Stock Code:2596

REALY DEVELOPMENT & CONSTRUCTION CORP.

Parent Company Only Financial Statements

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

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Independent Auditors' Report

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

Opinion

We have audited the financial statements of ReaLy Development & Construction Corp. ("the Company"), which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statements 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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(k) and 6(n) of the parent company only financial statements for the account policies on revenue recognition and the details of revenue.

Description of key audit matter:

ReaLy Development & Construction Corp. 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 ReaLy Development & Construction Corp., 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(f) “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(c) for disclosure pertaining to inventories.

Description of key audit matter:

The inventories of ReaLy Development & Construction Corp. 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 Company'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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company'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 Company'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 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 Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the 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 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 parent company only financial statements are intended only to present the 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying parent company only 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 parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

REALY DEVELOPMENT & CONSTRUCTION CORP.

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 85,880	2	157,105	4
1172	Accounts receivable and notes receivable (note 6(b))	335,073	6	45,010	1
1210	Other receivables—related parties (note 7)	12	-	9	-
1220	Current tax assets	208	-	144	-
1320	Inventories (for construction business), net (notes 6(c), 7, 8 and 9)	3,783,522	73	2,684,615	73
1476	Other current financial assets (notes 6(c), 7 and 8)	181,147	4	176,094	5
1479	Other current assets	122,070	2	61,837	2
1480	Current assets recognized as incremental costs to obtain contract with customers (notes 6(g) and 7)	309,900	6	194,151	5
	Total current assets	4,817,812	93	3,318,965	90
	Non-current assets:				
1551	Investments accounted for using equity method (note 6(d))	235,246	5	252,396	7
1600	Property, plant and equipment (notes 6(e) and 8)	45,442	1	46,392	1
1760	Investment property, net (note 6(f))	11,564	-	11,564	-
1840	Deferred tax assets (note 6(k))	19,864	-	34,993	1
1920	Guarantee deposits paid (notes 6(c) and 7)	24,545	1	24,545	1
	Total non-current assets	336,661	7	369,890	10
	Total assets	$ 5,154,473	100	3,688,855	100

		December 31, 2024		December 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (notes 6(h), 7 and 8)	$ 275,000	5	130,000	4
2110	Short-term notes and bills payable (notes 6(i), 7 and 8)	49,643	1	-	-
2150	Notes payable	25	-	235	-
2161	Notes payable to related parties (note 7)	109,499	2	45,134	1
2170	Accounts payable	8,910	-	6,463	-
2181	Accounts payable to related parties (note 7)	192,012	4	46,667	1
2200	Other payables (note 6(o))	21,568	1	19,401	1
2220	Other payables to related parties (note 7)	60,243	1	87,086	2
2130	Current contract liabilities (notes 6(c) and (n))	655,770	13	441,190	12
2322	Long-term borrowings, current portion (notes 6(h), 7 and 8)	1,741,260	34	856,400	23
2399	Other current liabilities	20,580	-	3,284	-
	Total current liabilities	3,134,510	61	1,635,860	44
	Non-Current liabilities:				
2645	Guarantee deposits received (note 7)	100	-	100	-
	Total non-current liabilities	100	-	100	-
	Total liabilities	3,134,610	61	1,635,960	44
	Equity attributable to owners of parent (note 6(l)):				
3110	Ordinary shares	1,000,000	19	1,000,000	27
3200	Capital surplus	189,208	4	189,208	5
3300	Retained earnings	830,655	16	863,687	24
	Total equity	2,019,863	39	2,052,895	56
	Total liabilities and equity	$ 5,154,473	100	3,688,855	100

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

REALY DEVELOPMENT & CONSTRUCTION CORP.

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 (notes 6(n) and 7)**	$ 458,551	100	623,950	100
5000	**Operating costs (note 7)**	340,240	74	507,622	81
5900	**Gross profit from operations**	118,311	26	116,328	19
6000	**Operating expenses (notes 6(e), (g), (j), (o), 7 and 12):**				
6100	Selling expenses	28,321	6	43,718	7
6200	Administrative expenses	31,798	7	31,755	5
	Total operating expenses	60,119	13	75,473	12
6900	**Net operating income**	58,192	13	40,855	7
7000	**Non-operating income and expenses (notes 6(c), (p) and 7):**				
7100	Interest income	855	-	1,617	-
7010	Other income	17,106	4	3,776	1
7020	Other gains and losses	(16)	-	(5)	-
7050	Finance costs	(855)	-	(1,617)	-
7375	Share of profit of subsidiaries accounted for using equity method	7,850	1	7,499	1
	Total non-operating income and expenses	24,940	5	11,270	2
7900	**Profit from continuing operations before tax**	83,132	18	52,125	9
7951	**Income tax expenses (benefit) (note 6(k))**	16,164	3	(30,190)	(4)
	Profit	66,968	15	82,315	13
8300	**Other comprehensive income**	-	-	-	-
	Total comprehensive income	**$ 66,968**	**15**	**82,315**	**13**
	Basic earnings per share (NTD) (note 6(m))				
9750	**Basic earnings per share**	**$**	**0.67**		**0.82**
9850	**Diluted earnings per share**	**$**	**0.67**		**0.82**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

REALY DEVELOPMENT & CONSTRUCTION CORP.

Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Ordinary shares	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Unappropriated retained earnings	Retained earnings: Total retained earnings	Total equity
Balance at January 1, 2023	$ 1,000,000	189,208	290,407	590,965	881,372	2,070,580
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	5,825	(5,825)	-	-
Cash dividends	-	-	-	(100,000)	(100,000)	(100,000)
Total comprehensive income	-	-	-	82,315	82,315	82,315
Balance at December 31, 2023	1,000,000	189,208	296,232	567,455	863,687	2,052,895
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	8,232	(8,232)	-	-
Cash dividends	-	-	-	(100,000)	(100,000)	(100,000)
Total comprehensive income	-	-	-	66,968	66,968	66,968
Balance at December 31, 2024	**$ 1,000,000**	**189,208**	**304,464**	**526,191**	**830,655**	**2,019,863**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

REALY DEVELOPMENT & CONSTRUCTION CORP.

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	$ 83,132	52,125
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	950	1,583
Interest expense	855	1,617
Interest income	(855)	(1,617)
Share of profit of subsidiaries accounted for using equity method	(7,850)	(7,499)
Total adjustments to reconcile profit (loss)	(6,900)	(5,916)
Changes in operating assets and liabilities:		
Increase in accounts receivable and notes receivable	(290,063)	(31,750)
Increase in other receivables from related parties	(3)	(9)
Increase in inventories	(1,067,389)	(535,007)
Increase in other current assets	(60,233)	(31,871)
Decrease in other current financial assets	5,240	119,416
Decrease (increase) in guarantee deposits paid	(10,293)	44,545
Increase in assets recognised as incremental costs to obtain contract with customers	(115,749)	(118,101)
Total changes in operating assets	(1,538,490)	(552,777)
Changes in operating liabilities:		
Increase in contract liabilities	214,580	262,306
Decrease in notes payable	(210)	(7,042)
Increase in notes payable to related parties	64,365	14,917
Increase in accounts payable	2,447	1,988
Increase (decrease) in accounts payable to related parties	145,345	(8,699)
Increase (decrease) in other payables	1,404	(9,346)
Increase (decrease) in other payables to related parties	(26,843)	83,234
Increase (decrease) in other current liabilities	17,296	(23,251)
Total changes in operating liabilities	418,384	314,107
Total changes in operating assets and liabilities	(1,120,106)	(238,670)
Total adjustments	(1,127,006)	(244,586)
Cash outflow generated from operations	(1,043,874)	(192,461)
Interest received	855	1,675
Dividends received	25,000	5,000
Interest paid	(31,967)	(18,110)
Income taxes paid	(1,099)	(14,230)
Net cash used in operating activities	(1,051,085)	(218,126)
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at amortized cost	-	108,850
Net cash flows from investing activities	-	108,850
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	400,000	600,000
Decrease in short-term borrowings	(255,000)	(670,000)
Increase in short-term notes and bills payable	100,000	110,000
Decrease in short-term notes and bills payable	(50,000)	(205,000)
Increase in from 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	979,860	210,400
Net (decrease) increase in cash and cash equivalents	(71,225)	101,124
Cash and cash equivalents at beginning of period	157,105	55,981
Cash and cash equivalents at end of period	$ **85,880**	**157,105**

See accompanying notes to parent company only 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 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.

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

These 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 Company has initially adopted the following new amendments, which do not have a significant impact on its 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 Company 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 financial statements:

- Amendments to IAS 21 "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 Company, 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

(Continued)

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

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

(a) Statement of compliance

These parent company only 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”).

(b) Basis of preparation

(i) Basis of measurement

The parent company only financial statements have been prepared on a historical cost basis.

(ii) Functional and presentation currency

The functional currency of each Company 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)

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

The Company 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 Company 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 Company 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.

(d) Cash and cash equivalents

Cash comprises cash on hand and Bank deposits. 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.

(e) 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 Company 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 Company 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.

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 Company 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 Company 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 Company's historical experience and informed credit assessment as well as forward-looking information.

(Continued)

The Company holds time deposits for domestic financial institutions, 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 Company 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 Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company 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 Company 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 Company's procedures for recovery of amounts due.

3) Derecognition of financial assets

The Company 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 Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company 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.

(Continued)

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(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 Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company 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.

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 Company 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.

(f) 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.

(g) Investing subsidiaries

In preparing the parent company only financial statements of the Company, investee company that controlled by the Company is accounted for under the equity method. Under equity method, profit for the year and other comprehensive income for the yearreported in an entity's Parent Company only financial statement of comprehensive income, shall equal to profit for the year and other comprehensive income, attributable to owners of the parent reported in that entity's consolidated statement of comprehensive income. Total equity reported in an entity's Parent Company only financial statements shall equal to equity attributable to owners of parent reported in that entity's consolidated financial statements.

The Company's changes in equity interests in subsidiaries that did not lead to loss of control, deemed as equity transactions between owners.

(Continued)

(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 Company.

(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.

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(j) Impairment of non-financial assets

At each reporting date, the Company 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 Company's accounts.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) Revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company 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 Company's main types of revenue are explained below.

1) Land development and sale of real estate

The Company 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 Company 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) Financing components

The Company 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 Company 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 Company recognizes as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company 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.

(l) 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 Company 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.

(m) 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 Company 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.

(n) Earnings per share

The Company 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.

(Continued)

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(o) Operating segments

The Company discloses the operating segment information in the consolidated financial statements. Therefore, the Company does not disclose the operating segment information in the parent company only financial statements.

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

In preparing these parent company only 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 Company'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 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 adjustment 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 inveentories

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 material effect on the result of estimation. Please refer to note 6(c) for subsequent measurement and estimation of inventories.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash and hand	$ 190	190
Demand and check deposits	85,690	156,915
Cash and cash equivalents in the consolidated statement of cash flow	**$ 85,880**	**157,105**

REALY DEVELOPMENT & CONSTRUCTION CORP.

Notes to the Financial Statements

(b) Nontes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	$ -	41,600
Accounts receivable	335,073	3,410
	$ 335,073	**45,010**

The Company 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 noets receivable. To measure the expected credit losses, accounts receivable and noets receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowance provisions were as followed:

	December 31, 2024		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance Provision**
Current	**$ 335,073**	-	**-**

	December 31, 2023		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance Provision**
Current	**$ 45,010**	-	**-**

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

As of December 31, 2024 and 2023, the notes and accounts receivable were not pledged as collateral.

(c) Inventories

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

	December 31, 2024	December 31, 2023
Buildings and land held for sale	$ 485,006	28,340
Construction in progress	3,014,213	2,453,885
Building land	231,703	36,989
Prepayment for building land	52,600	165,401
	$ 3,783,522	**2,684,615**

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.

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(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	244,412	485,006	107,311

	December 31, 2023			
	Land held for sale	Buildings held for sale	Total	Advance for real estate receipts
ReaLy Xianji	$ 12,430	8,141	20,571	-
ReaLy East Residence A	1,307	6,462	7,769	1,752
	$ 13,737	14,603	28,340	1,752

(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	870,281	1,331,242	95,266
ReaLy Yongning No.1	212,659	978,581	1,191,240	346,145
ReaLy Jiukang	264,504	186,997	451,501	107,048
Others	-	40,230	40,230	-
	$ 938,124	2,076,089	3,014,213	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	418,653	879,614	-
ReaLy Yongning No.1	212,659	563,797	776,456	161,510
ReaLy Shunguang World	-	363,095	363,095	170,183
ReaLy Jiukang	264,504	144,985	409,489	107,745
Others	-	25,231	25,231	-
	$ 938,124	1,515,761	2,453,885	439,438

(iv) Building land

	December 31, 2024	December 31, 2023
Yongping Section, Shilin	$ 207,052	-
Others	24,651	36,989
	$ 231,703	36,989

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(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**

(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 Company had been pledged as collateral. Please refer to note 8.

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(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

(d) Investment accounted for using equity method

Financial information for investments accounted for using the equity method at the reporting date is as follow:

	December 31, 2024	December 31, 2023
Subsidiaries	$ 235,246	252,396

Please refer to the consolidated financial statements for the year ended December 31, 2024.

(e) Property, plant and equipment

	Land	Buildings and structures	Transportation equipment	Other equipment	Total
Cost:					
January 1, 2024	$ 26,157	37,201	5,590	671	69,619
December 31, 2024	**$ 26,157**	**37,201**	**5,590**	**671**	**69,619**
January 1, 2023	$ 26,157	37,201	5,590	671	69,619
December 31, 2023	**$ 26,157**	**37,201**	**5,590**	**671**	**69,619**
Accumulated depreciation:					
January 1, 2024	$ -	17,276	5,280	671	23,227
Depreciation	-	640	310	-	950
December 31, 2024	**$ -**	**17,916**	**5,590**	**671**	**24,177**
January 1, 2023	$ -	16,637	4,349	658	21,644
Depreciation	-	639	931	13	1,583
December 31, 2023	**$ -**	**17,276**	**5,280**	**671**	**23,227**
Carrying amounts:					
December 31, 2024	**$ 26,157**	**19,285**	**-**	**-**	**45,442**
December 31, 2023	**$ 26,157**	**19,925**	**310**	**-**	**46,392**
January 1, 2023	**$ 26,157**	**20,564**	**1,241**	**13**	**47,975**

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

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(f) Investment property

As of December 31, 2024 and 2023, the land cost of investment property amounted to $11,564 with a fair value of $15,806 and $15,635, respectively; the land was not pledged.

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

(g) 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 Company expects that the incremental commission fees paid to intermediaries will be refunded, resulting in the Company 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 Company recognized the selling expenses amounting to $21,672 and $35,487, respectively.

(h) Short-term and long-term borrowings

	December 31, 2024		
	Range of interest rate	Maturity year	Amount
Short-term credit borrowings	1.78%~2.19%	2025	$ 180,000
Short-term secured borrowings	2.09%	2025	95,000
Long-term secured borrowings (classified as current)	2.10%~2.57%	2025~2029	1,741,260
Total			$ 2,016,260
Unused credit lines			$ 2,730,740

	December 31, 2023		
	Range of interest rate	Maturity year	Amount
Short-term credit borrowings	1.65%~2.04%	2024	$ 130,000
Long-term secured borrowings (classified as current)	1.98%~2.45%	2025~2028	856,400
Total			$ 986,400
Unused credit lines			$ 3,503,000

The Company 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.

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(i) 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
Less: discount				(357)
Total			$	**49,643**
Unused credit lines			$	**-**

	December 31, 2023			
	Guarantee or acceptance institute	**Range of interest rate**		**Amount**
Commercial paper payable	-	-	$	-
Less: discount				-
Total			$	**-**
Unused credit lines			$	**50,000**

The Company 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.

(j) Employee benefits

The Company 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 Company 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 $687 and 710, respectively.

(k) 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	$	1,035	4,719
Adjustment for prior periods		-	84
		1,035	4,803
Deferred tax expense (benefit)		15,129	(34,993)
Income tax expense (benefit)	$	**16,164**	**(30,190)**

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

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

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

		2024	2023
Income before tax	**$**	**83,132**	**52,125**
Income tax expense at domestic statutory tax rate	$	16,626	10,425
Adjustments pursuant to tax laws		(1,530)	(1,395)
Exempt income		14	(44,304)
Land value increment tax		1,035	4,719
The fluctuation of unrecognized temporary differences		19	281
Adjustment for prior periods		-	84
Total	**$**	**16,164**	**(30,190)**

(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:

Deferred tax assets:

		Loss carryforwards
January 1, 2024	$	34,993
Recognized in profit or loss		(15,129)
December 31, 2024	**$**	**19,864**
January 1, 2023	$	-
Recognized in profit or loss		34,993
December 31, 2023	**$**	**34,993**

2) Deferred tax liability unrecognized

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

(iii) The Company's income tax returns for all years though 2022 had been assessed by the tax authorities.

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(l) 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 earnings, 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.

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.

(Continued)

REALY DEVELOPMENT & CONSTRUCTION CORP.

Notes to the Financial Statements

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

(m) 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 share)	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 share)	100,000	100,000
Effect on dilutive potential ordinary shares (thousand share)	23	27
Weighted-average number of ordinary shares (diluted) (thousand share)	100,023	100,027
Diluted earnings per share (NTD)	$ 0.67	0.82

(n) Revenue from contracts with customers

(i) Disaggregation of revenue

	2024	2023
Primary geographical markets:		
Taiwan	$ 458,551	623,950
Major products/services lines:		
Sales of real estate	$ 457,751	623,150
Rental income	800	800
	$ 458,551	623,950

(Continued)

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

		2024	2023
Timing of revenue recognition:			
Products and services transferred at a point in time	$	457,751	623,150
Revenue transferred over time		800	800
	$	**458,551**	**623,950**

(ii) Contract balances

		December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities–sales of real estate receipts	$	**655,770**	**441,190**	**178,884**

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

As of January 1, 2024 and 2023, the beginning balance of contract liabilities that were accounted for as 2024 and 2023, revenue amounts to $81,011 and $102,806, respectively.

The major change in the balance of contract liabilities 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.

(o) 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 different between the estimate amounts in consolidated financial statement and the actual abovementioned distributed amounts.

(p) Non-operating income and expnese

(i) Interest income

		2024	2023
Bank deposit	$	**855**	**1,617**

(ii) Other income

		2024	2023
Project management fee	$	12,621	-
Management service revenue		2,700	2,700
Others		1,785	1,076
	$	**17,106**	**3,776**

(iii) Other gains and losses

		2024	2023
Others	$	**(16)**	**(5)**

(iv) Finance costs

		2024	2023
Interest expense	$	**(855)**	**(1,617)**

(q) 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(b). 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 Company'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. As most of the Company's accounts receivable are due from unrelated transaction counterparties, concentration of credit risk is limited.

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(ii) Liquidity riks

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	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	$ 277,903	277,903	-	-	-
Short-term notes and bills payables	50,000	50,000	-	-	-
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)	310,446	310,446	-	-	-
Other payables (including related parties)	81,811	81,811	-	-	-
Guarantee deposits received	100	100	-	-	-
	$ 2,555,917	**1,218,081**	**379,196**	**958,640**	**-**
December 31, 2023					
Non-derivative financial liabilities					
Short-term borrowings	130,488	130,488	-	-	-
Long-term borrowings maturing within the period of operating cycle	903,781	17,993	195,932	689,856	-
Notes and accounts payable (including related parties)	98,499	98,499	-	-	-
Other payables (including related parties)	106,487	106,487	-	-	-
Guarantee deposits received	100	100	-	-	-
	$ 1,239,355	**353,567**	**195,932**	**689,856**	**-**

The Company 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 Company'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 Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 1% basis points, with another variable factors remaining constant, the Company's profit before tax would have decreased or increased by $20,163 and $9,864 for the years ended December 31, 2024 and 2023, respectively. This is mainly due to the Company's borrowing at variable rates.

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

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

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

(r) Financial risk management

(i) Overview

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

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Company'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 Company's risk management framework. The chairman, responsible for developing and monitoring the Company's risk management policies, reports the implementation thereof to the Board of Directors regularly.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, 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 Company's activities. The Company, 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 Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. 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 Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and cash in banks.

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(iv) Liquidity risk

Liquidity risk is the risk that the Company may fail to meet its obligations upon the expiry of its financial commitments. The Company 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 Company's reputation. As of December 31, 2024 and 2023, the Company had unused credit lines (including long-term and short-term borrowings, and short-term notes and bills payable) of $2,730,740 and $3,553,000, 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 Company's income or the value of its holdings of financial instruments.

The Company'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 Company 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.

(s) Capital management

The Board of Directors 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 Company 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 other equity.

In 2024, the Company'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	$ 3,134,610	1,635,960
Less: cash and cash equivalents	(85,880)	(157,105)
Net debt	**$ 3,048,730**	**1,478,855**
Total Equity	**$ 2,019,863**	**2,052,895**
Debt-to-equity ratio	**150.94 %**	**72.04 %**

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

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(t) Investing and financing activities not affecting cash flow

During 2024 and 2023, the Company 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 Company during the periods covered in the parent company only financial statements.

Name of related party	Relationship with the Company
YouZen Construction Co., Ltd. (YouZen Construction Company)	Subsidiary
Eastunion Development & Construction Co., Ltd. (Eastunion Development & Construction Company)	Subsidiary
Teng-Cheng Hsu	Chairman and general manager of the Company
Reyea Realty Investment & Advisor Corp. (Reyea Realty Company)	Corporate director of Company
Grand Sights Investment & Advisory (Grand Sights Company)	Corporate director of Company
Dehua Marketing Co., Ltd. (Dehua Marketing Company)	Other related party of the Company
Guo-Hao Shen Architects	The entity's chairman is the corporate director's authorized representative of the Company

(b) Significant transactions with related parties

(i) Construction and repair works

The projects contracted to YouZen Construction Company by the Company were as follows:

	2024			
Project name	**Contract sum**	**Progress payment for the period**	**Accumulated progress payment**	**Uncharged amount**
ReaLy Linghang No.1	$ 972,913	436,047	823,677	149,236
ReaLy Yongning No.1	2,076,156	404,411	879,596	1,196,560
ReaLy Shunguang World	744,388	403,975	744,388	-
ReaLy Jiukang	364,647	36,424	128,742	235,905
	$ 4,158,104	**1,280,857**	**2,576,403**	**1,581,701**

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

	2023			
Project name	**Contract sum**	**Progress payment for the period**	**Accumulated progress payment**	**Uncharged amount**
ReaLy East Residence A	$ 376,472	51,509	376,472	-
ReaLy Linghang No.1	952,001	193,173	387,630	564,371
ReaLy Yongning No.1	2,076,156	417,985	475,185	1,600,971
ReaLy Shunguang World	679,888	157,113	340,413	339,475
ReaLy Jiukang	364,647	86,373	92,318	272,329
	$ 4,449,164	**906,153**	**1,672,018**	**2,777,146**

The Company contracted out a construction project to its related parties for the works, whose transaction price could not be compared with third-party vendors 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	**$ 98,850**	**41,311**
Accounts payable	**$ 189,079**	**46,667**

(ii) Construction expenses

The Company commissioned Guo-Hao Shen Architects to carry out architectural design in 2024 and 2023, and the consideration amounted to $2,933 and $5,749, respectively. The outstanding balance at the end of the period was as follows:

	December 31, 2024	**December 31, 2023**
Account payable	**$ 2,933**	**-**

(iii) Sales commissions

In 2024 and 2023, the Company commissioned Dehua Marketing Co., Ltd. to sell the Company'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**

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(iv) Rental income

The Company entered into office lease contracts with YouZen Construction Company, Eastunion Development & Construction Company, Reyea Realty Company and Grand Sights Company, and all of the contracts run for a period of one year ended in December 2024. In 2024 and 2023, the Company's rental incomes from Eastunion Development & Construction Company, Reyea Realty Company and Grand Sights Company were $12; In 2024 and 2023, rental incomes from YouZen Construction Company were $571, and all of the related payments were received. As of December 31, 2024 and 2023, guarantee deposits received for office leases from YouZen Construction Company amounted to $100.

(v) Management service revenue

In 2024 and 2023, the Company's management service revenues, arising from consulting service in respect of construction and business provided to Eastunion Development & Construction Company, were $2,700, and all of the related payments were received.

(vi) Payables arising from receipts under custody

The payment received by the Company 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

1) The performance bond, paid by the Company 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

2) In 2024 and 2023, the Company incurred expenses on behalf of YouZen Construction Company, resulting in the other receivables from related parties of $12 and $9, respectively.

(viii) Guarantees

As of December 31, 2024 and 2023, Teng-Cheng Hsu has provided joint guarantees for the lines of credit of the Company's borrowings (including long-term and short-term borrowings and the short-term notes and bills payable) of $4,767,000 and $4,509,400, respectably.

(c) Key management personnel compensation

	2024	2023
Short-term employee benefits	$ 7,340	7,258

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(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	$ 1,131,382	924,330
Property, plant and equipment	Guarantees for lines of credit for short-term borrowings and short-term notes and bills payable	44,059	44,589
Other financial assets-current	Trust accounts for pre-sale house	28,051	42,991
		$ 1,203,492	1,011,910

(9) Commitments and contingencies:

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

December 31, 2024	December 31, 2023
$ 4,367,000	645,000

(b) The land purchase contracts entered into by the Company 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 real estate sale contracts entered into by the Company with the clients and the installment payments according to the contracts were detailed as follows:

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

(d) Please refer to note 7 the Company's joint investment in construction projects put out to contracts and the payment.

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(e) As of December 31, 2024, significant contracts entered into by the Company were as follows:

Type of co-development	Project name and section	Performance bond for co-development
Self-built project using land owned by the Company & joint construction and allocation of housing units	ReaLy Yongning No.1	$ 117,607
Self-built project using land owned by the Company & joint construction and allocation of housing units	Nanhai Section, Taipei	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 Company	Yongping Section, Shilin	
Joint investment	ReaLy Linghang No.1	

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

Subject matter	Contribution ratio
Yucheng Section, Nangang	The Company: 80% Kuan Yeung Arch Co., Ltd.: 20%
ReaLy Jioukang	The Company: 72.75% Kuan Yeung Arch Co., Ltd.: 27.25%
ReaLy Linghang No.1	The Company: 50% Jinghe Consturction Co., Ltd.: 50%

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(12) Other:

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

	For the year ended December 31					
By funtion	2024			2023		
By item	Operating cost	Operating Expense	Total	Operating cost	Operating Expense	Total
Employee benefits						
Salary	-	18,215	18,215	-	18,402	18,402
Labor and health insurance	-	1,311	1,311	-	1,421	1,421
Pension	-	687	687	-	710	710
Remuneration of directors	-	2,588	2,588	-	2,092	2,092
Others	-	854	854	-	871	871
Depreciation	-	950	950	-	1,583	1,583
Depletion	-	-	-	-	-	-
Amortization	-	-	-	-	-	-

For the years ended December 31, 2024 and 2023, the information on the number of employees and employee benefit expense of the Company is as follows:

	2024	2023
Number of employees	21	22
Number of directors who were not employees	5	4
The average employee benefit	$ 1,317	1,189
The average salaries and wages	$ 1,138	1,022
Percentage of average employee salary expense	11.35 %	16.93%
Remuneration to supervisors	$ -	-

The Company's remuneration policies (for directors, executive officers, and employees) are as follows:

(a) Employee remuneration, which is determined based on specialty, duties and performance, is linked to the operational objectives, in compliance with laws, and with reference to the industry norms. The remuneration includes basic salary, meal allowance, and various allowances. In addition, the Company introduces timely incentive schemes to reward its employees based on the performance of both the Company and their individual performance. The Company's Articles of Incorporation stipulate that if there is profit for the year, employee remuneration shall be appropriated and distributed according to a board resolution, to be reported to the shareholders' meeting.

(b) Managers' remuneration is determined based on business strategy, profit, participation in the operations, qualification, performance, future risks, and industry norms. The Company's Articles of Incorporation stipulate that if there is profit for the year, employee remuneration shall be appropriated. The aforementioned managers' remuneration shall be proposed by the Remuneration Committee during the Board meeting for discussion.

(c) Directors' remuneration, comprising a fixed base salary and general expenses, is determined based on participation in operation, contribution to the Company, the Company's future risks, and industry norms. In addition, if there is profit, the directors' remuneration shall be appropriated in accordance with the Company's Articles of Incorporation. The aforementioned director remuneration shall be proposed by the Remuneration Committee during the Board meeting for discussion.

(Continued)

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(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 Company 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 NT$300 million or 20% of the capital stock: None

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

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

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 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	You Zen 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)%	

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

(ix) Trading in derivative instruments:None

(b) Information on investees:

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2024			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			
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	62,572	9,165	Note
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	(3,614)	(1,315)	

Note: 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.

(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:

Please refer to the consolidated financial statements for the year ended December 31, 2024.

REALY DEVELOPMENT & CONSTRUCTION CORP.

Statement of cash and cash equivalents

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash and hand		$ 190
Check deposits		5,719
Demand deposits		79,971
		$ 85,880

Statement of accounts receivable

Item	Description	Amount	Note
Non-related parties:			
A Client	Operating	$ 163,550	
B Client	〃	43,570	
C Client	〃	38,530	
D Client	〃	34,010	
E Client	〃	33,880	
F Client	〃	12,000	
G Client	〃	9,533	
		$ 335,073	

REALY DEVELOPMENT & CONSTRUCTION CORP.

Statement of inventories

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Amount: Cost	Amount: Net realizable value	Note
Buildings and land held for sale	$ 485,006	648,534	
Construction in progress	3,014,213	4,145,439	Note 2
Building land	231,703	231,703	Note 2
Prepayment for building land	52,600	52,600	
Subtotal	3,783,522	**5,078,276**	
Less：allowance to reduce inventory to market	-		
Total	**$ 3,783,522**		

Note 1: Due to the industry characteristics of the construction company, the market price of inventories will follow up the future marketing conditions. However, on December 31, 2024, the market price of evaluation was not less than the cost price.

Note 2: The situation of pledge as collateral refer to Note 8.

Statement of other current assets

Item	Description	Amount	Note
Refundable deposits		$ 138,046	
Trust accounts for pre-sale house		28,051	
Others		15,050	Note
		$ 181,147	

Note: Each amount was less than 5% .

REALY DEVELOPMENT & CONSTRUCTION CORP.

Statement of other current assets

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Overpaid sales tax		$ 114,642	
Others		7,428	Note
		$ 122,070	

Note: Each amount was less than 5% .

Statement of current assets recognized as incremental costs to obtain contract with customers

Item	Description	Amount	Note
ReaLy Yongning No.1		$ 165,425	
ReaLy Jioukang		65,223	
ReaLy Shunguang World		35,392	
ReaLy Linghang No.1		43,860	
		$ 309,900	

REALY DEVELOPMENT & CONSTRUCTION CORP.

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

	Beginning balance		Addition		Decrease		Ending balance			Market value or net assets value			
Name of investee	Shares (in thousandth)	Amount	Shares (in thousandth)	Amount	Shares (in thousandth)	Amount	Shares (in thousandth)	Percentage of ownership	Amount	Unit price (NTD)	Total Amount	Collateral	Note
Valuation under the equity method:													
YouZen Construction Company	5,000	$ 44,412	-	9,165 (Note1)	-	25,000 (Note2)	5,000	100.00 %	28,577	29.9	149,441	None	
Eastunion Development & Construction Company	16,560	207,984	-	-	-	1,315 (Note 3)	16,560	36.36 %	206,669	12.5	206,669	None	
		$ 252,396		9,165		26,315			235,246		356,110		

Note 1: The investment gain was recognized amounts of $9,165 for using equity method.

Note 2: The subsidiary distributed cash dividends amounting to $25,000.

Note 3: The investment loss was recognized amounts of $1,315 for using equity method.

REALY DEVELOPMENT & CONSTRUCTION CORP.

Statement of guarantee deposits paid

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Performance bond		$ 24,500	
Others		45	Note
		$ 24,545	

Note: Each amount was less than 5%.

Statement of short-term borrowings

Type	Guarantee or acceptance institute	Ending balance	Term of contract	Range of interestrate	Line of credit (Note 1)	Collateral	Note
Unsecured loan	The Shanghai Commercial & Savings Bank, Wenshan Branch	$ 50,000	2024.06.12~2025.06.29	2.19%	50,000	None	
〃	First Bank, Xingya Branch	100,000	2024.06.19~2025.08.21	1.78%	100,000	〃	
〃	Chang Hwa Commercial Bank, Xisang Branch	30,000	2024.08.02~2025.07.31	2.17%	30,000	〃	
Secured loan	The Shanghai Commercial & Savings Bank, Wenshan Branch	95,000	2024.06.12~2025.06.29	2.09%	95,000	Yes	
		$ 275,000			275,000		

Note 1: The Company has additional unused credit lines of $30,000.

ReaLy Development & Construction Corp.

Statement of long-term borrowings

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Type	Guarantee or acceptance institute	Ending balance	Term of contract	Range of interestrate	Line of credit (Note 1)	Collateral	Note
Land financing	E. SUN Bank	$ 270,000	2020.02.11~2026.02.11	2.10%	270,000	Note 2	
〃	〃	110,000	2020.02.11~2026.02.11	2.10%	110,000	Note 2	
〃	〃	45,000	2023.05.10~2028.05.10	2.52%	45,000	Note 2	
〃	〃	45,000	2023.08.10~2028.08.10	2.52%	45,000	Note 2	
〃	〃	95,160	2024.04.26~2029.09.04	2.38%	164,000	Note 2	
〃	Yuanta Bank	46,000	2022.04.25~2025.04.25	2.12%	46,000	Note 2	
Construction financing	E. SUN Bank	81,000	2023.05.22~2026.05.22	2.32%	550,000	Note 2	Note 3
〃	〃	272,000	2023.05.22~2026.05.22	2.42%	-	Note 2	Note 3
〃	〃	65,000	2023.03.24~2028.03.24	2.35%	910,000	Note 2	Note 4
〃	〃	402,000	2023.03.24~2028.03.24	2.45%	-	Note 2	Note 4
〃	〃	129,400	2023.06.20~2028.06.20	2.57%	1,250,000	Note 2	
〃	〃	141,700	2023.06.20~2028.06.20	2.57%	600,000	Note 2	
〃	Yuanta Bank	39,000	2022.04.25~2025.04.25	2.12%	224,000	Note 2	
		$ 1,741,260			4,214,000		

Note 1: The Company has additional unused credit lines of $228,000.

Note 2: The situation of pledge as collateral refer to note 8.

Note 3: The two loans share the line of credit.

Note 4: The two loans share the line of credit.

Statement of notes payable

Item	Description	Amount	Note
Non-related parties:			
H Company	Operating	$ 25	

ReaLy Development & Construction Corp.

Statement of accounts payable

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Non-related parties:			
I Company	Operating	$ 1,390	
J Company	〃	617	
Others		6,902	Note
		$ 8,909	

Note: Each amount was less than 5%.

Statement of other payables

Item	Description	Amount	Note
Bonus payable		$ 4,744	
Service fees payable		3,160	
Interest payable		1,365	
Salary payable		1,095	
Others		11,204	Note
		$ 21,568	

Note: Each amount was less than 5%.

REALY DEVELOPMENT & CONSTRUCTION CORP.

Statement of other current liabilities

December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Receipts under custody		$ 19,746	
Others		834	Note
		$ 20,580	

Note: Each amount was less than 5%.

Statement of operating revenue

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Sales of land	ReaLy Shunguang World	$ 222,316	
	ReaLy Xianji	15,916	
	Jilin Section, Zhongshan	15,736	
	ReaLy East Residence A	5,473	
	Subtotal	259,441	
Sales of buildings	ReaLy Shunguang World	183,242	
	ReaLy Xianji	10,556	
	Jilin Section, Zhongshan	251	
	ReaLy East Residence A	4,261	
	Subtotal	198,310	
Rental income		800	
		$ 458,551	

REALY DEVELOPMENT & CONSTRUCTION CORP.

Statement of operating costs

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Beginning construction in progress	$ 2,453,885
Add: Input costs for the current period	1,344,444
Reclassification	(784,116)
Ending construction in progress	**$ 3,014,213**
Beginning buildings and land held for sale	$ 28,340
Add: Reclassification	791,514
Other costs	5,392
Less: Ending buildings and land held for sale	(485,006)
Total	**$ 340,240**

Statement of selling expenses

Item	Description	Amount	Note
Selling expenses		$ 22,700	
Salary and wage expenses		4,661	
Others		960	Note
		$ 28,321	

Note: Each amount was less than 5%.

REALY DEVELOPMENT & CONSTRUCTION CORP.

Statement of administrative expenses

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salary and wages expenses		$ 12,665	
Miscellaneous expenses		3,454	
Service fees		2,690	
Others		12,989	Note
		$ 31,798	

Note: Each amount was less than 5%.

Other accounts receivable-related parites was disclosed in Note 7

Statement of changes in property, plant and equipment was disclosed in Note 6(e)

Statement of change in accumulated depreciation of property, plant and equipment was disclosed in Note 6(e)

Statement of change in investment property was disclosed in Note 6(f)

Statement of deferred tax assets was disclosed in Note 6(k)

Statement of short-term notes and bills payable was disclosed in Note 6(i)

Statement of current contract liabilities was disclosed in Note 6(n)

Statement of notes payable to related parties , accounts payable to related parties, other payables to related parties, and guarantee deposits received were disclosed in Note 7

Statement of interest income was disclosed in Note 6(p)

Statement of other income was disclosed in Note 6(p)

Statement of other gains and losses was disclosed in Note 6(p)

Statement of finance cost was disclosed in Note 6(p)