Stock Code:2596

REALY DEVELOPMENT & CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023

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Representation Letter

The entities that are required to be included in the combined financial statements of Realy Development & Construction Corp. as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 "Consolidated Financial Statements" endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Realy Development & Construction Corp. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Realy Development & Construction Corp.
Chairman: Teng-Cheng, Hsu
Date: March 13, 2025

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Independent Auditors' Report

To the Board of Directors of Realy Development & Construction Corp.:

Opinion

We have audited the consolidated financial statements of Realy Development & Construction Corp. and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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, 2024 and 2023, 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 with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 of the current period. 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.

1. Revenue recognition

   Please refer to note 4(l) and 6(q) of the consolidated financial statements for the accounting policy on revenue recognition and the details of revenue.

Description of key audit matter:

The Group is in the property development industry, and the sale of real estate is susceptible to the effects of general economy, business climate, amendments to tax laws and regulations, as well as demand and supply of real estate. In response to the aforementioned environmental changes, the management has evaluated and set up relevant control procedures in respect of revenue and payment collection; therefore, the appropriateness of revenue recognition for real estate sales has material influences on financial statements. As a result, we have determined revenue recognition to be our key audit matter.

How the matter was addressed in our audit:

Our audit procedures in this area included obtaining understanding of both revenue from selling real estate and the control mechanism of payment collection of the Group, testing the effectiveness of the design and implementation of the internal control system in respect of revenue, and sampling real estate transaction contracts and ownership transfer documents. Additionally, we sampled the transactions during a period of time before and after the balance sheet date, and checked relevant documents, in order to assess the appropriateness of the timings of revenue recognition.

2. Subsequent measurement of inventories

Please refer to note 4(g) “Inventories” for accounting policies for subsequent inventory measurement, note 5 for the uncertainties of accounting estimation and assumption of subsequent inventory measurement, and note 6(d) for disclosure pertaining to inventories.

Description of key audit matter:

The inventories of the Group are measured at the lower of cost and net realizable value. Due to high level of capital input and long payback period of the real estate industry, which is subject to significant political and economic influences, causing the risk that the costs of inventories may exceed their net realized values. Consequently, subsequent measurement of inventories has been considered to be one of the matters of high concern in the audit of the Group's financial statements.

How the matter was addressed in our audit:

Our audit procedures in this area included assessing the reasonableness of the accounting policies for subsequent measurement of inventories, ascertaining whether subsequent measurement of inventories was in conformity with the accounting policies, evaluating the reasonableness of net realizable values of inventories by checking both the selling prices adopted by management and the changes in inventory sales after the balance sheet date, verifying the accuracy of management's subsequent measurement of inventories, and confirming whether related disclosure was appropriate.

Other Matter

Realy Development & Construction Corp. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

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 with the IFRSs, IASs, IFRIC, 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 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 auditor's 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 Standards on Auditing of 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 Standards on Auditing of the Republic of China, we exercise professional judgment and 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 auditor's 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 the 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 of the current period 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 Chen, Ya-Ling and Tang, Chia-Chien.

KPMG

Taipei, Taiwan (Republic of China)
March 13, 2025

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the 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 accepted and applied in the Republic of China.

The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

REALY DEVELOPMENT & CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 342,746	6	254,951	6
1136	Current financial assets at amortised cost, net (note 6(b))	59,700	1	187,100	4
1140	Current contract assets (note 6(q))	18,089	-	2,572	-
1170	Notes and accounts receivable, net (note 6(c))	396,604	7	69,243	2
1220	Current tax assets	261	-	162	-
1320	Inventories (notes 6(d), 7, 8 and 9)	4,158,143	71	3,084,312	72
1476	Other current financial assets (notes 6(d), 7 and 8)	182,336	3	177,623	4
1479	Other current assets (note 6(e))	212,973	4	155,435	4
1480	Current assets recognised as incremental costs to obtain contract with customers (notes 6(i) and 7)	309,900	5	194,151	4
	Total current assets	5,680,752	97	4,125,549	96
	Non-current assets:				
1600	Property, plant and equipment (notes 6(g) and 8)	43,869	1	45,012	1
1760	Investment property, net (notes 6(h) and 8)	51,856	1	52,004	1
1840	Deferred tax assets (note 6(n))	21,341	-	36,369	1
1920	Guarantee deposits paid (notes 6(d) and 7)	24,645	1	24,645	1
1995	Other non-current assets	4,700	-	4,700	-
	Total non-current assets	146,411	3	162,730	4
	Total assets	$ 5,827,163	100	4,288,279	100

	Liabilities and Equity	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current liabilities:				
2100	Short-term borrowings (notes 6(j), 7 and 8)	$ 375,000	6	150,000	4
2111	Short-term notes and bills payable (notes 6(k), 7 and 8)	79,602	1	29,867	1
2130	Current contract liabilities (notes 6(d) and (q))	783,711	14	458,967	11
2150	Notes payable	62,308	1	106,642	2
2161	Notes payable to related parties (note 7)	41,261	1	3,823	-
2170	Accounts payable	213,522	4	116,776	3
2181	Accounts payable to related parties (note 7)	2,933	-	-	-
2219	Other payables (note 6(r))	48,075	1	42,041	1
2220	Other payables to related parties (note 7)	60,243	1	87,086	2
2230	Current tax liabilities	9,187	-	8,788	-
2252	Provision (note 6(l))	7,385	-	6,880	-
2322	Long-term borrowings, current portion (notes 6(j), 7 and 8)	1,741,260	30	856,400	20
2399	Other current liabilities	21,142	-	4,144	-
	Total current liabilities	3,445,629	59	1,871,414	44
	Total liabilities	3,445,629	59	1,871,414	44
	Equity attributable to owners of parent (note 6(o)):				
3110	Ordinary shares	1,000,000	17	1,000,000	24
3200	Capital surplus	189,208	3	189,208	4
3300	Retained earnings	830,655	15	863,687	20
	Total equity attributable to owners of parent	2,019,863	35	2,052,895	48
36XX	Non-controlling interests (note 6(f))	361,671	6	363,970	8
	Total equity	2,381,534	41	2,416,865	56
	Total liabilities and equity	$ 5,827,163	100	4,288,279	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

REALY DEVELOPMENT & CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

		2024		2023	
		Amount	%	Amount	%
4000	**Operating revenue (note 6(q))**	$ 813,007	100	912,980	100
5000	**Operating costs (notes 6(l), 7 and 12)**	648,087	80	759,636	83
5900	**Gross profit from operations**	164,920	20	153,344	17
6000	**Operating expenses (notes 6(g), (i), (m), 7 and 12):**				
6100	Selling expenses	28,321	3	43,776	5
6200	Administrative expenses	55,117	7	54,303	6
	Total operating expenses	83,438	10	98,079	11
6900	**Net operating income**	81,482	10	55,265	6
7000	**Non-operating income and expenses (notes 6(d), (h), (s) and 12):**				
7100	Interest income	3,994	-	4,499	-
7010	Other income	14,442	2	1,075	-
7020	Other gains and losses	(313)	-	305	-
7050	Finance costs	(2,890)	-	(2,566)	-
	Total non-operating income and expenses	15,233	2	3,313	-
7900	**Profit from continuing operations before tax**	96,715	12	58,578	6
7951	**Less: Income tax expenses (benefit) (note 6(n))**	32,046	4	(21,381)	(3)
	Profit	64,669	8	79,959	9
8300	**Other comprehensive income**	-	-	-	-
8500	**Total comprehensive income**	**$ 64,669**	**8**	**79,959**	**9**
	Profit (loss), attributable to:				
8610	Owners of parent	$ 66,968	8	82,315	9
8620	Non-controlling interests	(2,299)	-	(2,356)	-
		$ 64,669	**8**	**79,959**	**9**
	Comprehensive income attributable to:				
8710	Owners of parent	$ 66,968	8	82,315	9
8720	Non-controlling interests	(2,299)	-	(2,356)	-
		$ 64,669	**8**	**79,959**	**9**
	Earnings per share (NTD) (note 6(p))				
9750	**Basic earnings per share**	**$**	**0.67**		**0.82**
9850	**Diluted earnings per share**	**$**	**0.67**		**0.82**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

REALY DEVELOPMENT & CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent							
			Retained earnings					
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2023	$ 1,000,000	189,208	290,407	590,965	881,372	2,070,580	366,326	2,436,906
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	5,825	(5,825)	-	-	-	-
Cash dividends	-	-	-	(100,000)	(100,000)	(100,000)	-	(100,000)
Total comprehensive income	-	-	-	82,315	82,315	82,315	(2,356)	79,959
Balance at December 31, 2023	1,000,000	189,208	296,232	567,455	863,687	2,052,895	363,970	2,416,865
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	8,232	(8,232)	-	-	-	-
Cash dividends	-	-	-	(100,000)	(100,000)	(100,000)	-	(100,000)
Total comprehensive income	-	-	-	66,968	66,968	66,968	(2,299)	64,669
Balance at December 31, 2024	**$ 1,000,000**	**189,208**	**304,464**	**526,191**	**830,655**	**2,019,863**	**361,671**	**2,381,534**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

REALY DEVELOPMENT & CONSTRUCTION CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	$ 96,715	58,578
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,291	2,086
Interest expense	2,890	2,566
Interest income	(3,994)	(4,499)
Gain on disposal of investment properties	-	(602)
Total adjustments to reconcile profit (loss)	187	(449)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in contract assets	(15,517)	6,254
Increase in accounts receivable	(327,361)	(21,035)
Increase in inventories	(1,042,313)	(685,912)
Increase in other current assets	(57,538)	(17,601)
Decrease in other current financial assets	5,241	119,628
Decrease (increase) in guarantee deposits paid	(9,997)	43,959
Increase in assets recognised as incremental costs to obtain contract with customers	(115,749)	(118,101)
Total changes in operating assets	(1,563,234)	(672,808)
Changes in operating liabilities:		
Increase in contract liabilities	324,744	205,849
Decrease in notes payable	(44,334)	(18,411)
Increase (decrease) in notes payable to related parties	37,438	(8,064)
Increase in accounts payable	96,746	57,042
Increase in accounts payable to related parties	2,933	-
Increase (decrease) in other payables	5,204	(8,802)
Increase (decrease) in other payables to related parties	(26,843)	83,234
Increase in provision	505	-
Increase (decrease) in other current liabilities	16,998	(22,522)
Total changes in operating liabilities	413,391	288,326
Total changes in operating assets and liabilities	(1,149,843)	(384,482)
Total adjustments	(1,149,656)	(384,931)
Cash outflow generated from operations	(1,052,941)	(326,353)
Interest received	4,037	4,583
Interest paid	(33,843)	(19,181)
Income taxes paid	(16,718)	(6,092)
Net cash used in operating activities	(1,099,465)	(347,043)
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at amortised cost	127,400	133,450
Proceeds from disposal of investment properties	-	1,719
Decrease in other non-current financial assets	-	10,080
Net cash flows from investing activities	127,400	145,249
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	550,000	692,000
Decrease in short-term borrowings	(325,000)	(782,000)
Increase in short-term notes and bills payable	280,000	230,000
Decrease in short-term notes and bills payable	(230,000)	(295,000)
Increase in long-term borrowings	1,019,260	475,400
Repayments of long-term borrowings	(134,400)	-
Cash dividends paid	(100,000)	(100,000)
Net cash flows from financing activities	1,059,860	220,400
Net increase in cash and cash equivalents	87,795	18,606
Cash and cash equivalents at beginning of period	254,951	236,345
Cash and cash equivalents at end of period	**$ 342,746**	**254,951**

See accompanying notes to consolidated financial statements.

(1) Company history

Realy Development & Construction Corp. (the " Company").was incorporated on May 4, 2001 as a company limited by shares under the Company Act of the Republic of China ("R.O.C."). The principal activities of the Company and subsidiaries (together referred to as the "Group" and individually as "Group entities") are development, leasing and sale of residential houses, buildings and industrial plants, as well as development of special zones for specific industries, investment in public construction, and real estate agency; please refer to note 14 for details.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issue by the Board of Directors on March 13, 2025.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 "Lack of Exchangeability"

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	**Content of amendment**	**Effective date per IASB**
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

REALY DEVELOPMENT & CONSTRUCTION CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies:

The material accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. altogether referred to “ IFRS Accounting Standards” endorsed by the “FSC”).

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The parent company only financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(Continued)

REALY DEVELOPMENT & CONSTRUCTION CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) List of subsidiaries in the consolidated financial statements

List of subsidiaries included in the consolidated financial statements:

			Percentage of ownership	
Name investor	**Name of investee**	**Principal activity**	**December 31, 2024**	**December 31, 2023**
The Company	YouZen Construction Co., Ltd.	Civil and architectural engineering	100.00 %	100.00 %
The Company	Eastunion Development & Construction Co., Ltd.	Development of residential houses, buildings andindustrial plants	36.36 %	36.36 %

(Note) The Company is deemed to be a subsidiary as it owns more than half of the voting rights of the Board of Directors, and the control of the Company is subject to the Board of Directors.

(d) Classification of current and non-current assets and liabilities

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

For assets and liabilities related to the construction of a house for sale, and the normal business cycle exceeds 12 months, the business cycle is used as the criterion for dividing liquidity and illiquidity.

(e) Cash and cash equivalents

Cash comprises cash on hand and cash in bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(Continued)

REALY DEVELOPMENT & CONSTRUCTION CORP. AND SUBSIDIARIES
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1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other financial assets and guarantee deposit paid), debt investments measured at FVOCI.

The credit risk of bank deposits, amortized cost, other financial assets, and guarantee deposits paid (i.e., the risk of default over the expected life of financial instruments) has not significantly increased since initial recognition and is measured based on the 12-month expected credit loss amount.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group holds time deposits for domestic financial institution, and it is considered to be low credit risk.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is ‘credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Financial liabilities

Financial liabilities are classified as amortized cost. Subsequently, they are measured at amortized cost using the effective interest method, and interest expenses are recognized in profit or loss.

2) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

(Continued)

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

3) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring, producing, or processing inventories to bring them to the location and condition that is available for use. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Interest expense, incurred by the amount paid for construction in progress before it is available for use or completed, is capitalized and recognized as cost of inventories.

(h) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(Continued)

REALY DEVELOPMENT & CONSTRUCTION CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straightline basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1)	Buildings and structures	15～50 years
2)	Transportation equipment	5 years
3)	Other equipment	3～10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

There is no goodwill in the Group's accounts. An impairment of non financial assets an impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(k) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(Continued)

REALY DEVELOPMENT & CONSTRUCTION CORP. AND SUBSIDIARIES
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(l) Revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Land development and sale of real estate

The Group develops and pre-sells residential properties during construction or before the construction begins. Revenue is recognized when control over the properties has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title of a property has been transferred to the customer, in which revenue is recognized at that point in time.

The revenue is measured at the transaction price agreed under the contract. For sale of readily available house, in most cases, the consideration is due when legal title of a property has been transferred. Deferred payment terms may be agreed in rare circumstances. The transaction price is therefore not adjusted for the effects of a significant financing component. For pre-selling properties, the consideration is usually received by installment during the period from the inception of the contract until the transfer of properties to the customer. If the contract includes a significant financing component, the transaction price will be adjusted for the effects of the time value of money during the period, using the specific borrowing rate of the construction project. Receipt of a prepayment from a customer is recognized as contract liability. Interest expense and contract liability are recognized when adjusting the effects of the time value of money. Accumulated amount of contract liability is recognized as revenue when control over the property has been transferred to the customer.

2) Construction contracts

The Group enters into contracts to build residential properties, commercial buildings and public constructions. Because its customer controls the asset as it is constructed, the Group recognizes revenue over time based on the construction costs incurred to date as a proportion of the total estimated costs of the contract. The consideration promised in the contract includes fixed and variable amounts. The customer pays the fixed amount based on a payment schedule. For some variable considerations (for example, a penalty payment calculated based on delay days) the Group recognizes revenue only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. If the Group has recognized revenue, but not issued a bill, then the entitlement to consideration is recognized as a contract asset. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional.

(Continued)

If the Group cannot reasonably measure its progress towards complete satisfaction of the performance obligation of a construction contract, the Group shall recognize revenue only to the extent of the costs expected to be recovered.

A provision for onerous contracts is recognized when the Group expects the unavoidable costs of performing the obligations under a construction contract exceed the economic benefits expected to be received under the contract.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For residential properties, and public constructions, the Group offers a standard warranty to provide assurance that they comply with agreed upon specifications and has recognized warranty provisions for this obligation; please refer to note 6(l).

3) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(ii) Costs of contracts with customers–incremental costs of obtaining a contract

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

(m) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

REALY DEVELOPMENT & CONSTRUCTION CORP. AND SUBSIDIARIES
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(n) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date, and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) The same taxable entity; or

2) Different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(o) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee compensation.

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(p) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these consolidated financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group’s risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

Information about judgments made in applying accounting policies that have significant effects on the amounts recognized in the consolidated financial statements is as follows:

Although the Group owns less than half of the shareholdings of Eastunion Development & Construction Co., Ltd., the Group holds more than one-half of its board seats. The level of participation of other shareholders in their previous meetings indicates that the management has determined that the Group controls the entity, and there is no indication that all other shareholders exercise their votes collectively. Therefore, Eastunion Development & Construction Co., Ltd. is considered to be a subsidiary of the Group. Please refer to note 6(f).

Information about judgements made in applying accounting policies do not have significant effects on the amounts recognized in the financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of economic uncertainties:

Valuation of inventories

Inventories are evaluated at the lower of cost and net realizable value, which is assessed based on the current market condition; therefore, any change in market condition may have a material effect on the result of estimation. Please refer to note 6(d) for subsequent measurement and estimation of inventories.

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(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash and hand	$ 400	400
Demand and check deposits	312,346	224,551
Time deposits	30,000	30,000
Cash and cash equivalents in the consolidated statement of cash flow	$ 342,746	254,951

(b) Current financial assets at amortized cost

	December 31, 2024	December 31, 2023
Time deposits with original maturity of more than 3 months	$ 59,700	187,100
Range of interest rate (%)	1.26~1.28%	1.10~1.16%

The Group has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost. Please refer to note 6(t).

As of December 31, 2024 and 2023, financial assets at amortized cost were not pledged.

(c) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	$ 1,235	42,217
Accounts receivable	395,369	24,095
	$ 396,604	69,243

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all accounts receivable and notes receivable. To measure the expected credit losses, accounts receivable and notes receivable have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information. The loss allowance provisions were determined as follows:

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 396,604	-	-

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REALY DEVELOPMENT & CONSTRUCTION CORP. AND SUBSIDIARIES
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	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 69,243	-	-

In 2024 and 2023, there was no reversals of expected credit losses.

As of December 31, 2024 and 2023, the holes and accounts receivable were not pledged.

(d) Inventories

(i) The Group's inventories are detailed as follows:

	December 31, 2024	December 31, 2023
Buildings and land held for sale	$ 449,484	27,485
Construction in progress	3,424,356	2,587,437
Building land	231,703	303,989
Prepayment for building land	52,600	165,401
	$ 4,158,143	3,084,312

There were no losses on inventories reclassified from write-down of inventories to net realizable value in 2024 and 2023, and no loss allowance for inventory write-down as of December 31, 2024 and 2023.

(ii) Buildings and land held for sale

	December 31, 2024			
	Land held for sale	Buildings held for sale	Total	Advance for real estate receipts
ReaLy Shunguang World	$ 240,594	208,890	449,484	107,311

	December 31, 2023			
	Land held for sale	Buildings held for sale	Total	Advance for real estate receipts
ReaLy Xianji	$ 12,430	7,686	20,116	-
ReaLy East Residence A	1,307	6,062	7,369	1,752
	$ 13,737	13,748	27,485	1,752

REALY DEVELOPMENT & CONSTRUCTION CORP. AND SUBSIDIARIES
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(iii) Construction in progress

	December 31, 2024			
Project name	**Construction in progress-land**	**Construction in progress- building**	**Total**	**Advance for real estate receipts**
ReaLy Linghang No.1	$ 460,961	714,138	1,175,099	95,266
ReaLy Yongning No.1	212,659	1,136,744	1,349,403	346,145
ReaLy Jiukang	264,504	227,956	492,460	107,048
Taimei Science Park	253,115	114,049	367,164	-
Others	-	40,230	40,230	-
	$ 1,191,239	**2,233,117**	**3,424,356**	**548,459**

	December 31, 2023			
Project name	**Construction in progress-land**	**Construction in progress- building**	**Total**	**Advance for real estate receipts**
ReaLy Linghang No.1	$ 460,961	385,888	846,849	-
ReaLy Yongning No.1	212,659	596,226	808,885	161,510
ReaLy Shunguang World	-	451,152	451,152	170,183
ReaLy Jiukang	264,504	147,726	412,230	107,745
Others	-	68,321	68,321	-
	$ 938,124	**1,649,313**	**2,587,437**	**439,438**

(iv) Building land

	December 31, 2024	**December 31, 2023**
Yongping Section Shilin	$ 207,052	-
Taimei Scince Park	-	267,000
Others	24,651	36,989
	$ 231,703	**303,989**

(v) Prepayment for building land

	December 31, 2024	**December 31, 2023**
Yongping Section, Shilin	$ -	112,801
Yucheng Section, Nangang	52,600	52,600
	$ 52,600	**165,401**

REALY DEVELOPMENT & CONSTRUCTION CORP. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Guarantee deposits

Guarantee deposits for real estate development, such refundable deposits for construction in progress and projects that have yet to commence, have been recognized as current assets and non-current assets, respectively, as follows:

	December 31, 2024	December 31, 2023
Current:		
ReaLy Yongning No.1	$ 117,607	107,315
ReaLy Shunguang World	16,906	16,906
ReaLy Jiukang	2,096	2,096
	$ 136,609	**126,317**
Non-current:		
Xin Feng Section, Xizhi	$ 15,301	15,301
Yucheng Section, Nangang	8,437	8,437
Nanhai Section, Taipei	762	762
	$ 24,500	**24,500**

(vii) Capitalization of interest was as follows:

	2024	2023
Capitalized amount	$ 31,518	16,849
Average interest rate of capitalization	2.08%~2.33%	1.86%~2.07%

(viii) Collateral

The inventories of the Group had been pledged as collateral. Please refer to note 8.

(ix) Others

The sale proceeds of pre-sold houses are entrusted to the banks and trust accounts for management. The funds in the trust accounts should be used exclusively for designated purposes and shall not be utilized except for disbursements based on the progress of construction (please see note 8). The details were as follows:

	December 31, 2024	December 31, 2023
Transaction price	**$ 28,051**	**42,991**

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Notes to the Consolidated Financial Statements

(e) Other current assets

	December 31, 2024	December 31, 2023
Overpaid sales tax	$ 118,261	67,044
Prepaid for construction	83,520	82,383
Temporary payments and payment on behalf of others	7,726	2,430
Others	3,466	3,578
	$ 212,973	**155,435**

(f) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

		Percentage of non-controlling interests	
Subsidiaries	**Main operation place**	**December 31, 2024**	**December 31, 2023**
Eastunion Development & Construction Co., Ltd.	Taiwan	63.64 %	63.64 %

The following information on the aforementioned subsidiaries has been prepared in accordance with the IFRSs endorsed by the FSC. Included in these information are the fair value adjustments made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intragroup transactions were not eliminated in this information.

	December 31, 2024	December 31, 2023
Current assets	$ 654,099	575,571
Non-current assets	5,007	5,142
Current liabilities	(90,766)	(8,759)
Net assets	**$ 568,340**	**571,954**
Non-controlling interests	**$ 361,671**	**363,970**

	2024	2023
Sales revenue	**$ -**	**-**
Net loss	**$ (3,614)**	**(3,702)**
Loss, attributable to non-controlling interests	**$ (2,299)**	**(2,356)**
Comprehensive loss, attributable to non-controlling interests	**$ (2,299)**	**(2,356)**

	2024	2023
Net cash flows from operating activities	$ (34,728)	(30,168)
Net cash flows from investing activities	127,400	24,600
Net cash flows from financing activities	50,000	-
Effect on exchange rate changes on cash and cash equivalents	**$ 142,672**	**(5,568)**

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(g) Property, plant and equipment

	Land	Buildings and structures	Transportation equipment	Other equipment	Total
Cost:					
January 1, 2024	$ 26,157	34,356	5,590	3,171	69,274
December 31, 2024	**$ 26,157**	**34,356**	**5,590**	**3,171**	**69,274**
January 1, 2023	$ 26,157	34,356	5,590	3,171	69,274
December 31, 2023	**$ 26,157**	**34,356**	**5,590**	**3,171**	**69,274**
Accumulated depreciation:					
January 1, 2024	$ -	16,362	5,280	2,620	24,262
Depreciation	-	580	310	253	1,143
December 31, 2024	**$ -**	**16,942**	**5,590**	**2,873**	**25,405**
January 1, 2023	$ -	15,781	4,348	2,195	22,324
Depreciation	-	581	932	425	1,938
December 31, 2023	**$ -**	**16,362**	**5,280**	**2,620**	**24,262**
Carrying amounts:					
December 31, 2024	**$ 26,157**	**17,414**	**-**	**298**	**43,869**
December 31, 2023	**$ 26,157**	**17,994**	**310**	**551**	**45,012**
January 1, 2023	**$ 26,157**	**18,575**	**1,242**	**976**	**46,950**

The property, plant and equipment of the Group had been pledged as collateral. Please refer to note 8.

(h) Investment property

	Owned property		
	Land	Buildings and structures	Total
Cost:			
January 1, 2024	$ 49,801	4,294	54,095
December 31, 2024	**$ 49,801**	**4,294**	**54,095**
January 1, 2023	$ 50,918	4,294	55,212
Disposals	(1,117)	-	(1,117)
December 31, 2023	**$ 49,801**	**4,294**	**54,095**
Accumulated depreciation:			
January 1, 2024	$ -	2,091	2,091
Depreciation	-	148	148
December 31, 2024	**$ -**	**2,239**	**2,239**
January 1, 2023	$ -	1,943	1,943
Depreciation	-	148	148
December 31, 2023	**$ -**	**2,091**	**2,091**

(Continued)

REALY DEVELOPMENT & CONSTRUCTION CORP. AND SUBSIDIARIES
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	Owned property		
	Land	**Buildings and structures**	**Total**
Carrying amounts:			
December 31, 2024	$ 49,801	2,055	51,856
December 31, 2023	$ 50,918	2,351	53,269
January 1, 2023	$ 49,801	2,203	52,004
Fair value:			
December 31, 2024			$ 64,806
December 31, 2023			$ 62,635
January 1, 2023			$ 64,719

The fair values of investment properties are assessed by the Group's management based on information such as market transaction prices of similar properties within the vicinity of the relevant assets.

The investment property of the Group had been pledged as collateral. Please refer to note 8.

(i) Current incremental costs of obtaining a contract-current

	December 31, 2024	**December 31, 2023**
Current incremental costs of obtaining a contract-current	$ 309,900	194,151

The Group expects that the incremental commission fees paid to intermediaries will be refunded, resulting in the Group to capitalize them as contract costs. Capitalized commission fees are amortized when related revenues are recognized. For the years ended December 31, 2024 and 2023, the Group recognized the selling expenses amounting to $21,672 and $35,487, respectively.

(j) Short-term and long-term borrowings

	December 31, 2024		
	Range of interest rate	**Maturity year**	**Amount**
Credit short-term borrowings	1.78%~2.88%	2025	$ 248,000
Short-term secured borrowings	2.09%~2.69%	2025	127,000
Long-term secured borrowings (classified as current)	2.10%~2.57%	2025~2029	1,741,260
Total			$ 2,116,260
Unused credit lines			$ 3,327,740

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	December 31, 2023		
	Range of interest rate	Maturity year	Amount
Credit short-term borrowings	1.65%~2.54%	2024	$ 150,000
Long-term secured borrowings (classified as current)	1.98%~2.45%	2025~2028	856,400
Total			$ 1,006,400
Unused credit lines			$ 4,170,000

The Group has provided assets as collateral for bank loans. Please refer to note 8 for details. Additionally, some of the aforementioned loans are guaranteed by related parties. Please refer to note 7 for details.

(k) Short-term notes and bills payable

	December 31, 2024		
	Guarantee or acceptance institute	Range of interest rate	Amount
Commercial paper payable	China Bills Finance Corporation	3.14%	$ 50,000
	Mega International commercial Bank	2.54%	30,000
Less: discount			(398)
Total			$ 79,602
Unused credit lines			$ 20,000

	December 31, 2023		
	Guarantee or acceptance institute	Range of interest rate	Amount
Commercial paper payable	Mega International commercial Bank	2.19%	$ 30,000
Less: discount			(133)
Total			$ 29,867
Unused credit lines			$ 70,000

The Group has provided assets as collateral for short-term notes and bills payable. Please refer to note 8 for details. Additionally, the aforementioned short-term notes and bills payable are guaranteed by related parties. Please refer to note 7 for details.

(l) Provisions

	Warranty provision
January 1, 2024	$ 6,880
Provisions made during the year	2,983
Provisions reversed during the year	(2,478)
December 31, 2024	$ 7,385
January 1, 2023	$ 6,880
Provisions made during the year	1,879
Provisions used at during the year	(1,879)
December 31, 2023	$ 6,880

In 2024 and 2023, the Group's warranty provision is related to sales of real estate. The warranty was measured by the historical record.

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(m) Employee benefits

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance for the years ended December 31, 2024 and 2023 amounted to $2,191 and $2,236, respectively.

(n) Imcome tax

(i) Income tax expenses

The components of income tax expenses for the years ended December 31, 2024 and 2023 were as follows:

		2024	2023
Current tax expense			
Current period	$	15,370	13,516
Adjustment for prior periods		1,648	96
		17,018	13,612
Deferred tax expense (benefit)			
Change in unrecognized deductible temporary differences		15,028	(34,993)
Income tax expenses (benefits)	**$**	**32,046**	**(21,381)**

In 2024 and 2023, there were no income tax directly recognized in equity and other comprehensive income.

The reconciliations of tax expenses (benefits) and income before tax for the years ended December 31, 2024 and 2023 were as follows:

		2024	2023
Income before tax	**$**	**96,715**	**58,578**
Income tax expense at domestic statutory tax rate	$	19,342	11,716
Adjustments pursuant to tax laws		10,722	5,231
Exempt income		14	(44,304)
Land value increment tax		1,035	4,719
Recognition of previously unrecognized tax losses		723	723
The fluctuation of unrecognized temporary differences		(1,735)	269
Adjustment for prior periods		1,648	96
Surtax on undistributed earnings		297	169
Total	**$**	**32,046**	**(21,381)**

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(ii) Deferred tax asset and liability

1) Deferred tax asset and recognized

Changes in the amount of deferred tax assets for 2024 and 2023 were as follows:

	Provisions	Loss carryforward	Total
January 1, 2024	$ 1,376	34,993	36,369
Recognized in profit or loss	101	(15,129)	(15,028)
December 31, 2024	**$ 1,477**	**19,864**	**21,341**
January 1, 2023	$ 1,376	-	1,376
Recognized in profit or loss	-	34,993	34,993
December 31, 2023	**$ 1,376**	**34,993**	**36,369**

2) Deferred tax assets unrecognized

	December 31, 2024	December 31, 2023
Tax losses	**$ 17,427**	**13,813**

The R.O.C. Income Tax Act allows net losses to offset taxable income over a period of ten years.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2024, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	Unused tax loss	Expiry date
2021	$ 5,011	2031
2022	5,185	2032
2023	3,617	2033
2024	$ 3,614	2034
	$ 17,427	

3) Deferred tax liability unrecognized

As of December 31, 2024 and 2023, there was no material deferred tax liability that has not been recognized.

(iii) Income tax return assessment

1) The Company's income tax returns for all years through 2022 had been assessed by the tax authorities.

2) Domestic subsidiaries' income tax return assessment:

Assessed year	Company
2022	YouZen Construction Co., Ltd.
2022	Eastunion Development & Construction Co., Ltd.

(o) Capital and other equity

(i) Ordinary shares

As of December 31, 2024 and 2023, the total value of authorized ordinary shares was $1,000,000, with a par value of NT$10 per share. The Company has issued 100,000 thousand ordinary shares, all of which have been paid up.

(ii) Capital surplus

The balances of capital surplus as of December 31, 2024 and 2023 were as follows:

	December 31, 2024	December 31, 2023
Additional paid-in capital	$ 185,283	185,283
Expired employee stock warrants	28	28
Difference arising from subsidiary's equity	3,897	3,897
	$ 189,208	**189,208**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Ratained earnings

The Company's articles of incorporation stipulate that if there are annual profits, 10% of which shall be appropriated as legal reserve after offsetting accumulated deficits. In addition, a special reserve shall be set aside or reversed pursuant to applicable laws and regulations. The remaining balance, together with unappropriated earnings, if any, shall be distributed according to a distribution plan proposed by the Board of Directors and approved in a shareholders' meeting. Dividends may be distributed in the form of stock or cash.

(Continued)

The Company's surplus is paid in the form of cash dividends and equity dividends, of which the cash dividend is not less than 10% of the total surplus distribution, taking into account the Company's business growth, capital needs, and financial structure.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Earnings distribution

Earnings distribution for 2023 and 2022, was decided by the resolution adopted, at the general meeting of shareholders held on June 26, 2024 and June 21, 2023, respectively. The relevant dividend distributions to shareholders were as follows:

	2023	2022
Appropriation of legal reserve	$ 8,232	5,825
Dividends distributed to ordinary shareholders:		
Cash	$ 100,000	100,000

(p) Earnings per share

(i) Basic earnings per share

	2024	2023
Profit attributable to ordinary shareholders of the Company	$ 66,968	82,315
Weighted-average number of ordinary shares (thousand)	100,000	100,000
Basic earnings per share (NTD)	$ 0.67	0.82

(ii) Diluted earnings per share

	2024	2023
Profit attributable to ordinary shareholders of the Company (diluted)	$ 66,968	82,315
Weighted-average number of ordinary shares (basic) (thousand)	100,000	100,000
Effect on dilutive potential ordinary shares (thousand)	23	27
Weighted-average number of ordinary shares (diluted) (thousand)	100,023	100,027
Diluted earnings per share (NTD)	$ 0.67	0.82

(Continued)

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(q) Revenue from contracts with customers

(i) Disaggregation of revenue

		2024	2023
Primary geographical markets:			
Taiwan	$	**813,007**	**912,980**
Major products/services lines:			
Sales of real estate	$	457,751	623,151
Rental income		217	217
Construction contract		355,039	289,612
Total	$	**813,007**	**912,980**
Timing of revenue recognition:			
Products and services transferred at a point in time	$	457,751	623,151
Revenue transferred at over time		217	217
Construction transferred over time		355,039	289,612
	$	**813,007**	**912,980**

(ii) Contract balances

		December 31, 2024	December 31, 2023	January 1, 2023
Contract assets- construction	$	18,089	2,572	8,826
Less: Allowance for impairment		-	-	-
	$	**18,089**	**2,572**	**8,826**

		December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities–sales of real of estate receipts	$	655,770	441,190	178,884
Contract liabilities –construction		127,941	17,777	74,234
	$	**783,711**	**458,967**	**253,118**

For details on accounts receivable and allowance for impairment, please refer to note 6(c).

As of January 1, 2024 and 2023, the beginning balance of contract liabilities that were accounted for as 2024 and 2023, revenue amounts to $81,101 and $102,806, respectively.

The major change in the balance of contract liabilities– sales of real estate and contract liabilities – advance of rental receipts is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no other significant changes for the years ended December 31, 2024 and 2023.

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The major change in the balance of contract assets– construction and contract liabilities – construction is the difference between the measure changes in results of the completion of the Group and the payment to be received.

(r) Employee compensation and directors' and supervisors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 1% of the profit as employee compensation and less than 2% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2024 and 2023, the Company estimated its employee remuneration amounting to $848 and $532, and directors' and supervisors' remuneration amounting to $848 and $532, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating expenses during 2024 and 2023. Related information would be available at the Market Observation Post System website. For the years ended December 31, 2024 and 2023, there is no difference between the estimate amounts in consolidated financial statement and the actual abovementioned distributed amounts

(s) Non-operating income and expnese

(i) Interest income

	2024	2023
Bank deposit	**$ 3,994**	**4,499**

(ii) Other income

	2024	2023
Management service revenue	$ 12,621	-
Others	1,821	1,075
	$ 14,442	**1,075**

(iii) Other gains and losses

	2024	2023
Gain on disposal of investment property	$ -	602
Others	(313)	(297)
	$ (313)	**305**

(iv) Finance costs

	2024	2023
Interest expense	**$ (2,890)**	**(2,566)**

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(t) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Credit risk in respect of receivables and financial assets measured at amortized cost

For credit risk exposure in respect of accounts receivable, related statements, and recognition of impairment losses, please refer to note 6(c). Recognition of impairment losses for contract assets, please refer to note 6(q). Financial assets at amortized cost are considered to have low credit risk, and thus, the loss allowances for the period have been measured at 12-month ECLs.

3) Concentration of credit riks

If the Group's financial instrument transactions concentrate within few counterparties, or if financial instrument transactions do not concentrate within few counterparties but most of the counterparties engage in similar business activities and have similar economic characteristics, which affects its ability to meet contractual obligations under economic or other circumstances, then the credit risk is concentrated. Since most of the Group's trade receivables are due from unrelated transaction counterparties, concentration of credit risk is limited.

(ii) Liquidity riks

The following table shows the contractual maturities of financial liabilities, including estimated interest payments.

	Contractual cash flowss	within 1 year	1~2 years	2~5 years	Over 5 years
December 31, 2024					
Non-derivative financial liabilities					
Short-term borrowings	$ 379,072	379,072	-	-	-
Short-term notes and bills payables	80,000	80,000	-	-	-
Long-term borrowings maturing within the period of operating cycle	1,835,657	497,821	379,196	958,640	-
Notes and accounts payable (including related parties)	320,024	320,024	-	-	-
Other payables (including related parties)	108,318	108,318	-	-	-
	$ 2,723,071	**1,385,235**	**379,196**	**958,640**	**-**
December 31, 2023					
Non-derivative financial liabilities					
Short-term borrowings	$ 150,619	150,619	-	-	-
Short-term notes and bills payables	30,000	30,000	-	-	-
Long-term borrowings maturing within the period of operating cycle	903,783	17,994	195,932	689,857	-
Notes and accounts payable (including related parties)	227,241	227,241	-	-	-
Other payables (including related parties)	129,127	129,127	-	-	-
	$ 1,440,770	**554,981**	**195,932**	**689,857**	**-**

(Continued)

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Interest Rate Risk

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to interest rate on the derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 1% basis points, with another variable factors remaining constant, the Group's profit before tax would have decreased or increased by $21,163 and $10,064 for the years ended December 31, 2024 and 2023, respectively. This is mainly due to the Group's borrowing at variable rates.

(iv) Information of fair value－ valuation techniques for financial instruments measured at fair value.

The carrying amounts and fair values of the Group's financial assets and financial liabilities are reasonably close to their fair values, and disclosure of such fair values is not required.

(u) Financial risk management

(i) Overview

The Group has exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Group's exposure information, objectives, policies and processes for measuring and managing the above mentioned risks.

(ii) Structure of risk management

The Board of Directors is responsible for overseeing the Group's risk management framework. The chairman, responsible for developing and monitoring the Group's risk management policies, reports the implementation thereof to the Board of Directors regularly.

(Continued)

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board of Directors is assisted in its oversight role by internal auditor. Internal auditor undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables and cash in banks.

(iv) Liquidity risk

Liquidity risk is the risk that the Group may fail to meet its obligations upon the expiry of its financial commitments. The Group responds to liquidity risk of capital by ensuring that sufficient liquidity is available at any time to repay its liabilities when they are due, without incurring unacceptable losses or risking damage to the Group's reputation. As of December 31, 2024 and 2023, the Group had unused credit lines (including long-term and short-term loans, and short-term notes and bills payable) of $3,347,740 and $4,240,000, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments.

The Group's policy for the management of interest rate risk is to ensure that it is not exposed to excessive risk and that interest rates are generally fixed in the event of material interest rate changes. The Group did not have any fixed-rate liabilities included in profit or loss according to changes in fair values and has not used derivative financial instruments to offset its liabilities. Therefore, changes in interest rates on settlement dates will not have material effects on its profit or loss.

(v) Capital management

The Board of Director's policy is to maintain a strong capital base, so as to maintain the confidence of investors, creditors and market, and to sustain future operation. The Group uses the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings and non-controlling interests.

In 2024, the Group's capital management strategy is consistent with the prior year of 2023. The Company's debt-to-equity ratios were as follows:

	December 31, 2024	December 31, 2023
Total liabilities	$ 3,445,629	1,871,414
Less: cash and cash equivalents	(342,746)	(254,951)
Net debt	**$ 3,102,883**	**1,616,463**
Total Equity	**$ 2,381,534**	**2,416,865**
Debt-to-equity ratio	**130.29%**	**66.88%**

Due to its working capital requirements, the Group entered into a loan agreement with a bank, resulting in its debt-to-equity ratio to increase as of December 31, 2024.

(w) Investing and financing activities not affecting cash flow

During 2024 and 2023, the Group had no investing and financing activities in respect which did not affect the cash flow.

(7) Related-party transactions

(a) Names and relationship with the related parties

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Teng-Cheng Hsu	Chairman and general manager of the Company
Chih-Wei Hsu	The first-degree relative of the chairman and general manager of the Company
Reyea Realty Investment & Advisor Corp. (Reyea Realty Company)	Corporate director of the Company
Grand Sights Investment & Advisory (Grand Sights Company)	Corporate director of the Company
Shen Cheng Constructiopn Co., LTD.	Corporate director of the Group
Dehua Marketing Co., Ltd. (Dehua Marketing Company)	Other relatied parties of the Company
Guo-Hao Shen Architects	The entity's chairman is the corporate director's authorized representative of the Company

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(b) Significant transactions with related parties

(i) Conduction and repaint works

The projects contracted to Shen Cheng conduction Company by the Company were as follows:

	2024			
Project name	**Contract sum**	**Progress payment for the period**	**Accumulated progress payment**	**Uncharged amount**
Taimei Science Park	$ 533,548	51,955	51,955	481,593

The Group contracted out a construction project to its related parties for the works, whose transaction price could not be compared due to the nature of the contract, additionally, the payment terms were based on the progress of the works.

The payables for the aforementioned construction projects were as follows:

	December 31, 2024	December 31, 2023
Notes payable	$ 30,612	-

(ii) Construction expenses

The Group commissioned Guo-Hao Shen Architects to carry out architectural design in 2024 and 2023, and the consideration amounted to $5,752 and $13,725, respectively. The outstanding balance at the end of the period was as follows:

	December 31, 2024	December 31, 2023
Accounts payable	$ 2,933	-

(iii) Sales commissions

In 2024 and 2023, the Group commissioned Dehua Marketing Co., Ltd. to sell the Group's products, and the commissions incurred amounted to $136,956 and $104,533, respectively. The outstanding balances at the end of the periods were as follows:

	December 31, 2024	December 31, 2023
Notes payable	$ 10,649	3,823
Other payables	$ 57,586	84,429

(iv) Rental expense

In 2024 and 2023, the Group's rental expenses, incurred due to the office leased from Chi-Wei Hsu, amounted to $600, and all related payments were paid. As of December 31, 2024 and 2023, guarantee deposits paid amounted to $100.

(v) Rental income

The Group entered into office lease contracts with Reyea Realty Company and Grand Sights Company, and both of the contracts run for a period of one year ended in December 31, 2024. In 2024 and 2023, the Group's rental incomes from Reyea Realty Company and Grand Sights Company were $12, and both of the related payments were received.

(vi) Payables arising from receipts under custody

The payment received by the Group for ReaLy Chongshan No. 1 Construction Project shall be paid to Grand Sights Company in proportion to capital contribution. The outstanding balances at the end of the periods were as follows:

	December 31, 2024	December 31, 2023
Other payables	$ 2,657	2,657

(vii) Others

The performance bond, paid by the Group to Grand Sights Company for a co-development project at ReaLy Yongning No.1, was as follows:

	December 31, 2024	December 31, 2023
Guarantee deposits paid	$ 18,601	18,601

(viii) Guarantees

As of December 31, 2024 and 2023, Teng-Cheng Hsu provided joint guaranteed for the lines of credit of the Group's borrowings (including long-term and short-term borrowings and the short-term notes and bills payable) of 5,514,000 and 5,246,400, respectively.

(c) Key management personnel compensation

	2024	2023
Short-term employee benefits	$ 8,567	8,497

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(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2024	December 31, 2023
Inventories	Guarantees for lines of credit for long-term and short-term borrowings	$ 1,383,999	1,176,947
Property, plant and equipment	Guarantees for lines of credit for short-term borrowings and short-term notes and bills payable	42,188	42,659
Investment property	Guarantees for lines of credit for short-term borrowings	40,292	40,439
Other financial assets-current	Trust accounts for pre-sale house	28,051	42,991
		$ 1,494,530	**1,303,036**

(9) Commitments and contingencies:

(a) Promissory notes issued by the Group for lines of credit:

December 31, 2024	December 31, 2023
$ 5,167,426	**1,445,426**

(b) The land purchase contracts entered into by the Group and the installments paid according to the contracts were detailed as follows:

	December 31, 2024	December 31, 2023
Total value of purchase contract	**$ 213,670**	**371,323**
Amount paid	**$ 52,600**	**165,401**

(c) The total contract price and payment details for each period of the construction contracts signed for the investment projects by the Group are as follows:

	December 31, 2024	December 31, 2023
Construction sum	**$ 5,085,665**	**4,053,097**
Amount paid	**$ 2,859,295**	**1,708,720**

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(d) The real estate sale contracts entered into by the Group with the client and the installment payments according to the contracts are detailed as follows:

	December 31, 2024	December 31, 2023
Total value of signed contracts	$ 6,073,873	3,676,610
Amount received	$ 655,770	441,190

(e) The total contract price of the construction contracted by the Group and the price denominated in accordance with the contract were as follows:

	December 31, 2024	December 31, 2023
Construction contract sum	$ 1,109,499	1,088,586
Amount received	$ 871,900	422,209

(f) As of December 31, 2024, the significant contracts entered into by the Group's were as follows:

Type of co-development	Project name and section	Performance bond for co-development
Self-built project using land owned by the Group & joint construction and allocation of housing units	ReaLy Yongning No.1	$ 117,607
Self-built project using land owned by the Group & joint construction and allocation of housing units	Nanhai Section, Taipei City	762
Joint investment & joint construction and allocation of housing units	Yucheng Section, Nangang	8,437
Joint investment & joint construction and allocation of housing units	ReaLy Jiukang	2,096
Joint construction and allocation of housing units	Xin Feng Section, Xizhi	15,301
Joint construction and allocation of housing units	ReaLy Shunguang World	16,906
		$ 161,109
Self-built on land owned by the Group	Yongping Section, Shilin	
Joint investment	Taimei Scince Park	
Joint investment	ReaLy Linghang No.1	

(Continued)

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(g) As of December 31, 2024, the information on the Group's joint investment projects was as follows:

Subject matter	Contribution ratio
Yucheng Section, Nangang	The Group: 80% Kuan Yeung Arch Co., Ltd.: 20%
ReaLy Jiukang	The Group: 72.75% Kuan Yeung Arch Co., Ltd.: 27.25%
Taimei Science Park	The Group: 50% Fu Jia Co.,Ltd: 30% Dacin Co.,Ltd: 20%
Realy Linghang No.1	The Group :50% Jinghe Consturction Co., Ltd.: 50%

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other:

A summary of employee benefits, depreciation, and amortization, by function, was as follows:

	For the year ended December 31					
By function	2024			2023		
By item	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	25,096	30,567	55,663	23,902	30,789	54,691
Labor and health insurance	-	4,590	4,590	-	4,597	4,597
Pension	-	2,191	2,191	-	2,236	2,236
Others	1,003	2,083	3,086	838	1,884	2,722
Depreciation	-	1,143	1,143	-	1,938	1,938
Depletion	-	-	-	-	-	-
Amortization	-	-	-	-	-	-

Note: For the years ended December 31, 2024 and 2023, depreciation of investments property included in other losses amounted to $148.

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(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group in 2024:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties: None

(iii) Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures): None

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of $300 million or 20% of the capital stock: None

(v) Acquisition of individual real estate with amount exceeding the lower of $300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of $300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of $300 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Payment terms	Percentage of total notes/accounts receivable (payable)	
The Company	YouZen Construction Co., Ltd.	Subsidiary	Purchase	1,280,857	89.03 %	45 days	there is no significant difference with general customers	there is no significant difference with general customers	(287,929)	(92.75)%	Note

Note: The amount has been eliminated in the consolidated financial statements.

(viii) Receivables from related parties with amounts exceeding the lower of $100 million or 20% of the capital stock: None

(ix) Trading in derivative instruments: None

(x) Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	YouZen Construction Co., Ltd.	The Company	2	Revenue	1,252,098	Payment is collected according to progress of construction	154.01 %
1	〃	〃	2	Notes receivable	98,850	〃	1.70 %
1	〃	〃	2	Accounts receivable	189,079	〃	3.24 %

Note 1: The numbering is as follows:

1. "0" represents the parent company

2. "1" represents Yaoren Construction Co., Ltd.

Note 2: Relation between related parties are as follows:

1. Parent company and its subsidiaries

2. Subsidiaries and its parent company

Note 3: This table discloses the information on business relationship and significant intercompany transactions, including only sales and accounts receivable. The corresponding purchases and accounts payable are not detailed herein

Note 4: The amount has been eliminated in the consolidated financial statements.

(Continued)

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(b) Information on investees:

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2024			Highest percentage of ownership		Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value	Shares (thousands)	Percentage of ownership			
ReaLy Development & Construction Corp.	YouZen Construction Co., Ltd.	No. 69, Section 5, Civic Blvd., Taipei City	Architecture and civil engineering	90,000	90,000	5,000	100.00 %	28,577	5,000	100 %	62,572	9,165	Note 1 and Note 2
ReaLy Development & Construction Corp.	Eastunion Development & Construction Co., Ltd.	No. 69, Section 5, Civic Blvd., Taipei City	Development of residential units, large buildings, and industrial plants	120,000	120,000	16,560	36.36 %	206,669	16,560	36.36 %	(3,614)	(1,315)	Note 2

Note 1: The amounts are gains of $62,572 on equity-accounted investments plus (less) the balance of unrealized gains arising from upstream transactions of $67,457 at the beginning of the period and $(120,864) at the end of the period, respectively.

Note 2: The amount has been eliminated in the consolidated financial statements.

(c) Information on investment in mainland China:None

(d) Major shareholders:

Shareholding / Shareholder's Name	Shares	Percentage
Reyea Realty Investment & Advisor Corp.	21,578,809	21.57 %
HyLin Investment Corp.	12,579,518	12.57 %
Grand Sights Investment & Advisory	11,231,679	11.23 %

(14) Segment information:

(a) General information

The Group had the following three reportable segments, all of which were the Group's strategic business units. To provide different products and services, those strategic business units are managed separately as they require different technology and marketing strategies. The Group's chief operating decision maker reviews the internal management report of each operating unit quarterly. The operation of reportable segments is summarized as follows:

(i) Sales segments: engaging in leasing, sale, and development of housing.

(ii) Construction segment: civil and architecture engineering.

(b) Information about reportable segments and their measurement and reconciliations

No tax expenses (benefits) have been allocated to the reportable segment. In addition, The reportable amount is similar to that in the report used by the chief operating decision maker.

Accounting policies for the operating segments correspond to those stated in note 4. Reportable segment profits or losses, measured based on operating profits or losses before taxation, is used to evaluate performance. The Group treated intersegment sales and transfers as third-party transactions. They are measured at market price.

	2024				
	First sales segment	**Second sales segment**	**Construction segment**	**Reconciliation and elimiation**	**Total**
Revenue from external customers	$ 457,968	-	355,039	-	813,007
Intersegment revenues	583	-	1,252,098	(1,252,681)	-
Interest revenue	855	2,930	209	-	3,994
Total revenue	**$ 459,406**	**2,930**	**1,607,346**	**(1,252,681)**	**817,001**
Interest expenses	**$ 855**	**528**	**1,507**	**-**	**2,890**
Depreciation and amortization	**$ 950**	**136**	**116**	**(59)**	**1,143**
Reportable segment profit or loss	**$ 83,132**	**(3,614)**	**78,455**	**(61,258)**	**96,715**

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	2023				
	First sales segment	**Second sales segment**	**Construction segment**	**Reconciliation and elimiation**	**Total**
Revenue from external customers	$ 623,367	-	289,613	-	912,980
Intersegment revenues	583	-	1,046,319	(1,046,902)	-
Interest revenue	1,617	2,682	200	-	4,499
Total revenue	**$ 625,567**	**2,682**	**1,336,132**	**(1,046,902)**	**917,479**
Interest expenses	**$ 1,617**	**-**	**949**	**-**	**2,566**
Depreciation and amortization	**$ 1,583**	**136**	**277**	**(58)**	**1,938**
Reportable segment profit or loss	**$ 52,125**	**(3,702)**	**43,195**	**(33,040)**	**58,578**

(i) In 2024 and 2023, total reportable segment revenue, which shall be eliminated in reportable segment profits (losses), amounted to $1,252,681 and $1,046,902, respectively.

(ii) In 2024 and 2023, inter-segment profits (losses), which shall be eliminated in reportable segment profits (losses), amounted to $61,258 and $33,040, respectively.

(c) General corporate information

(i) Product and service information: This information has been disclosed in “ (b) Operating segment information and reconciliation”.

(ii) Geographic information: the Group did not have any foreign operating segment.

(d) Major customer information

	2024
Customer A	$ 325,878
Customer B	$ 200,170

	2023
Customer A	$ 263,514