,713 (in thousands) x 100% = \$1,072,713 (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 THE YEAR ENDED DECEMBER 31, 2023**

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Redwood Group Ltd.	Redwood Interior Pte. Ltd.	Note 1	\$ 1,290,576	\$ 668,213	\$ 594,281	\$ 575,649	\$ -	55.26%	\$ 1,290,576	Y	N	N
1	Redwood Interior Pte. Ltd.	Redwood Furniture Sdn. Bhd.	Note 2	858,170	10,662	2,950	2,950	-	0.27%	858,170	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 December 31, 2023 is the net value of \$1,075,480 (in thousands) \times 120% = \$1,290,576 (in thousands); the limit for endorsement of a single enterprise is net value of \$1,075,480 (in thousands) \times 20% = \$215,096 (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 December 31, 2023 is the net value of \$1,072,713 (in thousands) \times 80% = \$858,170 (in thousands); the limit for endorsement of a single enterprise is net value of \$1,072,713 (in thousands) \times 20% = \$214,543 (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

DECEMBER 31, 2023

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023			
				Number of Shares (Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value
Redwood Interior Pte. Ltd.	Unlisted shares DDG Glass Pte. Ltd.	Related party in substance	Financial assets at FVTOCI	9,067	\$ 45,241	18.48%	\$ 45,241

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 THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Redwood Furniture Sdn. Bhd.	Redwood Interior Pte. Ltd.	Subsidiary	Sale	(\$ 831,428)	(29.07%)	60 days of the month	According to the Company's transfer pricing policy	-	\$ 342,018	76.70%	
Redwood Furniture Sdn. Bhd.	Redwood Projects Sdn. Bhd.	Subsidiary	Sale	(\$ 145,017)	(5.07%)	60 days of the month	According to the Company's transfer pricing policy	-	\$ 3,787	0.85%	
Redwood Interior Pte. Ltd.	Redwood Projects US Inc.	Subsidiary	Sale	(\$ 218,135)	(7.63%)	60 days of the month	According to the Company's transfer pricing policy	-	\$ 9,732	2.18%	

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

REDWOOD GROUP LTD AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Company Name	Related Party	Relationship	Receivables from Related Parties Ending Balance	Turnover Rate	Receivables from Related Parties Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Redwood Furniture Sdn. Bhd.	Redwood Interior Pte. Ltd.	Subsidiary	\$ 342,018	3.52	\$ -	-	\$ 129,586	\$ -
Redwood Interior Pte. Ltd	Redwood Furniture Sdn. Bhd.	Subsidiary	160,141	3.05	-	-	30,277	-

REDWOOD GROUP LTD AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
1	Redwood Interior Pte. Ltd.	Redwood Furniture Sdn. Bhd.	3	Purchase	831,428 (MYR121,394)	By Redwood Interior Pte. Ltd. transfer pricing policy	29.07%
		Redwood Furniture Sdn. Bhd.	3	Accounts payable	342,018 (MYR51,401)	No significant difference in terms for related parties	14.81%
		Redwood Furniture Sdn. Bhd.	3	Other receivable	160,141 (MYR24,067)	No significant difference in terms for related parties	6.94%
		Redwood Projects Sdn. Bhd.	3	Sales revenue	61,847 (SGD 2,632)	By Redwood Interior Pte. Ltd. transfer pricing policy	2.16%
		Redwood Projects Sdn. Bhd.	3	Accounts receivable	40,077 (SGD 1,721)	No significant difference in terms for related parties	1.74%
		Redwood (Shanghai) Pte. Ltd.	3	Sales revenue	11,027 (SGD 473)	By Redwood Interior Pte. Ltd. transfer pricing policy	0.39%
		Redwood (Shanghai) Pte. Ltd.	3	Accounts payable	12,159 (SGD 523)	No significant difference in terms for related parties	0.53%
		Redwood (Shanghai) Pte. Ltd.	3	Purchase	49,890 (RMB11,375)	By Redwood Interior Pte. Ltd. transfer pricing policy	1.74%
		Redwood Projects France S.A.S.	3	Administrative expenses	9,732 (EUR 288)	By Redwood Interior Pte. Ltd. transfer pricing policy	0.34%
		Redwood Projects France S.A.S.	3	Other payable	5,216 (EUR 154)	No significant difference in terms for related parties	0.23%
		Redwood Projects Japan K.K.	3	Sales revenue	63,111 (SGD 2,703)	By Redwood Interior Pte. Ltd. transfer pricing policy	2.21%
		Redwood Projects Japan K.K.	3	Purchase	6,804 (JPY 30,276)	By Redwood Interior Pte. Ltd. transfer pricing policy	0.24%
		Redwood Projects US Inc.	3	Sales revenue	218,135 (SGD 9,405)	By Redwood Interior Pte. Ltd. transfer pricing policy	7.63%
		Redwood Projects US Inc.	3	Accounts receivable	9,732 (SGD 418)	No significant difference in terms for related parties	0.42%
		Redwood Projects US Inc.	3	Administrative expenses	8,419 (USD 272)	By Redwood Interior Pte. Ltd. transfer pricing policy	0.29%
		Redwood Projects Philippines Inc	3	Administrative expenses	5,468 (PHP 9,759)	By Redwood Interior Pte. Ltd. transfer pricing policy	0.19%
2	Redwood Furniture Sdn. Bhd.	Redwood Projects Sdn. Bhd.	3	Sales revenue	145,017 (MYR21,273)	By Redwood Interior Pte. Ltd. transfer pricing policy	5.07%
3	Redwood Projects Sdn. Bhd.	Redwood (Shanghai) Pte. Ltd.	3	Purchase	8,972 (RMB 2,039)	By Redwood Interior Pte. Ltd. transfer pricing policy	0.31%

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 3 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 statements.

REDWOOD GROUP LTD AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
The Company	Redwood Interior Pte. Ltd.	Singapore	Decoration of global advanced boutique brand store	\$ 704,949 (SGD 30,034)	\$ 704,949 (SGD 30,034)	17,989,395	100	\$ 1,072,713	\$ 346,509	\$ 346,509	Subsidiary
Redwood Interior Pte. Ltd.	Redwood Furniture Sdn. Bhd.	Malaysia	Design, produce and sale of customized furniture	509,476 (SGD 21,668)	509,476 (SGD 21,668)	25,000,000	100	507,502	104,364	104,364	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	106,475	82,831	82,831	Second-tier subsidiary
	Redwood Projects Korea Co., Ltd.	Korea	Decoration of global advanced boutique brand store	11,160 (KRW 400,000)	11,160 (KRW 400,000)	80,000	100	10,734	(746)	(746)	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	21,498	538	538	Second-tier subsidiary
	Redwood Projects Japan K.K.	Japan	Decoration of global advanced boutique brand store	11,980 (JPY 45,000)	11,980 (JPY 45,000)	900	100	12,754	15,123	15,123	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	54,478	24,366	24,366	Second-tier subsidiary
	Redwood Projects (Vietnam) Company Limited	Vietnam	Decoration of global advanced boutique brand store	2,917 (US\$ 100)	2,917 (US\$ 100)	-	100	2,026	(115)	(115)	Second-tier subsidiary
	Redwood Projects Philippines Inc.	Philippines	Decoration of global advanced boutique brand store	5,895 (PHP 10,000)	5,895 (PHP 10,000)	10,000,000	100	10,930	(837)	(837)	Second-tier subsidiary
	Redwood Specialities India Private Limited	India	Decoration of global advanced boutique brand store	15,717 (INR 40,300)	3,119 (INR 7,900)	4,029,999	99.99	20,667	6,063	6,063	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	-	6,063	-	Second-tier subsidiary

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

Note 2: The exchange rate was SGD1=NT\$23.29; MYR1=NT\$6.6540; KRW1=NT\$0.0233; EUR1=NT\$33.9801; JPY1=NT\$0.2166; US\$1=NT\$30.2770; VND1=NT\$0.0012; PHP1=NT\$0.5543; INR1=NT\$0.3703 as of December 31, 2023.

REDWOOD GROUP LTD AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023
					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.	\$ -	\$ -	\$ -	\$ -	\$ 7,565	100%	\$ 7,565	\$ 35,864	\$ -

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

Note 1: Amount was recognized based on the audited financial statements.

REDWOOD GROUP LTD AND SUBSIDIARIES

**INFORMATION OF MAJOR SHAREHOLDERS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

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

Chapter VII Review and Analysis of Financial Position and Financial Performance, and Risks

I. Financial Position

Comparative Analysis of Financial Position

Unit: NT\$1,000; %

Item	Year	December 31, 2023	December 31, 2022	Variation	
				Amount	%
Current Assets		1,266,279	1,151,153	115,126	10.00
Funds and Investment		-	-	-	-
Fixed Assets		912,660	940,543	(27,883)	(2.96)
Intangible Assets		-	-	-	-
Other Assets		130,190	119,453	10,737	8.99
Total Assets		2,309,129	2,211,149	97,980	4.43
Current Liabilities		742,317	881,567	(139,250)	(15.80)
Long-term Liabilities		474,433	536,396	(61,963)	(11.55)
Other Liabilities		16,899	13,418	3,481	25.94
Total Liabilities		1,233,649	1,431,381	(197,732)	(13.81)
Share Capital		502,425	502,425	-	-
Capital Surplus		293,911	293,911	-	-
Retained Earnings		609,789	248,437	329,030	117.19
Others		(330,645)	(297,327)	(33,318)	(11.21)
Treasury Stock		-	-	-	-
Total Equity		1,075,480	779,768	295,712	37.92

Please explain any material changes (amounting over 10% and accounting for 1% of total assets):

1. Current assets: Mainly due to the substantial increase in revenue in 2023 and the corresponding increase in accounts receivable.
2. Current liabilities: Mainly due to the substantial decrease in contract liabilities in 2023.
3. Long-term liabilities: Mainly due to the decrease in bank borrowings in 2023.
4. Total liabilities: Mainly due to the simultaneous decrease of current liabilities and long-term liabilities in 2023.
5. Retained earnings: Mainly due to the increase in revenue and profit growth in 2023.
6. Other equity: Mainly due to the exchange difference in the translation of the financial statements of foreign operating institutions in 2023.
7. Total shareholders' equity: Mainly due to the increase in revenue and profit growth in 2023

Source: The CPA-audited consolidated financial statements for 2022~2023.

II. Financial Performance

Comparative Analysis of Financial Performance

Unit: NT\$1,000; %

Item \ Year	2023	2022	Variation	
			Amount	%
Net Operating Revenue	2,860,254	1,699,124	1,161,130	68.34
Operating Costs	1,941,069	1,254,853	686,216	54.68
Gross Profit	919,185	444,271	474,914	106.90
Operating Expenses	493,395	392,522	100,873	25.70
Operating Income (Loss)	425,790	51,749	374,041	722.80
Non-operating Income and Expenses	(14,658)	3,810	(18,468)	(484.72)
Net Income (Loss) before Tax	411,132	55,559	355,573	639.99
Income Tax Expenses	(82,102)	(23,237)	(58,865)	(253.32)
Net Income (Loss)	329,030	32,322	296,708	917.98

Please explain any material changes (amounting over 10% and accounting for 1% of total assets):

1. Operating revenue: Mainly due to the large number and large scale of projects in 2023.
2. Operating costs: Mainly due to the increase in operating-related variable costs in 2023 with revenue growth.
3. Gross profit: This is mainly due to the fact that the increase in operating costs in 2023 is lower than the increase in revenue..
4. Operating expenses: Mainly due to the increase in depreciation expenses, travel expenses, office rent and salary bonus-related expenses in 2023.
5. Operating income (loss): Mainly due to the substantial increase in operating gross profit in 2023.
6. Non-operating income and expenses: Mainly due to the recognition of customer overpayment income and reversal benefits measured at fair value in 2022.
7. Net income before tax: Mainly due to the substantial increase in operating profits in 2023.
8. Income tax expenses: Mainly due to the higher pre-tax net profit in 2023.
9. Net income (loss): Mainly due to the increase in revenue and profit growth in 2023.

Source: The CPA-audited consolidated financial statements for 2022~2023.

III. Cash Flows

(I) Analysis of cash flow changes in the most recent year

Unit: NT\$1,000; %

Item \ Year	2023	2022	Change by Amount	Change by Percentage
Net Cash Inflows (Outflows) from Operating Activities	79,254	181,618	(102,364)	(56.36)
Net Cash Inflows (Outflows) from Investing Activities	(73,902)	(25,265)	(48,637)	(192.51)
Net Cash Inflows (Outflows) from Financing Activities	(67,479)	(20,684)	(46,795)	(226.24)

Analysis of Cash Flows

(1) Cash flow changes in the most recent year:

Operating activities: The decrease in net cash inflow from operations is mainly due to the growth of revenue in 2023 and the substantial increase in accounts receivable, as well as the smaller amount of advance receipts from projects.

Investing activities : The increase in net cash outflow from investing activities was mainly due to Redwood Interior Pte Ltd's capital increase in DDG Singapore in 2023, and the Group's purchase of more machines and office equipment, resulting in greater capital expenditures.

Financing activities : The increase in net cash outflow from financing activities is mainly due to the repayment of more bank borrowings in 2023.

(2) Remedial measures for projected cash flow shortfalls and liquidity analysis:

Investment plan: Not applicable.

Financing plan: Not applicable.

(II) Analysis of liquidity for the upcoming year (2024)

Unit: NT\$1,000

Cash Balance, Beginning of Year (1)	Net Cash Flows from Operating Activities (2)	Net Cash Flows from Other Activities (3)	Cash Balance, End of Year (1)+(2)+(3)	Remedial Measures for Cash Flow Shortfalls	
				Investment Plan	Financing Plan
335,989	413,954	(307,153)	442,790	-	-

IV. Impact of Any Major Capital Expenditures on Financial Operations during the Most Recent Year

Unit: NT\$1,000

Item	Date of Acquisition	Price	Reason for Acquisition	Impact on Financial Operations
Trumpf Pte Ltd - Trumpf Laser Cutting Machine	March 31, 2023	20,444	To meet the needs of production	90% loan from the bank in the form of installment payment
CMS S.P.A - CNC Machining Center for Glass Sheets	July 12, 2023	5,416	To meet the needs of production	Cash transactions, cash outflows
Liaoning North Machine Co., Ltd - Autoclave YF25A C/W Accessories	November 14, 2023	4,959	To meet the needs of production	Cash transactions, cash outflows

V. Investment Policy for the Most Recent Year, Main Reasons for the Profits/Losses Generated Thereby, the Plan for Improving Investment Profitability, and Investment Plans for the Upcoming Year

Unit: NT\$1,000

Item	Profit/Loss Recognized in 2023	Investment Policy	Reason for Profit/Loss	Improvement Plan
Redwood Interior Pte Ltd	346,509	Develop key operations in the global market and provide sales and technical support	This is mainly due to the increase in revenue and profit growth in 2023.	Not applicable
Redwood Furniture Sdn. Bhd.	104,364	This is mainly due to the increase in orders and increased production capacity in 2023.	This is mainly due to the increase in orders and increased production capacity in 2023.	Not applicable
Redwood (Shanghai) Pte Ltd	7,565	Develop key operations in Greater China and provide sales and technical support	Good business performance	Not applicable
Redwood Projects Sdn. Bhd.	82,831	Develop the market in Malaysia and provide sales and technical support	This is mainly due to the increase in revenue and profit growth in 2023.	Not applicable
Redwood Projects Korea Ltd.	(746)	Act as the operation for sales in South Korea	Mainly administrative expenses	Not applicable, scheduled to close
Redwood Projects France S.A.S.	538	Act as the operation for sales in Europe	Good business performance	Not applicable

Item	Profit/Loss Recognized in 2023	Investment Policy	Reason for Profit/Loss	Improvement Plan
Redwood Projects Japan K.K.	15,123	Act as the operation for sales in Japan	Good business performance	Not applicable
Redwood Projects US Inc.	24,366	Act as the operation for sales in the U.S.	Good business performance	Not applicable
Redwood Projects US Inc.	24,366	Act as the operation for sales in the U.S.	Good business performance	Not applicable
Redwood Projects (Vietnam) Company Limited	(115)	Act as the operation for sales in Vietnam	This is mainly due to the small number of projects in 2023 and the need to maintain daily operations, resulting in losses.	Actively explore the market, develop new customers, increase the number of orders, and control project costs.
Redwood Projects Philippines Inc.	(837)	Act as the operation for sales in Philippines	This is mainly due to the small number of projects in 2023 and the need to maintain daily operations, resulting in losses.	Actively explore the market, develop new customers, increase the number of orders, and control project costs.
Redwood Specialities India Private Limited	6,063	Act as the operation for sales in India	Good business performance	Not applicable

VI. Analysis and Assessment of Risks during the Most Recent Year and Up to the Date of Publication of the Annual Report

- (I) Effect of interest rate and exchange rate fluctuations as well as changes in the inflation rate upon the Company's profits (losses), and response measures to be taken in the future

1. Interest rate

The interest revenue of Redwood Group mainly comes from interest on bank loans; The interest revenue of Redwood Group in the most recent two years (2022 and 2023, same as below) was NT\$379,000 and NT\$425,000, respectively, accounting for 0.02% and 0.01% of net operating revenue, respectively. The interest expenses of Redwood Group in the most recent two years were NT\$17,783,000 and NT\$19,723,000, respectively, accounting for 1.05% and 0.69% of net operating revenue, respectively. The ratio of interest revenue or interest expenses was not high, so the interest rate changes did not have a significant impact on the Company.

Response Measures

In the future, Redwood Group will adjust the application of funds in a timely manner depending on the changes in interest rates.

2. Exchange rate

The raw materials or commodities of Redwood Group were sourced mainly in USD and SGD, followed by EUR, and most of the major products were sold to customers in Asia, Europe, the U.S. and the Middle East in USD and SGD; therefore, the receivables and payables generated from the purchases and sales can be mutually offset as a natural hedge; in addition, Redwood Group would engage in forward foreign exchange trading appropriately to avoid exchange rate risks depending on the business operations and the trend of exchange rates. Redwood Group reported the exchange loss of NT\$7,203,000 and NT\$4,399,000 for the most recent two years, respectively, accounting for 0.42% and 0.15% of net operating revenue, respectively. As a result, the exchange loss had a limited impact on the Company.

Response Measures

The main functional currency of Redwood Group is SGD. As of today, there has been no material fluctuation in the exchange rate. Considering that the Company (which was registered in the Cayman Islands and listed in Taiwan) raises funds in Taiwan and distributes dividends to domestic investors at the exchange rates between SGD and TWD, the Company will have a risk of fluctuations in the exchange rates between SGD and TWD. The following are measures to be taken by the Finance Department of Redwood Group in response:

- (1) Improve employees' understanding of foreign exchange hedging and use the online real-time forex system and strengthen the communication with financial institutions to analyze and judge the trend of exchange rates as a basis for settlement.
- (2) Use sales revenue to offset purchase-related expenses in the same currency as a natural hedge.
- (3) Engage in forward foreign exchange trading appropriately to avoid exchange rate risks after offsetting accounts receivable and accounts payable.

3. Inflation/Deflation

There has been no material impact of inflation/deflation on the Company's profit or loss. The Company also adjusts the sales strategies, cost structure, and terms of transaction in line with the

trends to avoid the potential effect of inflation/deflation.

- (II) The Company's policy regarding high-risk investments, highly leveraged investments, lending of funds to other parties, endorsement and guarantee, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future

The Company has formulated the "Procedures for Acquisition or Disposal of Assets", the "Procedures for Lending Funds to Other Parties", the "Procedures for Endorsement and Guarantee", and the "Procedures for Derivative Transactions" as the guidelines for engaging in related business activities. Except that the Singapore subsidiary borrowed long-term financing from local banks for the construction of factories, the company and its subsidiaries and grandchildren did not engage in capital loans or endorsement guarantees to others outside the group, and the group has always focused on the business of the industry. Its business operations have not branched out into other high-risk industries, and its financial policy is based on prudent and conservative principles, and it does not make high-leverage investments, so the risks are still limited.

- (III) Research and development (R&D) work to be carried out in the future, and further expenditures expected for R&D work

With its R&D items different from other general industries, the decoration industry integrates design based on the needs of owners and delivers products and equipment with added value to improve performance, creating a business environment up to and beyond the customers' expectations. As a result, Redwood Group has no further expenditures expected for R&D work.

In response to the development trends and diversified products in the luxury goods market, Redwood Group will continuously enhance the functions and characteristics of existing products through design integration to improve the added value of products and its competitiveness in the market.

- (IV) Effect of important policies adopted and changes in the legal environment at home and abroad upon the Company's finance and operations, and measures to be taken in response

The Company is registered in the Cayman Islands, where financial service is the main economic activity. Boasting a stable political and economic environment, the Cayman Islands has an open economy without foreign exchange controls. Redwood Group mainly operates in Singapore and Malaysia and produces and sells luxury and consumer goods. As Redwood Group is not in a licensed or restricted industry, there is no material effect of important policies adopted and changes in the legal environment in the Cayman Islands, Singapore, and Malaysia upon its finance and operations.

- (V) Effect of developments in science and technology and industrial changes upon the Company's finance and operations, and measures to be taken in response

The Company keeps abreast of developments in science and technology and industrial changes to control the latest market trend and evaluate its impact on the operations of the Company. In the most recent year and up to the date of publication of the Annual Report, there has been no material effect of developments in science and technology and industrial changes upon the Company's finance and operations.

- (VI) Effect of changes in the corporate image upon the Company's crisis management, and measures to be taken in response

Since the incorporation of Redwood Interior Pte Ltd, Redwood Group has improved its craftsmanship in line with market trends. Upholding the business philosophy of putting quality first,

technology-leading, and perfect service, Redwood Group has strived to offer high quality interior fittings to the outlets of world's top luxury brands, including Bvlgari, Cartier, Chaumet, Christian Dior, Hermes, Louis Vuitton, Malabar Gold, Tiffany & Co and Van Cleef & Arpels..., and had a fine reputation in the industry. In addition, the Company has been TPEX-listed, which considerably benefits the corporate image. In the most recent year and up to the date of publication of the Annual Report, the Company has had no effect of changes in the corporate image upon its crisis management.

(VII) Expected benefits and possible risks associated with any mergers and acquisitions, and measures to be taken in response

In the most recent year and up to the date of publication of the Annual Report, the Company has no specific plan for mergers and acquisitions. If there is a plan for mergers and acquisitions, the Board of Directors will evaluate with prudence whether it can bring the specific synergy to the Company to protect the rights and interests of shareholders.

(VIII) Expected benefits and possible risks associated with any plant expansion, and measures to be taken in response

1. Expected benefits:

The new factory office of the Singapore subsidiary has been relocated and officially put into production in the first half of 2021. The new office will have an area of 15,000 square meters, of which 9,000 square meters is used for production. In addition to increasing the production capacity of Redwood Group, the new facility will help develop a new business model and clientele and improve the production efficiency, further driving the business momentum of Redwood Group.

2. Possible risks:

The increase in the production capacity, production equipment, and labor costs may lead to the increase in operating costs.

3. Measures to be taken in response:

The Company will evaluate the prospects and growth of the luxury goods industry with prudence and strengthen the long-term relationship with existing customers; in addition, the Company will develop customer relationships with other luxury brands enabling the Group to maintain the most efficient use and output of production capacity.

(IX) Risks associated with any consolidation of sales or purchasing operations, and measures to be taken in response

1. Purchasing operations

Major raw materials of Redwood Group include wood (board), glass, copper, iron, stainless steel, and paint. Redwood Group sources raw materials from at least two major suppliers under long-term cooperation and good relationships, therefore the supply of raw materials is stable.

2. Sales operations

Redwood Group mainly offers high quality interior fittings through projects to customers, which are different from those of general manufacturing. When contracting construction projects with higher prices, the Company recognizes revenue from construction projects of certain customers during construction. To control related risks, the Company has evaluated the customers' credit status before contracting construction projects and stayed alert to the customers' operation and

market information at any time during construction, so as to protect the interest of Redwood Group. To distribute the risk of consolidation of sales, Redwood Group continues to evaluate existing customers and develop new customer base.

- (X) Effect upon and risk to the Company in the event a major quantity of shares belonging to a Director, Supervisor, or shareholder holding greater than a 10% shares in the Company has been transferred or has otherwise changed hands, and measures to be taken in response

In the most recent year and up to the date of publication of the Annual Report, there has been no material effect upon and risk to the Company in the event a major quantity of shares belonging to a Director or shareholder holding greater than a 10% shares in the Company has been transferred or has otherwise changed hands.

- (XI) Effect upon and risk to the Company associated with any changes in the governance personnel or top management, and measures to be taken in response

In the most recent year and up to the date of publication of the Annual Report, the Company has had no changes in the governance personnel or top management.

- (XII) Litigious and non-litigious matters

Please list major litigious, non-litigious or administrative disputes that:

- (1) involve the Company's Director, Supervisor, or GM, any person with actual responsibility for the Company, any major shareholder holding greater than a 10% shares, and/or any company controlled by the Company; and
- (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such disputes could materially affect shareholders' equity or the prices of the Company's securities, please disclose the facts of the disputes, amount of money at stake in the disputes, the commencement date of litigation, the main parties to the disputes, and the status of the disputes as of the date of publication of the Annual Report: None.

- (XIII) Other important risks, and measures to be taken in response:

The company attaches great importance to information security, through information encryption, software and hardware firewall settings, and designates information personnel to manage and monitor the effectiveness of the firewall from time to time to ensure that internal computers are protected from external intrusion and operate normally. The audit business report regularly reports the information security inspection content to the board of directors according to the audit plan. Relevant users and information managers regularly receive information security education, training and publicity to enhance their awareness of information security.

VII. Other Important Matters: None.

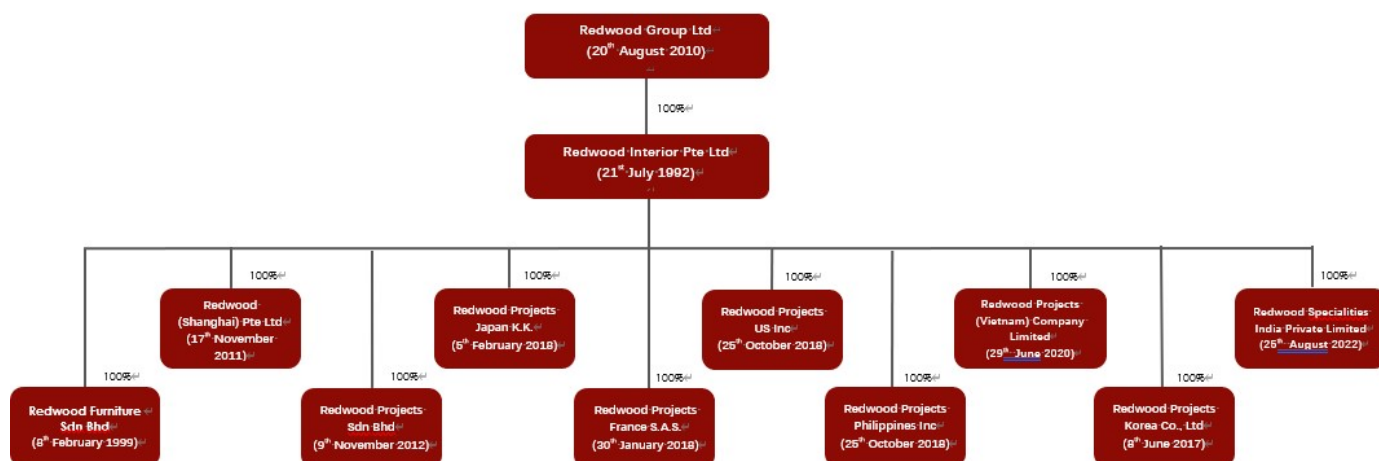
Chapter VIII Special Items to be Included

I. Information Relating to the Company's Affiliates

(I) Consolidated business report

1. Redwood Group structure

2023.12.31



2. Basic information of affiliates

Company Name	Date of Incorporation	Location	Paid-in Capital	Major Lines of Business
Redwood Interior Pte Ltd	July 21, 1992	Singapore	SGD17,989,395	High quality interior fittings for the world's top luxury brands
Redwood Furniture Sdn. Bhd.	February 8, 1999	Malaysia	MYR 25 million	Design, manufacture and trading of customized fittings
Redwood (Shanghai) Pte Ltd	November, 18, 2011	China	USD825,000	High quality interior fittings for the world's top luxury brands
Redwood Projects Sdn. Bhd.	November, 9, 2012	Malaysia	MYR 750,000	High quality interior fittings for the world's top luxury brands
Redwood Projects Korea Co., Ltd	June 8, 2017	South Korea	KRW 400 million	High quality interior fittings for the world's top luxury brands
Redwood Projects France S.A.S	January 30, 2018	France	EUR600,000	High quality interior fittings for the world's top luxury brands
Redwood Projects Japan K.K.	February 5, 2018	Japan	JPY 45 million	High quality interior fittings for the world's top luxury brands
Redwood Projects US INC.	October 25, 2018	USA	USD 500,000	High quality interior fittings for the world's top luxury brands
Redwood Projects (Vietnam) Company Limited	June 29, 2020	Vietnam	USD 100,000	High quality interior fittings for the world's top luxury brands
Redwood Projects Philippines Inc.	December 15, 2020	Philippines	PHP 10,000,000	High quality interior fittings for the world's top luxury brands
Redwood Specialities India Private Limited	August 26, 2022	India	INR 40,300,000	High quality interior fittings for the world's top luxury brands

3. For those who are concluded as having controlling and subordinate relation, the information of the same shareholders: Not applicable.
4. Information on Directors, Supervisors, and GMs of affiliates

Company Name	Title	Name or Representative	Shareholding Percentage
Redwood Interior Pte Ltd	Director	Thong-ming Soh and Lee-mui Teh	100%
	GM	Sing-keong Lee	
Redwood Furniture Sdn. Bhd.	Director	Representative of Redwood Interior Pte Ltd: Thong-ming Soh, Lay-guat Soh, and Lay-choo Soh	100%
	GM	Lay-guat Soh	
Redwood (Shanghai) Pte Ltd	Director	Representative of Redwood Interior Pte Ltd: Thong-ming Soh	100%
	Supervisor	Lee-fang Soh	
Redwood Projects Sdn. Bhd.	Director	Representative of Redwood Interior Pte Ltd: Thong-ming Soh, Lay-guat Soh, and Lay-choo Soh	100%
	GM	Lay-guat Soh	
Redwood Projects Korea., Ltd	Director	Representative of Redwood Interior Pte Ltd: Thong-ming Soh	100%
Redwood Projects France S.A.S	Director	Representative of Redwood Interior Pte Ltd: Thong-ming Soh	100%
Redwood Projects Japan K.K.	Director	Representative of Redwood Interior Pte Ltd: Thong-ming Soh, Jun-wei Soh, Ide Yukinari, Hisatoshi Nagata, Sing-Keong Lee	100%
Redwood Projects US Inc.	Director	Representative of Redwood Interior Pte Ltd: Thong-ming Soh	100%
Redwood Projects (Vietnam) Company Limited	Director	Representative of Redwood Group Ltd: Thong-ming Soh and Pham Thi Xua Nuong	100%
	GM	Sing-keong Lee	
Redwood Projects Philippines Inc.	Director	Representative of Redwood Group Ltd: Thong-ming Soh and Jun-wei Soh	100%
	GM	Sing-keong Lee	
Redwood Specialities India Private Limited	Director	Representative of Redwood Group Ltd: Thong-ming Soh and Saurabh Garg	100%

5. Overview of business operations of affiliates

December 31, 2023

Unit: NT\$1,000

Company Name	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Net Operating Profit (Loss)	Net Profit (Loss) after Tax	Earnings (Loss) per Share after Tax
Redwood Interior Pte Ltd	704,949	2,439,609	1,366,896	1,072,713	2,150,031	130,998	346,509	19.26
Redwood Furniture Sdn. Bhd.	509,476	787,352	279,850	507,502	976,445	138,652	104,364	4.17
Redwood (Shanghai) Pte Ltd	24,486	47,313	11,449	35,864	92,664	7,386	7,565	Not applicable
Redwood Projects Sdn. Bhd.	6,195	208,330	101,855	106,475	557,322	111,020	82,831	110.44
Redwood Projects Korea Co., Ltd.	11,160	10,734	-	10,734	-	(722)	(746)	(9.33)
Redwood Projects France S.A.S.	21,233	23,287	1,789	21,498	9,732	755	538	0.90
Redwood Projects JAPAN K.K	11,980	23,927	11,173	12,754	107,073	18,265	15,123	16,803.33
Redwood Projects US Inc.	15,493	75,804	21,326	54,478	370,678	31,868	24,366	48.73
Redwood Projects (Vietnam) Company Limited	2,917	2,139	113	2,026	367	(162)	(115)	Not applicable
Redwood Projects Philippines Inc.	5,895	13,958	3,028	10,930	12,035	(1,095)	(837)	(0.08)
Redwood Specialities India Private Limited	15,717	37,544	16,877	20,667	35,366	9,883	6,063	1.50

(II) Consolidated financial statements of affiliates: Please refer to #Pages 109 to 169.

(III) Affiliation report: Not applicable.

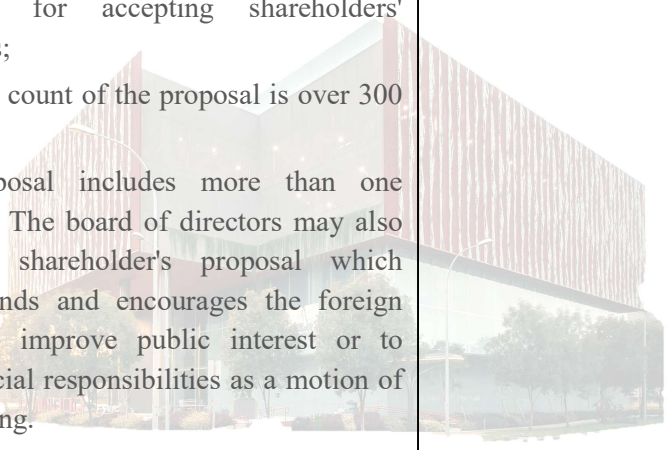
II. Private Placement of Securities during the Most Recent Year and Up to the Date of Publication of the Annual Report: None.


III. Holding or Disposal of the Company's Shares by Subsidiaries during the Most Recent Year and Up to the Date of Publication of the Annual Report: None.

IV. Other Matters that Require Additional Description

(I) Protection of shareholders' equity

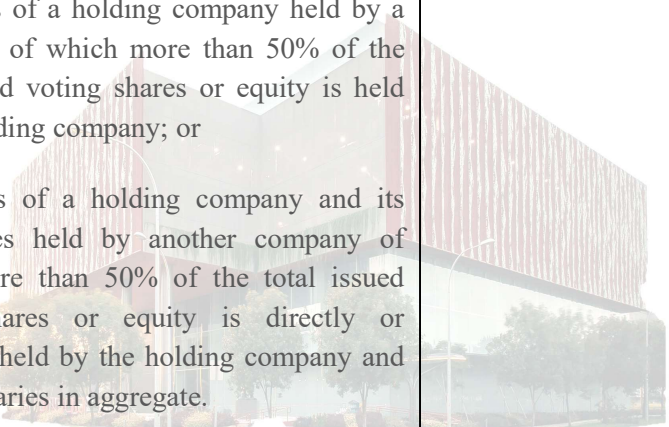
Major Items for Shareholders Rights Protection	The Company's Memorandum and Articles of Association and Reasons for the Differences
<ol style="list-style-type: none"> 1. The annual meeting shall be convened at least once every year within six months of the end of the fiscal year. Shareholders' meetings shall be convened by the board of directors. 2. A foreign issuer may explicitly provide in its Articles of Association that its shareholders' meeting can be held by means of video conference or other methods promulgated by the Taiwan corporate competent authority. If there is any calamity, incidents or force majeure, the Taiwan corporate competent authority may publicly announce that the companies may hold its shareholders' meeting by means of video conference or other publicly-announced methods within a certain period of time, even if no such permission explicitly provided in the Articles of Association. 3. In case a shareholders' meeting proceeds via video conference, the shareholders joining the meeting via video conference shall be deemed to have attended the meeting in person. 4. If a shareholders' meeting of a foreign issuer is proceeded via video conference, such foreign issuer shall meet the qualification for a company to hold a shareholders' meeting by means of video conference, the relevant procedures and other related matters prescribed in the Taiwan securities laws and regulations. 5. The physical shareholders' meetings shall be held in the territory of Taiwan. The foreign issuer shall seek for TPEX's approval within two days of (i) the passing of the board resolution or (ii) shareholders obtaining the approval of the competent authority for convention of physical shareholders' meeting, if the shareholders' meeting is to be held outside Taiwan. 6. Shareholders holding 1% or more of the total issued shares may present to the foreign issuer a 	<p>The existing Article 14.3, 14.4 and 14.5 of the MOA has already complied with the amendments to the Important Matters of Shareholders Rights Protection listed in the Checklist of Shareholders Rights Protection with respect to Foreign Issuer's Place of Incorporation amended and published by the Taipei Exchange on January 17, 2023, and therefore no amendment to the Article 14.3, 14.4 and 14.5 of the MOA is necessary.</p>

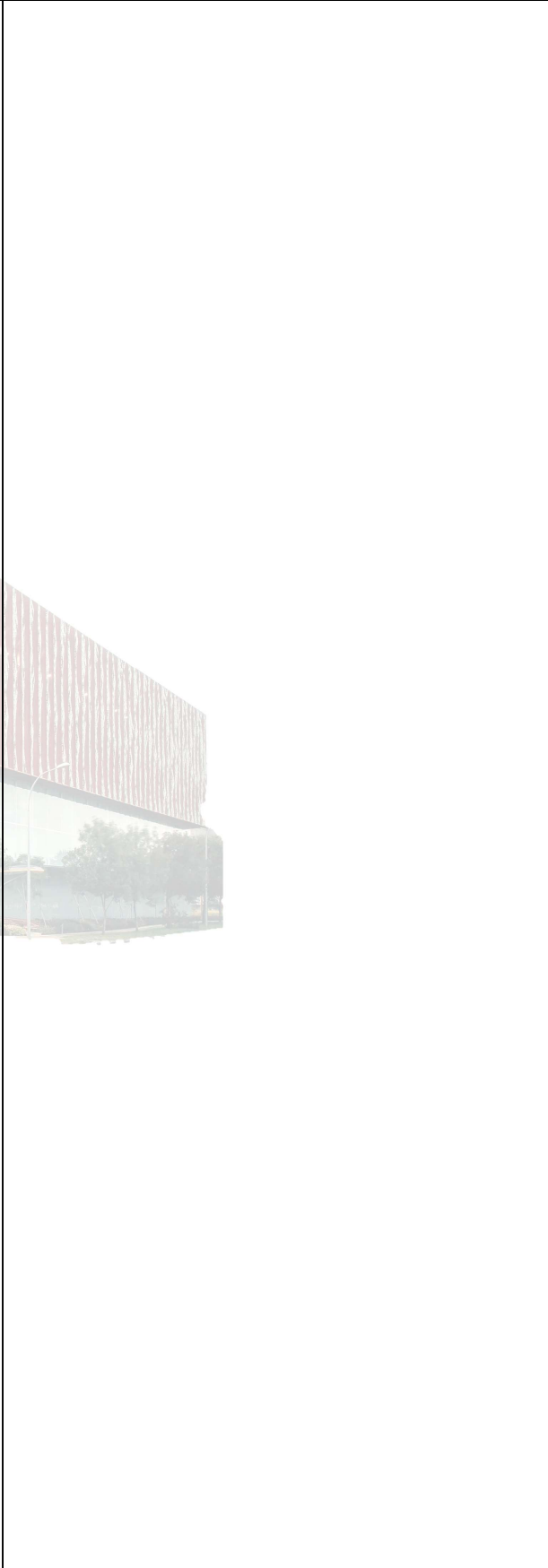
Major Items for Shareholders Rights Protection	The Company's Memorandum and Articles of Association and Reasons for the Differences
<p>proposal of a shareholders' meeting in writing or in electronic form, and the board of directors should list such proposal as a motion of the meeting. However, the foreign issuer may exclude such proposals submitted by shareholders if</p> <ul style="list-style-type: none"> (i) the number of shares held by the shareholder is less than 1% of the total issued shares; (ii) the proposal involves matters which cannot be resolved at a shareholders' meeting; (iii) the proposal is submitted on a day beyond the deadline fixed and announced by the company for accepting shareholders' proposals; (iv) the word count of the proposal is over 300 or (v) the proposal includes more than one proposal. The board of directors may also list the shareholder's proposal which recommends and encourages the foreign issuer to improve public interest or to fulfill social responsibilities as a motion of the meeting. <p>7. Shareholders continuously holding 3% or more of the total issued shares for a year or longer may submit a written proposal to the board of directors, setting forth the subjects for discussion and reasons, to request convening of a special shareholders' meeting. If the board of directors fails to give a notice for convening a special shareholders' meeting within 15 days of the submission, such shareholders may convene a special meeting after obtaining approval from the competent authorities.</p> <p>8. Shareholders continuously holding more than half of the total number of outstanding shares of the foreign issuer for a period of three months or longer may convene an extraordinary shareholders' meeting. The calculation of the holding period and holding number of shares shall be based on the holding</p>	

Major Items for Shareholders Rights Protection	The Company's Memorandum and Articles of Association and Reasons for the Differences
<p>as of the commencement of the book closure period.</p> <p>9. The following matters shall be specified and the essential contents thereof shall be indicated in the notice for convening a shareholders' meeting and may not be proposed by extemporary motions; the essential contents of the matters may be posted on the website designated by the competent authority in charge of securities affairs or the foreign issuer, and the link of such website shall be indicated in the meeting notice:</p> <ol style="list-style-type: none"> (1) Election or discharge of directors and supervisors; (2) Amendment to the Articles of Association; (3) Capital reduction; (4) Application for ceasing public offering; (5) Winding-up, merger, share swap or spin-off; (6) Entering into, amending or terminating an agreement for leasing its entire business, entrusting its business operation or conducting regularly joint operation with others; (7) Transferring the whole or any essential part of its business or assets; (8) Acceptance of all the business or property from others which will have a significant impact on the foreign issuer's operations; (9) Private placement of equity-based securities; (10) Waiver of non-competition prohibitions on directors; (11) Distribution of dividends and bonuses in whole or in part by means of rights issue; (12) Distribution of legal reserve fund from profit and capital reserve from share premium or gift, by means of rights or cash issue to existing shareholders. 	

Major Items for Shareholders Rights Protection	The Company's Memorandum and Articles of Association and Reasons for the Differences
<ol style="list-style-type: none"> 1 The foreign issuer shall, thirty days prior to the date of annual shareholders' meeting or fifteen days prior to the date of extraordinary shareholders' meeting, make public announcement of the notice of shareholders' meeting, form of proxy and background and explanatory materials for each proposal for ratification, matters for deliberation, election or dismissal of directors or supervisors, and other matters on the shareholders' meeting agenda. 2 Where voting rights at a shareholders' meeting are allowed to be exercised in writing, a written copy of the materials referred to in the preceding paragraph and a printed ballot shall also be sent to the shareholders. 3 The foreign issuer shall prepare shareholders' meeting agenda handbook for shareholders' meetings and make a public announcement of the shareholders' meeting agenda handbook and other relevant materials twenty-one days prior to the date of annual shareholders' meeting or fifteen days prior to the date of extraordinary shareholders' meeting. If the foreign issuer's total paid-in capital exceeds NT\$10 billion at the most recent financial year end date, or if the shareholding of foreign and PRC investors reaches more than thirty per cent (30%) of the total number of issued shares as recorded in the Register of Members as of the date of the general meeting held in the most recent financial year, the foregoing transmission of information and materials via or to the Market Observation Post System shall be completed at least thirty (30) days for an annual general meeting. 	<p>The existing Article 16.5 of the MOA has already complied with the amendments to the Important Matters of Shareholders Rights Protection listed in the Checklist of Shareholders Rights Protection with respect to Foreign Issuer's Place of Incorporation amended and published by the Taipei Exchange on January 17, 2023, and therefore no amendment to the Article 16.5 of the MOA is necessary.</p>

Major Items for Shareholders Rights Protection	The Company's Memorandum and Articles of Association and Reasons for the Differences
<ol style="list-style-type: none"> 1. Voting via electronic transmission shall be recognized as effective ways to exercise shareholder's voting rights when convening a shareholders' meeting. 2. The method for exercising voting right in writing or via electronic transmission shall be specified in the notice for convening the shareholders' meeting. A shareholder exercising his voting rights in writing or via electronic transmission shall be deemed to have attended the shareholders' meeting in person, but shall be deemed to have waived his voting rights in respect of any extemporaneous motions and amendments to the original proposals at the shareholders' meeting. 3. If a shareholder exercises his/her/its voting rights in writing or via electronic transmission, his/her/its vote shall be delivered to the foreign issuer two days prior to the date of the shareholders' meeting; if two or more votes are delivered to the foreign issuer, the first vote received shall prevail; unless an explicit statement to revoke the previous vote is made with the vote which comes later. 4. If a shareholder has exercised his/her/its voting rights in writing or via electronic transmission, but then decides to attend the shareholders' meeting in person, such shareholder shall, at least two days prior to the date of the shareholders' meeting, revoke his/her/its vote by the same method which the shareholder had previously used to exercise his/her/its voting rights. In the event the shareholder does not revoke such exercise of voting rights in time, the exercise of voting rights in writing or via electronic transmission shall prevail. 5. A shareholder who has a personal interest in a matter that is to be voted on at a shareholders' meeting and that may prejudice interests of the foreign issuer shall neither vote nor exercise the voting rights of another shareholder as a proxy. The shares held by a shareholder prohibited 	<p>The existing Article 18.4 of the MOA has already complied with the amendments to the Important Matters of Shareholders Rights Protection listed in the Checklist of Shareholders Rights Protection with respect to Foreign Issuer's Place of Incorporation amended and published by the Taipei Exchange on January 17, 2023, and therefore no amendment to the Article 18.4 of the MOA is necessary.</p>

Major Items for Shareholders Rights Protection	The Company's Memorandum and Articles of Association and Reasons for the Differences
<p>from voting shall be excluded from the total number of voting shares of shareholders attending a shareholders' meeting.</p> <p>6. Unless otherwise provided in the MOA, each share has one voting right.</p> <p>7. Any of the following shares shall be deemed without voting rights. For the purpose of passing resolutions at a shareholders' meeting, the shares without voting rights shall not be counted in the total issued shares:</p> <p>(1) The shares of the foreign issuer held by the foreign issuer in accordance with the law;</p> <p>(2) The shares of a holding company held by a subsidiary of which more than 50% of the total issued voting shares or equity is held by the holding company; or</p> <p>(3) The shares of a holding company and its subsidiaries held by another company of which more than 50% of the total issued voting shares or equity is directly or indirectly held by the holding company and its subsidiaries in aggregate.</p>	
<p>1. A shareholder may demand the foreign issuer to buy back his shares if any of the following resolutions is adopted at a shareholders' meeting:</p> <p>(1) The foreign issuer will spin off its business, conduct acquisition or merge, share swap with another company; or</p> <p>(2) The foreign issuer will</p> <p>(i) enter into, amend or terminate an agreement for leasing its entire business, entrusting its business or conducting regularly joint operation with others;</p> <p>(ii) transfer the whole or any essential part of its business or assets; or</p> <p>(iii) assume all the business or property from</p>	<p>The existing Article 21.1 of the MOA has already complied with the amendments to the Important Matters of Shareholders Rights Protection listed in the Checklist of Shareholders Rights Protection with respect to Foreign Issuer's Place of Incorporation amended and published by the Taipei Exchange on January 17, 2023, and therefore no amendment to the Article 21.1 of the MOA is necessary.</p>

Major Items for Shareholders Rights Protection	The Company's Memorandum and Articles of Association and Reasons for the Differences
<p>others, which will have a significant impact on the foreign issuer's operations.</p> <ol style="list-style-type: none"> <li data-bbox="209 331 863 1003">2. The demand made by the shareholder pursuant to the preceding paragraph shall be submitted in writing within 20 days from the date of the resolution of the shareholder's meeting and the repurchase price should be specified. If the foreign issuer and the shareholder reach an agreement about the repurchase price, the foreign issuer shall make payments within 90 days from the date of resolution of the shareholder's meeting. If no agreement is made, the foreign issuer shall make payments to the dissenting shareholder at a price as it deems fair within 90 days from the date of resolution of the shareholder's meeting. In case the foreign issuer fails to make such payment, the foreign issuer shall be deemed to agree to the repurchase price requested by the shareholder. <li data-bbox="209 1003 863 1630">3. The shareholders who have abstained from voting or voted against in respect of such matter during the meeting, may request the foreign issuer to purchase all of its shares at the then prevailing fair price. If, within sixty (60) days from the date of the resolution passed at the general meeting, the foreign issuer and such shareholders fail to agree on a price at which the foreign issuer will purchase such shareholders' shares, then, the foreign issuer shall bring to the court for a ruling on the fair price against all such shareholders as the opposing party within 30 days after that aforesaid period and such ruling may be brought to the jurisdiction of Taiwan Taipei District Court. <li data-bbox="209 1630 863 1809">4. Shares which have been abstained from voting shall not be counted in determining the number of votes of the shareholders being cast at a general meeting. 	

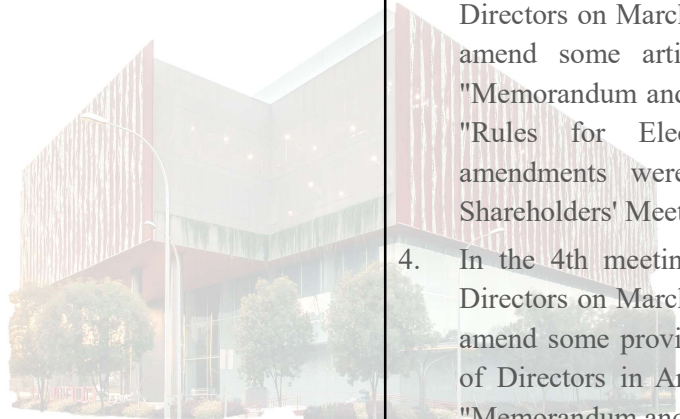
Major Items for Shareholders Rights Protection	The Company's Memorandum and Articles of Association and Reasons for the Differences
<ol style="list-style-type: none"> <li data-bbox="209 255 863 1032">1. A director who has personal interest in a matter that is to be voted on at a board meeting shall declare the essential contents of his interest in such board meeting. When the foreign issuer conducts mergers and acquisitions, the director shall explain to the board of directors and the shareholder's meeting the essential contents of his personal interests in the merger and acquisition transaction and the reasons for or against the merger and acquisition resolution. The foreign issuer shall itemize the essential contents of a director's personal interest and the reason for or against the merger and acquisition resolution in the notice to convene a meeting of shareholders; the essential contents of the matters may be posted on the website designated by the competent authority in charge of securities affairs or the foreign issuer, and the link of such website shall be indicated in the meeting notice. <li data-bbox="209 1032 863 1279">2. If the director's spouse, relatives within second-degree, or the company which is the controlling company or the controlled company of the director has personal interest in the matter in the preceding paragraph, such director shall be deemed to have personal interest in the matter. <li data-bbox="209 1279 863 1592">3. A director who has personal interest in a matter that is to be voted on at a board meeting and that may prejudice interests of the foreign issuer shall not vote or exercise the voting rights of another director as a proxy. The votes cast by directors attending a board meeting shall exclude the votes cast by directors prohibited from voting. 	<p data-bbox="863 255 1487 600">The existing Article 28.6 of the MOA has already complied with the amendments to the Important Matters of Shareholders Rights Protection listed in the Checklist of Shareholders Rights Protection with respect to Foreign Issuer's Place of Incorporation amended and published by the Taipei Exchange on January 17, 2023, and therefore no amendment to the Article 28.6 of the MOA is necessary.</p>

- (II) Unfulfilled TPEX-listed commitments: The Company has fulfilled all of its TPEX-listed commitments. Status as of the latest period (first quarter of 2024) is as follows :

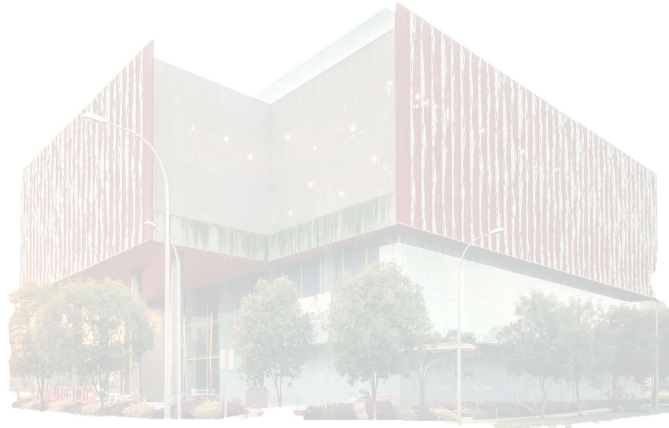
Follow-up on TPEX-listed Commitments

TPEX-listed Commitments	Implementation Status of Commitments
<p>1. The Company undertook to include the following provisions in the “ Procedures for Acquisition or Disposal of Assets” : The Company shall not waive its rights on capital increases of Redwood Interior Pte Ltd (hereinafter referred to as the Singapore Redwood) in subsequent years. Singapore Redwood shall not waive its rights on capital increases of Redwood Furniture Sdn. Bhd. (hereinafter referred to as the Malaysia Redwood) in subsequent years. If, due to consideration of strategic alliance or other circumstances approved by the Taipei Exchange, the Company has to waive its rights on the capital increases of aforementioned companies or dispose of these companies, a special resolution from the Board of Directors is required.</p> <p>“ Moreover, if the Procedures were amended subsequently, the amendments shall be disclosed as material information on the Market Observatory Post System and reported to the Taipei Exchange by letter for future reference.</p>	<p>1. The Company’s Annual Shareholders’ Meeting on June 18, 2012 had resolved to include the provisions of “ The Company shall not waive its rights on capital increases of Redwood Interior Pte Ltd (hereinafter referred to as the Singapore Redwood) in subsequent years. Singapore Redwood shall not waive its rights on capital increases of Redwood Furniture Sdn. Bhd. (hereinafter referred to as the Malaysia Redwood) in subsequent years “ in the “ Procedures for Acquisition or Disposal of Assets.”</p> <p>2. In the 17th meeting of the 3rd-term Board of Directors on March 20, 2019, it was resolved to amend some articles within the Company’s “ Procedures for Acquisition or Disposal of Assets.” The amendments were approved in the Annual Shareholders’ Meeting on Jun, 10, 2019.</p> <p>3. The resolution of the 16th meeting of the fourth session of the board of directors on March 17, 2022 amended some provisions of the company's "procedures for handling assets or disposing of assets"; and was passed by the resolution of the company's regular shareholders' meeting on June 27, 2022. This revision of the "Procedures for Acquisition or Disposal of Assets" is in line with the relevant regulations of I</p>
<p>2. The Company undertook to have designated personnel conducting internal audits on Singapore Redwood and Malaysia Redwood annually after the Company was listed on Taipei Exchange.</p>	<p>1. The Company’s 2024 audit plan was resolved in the Board of Directors’ meeting on November 10, 2023.</p> <p>2. Internal audits of the Group (Singapore Redwood, Malaysia Redwood and other overseas second-tier subsidiaries) were conducted by Internal Audit Officer, Tsui-ling Hsu, and Singaporean Auditor, Xiao-Jing Lei, respectively, in accordance with the audit plans monthly.</p>

	<p>3. The Group’s auditing personnel (Tsui-ling Hsu and Xiao-Jing Lei) have not changed in recent years.</p>
<p>3. The Company undertook not to amend the methods for Director election stipulated in the Memorandum and Articles of Association and Rules for Election of Directors unless otherwise required by relevant interpretative letters or directives during its listing on the Taipei Exchange.</p>	<p>1. In the 14th meeting of the 1st-term Board of Directors on May 4, 2012, it was resolved to amend the Company’s “ Rules for Election of Directors. “ The Rules were approved in the Annual Shareholder ’ s Meeting on June 18, 2012.</p> <p>2. The said amendments were to add the wordings of "Independent Directors" to the Rules for Election of Directors. The methods for Director election stipulated in the Memorandum and Articles of Association and Rules for Election of Directors were not amended.</p> <p>3. In the 16th meeting of the 2nd-term Board of Directors on March 26, 2015, it was resolved to amend some articles within the Company's "Memorandum and Articles of Association" and "Rules for Election of Directors." The amendments were approved in the Annual Shareholders' Meeting on June 16, 2015.</p> <p>4. In the 4th meeting of the 4th-term Board of Directors on March 19, 2020, it was resolved to amend some provisions concerning the election of Directors in Article 25.2 of the Company's "Memorandum and Articles of Association." The amendments were approved in the Annual Shareholders' Meeting on June 8, 2020. The amendments to the "Memorandum and Articles of Association" were to comply with relevant laws or regulations of the competent authority.</p> <p>5. In the 7th meeting of the 4th-term Board of Directors on August 13, 2020, it was resolved to amend some articles within the Company's "Rules for Election of Directors." The amendments were approved in the Annual Shareholders' Meeting on August 4, 2021. The amendments were to comply with relevant laws or regulations of the competent authority.</p>



Chapter IX Any of the Situations Listed in Subparagraph 2, Paragraph 2, Article 36 of the Securities and Exchange Act, which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities during the Most Recent Year and Up to the Date of Publication of the Annual Report: None.



Redwood Group Ltd

Chairman: Thong-ming Soh

