Stock Code:2596

REALY DEVELOPMENT & CONSTRUCTION CORP.

Parent Company Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024

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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, 2025 and 2024, 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, 2025 and 2024, 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. Appropriateness of the period of real estate 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 from contracts with customers.

   Description of key audit matter:

   ReaLy Development & Construction Corp. is in the real estate development and construction industry. Real estate revenue is recognized when ownership of the real estate has been transferred, and the real estate has been handover to the customer. The management has estublished relevant control prosedures of real estate revenue recognition to ensure the accuracy of the period of real estate revenue recognition. Accordingly, we have determined the appropriateness of the period of real estate revenue recognition to be our key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures to the above key audit matter included the followings:

- Assessing the consistency of management's policies and procedures for real estate revenue recognition across the reporting periods.
- Testing the effectiveness of controls on real estate revenue, including sampling and reviewing the real estate contracts and ownership transfer documents.
- Performing cut-off testing for real estate revenue transactions around the reporting date to ensure the accuracy of the period of real estate revenue recognition.

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 11, 2026

Notes to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and 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 independent 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 Originally Issued in Chinese)

REALY DEVELOPMENT & CONSTRUCTION CORP.

Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 40,098	1	85,880	2
1172	Notes and accounts receivables (note 6(b))	515,050	9	335,073	6
1210	Other receivables from related parties (note 7)	39	-	12	-
1220	Current tax assets	64	-	208	-
1320	Inventories (notes 6(c), 7, 8 and 9)	3,558,739	65	3,783,522	73
1476	Other current financial assets (notes 6(c), 7 and 8)	243,072	4	181,147	4
1479	Other current assets	97,425	2	122,070	2
1480	Current assets recognized as incremental costs to obtain contract with customers (notes 6(g) and 7)	298,136	5	309,900	6
	Total current assets	4,752,623	86	4,817,812	93
	Non-current assets:				
1551	Investments accounted for using equity method (note 6(d))	208,096	4	235,246	5
1600	Property, plant and equipment (notes 6(e) and 8)	44,802	1	45,442	1
1760	Investment property, net (notes 6(f) and 8)	439,257	8	11,564	-
1840	Deferred tax assets (note 6(k))	-	-	19,864	-
1920	Guarantee deposits paid (notes 6(c) and 7)	38,849	1	24,545	1
	Total non-current assets	731,004	14	336,661	7
	Total assets	**$ 5,483,627**	**100**	**5,154,473**	**100**

	Liabilities and Equity	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current liabilities:				
2100	Short-term borrowings (notes 6(h), 7 and 8)	$ 285,000	5	275,000	5
2110	Short-term notes and bills payable (notes 6(i), 7 and 8)	-	-	49,643	1
2130	Current contract liabilities (notes 6(c) and (n))	1,034,083	19	655,770	13
2150	Notes payable	25	-	25	-
2161	Notes payable to related parties (note 7)	-	-	109,499	2
2170	Accounts payable	4,928	-	8,910	-
2181	Accounts payable to related parties (note 7)	167,148	3	192,012	4
2200	Other payables (note 6(o))	23,033	-	21,568	1
2220	Other payables to related parties (note 7)	33,693	1	60,243	1
2230	Current tax liabilities	22,161	-	-	-
2322	Long-term borrowings, current portion (notes 6(h), 7 and 8)	1,491,960	27	1,741,260	34
2399	Other current liabilities	315,741	6	20,580	-
	Total current liabilities	3,377,772	61	3,134,510	61
	Non-Current liabilities:				
2645	Guarantee deposits received (note 7)	100	-	100	-
	Total non-current liabilities	100	-	100	-
	Total liabilities	3,377,872	61	3,134,610	61
	Equity (note 6(l)):				
3110	Ordinary shares	1,000,000	18	1,000,000	19
3200	Capital surplus	189,208	4	189,208	4
3300	Retained earnings	916,547	17	830,655	16
	Total equity	2,105,755	39	2,019,863	39
	Total liabilities and equity	**$ 5,483,627**	**100**	**5,154,473**	**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, 2025 and 2024

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

		2025		2024	
		Amount	%	Amount	%
4000	**Operating revenue (notes 6(n) and 7)**	$ 942,747	100	458,551	100
5000	**Operating costs (note 7)**	659,866	70	340,240	74
5900	**Gross profit from operations**	282,881	30	118,311	26
6000	**Operating expenses (notes 6(e), (g), (j), (o), 7 and 12):**				
6100	Selling expenses	52,542	6	28,321	6
6200	Administrative expenses	37,308	4	31,798	7
	Total operating expenses	89,850	10	60,119	13
6900	**Net operating income**	193,031	20	58,192	13
7000	**Non-operating income and expenses (notes 6(c), (p) and 7):**				
7100	Interest income	2,512	-	855	-
7010	Other income	12,378	1	17,106	4
7020	Other gains and losses	(106)	-	(16)	-
7050	Finance costs	(2,510)	-	(855)	-
7375	Share of profit of subsidiaries accounted for using equity method	22,850	3	7,850	1
	Total non-operating income and expenses	35,124	4	24,940	5
7900	**Profit before tax**	228,155	24	83,132	18
7951	**Income tax expenses (note 6(k))**	42,263	4	16,164	3
	Profit	185,892	20	66,968	15
8300	**Other comprehensive income**	-	-	-	-
	Total comprehensive income	**$ 185,892**	**20**	**66,968**	**15**
	Basic earnings per share (NTD) (note 6(m))				
9750	**Basic earnings per share**	**$**	**1.86**		**0.67**
9850	**Diluted earnings per share**	**$**	**1.86**		**0.67**

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, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Ordinary shares	Capital surplus	Retained earnings			Total equity
			Legal reserve	Unappropriated retained earnings	Total retained earnings	
Balance at January 1, 2024	$ 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
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	6,697	(6,697)	-	-
Cash dividends	-	-	-	(100,000)	(100,000)	(100,000)
Total comprehensive income	-	-	-	185,892	185,892	185,892
Balance at December 31, 2025	**$ 1,000,000**	**189,208**	**311,161**	**605,386**	**916,547**	**2,105,755**

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, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	$ 228,155	83,132
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	640	950
Interest expense	2,510	855
Interest income	(2,512)	(855)
Share of profit of subsidiaries accounted for using equity method	(22,850)	(7,850)
Total adjustments to reconcile profit (loss)	(22,212)	(6,900)
Changes in operating assets and liabilities:		
Increase in notes and accounts receivable	(179,977)	(290,063)
Increase in other receivables from related parties	(27)	(3)
Increase in inventories	(164,428)	(1,067,389)
Decrease (increase) in other current assets	24,645	(60,233)
(Increase) decrease in other current financial assets	(137,831)	5,240
Decrease (increase) in guarantee deposits paid	61,602	(10,293)
Decrease (increase) in assets recognised as incremental costs to obtain contract with customers	11,764	(115,749)
Total changes in operating assets	(384,252)	(1,538,490)
Changes in operating liabilities:		
Increase in contract liabilities	378,313	214,580
Decrease in notes payable	-	(210)
(Decrease) increase in notes payable to related parties	(109,499)	64,365
(Decrease) increase in accounts payable	(3,982)	2,447
Increase (decrease) in accounts payable to related parties	(24,864)	145,345
Increase in other payables	1,610	1,404
Decrease in other payables to related parties	(26,550)	(26,843)
Increase in other current liabilities	295,161	17,296
Total changes in operating liabilities	510,189	418,384
Total changes in operating assets and liabilities	125,937	(1,120,106)
Total adjustments	103,725	(1,127,006)
Cash inflow (outflow) generated from operations	331,880	(1,043,874)
Interest received	2,512	855
Dividends received	50,000	25,000
Interest paid	(40,780)	(31,967)
Income taxes paid	(94)	(1,099)
Net cash from (used in) operating activities	343,518	(1,051,085)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	325,000	400,000
Decrease in short-term borrowings	(315,000)	(255,000)
Increase in short-term notes and bills payable	-	100,000
Decrease in short-term notes and bills payable	(50,000)	(50,000)
Increase in from long-term borrowings	188,700	1,019,260
Repayments of long-term borrowings	(438,000)	(134,400)
Cash dividends paid	(100,000)	(100,000)
Net cash flows (used in) from financing activities	(389,300)	979,860
Net decrease in cash and cash equivalents	(45,782)	(71,225)
Cash and cash equivalents at beginning of period	85,880	157,105
Cash and cash equivalents at end of period	**$ 40,098**	**85,880**

See accompanying notes to parent company only financial statements.

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

REALY DEVELOPMENT & CONSTRUCTION CORP.

Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(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 11, 2026.

(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, 2025:

- Amendments to IAS21 "Lack of Exchangeability"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

(b) The impact of IFRS Accounting Standards endorsed 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, 2026, would not have a significant impact on its financial statements:

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(Continued)

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(c) The impact of IFRS Accounting Standards 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 note:On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

(Continued)

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

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 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(4) Summary of material accounting policies:

The material accounting policies presented in the parent company only financial statements are summarized below. 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.

(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

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(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 notes and accounts 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 amortized cost. 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.

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REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

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 and impairment losses 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 accounts receivables, othr financial assets and guarantee deposit paid).

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 notes and accounts receivables 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.

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.

(Continued)

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.

(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.

(Continued)

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

3) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the 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.

(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.

(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.

(Continued)

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 recognition

(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.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

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.

(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.

REALY DEVELOPMENT & CONSTRUCTION CORP.

Notes to the Financial Statements

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 do not have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year, and economic uncertainties have not had a significant impact.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash and hand	$ 190	190
Demand and check deposits	39,908	85,690
Cash and cash equivalents of cash flow	**$ 40,098**	**85,880**

(b) Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable	$ 2,000	-
Accounts receivable	513,050	335,073
	$ 515,050	**335,073**

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all notes and accounts receivable. To measure the expected credit losses, notes and accounts 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, 2025		
	Gross carrying amount	Weighted-average loss rate	Loss allowance Provision
Current	**$ 515,050**	-	-

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

In 2025 and 2024, there was no recognition and reversal of expected credit losses.

As of December 31, 2025 and 2024, the notes and accounts receivable were not pledged as collateral.

(Continued)

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(c) Inventories

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

	December 31, 2025	December 31, 2024
Buildings and land held for sale	$ 936,298	485,006
Construction in progress	2,338,155	3,014,213
Building land	231,686	231,703
Prepayment for building land	52,600	52,600
	$ 3,558,739	3,783,522

There were no losses on inventories reclassified from write-down of inventories to net realizable value in 2025 and 2024, and no loss allowance for inventory write-down as of December 31, 2025 and 2024.

(ii) Buildings and land held for sale

	December 31, 2025			
	Land held for sale	Buildings held for sale	Total	Advance for real estate receipts
ReaLy Linghang No.1	$ 262,621	673,677	936,298	245,715

	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	107,312

(iii) Construction in progress

	December 31, 2025			
Project name	Construction in progress–land	Construction in progress-building	Total	Advance for real estate receipts
ReaLy Yongning No.1	$ 212,659	1,358,576	1,571,235	675,528
ReaLy Jiukang	264,504	400,799	665,303	107,048
Others	-	101,617	101,617	-
	$ 477,163	1,860,992	2,338,155	782,576

	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	346,144
ReaLy Jiukang	264,504	186,997	451,501	107,048
Others	-	40,230	40,230	-
	$ 938,124	2,076,089	3,014,213	548,458

(Continued)

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(iv) Building land

	December 31, 2025	December 31, 2024
Yongping Section, Shilin	$ 207,035	207,052
Others	24,651	24,651
	$ 231,686	**231,703**

(v) Prepayment for building land

	December 31, 2025	December 31, 2024
Yucheng Section, Nangang	**$ 52,600**	**52,600**

(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, 2025	December 31, 2024
Current:		
ReaLy Yongning No.1	$ 58,804	117,607
ReaLy Shunguang World	-	16,906
ReaLy Jiukang	2,096	2,096
	$ 60,900	**136,609**
Non-current:		
Xin Feng Section, Xizhi	$ 29,605	15,301
Yucheng Section, Nangang	8,437	8,437
Nanhai Section, Taipei	762	762
	$ 38,804	**24,500**

(vii) Capitalization of interest was as follows:

	2025	2024
Capitalized amount	$ 38,482	31,518
Average interest rate of capitalization	2.30%~2.34%	2.08%~2.33%

(viii) Collateral

The inventories of the Company had been pledged as collateral, please refer to note 8.

REALY DEVELOPMENT & CONSTRUCTION CORP.
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(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, 2025	December 31, 2024
Transaction price	$ 176,553	28,051

(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, 2025	December 31, 2024
Subsidiaries	$ 208,096	235,246

Please refer to the consolidated financial statements for the year ended December 31, 2025.

(e) Property, plant and equipment

	Land	Buildings and structures	Transportation equipment	Other equipment	Total
Cost:					
December 31, 2025 (i.e., opening balance)	$ 26,157	37,201	5,590	671	69,619
December 31, 2024 (i.e., opening balance)	$ 26,157	37,201	5,590	671	69,619
Accumulated depreciation:					
January 1, 2025	$ -	17,916	5,590	671	24,177
Depreciation	-	640	-	-	640
December 31, 2025	$ -	18,556	5,590	671	24,817
January 1, 2024	$ -	17,276	5,280	671	23,227
Depreciation	-	640	310	-	950
December 31, 2024	$ -	17,916	5,590	671	24,177
Carrying amounts:					
December 31, 2025	$ 26,157	18,645	-	-	44,802
December 31, 2024	$ 26,157	19,285	-	-	45,442
January 1, 2024	$ 26,157	19,925	310	-	46,392

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

REALY DEVELOPMENT & CONSTRUCTION CORP.
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(f) Investment property

	Owned property		
	Land	**Buildings and structures**	**Total**
Cost:			
January 1, 2025	$ 11,564	-	11,564
Reclassificantion (Note)	145,695	281,998	427,693
December 31, 2025	$ **157,259**	**281,998**	**439,257**
December 31, 2024 (i.e., opening balance)	$ **11,564**	**-**	**11,564**
Accumulated depreciation:			
December 31, 2025 (i.e., opening balance)	$ **-**	**-**	**-**
December 31, 2024 (i.e., opening balance)	$ **-**	**-**	**-**
Carrying amounts:			
December 31, 2025	$ **157,259**	**281,998**	**439,257**
December 31, 2024	$ **11,564**	**-**	**11,564**
January 1, 2024	$ **11,564**	**-**	**11,564**
Fair value:			
December 31, 2025			$ **626,978**
December 31, 2024			$ **15,806**
January 1, 2024			$ **15,635**

Note: Reclassification from inventories.

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.

The investment property of the Company had been pledged as collateral, please refer to note 8.

(g) Current assets recognized as incremental costs to obtain contract with customers

	December 31, 2025	**December 31, 2024**
Current assets recognized as incremental costs to obtain contract with customers	$ **298,136**	**309,900**

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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, 2025 and 2024, the Company recognized the selling expenses amounting to $42,386 and $21,672, respectively.

(h) Short-term and long-term borrowings

	December 31, 2025		
	Range of interest rate	**Maturity year**	**Amount**
Short-term credit borrowings	1.86%~2.29%	2025~2026	$ 190,000
Short-term secured borrowings	2.19%	2025~2026	95,000
Long-term secured borrowings (classified as current)	2.10%~2.57%	2026~2029	1,491,960
Total			**$ 1,776,960**
Unused credit lines			**$ 3,431,040**

	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**

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

(i) Short-term notes and bills payable

	December 31, 2024		
	Guarantee or acceptance institute	**Range of interest rate**	**Amount**
Commercial paper payable	Financial institution	3.14%	$ 50,000
Less: discount			(357)
Total			**$ 49,643**
Unused credit lines			**$ -**

As of December 31, 2025, there were no such transactions.

REALY DEVELOPMENT & CONSTRUCTION CORP.

Notes to the Financial Statements

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

(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, 2025 and 2024 amounted to $684 and $687, respectively.

(k) Imcome tax

(i) Income tax expenses

The components of income tax expenses for 2025 and 2024 were as follows:

	2025	**2024**
Current tax expense		
Current period	$ 22,399	1,035
Deferred tax expense		
Changes in unrecognized deductible temporary differences	19,864	15,129
Income tax expense	**$ 42,263**	**16,164**

In 2025 and 2024, there were no income tax directly recognized in equity and other comprehensive income.

The reconciliations of tax expense and profit before tax for the years ended December 31, 2025 and 2024 were as follows:

	2025	**2024**
Profit before tax	**$ 228,155**	**83,132**
Income tax expense at domestic statutory tax rate	$ 45,631	16,626
Adjustments pursuant to tax laws	(4,687)	(1,530)
Tax-exempt income	417	14
Land value increment tax	916	1,035
Chang in unrecognized temporary differences	(14)	19
Total	**$ 42,263**	**16,164**

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(ii) Deferred tax asset and liability

1) Deferred tax asset and recognized

Changes in the amount of deferred tax assets for 2025 and 2024 were as follows:

Deferred tax assets:

	Loss carryforwards
January 1, 2025	$ 19,864
Recognized in profit or loss	(19,864)
December 31, 2025	**$ -**
January 1, 2024	$ 34,993
Recognized in profit or loss	(15,129)
December 31, 2024	**$ 19,864**

2) Deferred tax liability unrecognized

As of December 31, 2025 and 2024, there was no material deferred tax liability that has not been recognized.

(iii) The Company's income tax returns for all years though 2023 had been assessed by the tax authorities.

(l) Capital and other equity

(i) Ordinary shares

As of December 31, 2025 and 2024, the total value of authorized ordinary shares was $1,500,000, 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, 2025 and 2024 were as follows:

	December 31, 2025	December 31, 2024
Additional paid-in capital	$ 185,283	185,283
Expired employee stock warrants	28	28
Changes in ownership interests in subsidiaries	3,897	3,897
	$ 189,208	**189,208**

REALY DEVELOPMENT & CONSTRUCTION CORP.
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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.

2) Earnings distribution

Earnings distribution for 2024 and 2023, was decided by the resolution adopted, at the general meeting of shareholders held on June 25, 2025 and June 26, 2024, respectively. The relevant dividend distributions to shareholders were as follows:

	2024	2023
Appropriation legal surplus reserve	$ 6,697	8,232
Dividends distributed to ordinary shareholders:		
Cash	$ 100,000	100,000

(Continued)

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(m) Earnings per share

(i) Basic earnings per share

		2025	2024
Profit attributable to ordinary shareholders of the Company	$	**185,892**	**66,968**
Weighted-average number of ordinary shares (thousand share)		**100,000**	**100,000**
Basic earnings per share (NTD)	$	**1.86**	**0.67**

(ii) Diluted earnings per share

		2025	2024
Profit attributable to ordinary shareholders of the Company (diluted)	$	**185,892**	**66,968**
Weighted-average number of ordinary shares (basic) (thousand share)		100,000	100,000
Effect on dilutive potential ordinary shares (thousand share)		67	23
Weighted-average number of ordinary shares (diluted) (thousand share)		**100,067**	**100,023**
Diluted earnings per share (NTD)	$	**1.86**	**0.67**

(n) Revenue from contracts with customers

(i) Disaggregation of revenue

		2025	2024
Primary geographical markets:			
Taiwan	$	**942,747**	**458,551**
Major products/services lines:			
Sales of real estate	$	942,141	457,751
Rental income		606	800
	$	**942,747**	**458,551**
Timing of revenue recognition:			
Products and services transferred at a point in time	$	942,141	457,751
Revenue transferred over time		606	800
	$	**942,747**	**458,551**

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(ii) Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Contract liabilities–sales of real estate receipts	$ 1,028,291	655,770	441,190
Contract liabilities–advance receipts	5,792	-	-
	$ 1,034,083	**655,770**	**441,190**

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

As of January 1, 2025 and 2024, the beginning balance of contract liabilities that were accounted for as 2025 and 2024, revenue amounts to $125,384 and $81,011, 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 2025 and 2024.

(o) Employee compensation and directors' remuneration

On June 25, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, 1% shall be allocated as employee remuneration (including a minimum of 10% to those base-level employees) and a maximum of 2% as remunerations for directors. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, may include employees of the subsidiaries who meet certain specific requirements. The recipients of the aforementioned employee remuneration, whether in the form of shares or cash, could include employees of the subsidiaries who met certain specific requirements.

The Company estimated its employee' compensation and directors' remuneration as follows:

	2025	2024
Employee compensation	$ 2,448	848
Director's remuneration	2,448	848
	$ 4,896	**1,696**

The abovementioned remuneration were calculated by using the Company's pretax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees' and directors' based on the Company's articles of incorporation, and expensed under operating expenses. If there would be any changes after the reporting date, the changes shall be accounted for as changes in accounting estimates and recognized as profit or loss in the following year.

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

There was no difference between the actual distributed amounts as determined by the Board of Directors and those recognized in the Company's financial statements of the years ended December 31, 2024 and 2023. The related information can be found on Market Observation Post System website.

(p) Non-operating income and expnese

(i) Interest income

		2025	2024
Bank deposit	$	**2,512**	**855**

(ii) Other income

		2025	2024
Project management fee	$	7,780	12,621
Management service revenue		2,700	2,700
Others		1,898	1,785
	$	**12,378**	**17,106**

(iii) Other gains and losses

		2025	2024
Others	$	**(106)**	**(16)**

(iv) Finance costs

		2025	2024
Interest expense	$	**(2,510)**	**(855)**

(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

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.

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

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.

(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 flow	within 1 year	1~2 years	2~5 years	Over 5 years
December 31, 2025					
Non-derivative financial liabilities					
Short-term borrowings	$ 288,026	288,026	-	-	-
Long-term borrowings maturing within the period of operating cycle	1,571,741	408,538	426,077	737,126	-
Notes and accounts payable (including related parties)	172,101	172,101	-	-	-
Other payables (including related parties)	56,726	56,726	-	-	-
Guarantee deposits received	100	100	-	-	-
	$ 2,088,694	**925,491**	**426,077**	**737,126**	**-**
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**	**-**

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 or decreased by 1% basis points, with another variable factors remaining constant, the Company's profit before tax would have decreased or increased by $17,770 and $20,163 for the year ended December 31, 2025 and 2024, respectively. This is mainly due to the Company's borrowing at variable rates.

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

The carrying amounts and fair values of the 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.

(Continued)

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.

(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, 2025 and 2024, the Company had unused credit lines (including long-term and short-term borrowings, and short-term notes and bills payable) of $3,431,040 and $2,730,740, 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.

(Continued)

In 2025, the Company's capital management strategy is consistent with the prior year of 2024. The Company's debt-to-equity ratios were as follows:

	December 31, 2025	December 31, 2024
Total liabilities	$ 3,377,872	3,134,610
Less: cash and cash equivalents	(40,098)	(85,880)
Net debt	**$ 3,337,774**	**3,048,730**
Total Equity	**$ 2,105,755**	**2,019,863**
Debt-to-equity ratio	**158.51** %	**150.94** %

The increase in the debt-to-equity ratio was mainly attributable to the progress of construction projects during 2025, leading to an increase in prepayments for real estate and advances from customers.

(t) Investing and financing activities not affecting cash flow

During 2025 and 2024, 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
YaoJen Construction Co., Ltd. (YaoJen Construction Company)	Subsidiary
Eastunion Development & Construction Co., Ltd. (Eastunion Development & Construction Company)	Subsidiary
Teng-Cheng Hsu	Chairman and general manager of the Company (Chairman of Reyea Realty Investment & Advisor Corp. (Reyea Realty 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

(Continued)

REALY DEVELOPMENT & CONSTRUCTION CORP.
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(b) Significant transactions with related parties

(i) Construction and repair works

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

	2025			
Project name	**Contract amount**	**Progress payment for the period**	**Accumulated progress payment**	**Uncharged amount**
ReaLy Linghang No.1	$ 1,004,013	180,336	1,004,013	-
ReaLy Yongning No.1	2,076,156	367,101	1,246,698	829,459
ReaLy Jiukang	364,647	202,573	331,315	33,332
	$ 3,444,816	**750,010**	**2,582,026**	**862,791**

	2024			
Project name	**Contract amount**	**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**

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, 2025	**December 31, 2024**
Notes payable	**$ -**	**98,850**
Accounts payable	**$ 162,763**	**189,079**

(ii) Construction expenses

The Company commissioned Guo-Hao Shen Architects to carry out architectural design in 2025 and 2024, and the consideration amounted to $15,705 and $2,933, respectively. The outstanding balance at the end of the period was as follows:

	December 31, 2025	**December 31, 2024**
Account payable	**$ 4,385**	**2,933**

(Continued)

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(iii) Sales commissions

In 2025 and 2024, the Company commissioned Dehua Marketing Co., Ltd. to sell the Company's products, and the commissions incurred amounted to $33,944 and $136,956, respectively. The outstanding balances at the end of the periods were as follows:

	December 31, 2025	December 31, 2024
Notes payable	$ -	10,649
Other payable	$ 31,036	57,586

(iv) Rental income

The Company entered into office lease contracts with YaoJen 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 2025. In 2025 and 2024, the Company's rental incomes from Eastunion Development & Construction Company, Reyea Realty YaoJen Company and Grand Sights Company were $12; In 2025 and 2024, rental incomes from YaoJen Construction Company were $571, and all of the related payments were received. As of December 31, 2025 and 2024, guarantee deposits received for office leases from YaoJen Construction Company amounted to $100.

(v) Management service revenue

In 2025 and 2024, 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, 2025	December 31, 2024
Other payable	$ 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, 2025	December 31, 2024
Guarantee deposits paid	$ 9,300	18,601

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

2) In 2025 and 2024, the Company incurred expenses on behalf of YaoJen Construction Company, resulting in the other receivables from related parties of $39 and $12, respectively.

(viii) Guarantees

As of December 31, 2025 and 2024, 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 $5,178,000 and $4,767,000, respectively.

(c) Key management personnel compensation

	2025	2024
Short-term employee benefits	$ 9,068	7,340

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2025	December 31, 2024
Inventories	Guarantees for lines of credit for long-term and short-term borrowings	$ 933,024	1,131,382
Property, plant and equipment	Guarantees for lines of credit for short-term borrowings and short-term notes and bills payable	43,528	44,059
Investment property	Guarantees for lines of credit for long-term and short-term borrowings	145,695	-
Other current financial assets	Trust accounts for pre-sale house	176,553	28,051
		$ 1,298,800	1,203,492

(9) Commitments and contingencies:

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

December 31, 2025	December 31, 2024
$ 4,863,000	4,367,000

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

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

	December 31, 2025	December 31, 2024
Total value of purchase contract	$ 213,670	213,670
Amount paid	$ 52,600	52,600

(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, 2025	December 31, 2024
Total value of signed sale contracts	$ 5,957,818	6,073,873
Amount received	$ 1,028,291	655,770

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

(e) As of December 31, 2025, 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	$ 58,804
Self-built project using land owned by the Company & joint construction and allocation of housing units	Nanhai Section, Taipei	8,437
Joint investment & joint construction and allocation of housing units	Yucheng Section, Nangang	762
Joint investment & joint construction and allocation of housing units	ReaLy Jiukang	2,096
Joint construction and allocation of housing units	Xin Feng Section, Xizhi	29,605
		$ 99,704
Self-built on land owned by the Company	Yongping Section, Shilin	
Joint investment	ReaLy Linghang No.1	

(Continued)

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(f) As of December 31, 2025, 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

(12) Other:

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

	For the year ended December 31					
By funtion	2025			2024		
By item	Operating cost	Operating Expense	Total	Operating cost	Operating Expense	Total
Employee benefits						
Salary	-	19,248	19,248	-	18,215	18,215
Labor and health insurance	-	1,299	1,299	-	1,311	1,311
Pension	-	684	684	-	687	687
Remuneration of directors	-	4,248	4,248	-	2,588	2,588
Others	-	1,086	1,086	-	854	854
Depreciation	-	640	640	-	950	950
Depletion	-	-	-	-	-	-
Amortization	-	-	-	-	-	-

For the year ended December 31, 2025 and 2024, the information on the number of employees and employee benefit expense of the Company is as follows:

	2025	2024
Number of employees	21	21
Number of directors who were not employees	5	5
The average employee benefit	$ 1,395	1,317
The average salaries and wages	$ 1,203	1,138
Percentage of average employee salary expense	5.71 %	11.35%
Remuneration to supervisors	$ -	-

(Continued)

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

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.

(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 2025:

(i) Loans to other parties: None

(ii) Guarantees and endorsements for other parties: None

(iii) Securities held as of December 31, 2025 (excluding investment in subsidiaries, associates and joint ventures): None

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

			Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		
Name of company	Related party	Nature of relationship	Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Payment terms	Percentage of total notes/accounts receivable (payable)	Note
The Company	YaoJen Construction Co., Ltd.	Subsidiary	Purchase	750,010	86.69 %	45 days	there is no significant difference with general customers	there is no significant difference with general customers	(162,763)	(94.57)%	

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

REALY DEVELOPMENT & CONSTRUCTION CORP.
Notes to the Financial Statements

(b) Information on investees:

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
REALY DEVELOPMENT & CONSTRUCTION CORP.	YaoJen Construction Co., Ltd.	No. 69, Section 5, Civic Blvd., Taipei City	Civil and architecture engineering	90,000	90,000	5,000	100.00 %	3,494	39,368	24,917	Note
REALY DEVELOPMENT & CONSTRUCTION CORP.	Eastunion Development & Construction Co., Ltd.	No. 69, Section 5, Civic Blvd., Taipei City	Development of residential houses, buildings, and industrial plants	120,000	120,000	16,560	36.36 %	204,602	(5,683)	(2,067)	

Note: The amounts are gains of $39,368 on equity-accounted investments plus (less) the balance of unrealized gains arising from upstream transactions of $120,864 at the beginning of the period and $(135,315) at the end of the period, respectively.

(c) Information on investment in mainland China: None

(14) Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2025.

REALY DEVELOPMENT & CONSTRUCTION CORP.

Statement of cash and cash equivalents

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash and hand		$ 190
Check deposits		12,175
Demand deposits		27,733
		$ 40,098

Statement of notes receivable

Item	Description	Amount	Note
Non-related parties:			
A Client	Operating	**$ 2,000**	

ReaLy Development & Construction Corp.

Statement of accounts receivable

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Non-related parties:			
B Client	Operating	$ 142,220	
C Client	〃	78,010	
D Client	〃	53,710	
E Client	〃	52,790	
F Client	〃	47,540	
G Client	〃	33,380	
H Client	〃	31,840	
I Client	〃	27,530	
J Client	〃	23,610	
K Client	〃	22,420	
		$ 513,050	

REALY DEVELOPMENT & CONSTRUCTION CORP.

Statement of inventories

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Amount: Cost	Amount: Net realizable value	Note
Buildings and land held for sale	$ 936,298	2,333,285	
Construction in progress	2,338,155	3,347,673	Note 2
Building land	231,686	231,686	Note 2
Prepayment for building land	52,600	52,600	
Subtotal	3,558,739	**5,965,244**	
Less：allowance to reduce inventory to market	-		
Total	**$ 3,558,739**		

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, 2025, 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 financial assets-current

Item	Description	Amount	Note
Trust accounts for pre-sale house		$ 176,553	
Refundable deposits		62,140	
Others		4,379	Note
		$ 243,072	

Note: Each amount was less than 5% .

REALY DEVELOPMENT & CONSTRUCTION CORP.

Statement of other current assets

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Overpaid sales tax		$ 95,466	
Others		1,959	Note
		$ 97,425	

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		$ 178,900	
ReaLy Jioukang		65,223	
ReaLy Linghang No.1		54,013	
		$ 298,136	

REALY DEVELOPMENT & CONSTRUCTION CORP.

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars and shares)

	Beginning balance		Addition		Decrease		Ending balance			Market value or net assets value			
Name of investee	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of ownership	Amount	Unit price (NTD)	Total Amount	Collateral	Note
Valuation under the equity method:													
YaoJen Construction Company	5,000	$ 28,577	-	24,917 (Note1)	-	50,000 (Note2)	5,000	100.00 %	3,494	27.8	138,809	None	
Eastunion Development & Construction Company	16,560	206,669	-	-	-	2,067 (Note 3)	16,560	36.36 %	204,602	12.4	204,602	None	
		$ 235,246		24,917		52,067			208,096		343,411		

Note 1: The investment gain was recognized amounts of $24,917 for using equity method.

Note 2: The subsidiary distributed cash dividends amounting to $50,000.

Note 3: The investment loss was recognized amounts of $2,067 for using equity method.

REALY DEVELOPMENT & CONSTRUCTION CORP.

Statement of guarantee deposits paid

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Performance bond		$ 38,804	
Others		45	Note
		$ 38,849	

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
Credit loan	The Shanghai Commercial & Savings Bank, Wenshan Branch	$ 50,000	2025.06.05~2026.06.29	2.29%	50,000	None	
〃	First Bank, Xingya Branch	10,000	2025.04.30~2026.04.30	2.10%	30,000	〃	
〃	First Bank, Xingya Branch	100,000	2025.06.09~2026.06.09	1.86%	100,000	〃	
〃	Chang Hwa Commercial Bank, Xisang Branch	30,000	2025.08.04~2026.07.31	2.17%	30,000	〃	
Secured loan	The Shanghai Commercial & Savings Bank, Wenshan Branch	95,000	2025.06.05~2026.06.29	2.19%	95,000	Yes	
		$ 285,000			**305,000**		

ReaLy Development & Construction Corp.

Statement of long-term borrowings

December 31, 2025

(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	2023.08.10~2028.05.10	2.52%	45,000	Note 2	
〃	〃	139,860	2024.04.26~2029.09.04	2.38%	164,000	Note 2	
Construction financing	E. SUN Bank	65,000	2023.03.24~2028.03.24	2.35%	910,000	Note 2	Note 3
〃	〃	414,000	2023.03.24~2028.03.24	2.45%	-	Note 2	Note 3
〃	〃	208,400	2023.06.20~2028.06.20	2.57%	1,250,000	Note 2	
〃	〃	194,700	2023.06.20~2028.06.20	2.57%	600,000	Note 2	
		$ 1,491,960			3,394,000		

Note 1: In addition to the borrowings mentioned above, the Company has additional unused credit lines of $1,509,000.

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

Note 3: The two borrowings share the same credit facility.

Statement of notes payable

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

ReaLy Development & Construction Corp.

Statement of accounts payable

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Non-related parties:			
M Company	Operating	$ 1,390	
N Company	〃	617	
O Company	〃	352	
P Company	〃	286	
Others		2,283	Note
		$ 4,928	

Note: Each amount was less than 5%.

Statement of other payables

Item	Description	Amount	Note
Bonus payable		$ 4,757	
Employee compensation payable		2,448	
Director's remuneration payable		2,448	
Professional service fees payable		2,246	
Interest payable		1,220	
Salary payable		1,105	
Others		8,809	Note
		$ 23,033	

Note: Each amount was less than 5%.

REALY DEVELOPMENT & CONSTRUCTION CORP.

Statement of other current liabilities

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Receipts under custody		$ 315,441	
Others		300	Note
		$ 315,741	

Note: Each amount was less than 5%.

Statement of operating revenue

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Sales of land	ReaLy Shunguang World	$ 377,145	
	ReaLy Linghang No.1	95,784	
	Subtotal	472,929	
Sales of buildings	ReaLy Shunguang World	288,159	
	ReaLy Linghang No.1	181,053	
	Subtotal	469,212	
Rental income		606	
		$ 942,747	

REALY DEVELOPMENT & CONSTRUCTION CORP.

Statement of operating costs

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Beginning construction in progress	$ 3,014,213
Add: Input costs for the current period	863,681
Reclassification	(1,539,739)
Ending construction in progress	**$ 2,338,155**
Beginning buildings and land held for sale	$ 485,006
Add: Reclassification	1,111,914
Less: Other costs	(756)
Ending buildings and land held for sale	(936,298)
Total	**$ 659,866**

Statement of selling expenses

Item	Description	Amount	Note
Selling expenses		$ 46,852	
Salary and wage expenses		4,449	
Others		1,241	Note
		$ 52,542	

Note: Each amount was less than 5%.

REALY DEVELOPMENT & CONSTRUCTION CORP.

Statement of administrative expenses

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salary and wages expenses		$ 12,322	
Miscellaneous expenses		3,506	
Professional service fees		3,282	
Tax expenses		2,903	
Employee remuneration		2,448	
Director's compensation		2,448	
Others		10,399	Note
		$ 37,308	

Note: Each amount was less than 5%.

Other accounts receivable from 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 investment property was disclosed in Note 6(f)

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)