King's Town Construction Co., Ltd. 2024 Annual Report

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 - (I) Name of Overseas Securities Exchange: None.
 - (II) Method of Inquiry: None.
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King's Town Construction Co., Ltd.

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Chapter 1 Letter to Shareholders

Dear Shareholders,

In 2024, Taiwan's real estate market experienced a year marked by an initial hot period followed by a cooling down. Initially, the market benefited from the New Youth Housing Loan Policy, low-interest mortgage rates, abundant market liquidity, and strong demand for home purchases, upgrades, and investments, resulting in a robust market in the first half of the year. However, the good times were short-lived. The sixth wave of credit controls was implemented in June, and in less than four months, the central bank introduced the seventh wave of credit controls in September, catching the market off guard. This immediately cooled the real estate market, as many buyers with self-occupancy needs found it difficult to obtain mortgages from banks and chose to wait and see rather than enter the market. Investment buying also vanished instantly, leading to the current freeze in the real estate market.

Since 2024, there has been a noticeable restructuring and shift in the global economy. Emerging market countries such as Mexico, India, Indonesia, Vietnam, and Turkey have attracted significant foreign investment, indicating that global capital is seeking markets outside of China with higher growth potential and lower labor costs. The European economy, facing high energy costs, weak domestic demand, and industrial transformation challenges, has entered a technical recession. In the United States, the strong performance of AI and technology stocks has kept the capital market attractive. However, fiscal policy remains unstable, and there is uncertainty in interest rate policy. Additionally, the high unpredictability of the Trump administration has caused financial market volatility. The impact of the United States government's tariff policy on the global economy must be observed.

Since 2024, the Taiwanese government has actively promoted various real estate policies aimed at curbing speculation and promoting housing justice. These have included:

- I. Seventh Round of Measures by the Central Bank to Curb Housing Speculation: Banks are required to propose a total quantity control plan to implement stricter management of market liquidity.
- II. Housing Tax 2.0, Nationwide Household Taxation: Starting from July 2024, the number of housing units held will be calculated on a nationwide household basis. The tax rate for non-owner-occupied properties will increase to 4.8%. However, if the property is rented out and the rental income is reported and meets the required standards, the tax rate can be reduced to between 1.5% and 2.4%.
- III. **Reform of the Rental Housing Market:** Rent subsidies and new electricity fee system.
- IV. **Restrictions on the Resale of Pre-Sale Properties:** The government prohibits the transfer and resale of pre-sale properties through contract exchanges and requires that any cancellation of pre-sale property contracts be reported and registered to enhance market transparency.

Overall, since 2024, the Taiwanese government has been committed to combating

real estate speculation, increasing housing supply, and enhancing the fairness and transparency of the rental market through various policies to achieve housing justice. Housing Tax 2.0 was implemented this year. Owners of multiple properties have inevitably expressed dissatisfaction when paying taxes. Whether this will accelerate the speed and quantity of housing circulation in the market remains inconclusive.

By the end of 2024, Taiwan's real estate market exhibited a pattern of increased volume with stable prices. The total number of building transactions for the year reached 350,525, representing a 14.19% increase from the 306,971 transactions in 2023, marking the highest level in nearly 11 years. Among them, the total transaction volume in the six municipalities was 271,309 units, an annual increase of 14.79%. The real estate market in Kaohsiung exhibited a trend of a strong first half followed by a declining second. Overall transaction volume and prices were strong in the first half of the year, but declined in the second half due to policy adjustments and market cooling. In 2024, the number of building sales transfers in Kaohsiung City reached 45,242 units, an increase of approximately 24.75% compared to 2023, also setting a new high in recent years.

In the first half of 2024, the real estate market benefited from favorable factors such as the New Youth Housing Loan Policy, rising stock market, and investments in the technology industry, resulting in an increase in both transaction volume and housing prices. However, in the second half of the year, due to the Central Bank's strengthened credit controls, tightened mortgage conditions, and a decline in market investment enthusiasm, transaction volumes and housing prices fell, and the market gradually returned to being primarily driven by self-occupancy demand. Looking ahead to 2025, the real estate market may face the following challenges:

Policy Regulation: Government policies continue to influence market confidence.
 Economic Growth Slowdown: The projected economic growth rate for 2025 is
 3.08%, a decrease compared to 2024.

Supply and Demand Imbalance: The large number of projects completed in recent years may have resulted in an oversupply situation.

Regarding the Company's project outlook in 2025, with no new projects being completed, excess housing is expected to be the primary sales driver and key source of revenue in 2025.

(Source of the above data: Directorate General of Budget, Accounting and Statistics of the Executive Yuan, Construction and Planning Agency of Minister of the Interior, Land Administration Bureau of Kaohsiung City Government)

The 2024 Business Report and Outline of 2025 Business Plan are as follows:

- I. 2024 Business Results:
 - (I) Implementation Results of 2024 Business Plan:

In 2024, the Company's consolidated financial statements reported net operating revenue of NT\$9,283,423 thousand, representing an increase of NT\$6,729,677 thousand compared to NT\$2,553,746 thousand in 2023. Profit before tax was NT\$3,140,832 thousand, with a pre-tax profit margin of

33.83%.

(II) Implementation of Forecast:

The Company did not publicly disclose any financial forecasts for 2025 and therefore this analysis is not reported.

		in und i forfuority / in		Uni	t: NT\$ thousand
					Rate of
	Item	1	2024	2023	change (%)
	Operating 1	revenue	9,283,423	2,553,746	263.52%
	Gross profi	t	4,177,968	1,277,631	227.01%
Financial	Operating i	ncome to capital (%)	3,460,655	805,167	329.81%
receipts and	Finance cos	sts	324,683	318,623	1.90%
expenditures	Profit or lo	ss before tax	3,140,832	494,774	534.80%
	Profit or lo	ss after tax	2,831,693	442,041	540.60%
	Total comp	orehensive income	2,832,878	441,275	541.98%
	Return on a	assets (%)	7.91	1.93	309.84%
	Return on e	equity (ROE) (%)	14.79	2.53	484.58%
	As a % of	Operating income to			
Profitability	paid-in	capital (%)	93.68	21.80	329.72%
	capital	Income before tax	85.02	13.39	534.95%
-	Net profit r	nargin (%)	30.50	17.31	76.20%
	Earnings pe	er share (NT\$)	7.67	1.20	539.17%

(III) Financial Position and Profitability Analysis:

- 1. Financial receipts and expenditures
 - In 2024, the Company's continued acquisition of construction land and investment in construction-in-progress led to an increase in inventory. However, due to a significant year-over-year increase in operating revenue compared to 2023, net cash inflow from operating activities amounted to NT\$1,591,793 thousand. Net cash inflows from investing and financing activities were NT\$28,427 thousand and NT\$745,797 thousand, respectively. The total debt ratio decreased from 52.12% in 2023 to 49.99% in 2024. Interest expenses for 2024 were NT\$324,683 thousand, representing a slight increase of NT\$6,060 thousand (+1.90%) compared to NT\$318,623 thousand in 2023.
- 2. Profitability Analysis:

In fiscal year 2024, the Company's operating profit was NT\$3,460,655 thousand, with an operating profit to paid-in capital ratio of 93.68%, representing an increase of NT\$2,655,488 thousand compared to NT\$805,167 thousand in fiscal year 2023. The net profit after tax was NT\$2,831,693 thousand, with a net profit margin of 30.50%, an increase of NT\$2,389,652 thousand compared to NT\$442,041 thousand in fiscal year 2023. The return on assets increased by 309.84% compared to 2023, and the return on equity increased by 484.58% compared to 2023.

(IV)Research and Development:

In respect of land development, the Group will develop professionally and aggressively, select areas with potential for development, conduct data collection and land acquisition, etc., and the Company's professional land developer will cooperate with architects and agents to respond to and study relevant laws and regulations at all times, so as to cope with changes in the market. Currently, the land development regions are concentrated in Kaohsiung City and Tainan City.

In terms of construction technology and residential quality, efforts will be made to improve the quality of site management and the construction of high-value-added residential products in order to improve gross profit and create a better reputation, and to control the construction period to meet the growing costs. The software segment will strengthen cooperation with building management companies to improve the quality of building residence.

- II. Outline of 2025 Business Plan:
 - (I) Operating Guidelines:
 - 1. The main business policy is to maintain a stable project size and carefully select land for sales.
 - 2. Improving the gross profit of individual cases and enhancing overall competitiveness has always been an important direction of the Company.
 - 3. Based on the Company's mission to a city, houses built should be integrated with the city to show the spirit of the city.
 - 4. Increase sales of products to expand operating revenue.
 - 5. Expand promotion area to enhance brand value and visibility.
 - (II) Sales Volume Forecast and Basis:

The Company has not disclosed a financial forecast for 2025.

- (III)Key Production and Distribution Policy:
 - 1. Consolidate market information to identify areas with potential and strong resistance to decline, and proactively carry out land development work, and grasp the advantages of buyers in the land transaction market to create maximum cost-effective of land and added value of products to cope with the impact of the market downturn.
 - 2. Develop quality residential properties, enhance the added value and competitiveness of the Company's products, respond to current consumption trends and mitigate the extent of the depreciation of the house price.
 - 3. Strengthen post-sales maintenance services and building management for projects, establish closer interaction with residents and enhance the added value of building management.
- III. Future Development Strategies:
 - (I) TSMC's five known expansion plans in Kaohsiung not only enhance the economic strength and employment population of each area but also drive substantial growth in real estate demand. In response to this demand, the Company has formulated development and land acquisition goals to address

the potentially significant future demand for housing.

- (II) The Company focuses on developing land near the Tainan area, the North Kaohsiung Ciaotou Science Park, Nanzih and Kaohsiung University areas, and the multi-functional economic and trade park to drive sales and increase profits through public construction and future industrial settlement benefits.
- (III) The demand for commercial office space in Kaohsiung and Tainan is promising.
- IV. Effect of external competition, the legal environment, and the overall business environment:
 - (I) Impacts from External Competition
 - The Company's main project area is the Greater Kaohsiung area, and most of the external competitors are small and medium-sized builders, and the Company has the advantage of leading the market price and product direction in the main project area, so the external competitive environment has little impact on the Company.
 - (II) Impact of Regulatory Environment

In 2024, the Taiwanese real estate market is influenced by various regulatory and policy adjustments, resulting in a trend characterized by initial heat followed by cooling. The following are several key regulatory events and their impact on the market:

- 1. Seventh Wave of Selective Credit Controls (September 2024) In September 2024, the Central Bank implemented the seventh wave of selective credit controls, which has been hailed as the most stringent measure in history to curb speculative real estate activities. The main content includes:
 - (1) Cancellation of the grace period for individual first-time homebuyer loans.
 - (2) The loan-to-value ratio for the second mortgage has decreased from 60% to 50%.

(3) Expand the scope of application to the entire nation. This policy has led to a cooling of the market investment atmosphere, resulting in a noticeable decline in trading volume, particularly in hot areas such as Kaohsiung and Tainan, where housing prices have shown signs of loosening.

- 2. The New Youth Housing Loan Policy, introduced by the government, aims to assist young individuals in purchasing homes by providing favorable loan conditions. However, the implementation has instead driven up housing prices, resulting in an overheated market.
- 3. The carbon pricing system will be implemented in Taiwan starting in 2024. Although the construction industry is not included in the initial scope of the tax, developers are concerned that future cost increases may be passed on to housing prices.
- 4. The government has prohibited the transfer and resale of pre-sale house contracts to prevent speculation. It requires that contract cancellations be

reported and registered to increase market transparency.

(III)Impact of Overall Operation Environment

It is anticipated that in 2025, the global economic situation will continue to be affected by U.S. tariff and monetary policies. Additionally, increased global conflicts have heightened tensions between India and Pakistan, resulting in significant uncertainties in future economic trends. The domestic stock and real estate markets may be affected by the international financial situation, and we expect that both international and domestic economic conditions will not be overly optimistic.

The Company will not have any new construction cases completed and sold in 2025.

Regarding the Company's revenue from January to March, the total amounted to NT\$1,893,267 thousand, representing a significant increase of 112.21% compared to the same period last year. This growth is primarily attributed to the completion of the "Heart of World" project, located in the Sanduo Shopping District, near the Asia New Bay Area. In 2025, the Company will complete no new projects. This year's revenue primarily depends on the sales of remaining units in "King Park," "Museum of Modern Art," "King's Forest Fragrance," and the newly completed "New World."

Looking ahead to 2025, the real estate market in Taiwan and Kaohsiung will enter a period of price stability and volume contraction, exhibiting a pattern of regional and product differentiation. The overall transaction volume of the real estate market in Taiwan in 2025 is expected to be lower than that in 2024, due to the Central Bank's continued monetary tightening and the persistently high levels of bank mortgage rates, making it still difficult to apply for mortgage loans. However, there is a significant demand in the market from end-users and long-term property investors. It is estimated that the overall transaction prices for properties will remain stable this year.

We hope the above report will be supported by our shareholders.

Wish you good health and all the best.

Chairman and General Manager: Tsai, Tien-Tsan



Chapter 2 Corporate Governance Report

I Information on the Company's Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, and the Supervisors of All Divisions and Branch Units

(I) Directors and Supervisors (1):

April 28, 2025

Designation	nationality/ Name, place of conden are		Date	Term	Date First	Shareholdin	g When Elected	Current Sha	areholding	-	& Minor holding	Major Experience	Other Position Concurrently Held at the	Executives, Di Are Spouses or v		·
6	Registration	gender, age	Elected		Elected	Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)	(Education)	Company and Other Companies	Designation	Name	Relationship
Director	R.O.C.	Tian Lai Investment Co., Ltd.	2023/6/28	3 years	2008/6/19	49,652,072	13.45%	49,652,072	13.44%	_	_	-	_	_	_	_
Corporate Representative, Chairman	R.O.C.	Tien-Tsan Tsai (Male, age 71-80, Corporate Representati ve of Tian Lai)	_	-	_	_	_	85,577,838	23.17%	20,209,951	5.47%	Senior high school	Chairman and Corporate Representative of King's Town Construction, Director of Tian Gang Investment, Supervisor of Bai Hong Construction	Representative of Corporate Director Special Assistant of the Chairman	Mei-Yun Tsai-Hsueh Yao-Hung Tsai	Spouse First-degree relative
Corporate Representative, Director	R.O.C.	Meiyun S. Tsai (Female, age 71-80, Corporate Representati ve of Tian Lai)	_	-	_	_	—	20,209,951	5.47%	85,577,838	23.17%	Senior high school	CGS International, Inc. Chairman, Fugao Investment Limited Co. Director	Representative of Corporate Director Special Assistant of the Chairman	Tien-Tsan Tsai Yao-Hung Tsai	Spouse First-degree relative
Corporate Representative, Director	R.O.C.	Shih-Hsiung Li (Male, age 71-80, Corporate Representati ve of Tian Lai)	_	-	_	_	_	65,743	0.02%	11,241	0.00%	Bachelor's degree	Corporate Representative, Director of Chieh Chih Construction Co., Ltd.	_	_	_

	Nationality/	^{1/} Name, Date Term Date First		Current Sh	areholding		& Minor nolding	Major	Other Position Concurrently Held at the	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship						
Designation	Place of Registration	gender, age	Elected	reim	Elected	Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)	Experience (Education)	Company and Other Companies	Designation	Name	Relationship
Corporate Representative, Director		Chin-Hsing Chen (Male, age 51-60, Corporate Representati ve of Tian Lai)	_	-	-	_	Η	43,338	0.01%	0	0.00%	Some College	King's Town Construction, Nanjing Construction Tian Lai Investment, Director of Xin Rui Investment	_	_	-
Independent Director	R.O.C.	Ming-Te Chang(Male, age 61-70)	2023/6/28	3 years	2017/6/28	1,386,582	0.38%	1,386,582	0.38%	0	0.00%	Senior high school	Chairman of Hung Bau Construction Co., Ltd.	_	_	_
Independent Director	R.O.C.	Yao-Kuo Wu (Male, age 51-60)	2023/6/28	3 years	2018/6/22	0	0.00%	0	0.00%	0	0.00%	Bachelor's degree	_	_	_	_
Independent Director	R.O.C.	Chung-Chan g Tsai(Male, age 61-70)	2023/6/28	3 years	2023/6/28	0	0.00%	0	0.00%	0	0.00%	Bachelor's degree	_	_	_	-
Independent Director		Chin-Yu Chiu(Female , age 61-70)	2023/6/28	3 years	2023/6/28	0	0.00%	0	0.00%	0	0.00%	Bachelor's degree	_	_	_	-

Note 1: The aforementioned Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, and the executives of all divisions and branch units did not have shareholdings by nominees.
 Note 2: The Chairman and President of the Company are the same person, please refer to the explanation on page 12.

Table 1. Major shareholders of corporate shareholders

May 1, 2025

Name of Corporate Shareholder	Major shareholders of corporate shareholders (top ten shareholding)											
Tian Lai Investment Co., Ltd.	Chen-Jung Li (33.00%), I-Ying Chen (32.35%), Opus One Capital Ltd. (30.93%), Tien-Tsan Tsai (2.59%), Chiung-Ting Tsai(0.52%), Chia-Ling Tsai(0.48%), Hsin-I Tsai(0.13%)											
Table 2. Major shareholders of the Major shareholders of corporate shareholders in Table 1 May 1, 2025												
Name of Corporate Shareholder	Major shareholders of corporate shareholders (top ten shareholding)											

Name of Corporate Shareholder	Major shareholders of corporate shareholders (top ten shareholding)
Opus One Capital Ltd	Execorp Limited(100.00%)

(I) Directors and Supervisors (2)

1. Professional Qualifications of Directors and Supervisors and Independence Status of Independent Directors:

	· ·		May 1, 2025
Qualification	Professional qualifications and experience	Independence criteria	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Tien-Tsan Tsai	circumstances in the subparagraphs of Article 30 of the Company Act apply.	Not more than half of the seats are held by directors who have a marital relationship or a relative within the second degree of kinship with any other director.	0
Mei-Yun Tsai-Hsueh	Has work experience related to real property industry in the areas of commerce necessary for the business of the Company, and none of the circumstances in the subparagraphs of Article 30 of the Company Act apply.	Not more than half of the seats are held by directors who have a marital relationship or a relative within the second degree of kinship with any other director.	0
Shih-Hsiung Li	Has work experience related to real property industry in the areas of commerce necessary for the business of the Company, and none of the circumstances in the subparagraphs of Article 30 of the Company Act apply.	Not a spouse or a relative within the second degree of kinship of any other director.	0
Chin-Hsing Chen	Has work experience related to real property industry in the areas of commerce necessary for the business of the Company, and none of the circumstances in the subparagraphs of Article 30 of the Company Act apply.	The Company's vice president of the Land Development does not have a marital relationship or a relative within the second degree of kinship with any other director.	0
Ming-Te Chang (independent)	Has work experience related to real property industry in the areas of commerce necessary for the business of the Company, and none of the circumstances in the subparagraphs of Article 30 of the Company Act apply	The Company is committed to continuously assessing the independence of directors, taking into account all relevant factors, including whether the relevant director can continue to raise constructive issues for management and other directors, express opinions independently of management or other directors, and behave appropriately on and off the board. The conduct of the	0
Yao-Kuo Wu (independent)	Has work experience related to real property industry in the areas of commerce and finance necessary for the business of the Company, and	Company's independent non-executive directors, where appropriate, meets expectations and demonstrates the above qualities. After considering all the circumstances set out in the above section, the Company believes that all	0

	none of the circumstances in the subparagraphs of Article 30 of the Company Act apply.	independent directors are persons independent of the Company.	
	Has work experience related to real property		
Chung-Chang Tsai	industry in the areas of commerce and finance necessary for the business of the Company, and		0
(Independent)	none of the circumstances in the subparagraphs		v
	of Article 30 of the Company Act apply.		
Chin-Yu Chiu (Independent)	Has work experience related to real property industry in the areas of commerce necessary for the business of the Company, and none of the circumstances in the subparagraphs of Article		0
	30 of the Company Act apply.		

- 2. Diversity and Independence of the Board of Directors:
 - (1) Board diversity:

The diversity policy includes, but is not limited to, the selection criteria for directors, the professional qualifications and experience that the Board of Directors should possess, the composition or ratio of gender, age, nationality, culture, etc. The diversity of the Company's Board members, all of whom have a considerable degree of professional qualifications and experience in the real estate industry. Generally, gender and age have become pluralistic. In terms of nationality and culture, diversity has not yet been achieved. The Company anticipates improvements in the composition of the Board of Directors, ensuring that the representation of either gender reaches at least one-third of the total seats by the 15th term of the Board.

(2) Board independence:

The Company has four independent directors, with a seat ratio of 50.00%, held by external professionals. None of the Company's independent directors, their spouses, or relatives within the second degree of kinship serve as directors or employees of the Company or its affiliated enterprises. The number and proportion of the Company's shares held by the Company's independent directors, their spouses, and relatives within the second degree of kinship (or by nominees), except that Ming-Te Chang holds 0.38% of the Company's shares, other independent directors do not hold the Company's shares. The Company's independent directors have not served as directors, supervisors, or employees of companies that have a specific relationship with the Company and have not received remuneration for providing commerce, legal, finance, accounting, and other services to the Company or affiliated companies in the last two years.

The Company's Board of Directors is independent and does not have matters referred to in Article 26-3, paragraphs 1-3 of the Securities and Exchange Act.

(II) Information on the Company's President, Vice Presidents, Assistant Vice Presidents, and Supervisors of All Divisions and Branch Units:

		Name		Shareh	olding	Spouse & Mino	or Shareholding	Major	Other Position Concurrently	Managerial Off		
Designation	Nationality	(Gender)	Date Elected	Shares	Shareholding (%)	Shares	Shareholding (%)	Experience (Education)	Held at Other Companies	Designation	Name	Relationship
President	R.O.C.	Tien-Tsan Tsai	2022/3/23	85,577,838	23.17%	20,209,951	5.47%	Senior high school	Chairman and Corporate Representative of King's Town Construction, Director of Tian Gang Investment, Supervisor of Bai Hong Construction	Representative of Corporate Director Special Assistant of the Chairman	Mei-Yun Tsai-Hsueh Yao-Hung Tsai	Spouse First-degree relative
Vice President	R.O.C.	Chin-Hsing Chen (Male)	2018/5/24	43,338	0.01%	0	0.00%	Some College	None	—	—	—
Vice President	R.O.C.	Kuo-Tai Wang (Male)	2021/7/6	4,000	0.00%	0	0.00%	Bachelor's degree	None	—	_	—
Assistant Vice President	R.O.C.	Chia-Hung Huang (Male)	2018/5/24	66,689	0.02%	0		Industrial High School	None	—	—	—
Assistant Vice President	R.O.C.	Jing-Heng Zhou (Male)	2019/5/10	4,643	0.00%	0	0.00%	Bachelor's degree	None	—	—	—
Assistant Vice President	R.O.C.	Jui-Li Chen (Female)	2023/7/18	53,128	0.01%	825	0.00%	Bachelor's degree	None			
Financial Executive	R.O.C.	Su-Ying Liang (female)	2011/9/1	71,063	0.02%	0	0.00%	Bachelor's degree	None	—	—	—

April 28, 2025

Note: The aforementioned managerial officers did not have shareholdings by nominees.

(III) The Chairman and President or Person of an Equivalent Post (the highest-level manager) are the Same Person, Spouses, or Relatives within the First Degree of Kinship:

- 1. The former President of the Company passed away in March 2022 due to illness.
- 2. The Company's Board of Directors approved on March 22, 2022, the Chairman will concurrently serve as President.
- 3. The selection of the President is still in the process of consultation and selection, and it is reasonable and necessary for the Chairman to temporarily assume the role.
- 4. The Company will completely elect Directors in 2023 and simultaneously add one Independent Director, totaling four Independent Directors; And more than half of the Board of Directors of the Company have not concurrently served as employees or managers.

II Remuneration Paid During the Most Recent Fiscal Year to Directors, Supervisors, President, and Vice Presidents:

(I) Remuneration Paid to Directors and Independent Directors

																				ands, D	ecember 3	01, 2024
				Re	muneration t						o of Total		Relevant Rem	unerat	tion Received	by Director	rs who Are	Also Employ	/ees		of Total	
			mpensation (A)	Severance Pay and Pension (B)		(C)		Allov	vances (D)	(A+B+	uneration C+D)to Net ome (%)		y, Bonus, and owances (E)	B Severance Pay and Pension (F)		Em	1 2	npensation (0 te 1)	G)	Remuneration (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from Invested Companies
Designation	Name	The Company	All companies in the	companies 🗄		The Co	All companies in the	The Co	All companies O in the	All companies Co in the	The Co	⊖ in the		All companies in the	The Company		All companies in the consolidated financial statements		The	All companies in the	Other than Subsidiaries or the Parent	
 		ne pany	consolidated financial statements	mpany	in the consolidated financial statements	npany	consolidated financial statements	financial	consolidated financial statements	financial	mpany	consolidated financial statements	The Company	consolidated financial statements	Cash	Stock	Cash	Stock	Company	consolidated financial statements	Company	
	Tian Lai Investment: Tien-Tsan Tsai		4,598		0		0		746		5,344 0.19%		0		0	0	0	0	0		5,344 0.19%	None
	Tian Lai Investment: Mei-Yun Tsai-Hsueh		0		0		0		360		360 0.01%		0		0	0	0	0	0		360 0.01%	None
Director	Tian Lai Investment: Shih-Hsiung Li		0		0		0		360		360 0.01%		0		0	0	0	0	0		360 0.01%	None
	Tian Lai Investment: Chin-Hsing Chen		0		0		0		360		360 0.01%		1,631		0	0	676	0	676		2,667 0.09%	None
Independent Director	Ming-Te Chang		0		0		0		360		360 0.01%		0		0	0	0	0	0		360 0.01%	None
Independent Director	Yao-Kuo Wu		0		0		0		360		360 0.01%		0		0	0	0	0	0		360 0.01%	None
Independent Director	Chung-Chang Tsai		0		0		0		360		360 0.01%		0		0	0	0	0	0		360 0.01%	None
Independent Director	Chin-Yu Chiu		0		0		0		360		360 0.01%		0		0	0	0	0	0		360 0.01%	None

Unit: NT\$ thousands; December 31, 2024

Note 1: Employee compensation from earnings was the amount from 2024 earnings distribution proposal approved by the Board prior to the shareholders' meeting. The amount was calculated in accordance with the Company's rules on distribution of employee stock bonus.

Note 2: As the amounts of the Company and all companies in the consolidated financial statements are consistent, they are presented in a consolidated manner.

Note 3: Except for information disclosed above, remuneration paid for services rendered by Directors of the Company to all companies in the consolidated financial statements in the most recent year: None.

Note 4: According to the Company's Articles of Association, the Company's net income before tax for the year before employees' and directors' remuneration shall set aside not less than 1% of employees' remuneration and no more than 2% of directors' remuneration. The Company has not decided to distribute director's remuneration for 2024, therefore it is largely unrelated to the Company's operating performance and future risks.

(II) Remuneration to Supervisors: The Company has established an Audit Committee to replace Supervisors.

(III) Remunerations to the President and Vice Presidents

											Unit: NTS	5 thousand	ls; Decembe	er 31, 2024	
		Sala	ary (A)	Severance Pay and Pension (B)		Bonus and Allowance (C)		Employ	yee Com	pensation (D) (Note 1)	Remu (A+B+C	of Total neration +D) to Net me (%)	Remuneration from Invested Companies	
Designation	Name	The	All companies in the	The	All companies in the	The	All companies in the	The Co	ompany	consolidat	anies in the ed financial ments	The	All companies in the	Other than Subsidiaries	
		Compan	Company consolidated financial statements		Company	consolidate d financial statements	Company	consolidated financial statements	Cash	Stock	Cash	Stock	Company	consolidate d financial statements	Company
President	Tien-Tsan Tsai		0		0		0	0	0	0	0		0 0.00%	None	
	Chin-Hsing Chen		1,366		0		265	0	676	0	676		2,307 0.08%	None	
	Kuo-Tai Wang		1,225		0		239	0	585	0	585		2,049 0.07%	None	

Note 1: The employee compensation is proposed and approved by the Board of Directors for distribution, based on the amount calculated according to the company's employee bonus and stock distribution scheme.

(IV) Remuneration to the top five highest-paid executives.

Unit: NT\$ thousands; December 31, 2024

										emeriq	b mousanus	, 200011100	1 3 1, 202 1
Designation		Sal	ary (A)	nce Pay and sion (B)	Bonus an	d Allowance (C)	Emp	loyee Coi	mpensation (D) (Note 1)	Ratio o Remun (A+B+C+ Incom	eration D) to Net	Remuneratio n from Invested
	Name	companies in	All companies in the	The	All companies in the	The Company conso		consolidat	nies in the ed financial ments	The	All companies in the	Companies Other than Subsidiaries	
			the consolidated financial statements				Cash	Stock	Cash	Stock	Company	consolidat ed financial statements	or the Parent Company
Vice President	Chin-Hsing Chen		1,366	0		265	0	676	0	676	2,	307(0.08%)	None

Designation	Salary (A)		ary (A)		nce Pay and Bonus and Allowance (C)		Employee Compensation (D) (Note 1)			Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Remuneratio n from Invested		
	Name	companies in The the T	All companies in The the		All companies in The the	The Company		All companies in the consolidated financial statements		The	All companies in the	Subsidiarias		
			Company	Company consolidated (financial statements	i company	consolidated	Cash	Stock	Cash	Stock	Company	consolidat	or the Parent Company	
	Kuo-Tai Wang		1,225		0		239	0	585	0	585	2,	049(0.07%)	None
Special Assistant	Yao-Hung Tsai		1,283	0		292		0	3,524	0	3,524	5,	099(0.18%)	None
	Huang		1,291	0		0 267		0	575	0	575	2,	133(0.08%)	None
Assistant Vice President	Su-Ying Liang		1,049		0		202	0	565	0	565	1,	816(0.06%)	None

Note 1: The employee compensation is proposed and approved by the Board of Directors for distribution, based on the amount calculated according to the company's employee bonus and stock distribution scheme.

(V) Name and distribution of employee compensation to managerial officers:

						May 1, 2025	
	Designation	Name	Stock	Cash	Total	Ratio of Total Remunerations to Net Income (%)	
м	President	Tien-Tsan Tsai					
M an Vice President	Vice President	Chin-Hsing Chen					
ag er	Vice President	Kuo-Tai Wang					
s	Assistant Vice President	Chia-Hung Huang	3,447	0	3,447	0.12%	
	Assistant Vice President	Jing-Heng Zhou					
	Assistant Vice President	Jui-Li Chen					
	Accounting Executive	Su-Ying Liang					

Unit: NT\$ thousands May 1, 2025

Note 1: The employee compensation is proposed and approved by the Board of Directors for distribution, based on the amount calculated according to the company's employee bonus and stock distribution scheme.

- (VI) Analysis of remuneration paid to Directors, Supervisors, President and Vice Presidents by the Company and all consolidated entities in the past two fiscal years as a percentage of net income in the parent company only or individual financial statements:
 - 1. Except for travel and special allowances, the Company did not pay remuneration to Directors and Supervisors during the past two years.
 - 2. Remunerations paid to Directors, Supervisors, President, and Vice President accounted for 0.36% and 1.58% of the consolidated and parent company only net income for 2024 and 2023, respectively. The decrease in percentage for 2024 was primarily due to a significant increase in net income.
- (VII) Remuneration policy, standards and composition, procedures and the correlation with operation performance and future risks:
 - 1. The remunerations paid by the Company to the Directors, Supervisors, President, and Vice President are determined based on the industry level. At present, remunerations are not paid to Directors and Supervisors. They are only entitled to monthly travel allowance of NT\$10,000 and special allowance of NT\$20,000 each.
 - 2. Pursuant to Paragraph 2, Article 16 of the Articles of Incorporation, the Board is authorized to determine the remuneration to Directors and Supervisors based on the industry average. The amount of travel allowances to Directors and Supervisors are determined by the Board. Compensations to Directors and Supervisors for their performance of duties shall be paid regardless of whether the Company has made profits. Thus, except for compensations for performance of duties, remunerations are not paid to Directors and Supervisors when the Company made losses for the year.

III Implementation of Corporate Governance

(I) Board of Directors' Meeting status:

Board of Directors' Meeting Status

A total of <u>9</u> Board meetings (the 14th term) were convened in 2024. The attendance status of the Directors and Supervisors was as follows:

Designation	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Remarks
Chairman	Tian Lai Investment Co., Ltd. Representative: Tien-Tsan Tsai	9	0	100.00%	9 meetings to attend
Director	Tian Lai Investment Co., Ltd. Representative: Mei-Yun Tsai-Hsueh	7	0	77.78%	9 meetings to attend
Director	Tian Lai Investment Co., Ltd. Representative: Shih-Hsiung Li	9	0	100.00%	9 meetings to attend
Director	Tian Lai Investment Co., Ltd. Representative: Chin-Hsing Chen	8	0	88.89%	9 meetings to attend
Independent Director	Ming-Te Chang	8	0	88.89%	9 meetings to attend
Independent Director	Yao-Kuo Wu	9	0	100.00%	9 meetings to attend
Independent Director	Chung-Chang Tsai	7	0	77.78%	9 meetings to attend
Independent Director	Chin-Yu Chiu	9	0	100.00%	9 meetings to attend

Other matters:

I. With regard to the operation of the Board, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, all Independent Directors' opinions and the Company's handling of such opinions shall be specified:

- (I) Matters specified in Article 14-3 of the Securities and Exchange Act: None.
- (II) Any recorded or written Board resolutions to which Independent Directors have objections or reservations are to be noted in addition to the above. None.
- II. For situations where Directors recuse themselves from any motion due to conflict of interest, the Directors' names, contents of motions, causes for the recusal, and participation in voting shall be specified.
 - None.
- III. TWSE/TPEx listed companies shall disclose the information on the evaluation frequency and period, evaluation scope, methods, and evaluation contents of the Board of Directors' self (or peer) evaluation, and fill in the attached Table II (2) Implementation of Board of Directors Evaluation.

The Company began to evaluate in 2020 and disclosed the implementation of the evaluation during the preparation of the annual report.

IV. Objectives of strengthening the functionality of the Board of Directors (e.g., to establish an Audit Committee, to enhance information transparency, etc.) in the current year and the most recent year and evaluation of the execution thereof. The Company has created the position of Independent Director to improve the functions of the Board. In addition, Independent Directors are appointed to form the Audit Committee, which takes over the functions of Supervisors. The Company operates under the organization and system of the Audit Committee.

	I	1		December 31, 2024
Frequency	Period	Scope	Method	Details
Annually	Evaluate the Board performance from January 1, 2024 to December 31, 2024.	Entire Board Individual Board members Functional committees	In our Company, the internal evaluation of the performan ce of the Board of Directors is carried out by the Audit Departme nt.	 Performance assessment of the Board: It shall at least include involvement in corporate operations, Board's decision quality, composition and structure of the Board, election and continuing education of directors, and internal control. Performance assessment on individual Board members: it shall at least include command over corporate goals and mission, understanding of Directors' duties, level of participation in corporate operations, internal relationship management and communication, specialty and continuing education of Directors, and internal control. Performance assessment on functional committees: level of participation in corporate operations, understanding of functional committees' duties, quality of functional committees and election of members, and internal control. Rating on overall operation: Excellent

Implementation of the Board of Directors Evaluation

Rating on overall operation: Excellent

(II) Operation of the Audit Committee or the Supervisor's participation in the Board operation:

Operational Status of the Audit Committee

A total of eight (A) Audit Committee meetings were convened in the most recent fiscal year. The attendance status of the independent directors was as follows:

Designation	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Independent Director	Ming-Te Chang	7	0	87.50%	8 meetings to attend
Independent Director	Yao-Kuo Wu	8	0	100.00%	8 meetings to attend
Independent Director	Chung-Chan g Tsai	8	0	100.00%	8 meetings to attend
Independent Director	Chin-Yu Chiu	8	0	100.00%	8 meetings to attend

Other matters:

- I. Matters specified in Article 14-5 of the Securities and Exchange Act, and resolutions which were not approved by the Audit Committee but were approved by two-thirds or more of all Directors, the date and session of the Board meeting, contents of motions, Committee resolution and actions taken concerning opinions of the Committee shall be specified. None.
- II. For situations where Independent Directors recuse themselves from any motion due to conflict of interest, the Independent Directors' names, contents of motions, causes for the recusal, and participation in voting shall be specified.
- III. Communications between the Independent Directors and the internal audit officer and CPAs (e.g., matters concerning the finance and business of the Company, and the means and outcomes of communication).
 The Company's Independent Directors maintain smooth communications with the internal audit officer and CPAs. Opinions concerning finance and business are exchanged on a regular basis. The fine interactions are important mechanisms in monitoring the current status of the Company. Irregularities identified would be reported immediately to the Board. Contacts and communications are mostly done via letters, e-communications and emails.

Note:

- * Where an Independent Director was relieved from duties before the end of the fiscal year, the date of his/her discharge shall be specified in the "Remarks" column. His/her attendance rate (%) shall be calculated on the basis of the number of meetings called and the actual number of meetings he/she attended, during his/her term of office.
- * Where an election is held to fill the vacancies of Independent Directors before the end of the fiscal year, please list both the incoming and the outgoing Independent Directors and specify if they are former, newly elected, or re-elected Independent Directors as well as the by-election date. The attendance rate (%) shall be calculated on the basis of the number of meetings called and the actual number of meetings attended.

	1			Inplementation Status	Deviations
	Evaluation Item	Yes	No	Description	from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
I.	the Company established and disclosed its code of practice on corporate governance based on the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	√		The Company has formulated the "Corporate Governance Best-Practice Principles".	_
П. (I)	Ownership structure and shareholders' rights Does the Company establish internal operating procedures to deal with shareholders' suggestions, doubts, disputes, and litigations, and does the Company implement them in accordance with the procedures?	~		The Company has established internal operation procedures to handle shareholders' suggestions, concerns, disputes and litigations. All shareholders' suggestions, concerns, and disputes are handled by the spokesperson and deputy spokesperson.	
(II) (III)	Does the Company possess a list of major shareholders and ultimate owners of these major shareholders?	✓		The Company possesses a list of major shareholders and ultimate owners of these major shareholders.	_
· ·	Does the Company build and execute risk management and firewall mechanism between itself and affiliates?	~		Transactions between the Company and its affiliates are conducted in accordance with relevant regulations under proper risk management.	
(V)	Does the Company have internal rules to prevent insiders from using undisclosed information to trade securities?	✓		The Company has established internal rules to prevent insiders from using undisclosed information to trade securities.	
III. (I)	Composition and responsibilities of the Board Has the Company established a diversification policy for the composition of its Board of Directors and has it been implemented accordingly?		~	The gender of our Company's Board members and the number of directors who also serve as company managers should be less than one-third of the total number of directors in order to achieve gender diversity. However, a policy for	will establish diversified policies for

(III) Corporate governance implementation status and deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

			Implementation Status	Deviations from the
Evaluation Item	Yes	No	Description	Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
			diversifying the composition of the Board of Directors has not yet been formulated.	the recent period.
(II) Other than Remuneration and Audit Committees which are required by laws, does the Company plan to set up other Functional Committees?	~		The Company has established the Sustainable Development Committee	
(III) Does the Company establish standards to measure the performance of the Board and implement such annually, submit the results of the performance evaluations to the Board of Directors, and use them as a reference for individual directors' remuneration and the nomination for renewal?	~		The Company has established the Methods for Performance Assessment of the Board of Directors and the assessment methods thereof. The 2024 performance assessment of the Board has been completed.	
(IV) (IV) Has the Company periodically evaluated the independence of its CPAs?	~		The Company regularly assesses the independence of the CPAs. At present, the Company's CPAs have met the independence criteria.	
IV. Has the TWSE/TPEx company allocated a sufficient number of qualified corporate governance staff and appointed a chief corporate governance office to take charge of affairs related to corporate governance (including but not limited to providing information required for Directors and Supervisors to perform their functions, assisting Directors and Supervisors in regulatory compliance, handling matters related to Board and shareholders' meetings according to the law, and producing minutes of the Board and shareholders' meetings)?	V		The Company has created the position of chief corporate governance officer in May 2021 and plans to establish the Corporate Governance Department in May, 2024 with exclusively (or concurrently) dedicated personnel in charge of corporate governance related matters.	

				Implementation Status	Deviations from the
	Evaluation Item	Yes	No	Description	Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
V.	Has the Company established communication channels and set up a dedicated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers)? Has the Company responded to concerns of stakeholders regarding important corporate social responsibility (CSR) issues in a proper manner?	~		The Company maintains an open communication channel with stakeholders of the Company and respects and protects the interests of both parties.	
	Has the Company appointed a professional shareholder service agency to handle matters associated with shareholders' meetings?	~		The Company has appointed the Stock Affairs Department of Taishin Securities Co., Ltd. to handle the affairs of the shareholders' meeting.	_
VII. (I)	Information disclosure Has the Company established a corporate website to disclose information regarding the Company's finance, business and corporate governance status?	✓		The Company has established a corporate website disclosing information regarding the Company's finance, business and corporate governance.	
(II)	Does the Company have other information disclosure channels (e.g., maintaining an English-language website, designating people to handle information collection and disclosure, appointing spokesperson, webcasting investor conference on the corporate website)?	~		Corporate Governance Office is currently responsible for the collection and disclosure of corporate information and has implemented the spokesperson system. Investor conferences are held when the need arises.	In the future, the Company will accelerate the internal annual closing process as well as the CPA audits for earlier announcement and filing of
(III)	Does the Company announce and file the annual financial report within two months after the end of the fiscal year, and announce and file the financial reports for the first, second, and third quarter and the operating		~	At present, the Company has not been able to publicly announce and file its annual financial report within two months after the end of the financial year due to operations. However, the financial reports of the first three quarters as well as the	and filing of annual financial statements.

			Implementation Status	Deviations from the			
Evaluation Item	Yes	No	Description	Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof			
conditions of each month before the specified period?			operational status of each month are publicly announced and filed prior to the prescribed deadlines.				
VIII.Does the Company have other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to rights and welfare of employees, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, the implementation of risk management policies and risk evaluation measures, the implementation of customer policies, and liability insurance for directors and supervisors provided by the Company)?	✓		Motivated by a sense of mission towards a city, the Company believes that buildings shall be integrated with the city and demonstrate the city's spirit. This is the fundamental responsibility of the Company. Committed to green buildings and smart buildings, themed buildings and aesthetic buildings are the Company's goals and contribute to the beauty of the city.				
governance evaluation conducted	K. Improvements made in the most recent fiscal year in response to the results of corporate governance evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange, and improvement measures and plans for items yet to be improved. (Not applicable						

None.

- (IV) The composition and operations of the Remuneration Committee:
 - 1. Professional Qualifications and Independence Analysis of the Remuneration Committee Members

			Μ	lay 1, 2025	
Title (Note 1)	Qualification	Professional qualifications and experience	Independence criteria	Number of Other Public Companie s in Which the Individual is Concurren tly Serving as a Remunerat ion Committee Member	Re ma rks
Convener Independent Director	Ming-Te Chang	to Real Property Industry in the Areas of Commerce	The Company is committed to continuously assessing the independence of directors, taking into account all relevant factors, including whether the relevant	None	
Independent Director	Yao-Kuo Wu		director can continue to raise constructive issues for management and other directors, express opinions independently of management or other directors, and behave	None	
Independent Director	Chung-Chang Tsai	Work Experience Related to Real Property Industry in the Areas of Commerce	appropriately on and off the board. The conduct of the Company's independent non-executive directors, where appropriate, meets expectations	None	
Independent Director	Chin-Yu Chiu	to Real Property Industry in the Areas of Commerce	and demonstrates the above qualities. After considering all the circumstances set out in the above section, the Company believes that all independent directors are persons independent of the Company.	None	

Note 1: For the title, please fill in director, independent director, or others.

- 2. Operation of the Remuneration Committee
 - (1) The Company's Remuneration Committee comprises four members.
 - (2) Term of current Committee members: June 28, 2023 to June 27, 2026. The Remuneration Committee held two (A) meetings in the most recent year. The qualifications and attendance of the members are as follows:

Designation	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Convener	Ming-Te Chang	2	0	100.00%	2 meetings to attend
Member	Yao-Ku o Wu	2	0	100.00%	2 meetings to attend
Member	Chung-C hang Tsai	2	0	100.00%	2 meetings to attend
Member	Chin-Yu Chiu	2	0	100.00%	2 meetings to attend

Other matters:

I. If the Board declines to adopt or modify a recommendation of the Remuneration Committee, the date and session of the Board meeting, contents of motions, resolution and actions taken by the Company regarding the Committee's opinions shall be specified (if the compensation package approved by the Board is better than the recommendation made by the Committee, please specify the discrepancy and its reason).

None.

II. As to the resolutions of the Remuneration Committee, if a member expresses any objection or reservation, either by a recorded statement or in writing, the date and session of the committee meeting, contents of motions, all members' opinions and actions taken regarding the opinions shall be specified.

None.

 (V) (1) Promotion Status of Sustainable Development and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof:

Promotion itemYesNoDescriptionSustainable Development Best Practice Principles for Ustated Companies ar reasons thereI.Does the Company establish a governance structure to promote sustainable development, set up exclusively (or concurrently) dedicated units to implement sustainable development, and authorize the Board of Directors to appoint senior executives to be responsible for and the supervision of the Board of Directors?At present, the Company's Corporate Governance Department is concurrently responsible for and the supervision of the Board of Directors?NoneII.Has the Company conducted risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?The Company has conducted risk assessments on environmental sastainable Development CEGO issues related to its operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?NoneIII.Environmental is industrial characteristics?It he Company is in a relatively simple industry where environmental management system based on its industrial characteristics?None				Implementation status	Deviations from the
 I. Does the Company establish a governance structure to promote sustainable development, set up exclusively (or concurrently) dedicated units to implement sustainable development. The Board of Directors to appoint senior executives to be responsible for and the supervision of the Board of Directors? ✓ II. Has the Company conducted risk assessments on environmental, social and corporate governance (ESG) issues related to the Company's corducted risk assessments on environmental, social and corporate governance (SGG) successes and formulate relevant risk management policies or strategies? III. Environmental issues (I) Does the Company establish an appropriate environmental management system based on its industrial characteristics? 			No	Description	Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and
risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?The Company has conducted risk assessments on environmental, social, and corporate governance (ESG) issues related to its operations in accordance with the materiality principle. The scope of the risk assessments covers both the Company and its subsidiaries, and regularly establish relevant risk management policies.NoneIII. Environmental issues (I) Does the Company establish an appropriate environmental management system based on its industrial characteristics?✓The Company is in a relatively simple industry where environmental 	governance structure to promote sustainable development, set up exclusively (or concurrently) dedicated units to implement sustainable development, and authorize the Board of Directors to appoint senior executives to be responsible for and the supervision of the Board of Directors?	✓		Governance Department is concurrently responsible for promoting sustainable development. The Board of Directors authorizes senior executives to take charge and report to the Board of Directors from time to time. On September 28, 2023, our Company newly established the "Sustainable Development Best Practice Principles" and formed the Sustainable Development Committee, as well as revised the "Organizational Regulations of the Sustainable Development Committee." The Company completed the preparation of the sustainability report on September 28, 2023, as reported to the Board of	
 (I) Does the Company establish an appropriate environmental management system based on its industrial characteristics? ✓ The Company is in a relatively simple industry where environmental management is undertaken by the downstream contractors. At present, the environmental management system complies with the requirements. The Company and downstream contractors utilize resources with 	risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or	V		assessments on environmental, social, and corporate governance (ESG) issues related to its operations in accordance with the materiality principle. The scope of the risk assessments covers both the Company and its subsidiaries, and regularly establish relevant risk	None
 (II) Does the Company endeavor to (II) The impact of climate change on the 	 (I) Does the Company establish an appropriate environmental management system based on its industrial characteristics? 			industry where environmental management is undertaken by the downstream contractors. At present, the environmental management system complies with the requirements. The Company and downstream contractors utilize resources with efficiency and adopt recycled materials which have low environmental impact.	None

Promotion item			Deviations from the	
		No	Description	Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
utilize all resources more efficiently and use recycled materials that have a low impact on the environment?			Company remains insignificant. The Company regularly assesses the potential risks and opportunities, at present and in the future, arising from climate change.	
(III) Does the Company assess the present and future potential risks and opportunities of climate change for the entity, and takes countermeasures to respond to climate-related issues?	~		The Company conducted a trial carbon inventory in 2023 and designated the year as the base year. In 2024, direct greenhouse gas (GHG) emissions totaled 18 metric tons of CO2e, indirect GHG emissions totaled 154 metric tons of CO2e, and other GHG emissions amounted to 214 metric tons of CO2e. In 2024, King Park's water consumption was 322,922 liters, with 2,616 kilograms of waste generated.	
(IV) Does the Company calculate its greenhouse gas (GHG) emissions, water consumption and total waste weight in the past two years, and formulate policies for energy conservation, reductions of carbon, GHG and water consumption, or other waste management?	~		In the future, a carbon inventory will be conducted annually, and policies will be established for energy conservation and carbon reduction, greenhouse gas reduction, water usage reduction, and other waste management.	
 IV. Social issues (I) Has the Company formulated appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights? 	~		The Company abides by laws and regulations and acknowledges the international principles of basic labor rights to protect employees' legitimate rights and recruitment policy, establish the welfare system and adopt proper management approaches and procedures.	
 (II) Has the Company formulated and implemented reasonable employee welfare measures (including remuneration, leaves and other benefits), and properly reflected the operating performance or achievements in the employee remuneration? 	~		The Company has formulated and implemented reasonable employee welfare measures and regularly assessed employee performance which is reflected in employee compensation.	None
the employee remuneration? (III) Has the Company provided employees with a safe and healthy working environment	✓		The Company has provided employees with a safe and healthy working environment with irregular safety and	

Promotion item			Deviations from the	
		No	Description	Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
with regular safety and health education?(IV) Has the Company established effective career development training programs for its employees?	~		health education. No occupational accidents occur. The Company has established effective career development training programs for its employees and implemented the programs continuously.	
(V) Has the Company complied with related regulations and international standards in terms of customer health and safety, customer privacy, marketing and labeling of products and services, and formulated relevant consumer protection policies and complaint procedures?	~		There are relatively few regulations and international standards where the Company's marketing and labeling of products and services are concerned. As for customer health and safety and customer privacy, the Company has always stressed the importance that products and services shall meet all requirements and demanded full compliance thereof. Also, relevant consumer protection policies and complaint procedures have been	
(VI) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and the implementation results?	~		formulated. The Company's contracts with suppliers contain clauses where the Company is entitled to terminate or rescind the contracts at any time if the supplier has violated the CSR policy and the violation resulted in a significant negative impact on the environment and society.	
V. Does the Company compile the sustainability report following the internationally accepted standards or guidelines for the preparation of reports to disclose non-financial information of the Company? Have the aforementioned reports obtained a third-party assurance or verification statement?	~		Last year, the Company produced a sustainability report based on the guidelines of the Global Reporting Initiative (GRI).	The 2023 Sustainability Report will be prepared in accordance with GRI and Sustainability Accounting Standards Board (SASB) standards.

VI. If the Company has established its sustainable development best practice principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," describe the implementation and any deviations from the Principles: The Company has established the "Corporate Social Responsibility Best Practice Principles" and will formulate the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies"

	Implementation status			Deviations from the
Promotion item	Yes	No	Description	Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
and proceed accordingly with no deviation.				
VII. Other important information to facilitate a better understanding of the Company's CSR practices: None.				

(V) (2) Climate-Related Information of Listed Companies

1. Implementation Status of Climate-Related Information

1.	1. Implementation Status of Climate-Related Information					
	Item	Implementation status				
1.	Specify the Board of Directors and management's oversight and governance regarding climate-related risks and opportunities.	The Board of Directors serves as the highest governing body for the Company's corporate sustainability management strategies and practices. Under the Board, the Sustainable Development Committee (ESG Committee) and functional teams are established as a platform for cross-departmental communication and management of corporate social responsibility-related issues. They are responsible for executing and promoting significant sustainability issues, risk issues, and climate-related initiatives, and they report regularly to the Board on the performance of environmental-related project implementations.				
2.	Specify the identified climate risks and opportunities and their impact on the Company's operations, strategy, and finances (short-term, medium-term, long-term).	(Short-term): The greenhouse gas inventory is the first step in effectively managing greenhouse gas emissions and is also an important component of adhering to the TCFD framework. King Park's has adopted the latest standard, ISO 14064-1:2018, for emissions inventory verification since 2023. The scope of the inspection includes not only the King Park headquarters but also the reception centers, large buildings, and uncompleted housing projects sold by the Company, as well as all energy consumed at operational sites. At the same time, energy-saving and carbon reduction projects are implemented to achieve effective management of energy resources.				

3.	Specify the impact of extreme weather events and transformation actions on financial performance.	 (Mid-term): Introduce green building designs in new construction projects, and set reduction targets for greenhouse gas emissions, waste reduction, and water usage management. (Long-term): Continue setting relevant green reduction targets, and subsequently integrate climate-related risks and opportunities. Set management indicators and targets as the basis for performance evaluation. Considering the results of the significant impact analysis of climate-related risks, the Company has identified physical risks such as typhoons, floods, and droughts, which are exacerbated by extreme climate severity; it has also assessed transition risks such as rising raw material costs, increased pricing for greenhouse gas emissions, and higher costs associated with the transition to low-carbon technologies. Further analyze and cross-reference the impacts of climate-related opportunities, consolidating the potential financial impacts on the Company's operations. Opportunities for transformation arising from the risks of climate change. Our primary task is to conduct a greenhouse gas inventory for the Company, followed by the establishment of relevant green reduction targets. Subsequently, we will integrate climate-related risks and opportunities and set management indicators and targets as the basis for performance evaluation.
4.	Specify the process of identifying, assessing, and managing climate risks and how it is integrated into the overall risk management system.	The identification and assessment of climate risks and opportunities are led by the ESG Committee's task force. This involves evaluating the likelihood, impact severity, timing of occurrence, and financial implications of various risks and opportunities. Climate risks and opportunities are prioritized based on likelihood and impact. Major risks and opportunities are identified according to their potential impact and expected timeframe. The Company analyzes the significance of climate impacts and evaluates the potential financial implications of material risks and opportunities. These findings serve as the

		1 . 0 1 1 .
		basis for developing response measures,
		which are then integrated into the overall
-		risk management system.
5.	If scenario analysis is used to assess	The Company has not yet utilized scenario
	resilience against climate change risks, it	analysis to assess resilience against
	should specify the scenarios, parameters,	climate change risks. Currently, the
	assumptions, analytical factors, and major	response measures are sufficient to
	financial impacts employed.	address climate risks.
		The Company has set a target to reduce
		electricity consumption by 0.5% annually
		in relation to climate indicators and
		objectives. To enhance carbon
6		management comprehensively, the
6.	If there are transition plans in response to	Company introduced the ISO 14064-1
	managing climate risks, please describe	greenhouse gas inventory standard in 2023
	the content of these plans, as well as the	and is conducting inventory operations in
	indicators and targets used to identify and	accordance with the latest ISO
	manage physical risks and transition risks.	14064-1:2018 standard. The Company
		will continue to monitor the
		implementation status of key indicators
		and objectives, including energy,
7	If internal control multiple is yead as a	greenhouse gas emissions, and waste.
7.	If internal carbon pricing is used as a	In the future, implementation will be
	planning tool, the basis for price	carried out in accordance with legal
0	determination should be explained.	regulations.
8.	If climate-related targets have been	The climate-related goals set by the
	established, the activities covered, the	Company and the progress made towards
	scope of greenhouse gas emissions, the	achieving them can be found in the
	planning timeline, and the progress	Company's Sustainability Report.
	achieved each year should be explained. If	
	carbon offsets or Renewable Energy	
	Certificates (RECs) are used to meet these	
	targets, the source and quantity of the	
	offset carbon reductions or the number	
	RECs should be specified.	
9.	Greenhouse Gas Inventory and	The Company's carbon inventory has not
	Verification Status, Reduction Targets,	yet undergone assurance. It will be carried
	Strategies, and Specific Action Plans (to	out in compliance with regulatory
	be filled in sections 1-1 and 1-2).	requirements in the future.

1-1 Recent Two-Year Company Greenhouse Gas Inventory and Assurance Status 1-1-1 Greenhouse Gas Inventory Information

Specify the greenhouse gas emissions (in metric tons of CO2e), intensity (in metric tons of							
CO2e per NT\$ million), and the scope of data coverage for the past two years.							
Item 2024 2023							
Scope 1	18	18					
Scope 2	154	614					
Scope 3	214	208					
Total emissions (metric tons	386	840					
CO2e)							
Intensity (metric tons CO2e	0.0427	0.3667					
per NT\$ million)							

Scope of data	Only the parent company	Only the parent company
Note 1: The denominator of the	density is the operating revenue of	f the Company for 2024.

1-1-2 Greenhouse Gas Assurar	noo Information
1-1-2 dicennouse das Assurar	ice information

Specify the assurance status for the most recent two years as of the date of publication, including the scope of assurance, the assurance organization, the assurance standards, and the assurance opinion.

The Company has not yet conducted assurance of greenhouse gas emissions for the most recent two years as of the date of publication of the annual report.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Action Plans

Specify the base year for greenhouse gas reduction, associated data, reduction targets,
strategies, specific action plans, and the status of achieving the reduction targets.Base Year for Greenhouse2023

Base Year for Greenhouse	2023
Gas Reduction	
Base Year Data	Please refer to 1-1-1.
Reduction Target	The Company has established a Sustainable Development Committee to set short-, medium-, and long-term goals for energy resource and emission management. The Company's greenhouse gas emissions intensity for 2024 is 8.98 tons of CO2e per person. Short-term (2025): Greenhouse gas emissions intensity shall not exceed 7 tons of CO2e per person, and the proportion of new construction projects applying for green building certification shall be 10%. Mid-term (2026): Greenhouse gas emissions intensity shall not exceed 6 tons of CO2e per person, and the proportion of new construction projects applying for green building certification shall reach 20%. Long-term (2027): Greenhouse gas emissions intensity shall not exceed 5 tons of CO2e per person, and the proportion of new construction projects applying for green building certification shall reach 20%. Long-term (2027): Greenhouse gas emissions intensity shall not exceed 5 tons of CO2e per person, and the proportion of new construction projects applying for green building certification shall reach 30%. Additionally, it is essential to rigorously quantify the output of construction waste and municipal solid waste, and to implement measures to reduce waste and airborne dust, in order to achieve the goal of reducing greenhouse gas emissions.
Management Strategy	Actively reduce carbon emissions from the daily operation of buildings with the latest ISO 14064-1:2018 standard for carbon inventory adopted in 2023. The scope of the inventory covers not only the Company's offices but also unsold housing units and common areas of construction projects yet to be handed over. Energy-saving and carbon-reduction initiatives are implemented to achieve effective energy resource management.
Specific Action Plans	Through mutual observation and sharing of experiences in green architecture among industry peers, we plan to have certain projects obtain green building certifications both domestically and internationally. The Company has begun to fully implement green building

	practices, enhancing the contribution of the building life cycle to the environment. We will continuously and consistently promote energy-saving initiatives in the workplace, including the procurement or leasing of energy-efficient equipment such as official vehicles and office machinery. At the same time, we also strengthen internal advocacy to establish good work habits among colleagues that focus on reducing plastic use and conserving energy.			
Achievement of Targets	 Implement energy-saving design to reduce energy consumption in buildings, in response to green building practices and sustainable environmental thinking. Kaohsiung Houses are planned based on local conditions. Use emerging technologies such as Building Information Modeling and modular construction to enhance construction efficiency. Recycle usable waste generated during construction. Reuse sales venues. Digital Transformation: Introduction of a customer service app and an online system for selecting building materials and equipment. 			

(VI) Performance in Ethical Management and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies and Reasons Thereof:

				Implementation Status	Deviations from the
	Evaluation Item	Yes	No	Description	Ethical Corporate Management Best Practice Principles for TWSE/TPEx-L isted Companies and Reasons Thereof
I.	Establishment of ethical corporate management policies and				
(I)	schemes Has the Company formulated ethical corporate management policies approved by the Board of Directors and clearly expressed relevant policies and actions as well as the Board and senior management's commitment to implement these policies in the Company's internal rules and external documents? Does the Company establish a risk assessment mechanism for unethical conduct, periodically analyze and assess operating activities with high-potential unethical conduct in the business scope, and formulate precautionary measures against unethical conducts, which at least cover the precautionary measures stated in Article 7, paragraph 2 of "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?"	 ✓ 		The Company has formulated ethical corporate management policies approved by the Board and clearly expressed relevant policies and actions as well as the Board and senior management's commitment to implement these policies in the annual report. The Company has established an assessment mechanism for risk arising from unethical conducts, regularly analyzed and assessed operating activities with higher risks of unethical conduct within its business. For conducts set forth in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and operating activities with higher risks of unethical conducts, we have preventive rules and designs in the internal control system.	None
(III)	Has the Company had clear statements regarding relevant procedures, conduct guidelines, disciplinary measures and compliant system in the preventive schemes, and has the Company implemented them accordingly and regularly review the above schemes?	~		The Company has established the Principles of Business Ethics with clear statements regarding relevant procedures, conduct guidelines, disciplinary measures and compliant system and proceeded accordingly.	

				Implementation Status	Deviations from the
	Evaluation Item	Yes	No	Description	Ethical Corporate Management Best Practice Principles for TWSE/TPEx-L isted Companies and Reasons Thereof
II. (I)	Implementation of ethical corporate management Does the Company review the counterparty's history of ethical conduct and include the	✓		The Company avoids transacting with parties having records of unethical conduct.	
(II)	compliance of business ethics as a clause in the contract? Has the Company established an exclusively dedicated department under the Board of Directors to promote ethical conducts and report regularly (at least once per year) its ethics policies and preventive schemes for unethical conducts as well as	~		The Audit Office is designated to promote ethical conduct concurrently and reports its operation to the Board.	
(III)	implementation status to the Board? Has the Company established policies to prevent conflicts of interest, provided appropriate communication channels and thoroughly implemented the policies?	✓		The Company has established an internal control system for related party transactions to prevent conflicts of interest and provided appropriate communication channels. The Corporate Governance Office is the	None
(IV)	Has the Company established effective accounting and internal control systems for the implementation of ethical corporate management and had the internal audit unit formulating relevant audit plans based on the assessment outcome of risk associated with unethical conducts? Has the Company then performed audits on the compliance with the preventive schemes for unethical conducts accordingly, or entrust the CPAs to conduct the audits?	~		exclusively dedicated unit. The Company has established effective accounting and internal control systems for the implementation of ethical corporate management. Their operations and audits are carried out pursuant to relevant rules.	
(V)	Has the Company regularly held internal and external education and training sessions on ethical	✓		The Company has irregularly held internal and external education and training sessions on ethical	

				Implementation Status	Deviations
	Evaluation Item	Yes	No	Description	from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx-L isted Companies and Reasons Thereof
	corporate management?			corporate management.	
III. (I)	Implementation of the whistle-blowing system Has the Company established specific whistle-blowing and reward systems, set up conveniently accessible whistle-blowing channels, and assigned appropriate and dedicated individuals for the	~		The whistle-blowing channels are under the supervision of the Audit Office. The disciplinary measures and compliant system have operated smoothly at present.	
(II)	accused party? Does the Company establish standard operating procedures for the reported matters, follow-up measures to be taken after completing the investigation, and the relevant confidential mechanism?	~		The Company has established standard operating procedures and confidentiality mechanisms for investigating the reported incidents.	None
. ,	Has the Company established measures to protect whistleblowers from retaliation?	✓		The Company has established measures to protect whistleblowers from improper treatment.	
IV.	Enhancement on information disclosure Has the Company disclosed its Principles of Business Ethics and the results of its implementation on the corporate website and MOPS?	~		The Company has set up the corporate website and disclosed relevant information on ethical corporate management.	None
V.	If the Company has established its	est Pr	actice	l corporate management principles b Principles for TWSE/TPEx Listed eviations from the Principles:	

The Company operates in accordance with its "Principles of Business Ethics." VI. Other important information to facilitate a better understanding of the Company's ethical corporate management (e.g., the Company reviews and revises its Principles of Business Ethics, etc.):

- 1. The Company belongs to the building industry. Our transactions with customers have always complied with government laws and regulations and protected the customers' rights and interests. Ethical corporate management is an important issue to the fundamentals of the industry.
- 2. In recent years, the government has been committed to promoting the safety of property transactions. Besides establishing the template for property contracts, it moves forward towards ethical corporate management. The Company will follow suit to ease consumers'

			Deviations from the	
Evaluation Item	Yes	No	Description	Ethical Corporate Management Best Practice Principles for TWSE/TPEx-L isted Companies and Reasons Thereof
concerns in property acquisiti	on.			

(VII) Other important information that will provide a better understanding of the Company's implementation of corporate governance: None.

(VIII) Status of internal control system:

1. Statement of Internal Control



日期:114年3月13日

本公司民國 113 年度之內部控制制度,依據自行評估的結果,謹聲明如下:

- 一、本公司確知建立、實施和維護內部控制制度係本公司董事會及經理人之責任, 本公司業已建立此一制度。其目的係在對營運之效果及效率(含獲利、績效及 保障資產安全等)、報導具可靠性、及時性、透明性及符合相關規範暨相關法 令規章之遵循等目標的達成,提供合理的確保。
- 二、內部控制制度有其先天限制,不論設計如何完善,有效之內部控制制度亦僅能對上述 三項目標之達成提供合理的確保;而且,由於環境、情況之改變,內部控制制度之有 效性可能隨之改變。惟本公司之內部控制制度設有自我監督之機制,缺失一經辨認, 本公司即採取更正之行動。
- 三、本公司係依據「公開發行公司建立內部控制制度處理準則」(以下簡稱「處理 準則」)規定之內部控制制度有效性之判斷項目,判斷內部控制制度之設計及 執行是否有效。該「處理準則」所採用之內部控制制度判斷項目,係為依管理 控制之過程,將內部控制制度劃分為五個組成要素:1.控制環境,2.風險評估, 3.控制作業,4.資訊與溝通,及5.監督作業。每個組成要素又包括若干項目。 前述項目請參見「處理準則」之規定。
- 四、本公司業已採用上述內部控制制度判斷項目,評估內部控制制度之設計及執行 的有效性。
- 五、本公司基於前項評估結果,認為本公司於民國113年12月31日的內部控制制度(含 對子公司之監督與管理),包括瞭解營運之效果及效率目標達成之程度、報導 係屬可靠、及時、透明及符合相關規範暨相關法令規章之遵循有關的內部控制 制度等之設計及執行係屬有效,其能合理確保上述目標之達成。
- 六、本聲明書將成為本公司年報及公開說明書之主要內容,並對外公開。上述公開 之內容如有虛偽、隱匿等不法情事,將涉及證券交易法第二十條、第三十二條、 第一百七十一條及第一百七十四條等之法律責任。
- 七、本聲明書業經本公司民國114年3月13日董事會通過,出席董事 人中,無人持反 對意見,均同意本聲明書之內容,併此聲明。

京城建設股份有限公司

了了了。 (簽章) 董事長兼總經理:

- 2. Where a CPA has been hired to carry out a special audit of the internal control system: N/A.
- (IX) Major resolutions of shareholders' meeting and Board meetings during the most recent fiscal year and up to the date of publication of the annual report:

January 1, 2024 to May 1, 2025							
Date	Major Resolutions						
March 14, 2024 Board of Directors (the Board)	 In 2023, our Company conducted an assessment of the effectiveness of the internal control system and prepared a statement on the internal control system. Ratification of 2023 consolidated and parent company only financial statements. 2023 distribution of earnings, employee compensation and remunerations to Directors and Supervisors. Matters related to the 2024 Annual Shareholders' Meeting of the Company. Acquisition of four land parcels, including Lot 565 in Qinghai Section, Gushan District, Kaohsiung City, from non-related parties. 						
April 11, 2024 Board of Directors (the Board)	New endorsement and guarantee proposal of NT\$1,000,000 thousand to Sandi Properties Co., Ltd.						
May 10, 2024 Board of Directors (the Board)	 01. Discussion on the 2024 Q1 financial statements of the Company. 02. Discussion on executive and employee compensation for 2023 03. Organizational restructuring of our Company. 						
June 12, 2024 Board of Directors (the Board)	 Acquisition of four land parcels, Lot. 27, 28, 29, and 30 in Xinsheng Section, Zuoying District, Kaohsiung City, from non-related parties. Disposal of 26 land parcels, including Lot 60-1 in Chenggong Section, Lingya District, Kaohsiung City, to non-related parties. 						
June 27, 2024 Shareholders' Meeting	 Amendments to the Company's "Procedures for Acquisition or Disposal of Assets". Tables of 2020-2022 Earnings Distribution before and after revision. 						
June 27, 2024 Board of Directors (the Board)	 Signed a real estate sales contract with the Company's Independent Director, Ms. Chin-Yu Chiu, for Unit A2-17F of the Museum of Modern Art project. Acquisition of two land parcels, Lot 20 and 21 in Dapi Section, Niaosong District, Kaohsiung City, from non-related parties. 						
August 9, 2024 Board of Directors (the Board)	 Discussion on 2024 Q2 financial statements of the Company. Amendments to the Company's "Internal Control System." Acquisition of land on Longdong Section, Gushan District, Kaohsiung City from a non-related party. Acquisition of land in Xinmin Section, Zuoying District, Kaohsiung City, from non-related parties. Proposal for the Company's acquisition of short-term investments. 						
September 26, 2024	01. Amendments to the Company's "Internal Control System."						

January 1, 2024 to May 1, 2025

Date	Major Resolutions
Board of Directors (the Board)	 02. Completion of the Company's preparation for its 2024 Sustainability Report. 03. Proposal for the Company's disposal of short-term investments.
November 13, 2024 Board of Directors (the Board) December 24, 2024	 01. Discussion on 2024 Q3 financial statements of the Company. 02. Proposal for the 2025 annual audit plan of the Company 03. Amendments to the Company's "Internal Control System."
Board of Directors (the Board)	01. Amendments to the Company's "Internal Control System."02. Cash capital increase for the subsidiary, H2O Hotel Co., Ltd.
February 26, 2025 Board of Directors (the Board)	01. Acquisition of land parcel Lot 566 in Qinghai Section, Gushan District, Kaohsiung City, from non-related parties.
March 13, 2025 Board of Directors (the Board)	 Proposal for the "Assessment of the Effectiveness of the Internal Control System" and the "Statement on Internal Control" for 2024. Amendment to the Articles of Incorporation. Discussion on the Company's periodic evaluations of the independence of CPAs. Ratification of 2024 consolidated and individual financial statements. Proposal for the 2024 distribution of earnings, employee compensation and remunerations to Directors and Supervisors. Discussion on the acquisition of parking spaces at King's Mansion from the related party, King's Town Construction. Proposal for matters related to the 2025 Annual Shareholders' Meeting. Change in contract of the construction project for Lot 2747, Ai-Chun Section (Heart of World).
April 8, 2025 Board of Directors (the Board)	01. Carried out 7th buyback of treasury shares pursuant to Subparagraph 3, Paragraph 1, Article 28-2 of the Securities and Exchange Act and repurchased 10,000,000 registered common shares of the Company.

(X) Details of dissenting opinion expressed by a Director or Supervisor, either by a recorded statement or in writing, with respect to a major resolution passed by the Board during the most recent fiscal year and up to the date of publication of the annual report: None.

IV Information on CPA Professional Fees:

The amount of both audit and non-audit public fees paid to the certified public accountant, to the accounting firm of the certified public accountant, and to any affiliated enterprise of such accounting firm, and details of non-audit services:

Information on CPA Professional Fees

Unit: NT\$ thousand

					01111.111	
Name of CPA Firm	Name of CPA	Audit period	Audit Fees	Non-audit Fees	Total	Remark
ShineWing Taiwan	Angela Chuan g Jackso n Jwo	2024/01/01~ 2024/12/31	1,550	390	1,940	_

- 1. When the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the reduction in the amount of audit fees, reduction percentage, and reason(s) thereof shall be disclosed: None.
- 2. Where the audit fees paid for the current fiscal year are lower than the previous fiscal year by ten percent or more, the amount, proportion, and reason for the reduction of the audit fee:None.
- V Information on Replacement of CPAs: None.
- VI The Company's Chairman, President, or Any Managerial Officer in Charge of Finance or Accounting Matters Holding a Position at the Company's CPA Firm or at an Affiliated Enterprise of Such Firm during the Most Recent Fiscal Year: None.

- VII Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests During the Most Recent Fiscal Year and up to the Date of Publication of the Annual Report by a Director, Supervisor, Managerial Officer, or Shareholder with a Stake of More than 10 Percent
 - O Changes in Equity Interests of Directors, Supervisors, Managerial Officers and Major Shareholders

	ens ana majo	r Snarenolders			Unit: Shares
		202	24	As of Apr	. 29, 2022
Designation	Name	Shareholding (shares) increase (decrease)	Pledge share increase (decrease)	Shareholding (shares) increase (decrease)	Pledge share increase (decrease)
Director/Major shareholders with a stake of more than 10%		0	1,500,000	0	0
Representative of Chairman/Major shareholders with 10% shareholdings or more/President	Tien-Tsan Tsai	0	(6,000,000)	0	6,100,000
Representative of Director	Mei-Yun Tsai-Hsueh	0	(3,532,000)	0	(459,000)
Representative of Director	Shih-Hsiung Li	0	0	0	0
Representative of Director/Vice President	Chin-Hsing Chen	0	0	0	0
Independent Director	Ming-Te Chang	0	0	0	0
Independent Director	Yao-Kuo Wu	0	0	0	0
Independent Director	Chung-Chang Tsai	0	0	0	0
Independent Director	Chin-Yu Chiu	0	0	0	0
Vice President	Kuo-Tai Wang	0	0	(6,990)	0
Assistant Vice President	Chia-Hung Huang	(53,000)	0	0	0
Assistant Vice President	Jing-Heng Zhou	(13,000)	0	0	0
Assistant Vice President	Jui-Li Chen	(25,000)	0	(5,000)	0
Finance and Accounting Executive	Su-Ying Liang	(36,000)	0	0	0
Shareholders with 10% Shareholdings or More	Tian Gang Investment Co., Ltd.	0	(16,000,000)	0	23,300,000

© Equity transfer information: None.

© Equity pledge information

Name	Reasons for changes in pledged shares	Change date	Counterparty	Relationship between the counterparty and the Company, Directors, Supervisors, Managerial Officers, and shareholders with 10% shareholding or more.	Number of shares (In shares)	Shareholding (%)	Pledge ratio (%)	Pledge (redemption) amount
Tien-Tsan Tsai	Discharged	2024/05/14	Mega Bills Finance Co., Ltd., Kaohsiung Branch	None	2,000,000	23.17	_	—
Tien-Tsan Tsai	Discharged	2024/05/21	Hua Nan Commercial Bank, Tung-Ling Branch	None	4,000,000	23.17	—	—
Tien-Tsan Tsai	Discharged	2025/01/09	Mega Bills Finance Co., Ltd., Kaohsiung Branch	None	5,100,000	23.17	—	—
Tien-Tsan Tsai	Discharged	2025/01/09	Mega Bills Finance Co., Ltd., Kaohsiung Branch	None	1,900,000	23.17	—	—
Tien-Tsan Tsai	Discharged	2025/01/20	Ta Ching Bills Finance Corporation	None	1,500,000	23.17	—	—
Tien-Tsan Tsai	Discharged	2025/01/20	Union Bank Of Taiwan, Kaohsiung Branch		2,000,000	23.17		
Tien-Tsan Tsai	Discharged	2025/01/21	International Bills Finance Corp.	None	1,000,000	23.17		
Tien-Tsan Tsai	Discharged	2025/01/21	International Bills Finance Corp.	None	1,000,000	23.17		
Tien-Tsan Tsai	Pledged	2025/03/03	Taishin International Bank, Tainan Branch	None	6,100,000	23.17		
Tien-Tsan Tsai	Pledged	2025/03/04	China Bills Finance Co., Ltd., Kaohsiung Branch	None	1,900,000	23.17		
Tien-Tsan Tsai	Pledged	2025/03/04	China Bills Finance Co., Ltd., Kaohsiung Branch	None	2,000,000	23.17		
Tien-Tsan Tsai	Pledged	2025/03/04	China Bills Finance Co., Ltd., Kaohsiung Branch	None	3,700,000	23.17		
Tien-Tsan Tsai	Pledged	2025/03/04	China Bills Finance Co., Ltd., Kaohsiung Branch		1,000,000	23.17		
Tien-Tsan Tsai	Pledged	2025/03/04	Taishin International Bank, Tainan Branch	None	3,900,000	23.17		
Tian Lai Investment Co., Ltd.	Pledged	2024/05/06	Mega Bills Finance Co., Ltd., Kaohsiung Branch	None	3,500,000	13.44		
Tian Lai Investment Co., Ltd.	Discharged	2024/10/25	Hua Nan Commercial Bank, Tung-Ling Branch	None	2,000,000	13.44		
Tian Gang Investment Co., Ltd.	Discharged	2024/05/06	Mega Bills Finance Co., Ltd., Kaohsiung Branch		2,000,000	17.14		
Tian Gang Investment Co., Ltd.	Discharged	2024/05/06	Mega Bills Finance Co., Ltd., Kaohsiung Branch		4,000,000	17.14		
Tian Gang Investment Co., Ltd.	Discharged	2024/05/10	Ta Ching Bills Finance Corporation	None	3,000,000	17.14		
Tian Gang Investment Co., Ltd.	Discharged	2024/05/10	Union Bank Of Taiwan, Kaohsiung Branch	None	3,000,000	17.14		
Tian Gang Investment Co., Ltd.	Discharged	2024/10/25	International Bills Finance Corp.	None	1,000,000	17.14		
Tian Gang Investment Co., Ltd.	Discharged	2024/10/25	International Bills Finance Corp.	None	1,000,000	17.14		
Tian Gang Investment Co., Ltd.	Discharged	2024/10/25	Taishin International Bank, Tainan Branch		2,000,000	17.14		
Tian Gang Investment	Pledged	2025/02/07	China Bills Finance	None	6,500,000	17.14		

Name	Reasons for changes in pledged shares	Change date	Counterparty	Relationship between the counterparty and the Company, Directors, Supervisors, Managerial Officers, and shareholders with 10% shareholding or more.	Number of shares (In shares)	Shareholding (%)	Pledge ratio (%)	Pledge (redemption) amount
Co., Ltd.			Co., Ltd., Kaohsiung Branch					
Tian Gang Investment Co., Ltd.	Pledged	2025/02/17	China Bills Finance Co., Ltd., Kaohsiung Branch		9,300,000	17.14		
Tian Gang Investment Co., Ltd.	Pledged	2025/04/09	China Bills Finance Co., Ltd., Kaohsiung Branch		4,500,000	17.14		
Tian Gang Investment Co., Ltd.	Pledged	2025/04/09	China Bills Finance Co., Ltd., Kaohsiung Branch		3,000,000	17.14		

VIII Relationship Among the Company's Ten Shareholders Where One Is a Related Party, a Spouse or a Relative within the Second Degree of Kinship of Another

<u>I</u>	Relations	hips amo	ng the C	<u>ompany'</u>	's Ten	Largest	Shareho	<u>olders</u> April 28,	2025
Name	Current S	hareholding		& Minor olding		holding by ominees	the top ten sh are related p or within the	relationships of nareholders who arties, spouses, e second degree to each other.	Remarks
	Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)	Name	Relationship	
Tien-Tsan Tsai	85,577,838	23.17	20,209,951	5.47	_		Mei-Yun Tsai-Hsueh Chiung-Tin g Tsai	Spouse First-degree relative by consanguinity	Corporate Representati ve - Director of the
1 sai							Mei-Hui Chen	Second-degre e relative by affinity	Company, major shareholder
Tian Gang Investment Co., Ltd.	63,328,801	17.14	_	—	_	—	Mei-Yun Tsai-Hsueh	Responsible person	Major shareholder
Tian Gang							Tien-Tsan Tsai	Spouse	
Investment Co., Ltd. Responsible person:	20,209,951	5.47	85,577,838	23.17	_	_	Chiung-Tin g Tsai	First-degree relative by consanguinity	-
Mei-Yun Tsai-Hsueh							Mei-Hui Chen	Second-degre e relative by consanguinity	
Tian Lai Investment Co., Ltd.	49,652,072	13.45	-	_	_	-	-	-	Director of the Company
Responsible person of Tian							Tien-Tsan Tsai	First-degree relative by affinity	
Lai Investment Co., Ltd.: I-Ying Chen	0	0.00	23,616,339	6.39	—	_	Mei-Yun Tsai-Hsueh	First-degree relative by affinity	-
Ŭ							Chiung-Tin g Tsai	Spouse	
Chieh Chih Construction Co., Ltd.	31,651,513	8.57	_	_	_	_	_	_	Affiliate of the Company
Responsible person of Chieh Chih Construction Co., Ltd.: Hsien-Tsung Wang	589,635	0.16	11,533,354	3.12	_	_	-	_	-
Chiung-Ting	23,616,339	6.39	0	0.00			Tien-Tsan Tsai	First-degree relative by consanguinity	First-degree relative to corporate representati
Tsai	23,010,339	0.39	0	0.00			Mei-Yun Tsai-Hsueh	First-degree relative by consanguinity	ve - Director of the Company
Mei-Yun Tsai-Hsueh	20,209,951	5.47	85,577,838	23.17	—	—	Tien-Tsan Tsai Chiung-Tin g Tsai	Spouse First-degree relative by consanguinity	Corporate Representati ve - Director of the Company
Xin Rui Investment Co., Ltd.	17,786,434	4.81	_	—	_	_	_	_	_
Responsible person of Xin Rui Investment Co., Ltd.: I-Li Chuang	0	0.00	-	—	—	-	-	-	_

Relationships among the Company's Ten Largest Shareholders

Name	Current S	hareholding	Spouse & Minor Shareholding		Shareholding by Nominees		Names and relationships of the top ten shareholders who are related parties, spouses, or within the second degree of kinship to each other.		Remarks
	Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)	Name	Relationship	
Jin Cheng Construction Co., Ltd.	15,552,180	4.21	—	_	—	—	—	—	—
Responsible person of Jin Cheng Construction Co., Ltd.: Chun-Chun Chiu	108,336	0.03	_	_	_	_	_	_	_
							Tien-Tsan Tsai	Second-degre e relative by affinity	Second-degr ee relative to corporate
Mei-Hui Chen	11,533,354	3.12	589,635	0.16	—	-	Mei-Yun Tsai-Hsueh	Second-degre e relative by consanguinity	representati ve - Director of the Company
Chin-Chueh Chen	3,201,149	0.87	_	_	_	_	_	_	_

IX Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors and Supervisors, Managerial Officers, and Any Companies Controlled Either Directly or Indirectly by the Company

					Un	it: Shares; %	
Investee (Note)	Investment by the Company		Directors, Manager and Any Contro Directly or	ents of the Supervisors, ial Officers, Companies lled Either Indirectly by Company	Total		
	Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)	
H2O Hotel Co., Ltd.	52,000,000	100.00%	0	0.00	52,000,000	100.00%	
Hua Zhi Venture Capital Co., Ltd.	8,152	1.63%	0	0.00%	8,152	1.63%	
Yangmin International Catering Co., Ltd. (investment by subsidiary H2O)		40.00%	0	0.00%	800,000	40.00%	

Note: Except for the subsidiary H2O Hotel, all other investments are accounted for using the equity method.

Chapter 3. Capital and Shares

I. Sources of Capital

I. Sour		Authorized	d Capital	Paid-in (Capital	Rer	narks	
X7 / X7 / 1	Issued	Number of	Amount	Number of	Amount		Capital	
Year/Month	Price	shares (In	(in NT\$	shares (In	(in NT\$	Source of	Increase by Assets	Others
		· · · · ·	thousands)	shares)	thousands)	Capital	Other than Cash	0
1985/09	NT\$10,000	100	1,000	100	/	Initial capital	None	
1900/09	+	100	1,000	100	1,000	Cash capital	1.0110	
1985/10	NT\$10,000	3,000	30,000	3,000	30,000	increase of	None	
					-	NT\$29,000,000		
1000/04		0.000	~~~~~	0.000		Cash capital	. .	
1990/04	NT\$10,000	8,000	80,000	8,000	80,000	increase of NT\$50,000,000	None	
						Cash capital		
1990/05	NT\$10	19,800,000	198,000	19,800,000	198,000	increase of	None	
		-))				NT\$118,000,000		
						Capitalization of		
						earnings of NT\$30,000,000,		
1991/04	NT\$10	40,000,000	400,000	40,000,000	400,000	Cash capital	None	
						increase of		
						NT\$172,000,000		
1991/12	NT\$10	45,016,000	450,160	45,016,000	450 160	Capitalization of earnings of	None	
1991/12	11 1 510	43,010,000	430,100	43,010,000	430,100	NT\$50,160,000	none	
						Capitalization		
1992/08	NT\$10	70,000,000	700,000	51,543,320	515,433	of earnings of	None	
			-			NT\$65,273,200		
1002/06	NTT#10	70.000.000	700.000	(5.010.527	659 105	Capitalization of	NT	
1993/06	NT\$10	70,000,000	700,000	65,819,537	658,195	earnings of NT\$142,762,170	None	
						Capitalization of		
1994/07	NT\$10	100,000,000	1,000,000	81,483,268	814,833	earnings of	None	
						NT\$156,637,310 Cash capital		
1995/05	NT\$10	200,000,000	2,000,000	99,983,268	999.833	increase of	None	
			,,			NT\$185,000,000		
1005/07	ΝΙΤΦ10	200,000,000	2 000 000	125 147 774	1 251 470	Capitalization of	Mana	
1995/07	IN 1 \$10	200,000,000	2,000,000	135,147,774	1,351,478	earnings of NT\$351,645,060	None	
						Capitalization of		
1999/10	NT\$10	200,000,000	2,000,000	148,662,551	1,486,626	capital surplus	None	
						of NT\$135,147,770		Approved by
						Conitalization of		Jin-Guan-
2005/06	NT\$10	370,000,000	3 700 000	223,760,126	2,237,602	Capitalization of earnings of	None	Zheng-I-Zi No.
2002/00	111010	570,000,000	5,700,000	223,700,120	2,237,002	NT\$750,975,750	1,0110	0940002934 on June 30,
								2005
								Approved by Jin-Guan-
						Capitalization of		Zheng-I-Zi
2006/08	NT\$10	370,000,000	3,700,000	268,973,513	2,689,735	earnings of	None	No. 0950137780
						NT\$452,133,870		on August 25, 2006
								Approved by Jin-Guan-
2007/07	NT\$10	370,000,000	3 700 000	296,148,158	2,961,481	Capitalization of earnings of	None	Zheng-I-Zi No.
2007/07	11010	270,000,000	5,700,000	270,170,130	2,701,701	NT\$271,746,450	1,0110	0960037710
								on July 19, 2007
2008/02	NT\$10	370,000,000	3 700 000	291,163,158	2,911,631	Capital	None	
2000/02	11010	570,000,000	5,700,000	271,105,150	2,711,031	reduction via	1 tone	

		Authorized	d Capital	Paid-in	Capital	Rer	narks	
Year/Month	Issued Price	Number of shares (In shares)	Amount (in NT\$ thousands)	Number of shares (In shares)	Amount (in NT\$ thousands)	Source of Capital	Capital Increase by Assets Other than Cash	Others
						treasury shares of NT\$49,850,000		
2008/08	NT\$10	370,000,000	3,700,000	320,849,633	3,208,496	Capitalization of	None	Approved by Jin-Guan- Zheng-I-Zi No. 0970039602 on August 6, 2008
2008/12	NT\$10	370,000,000	3,700,000	310,849,633	3,108,496	Capital reduction via treasury shares of NT\$100,000,000	None	
2009/10	NT\$10	370,000,000	3,700,000	305,849,633	3,058,496	Capital reduction via treasury shares of NT\$50,000,000	None	
2010/09	NT\$10	370,000,000	3,700,000	330,657,729	3,306,577	Capitalization of earnings of NT\$248,080,096	None	Approved by Jin-Guan- Zheng-Fa-Zi No. 0990037059 on July 16, 2010
2011/10	NT\$10	450,000,000	4,500,000	357,727,262	3,577,273	Capitalization of earnings of NT\$270,695,330	None	Approved by Jin-Guan- Zheng-Fa-Zi No. 1000032122 on July 12, 2011
2012/09	NT\$10	450,000,000	4,500,000	375,926,155	3,759,261	Capitalization of earnings of NT\$181,988,930	None	Approved by Jin-Guan- Zheng-Fa-Zi No. 1010033076 on July 25, 2012
2015/10	NT\$10	450,000,000	4,500,000	383,820,229	3,838,202	Capitalization of earnings of NT\$78,940,740	None	Approved by Jin-Guan- Zheng-Fa-Zi
2016/11	NT\$10	450,000,000	4,500,000	384,004,658	3,840,047	Capitalization of employee bonus of NT\$1,844,290	None	_
2017/09	NT\$10	450,000,000	4,500,000	384,270,732	3,842,707	Capitalization of employee bonus of NT\$2,660,740	None	_
2018/10	NT\$10	450,000,000	4,500,000	384,654,922	3,846,549	Capitalization of employee bonus of NT\$3,841,900	None	-
2019/08	NT\$10	450,000,000	4,500,000	384,846,372	3,848,464	Capitalization of employee bonus of NT\$1,914,500	None	-
2020/07	NT\$10	450,000,000	4,500,000	374,846,372	3,748,464	Capital reduction via treasury shares of NT\$100,000,000	None	_
2020/10	NT\$10	450,000,000	4,500,000	370,657,372	3,706,574	Capital reduction via treasury shares of	None	_

		Authorized	d Capital	Paid-in (Capital	Rer	narks	
Year/Month	Issued Price	Number of shares (In shares)	Amount (in NT\$ thousands)	Number of shares (In shares)	Amount (in NT\$ thousands)	Source of Capital	Capital Increase by Assets Other than Cash	Others
						NT\$41,890,000		
2020/10	NT\$10	450,000,000	4,500,000	371,193,098	3,/11,931	Capitalization of employee bonus of NT\$5,357,260	None	
2021/09	NT\$10	450,000,000	4,500,000	371,759,023	2 717 500	Capitalization of employee compensation of \$5,659,250	Mana	_
2022/09	NT\$10	500,000,000	5,000,000	372,300,379	3,723,004	Capitalization of employee bonus of NT\$5,413,560	None	
2022/11	NT\$10	500,000,000	5,000,000	369,056,379	3,690,564	Capital reduction via treasury shares of NT\$32,440,000	None	_
2023/09	NT\$10	500,000,000	5,000,000	369,419,600	3,694,196	Capitalization of employee bonus of NT\$3,632,210	None	

	1	Authorized Capital	1	
Share Type	Outstanding Shares	Unissued Shares	Total	Remarks
Registered common shares	369,419,600 shares	130,580,400 shares	500,000,000 shares	Listed shares

Note: The Company has not offered nor issued securities by shelf registration and will not otherwise disclose such information.

II. List of Major Shareholders:

April 28, 2025

Shares		
Name of Major	Shareholding (shares)	Shareholding (%)
Shareholders		
Tien-Tsan Tsai	85,577,838	23.17%
Tian Gang Investment Co.,	63,328,801	17.14%
Ltd.		
Tian Lai Investment Co., Ltd.	49,652,072	13.44%
Chieh Chih Construction Co.,	31,651,513	8.57%
Ltd.		
Chiung-Ting Tsai	23,616,339	6.39%
Mei-Yun Tsai-Hsueh	20,209,951	5.47%
Xin Rui Investment Co., Ltd.	17,786,434	4.81%
Jin Cheng Construction Co.,	15,552,180	4.21%
Ltd.		
Mei-Hui Chen	11,533,354	3.12%
Chin-Chueh Chen	3,201,149	0.87%

Note: Disclosure of top ten shareholders.

III. Company's Dividend Policy and Implementation Thereof:

O Dividend policy:

In accordance with Article 25 of the Articles of Incorporation, annual earnings of the Company, if any, shall be appropriated for tax payment, accumulated loss compensation, legal and special reserves, employee bonus and remuneration to Directors and Supervisors. The Board shall determine the amount of dividends based on the remaining balance, if any, together with undistributed earnings of prior years. If the distributable earnings per share are less than NT\$0.5, the Company may decide not to carry out the distribution. The percentage of cash dividends in the aforementioned distribution proposal shall not be less than 10% of the total amount distributed. The percentage shall be determined by the Board after considering the financial condition of the Company. However, no cash dividend shall be paid when the debt ratio in the annual financial statements of the year exceeds 50%.

The resolution against dividend distribution is not subject to this provision.

O Dividend distribution proposal: The shareholders' meeting had resolved not to distribute dividends.

O Changes to dividend policy:

The shareholders' meeting had not amended the Company's dividend policy. There is currently no plan to change such policy.

IV. Effect upon Business Performance and Earnings Per Share of any Stock Dividend Distribution Proposed or Adopted at the Most Recent Shareholders' Meeting

Item			2025 (Estimation)	
Paid-in capital at the beginning (in thousands of NT\$)			3,694,196	
Cash and stock dividend in 2024	Cash dividend per share	0.00		
	Stock dividend from caj (shares)	0.00 (Note 2)		
	Stock dividend from c (shares)	apitalized capital surplus	0.00	
	Operating income (in the	ousands of NT\$)		
	Ratio of increase (decrea year-over-year			
	Net income after tax (in			
Changes in operating performance	Ratio of increase (decrea year-over-year			
periormanee	Earnings per share (NT\$			
	Ratio of increase (decrea			
	Average annual return or annual price/earnings rat			
	Where capitalized earnings were	Pro forma EPS	(Note 1)	
Proforma EPS and price/earnings ratio	distributed as cash	Pro forma average annual return on investment		
	Where capital surplus was not capitalized	Pro forma EPS		
		Pro forma average annual return on investment		
	Where capital surplus was not capitalized and	Pro forma EPS		
	capitalized earnings were distributed as cash dividends instead	Pro forma average annual return on investment		

Effect upon Business Performance, EPS and Return on Equity of Stock Dividend Distribution

Note:

1. Not applicable as the Company did not disclose the complete financial forecasts for 2025.

2. The 2024 earnings distribution proposal is pending approval from the shareholders' meeting.

Where capitalized earnings were distributed as cash dividends instead, Pro forma EPS
 = [Net income after tax-Imputed interest expense arising from cash dividends*× (1-tax rate)] / [Total number of issued shares at the end of that year-shares of dividends from

retained earnings**]

Imputed interest expense arising from cash dividends^{*}= Amount of capitalized earnings x interest rate of one-year general loan

Number of shares from earnings appropriation^{**}: The increase in number of shares after the earnings appropriation of the previous year

4. Average price/earnings ratio of the year = Average market price per share of the year / EPS in the annual financial statements

- V. Compensation of Employees, Directors, and Supervisors
 - (I) The percentages or ranges of compensation to employee, Directors and Supervisors as set forth in the Company's Articles of Incorporation: Pursuant to Article 25 of the Articles of Incorporation, annual earnings of the Company, if any, shall be first appropriated to pay taxes and offset losses of prior years before allocating 10% of the remaining earnings to legal reserve until the accumulated legal reserve has equaled the Company's paid-in capital. Next, the special reserve shall be appropriated or reversed based on the Company's needs and pursuant to applicable laws and regulations. The remaining balance, if any, shall be appropriated for employee bonus at a percentage not lower than 1% and for remuneration to Directors and Supervisors at a percentage not exceeding 2%.
 - (II) The accrual basis of compensation to employees and remuneration to Directors and Supervisors, the calculation basis for number of shares distributed as employee compensation and the accounting treatments for difference between the amount actually paid and accrued:
 - 1. Compensation to employees was accrued at 1% of the net income before tax and remuneration to Directors and Supervisors was not accrued for in 2024.
 - 2. The Company planned to issue new shares for employee bonuses of NT\$31,725,569. The number of shares to be issued was calculated based on the closing price of NT\$60.90 on the day immediately preceding the Board's resolution on new share issuance (i.e., March 12). A total of 520,945 shares were issued. Amount less than one share was distributed in the form of cash.
 - 3. The proposed distribution amount of NT\$31,725,569 was not different from the accrued amount.

(III)Information on the Board's resolution concerning remuneration:

- 1. The amount of any employee compensation distributed in cash or stocks and compensation for directors and supervisors. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed. None.
- 2. The amount of employee compensation distributed in stocks, and as a percentage of the sum of net income in the parent company only or individual financial statements for the current period and total employee compensation.

The proposed amount of employee compensation distributed in stocks of NT\$31,725,569 was 1.11% to the sum of net income in the parent company only or individual financial statements for the current period and total employee compensation.

(IV)The actual payment of compensation to employees and remuneration to Directors and Supervisors in the previous fiscal year (including the number of shares, amount and share price) and the difference, its causes and actions taken where the amount is different from the one recognized in the financial statements:

- 1. The Company did not distribute 2023 remuneration to Directors and Supervisors in 2024.
- 2. The Company will distribute NT\$4,997,669 in employee compensation for the year 2023 in 2024, to be paid in cash.
- 3. The amount was the same as the one recognized in the financial statement.

VI. Share Repurchases:

- (I) Repurchase completed: There have been no repurchases of the Company's shares in the most recent fiscal year.
- (II) Ongoing: (Data Date: May 1, 2025)

Batch Number	Seventh The deadline for submission is still in progress.	
Purpose	Maintain company credit and shareholders' rights	
Period	2025/04/09~2025/06/06	
Price range	Between NT\$70.00 and NT\$38.50 per share	
Type and quantity of shares repurchased	1,694,000 registered common shares	
Amount of shares repurchased	NT\$78,650,000	
Ratio of actual number of shares repurchased to planned number of the repurchase (%)	16.94%	
Number of shares cancelled and transferred	0 share	
Cumulative number of company shares held	1,694,000 shares	
Ratio of cumulative number of company shares held to total number of issued shares (%)	0.46%	

- VII. Corporate Bonds: None.
- VIII. Preferred Shares:

None.

- IX. Global Depository Shares: None.
- X. Employee Stock Options : None.
- XI. Issuance of New Shares in Connection with Mergers or Acquisitions or with Transfer of Shares of Other Companies : None.
- XII. Implementation of the Company's Capital Allocation Plans:
 - (I) Plan details: None.
 - (II) Implementation status: None.

Chapter 4. Operational Highlights

- I. Business Activities
 - (I) Business scope
 - 1. Principal business and sales proportion
 - (1) Commission contractors to build housing and commercial buildings for lease or sale.
 - (2) General hotel business.
 - (3) In terms of the operating income categories of the Company's consolidated financial statements in 2024, the sales of residential buildings accounted for 96.44%, the tourism hotel business accounted for 3.11%, and others and rental income accounted for 0.45%
 - 2. Major products (services)
 - (1) Construction of commercial buildings, residential buildings and parking spaces for sale.
 - (2) Construction of commercial buildings and residential buildings for lease.
 - 3. New products (services) underway None.
 - (II) Industry overview
 - 1. Industry status and development:

In Taiwan, the real estate industry is one with less access to raw materials. As the nation is located on an island with limited area and a high population density, the industry has always enjoyed stable demand. The current status has not changed much.

For more than two decades, as national income continues to grow, consumers' demand for residential quality has increased, which is evidenced by the demand for real estate. Both first-time home buyer and replacement demand have risen as the real purchasing power recovers. In recent years, the expansion of the technology industry in area and scale leads to soaring property prices. The phenomenon is quite obvious especially in Tainan and Kaohsiung during the past two years. In the short term, this trend is unlikely to change.

In the long run, under the backdrop of continued government intervention policies suppressing the domestic real estate market, the market is expected to enter a phase of more mature growth.

2. Relationship amongst upstream, midstream, and downstream: Profits of the building industry mainly come from controls over land and construction costs, and the level of understanding of the economic fluctuations in the property market. As the raw material, land is categorized as upstream. It is given to and utilized by the contractors, which is the midstream. Both are key costs in the building industry. Downstream of the property market mainly consists of real estate marketing agencies and broking agencies. The building investment industry and real estate marketing agencies used to have tight long-term business relationships in the past. As for broking agencies, with the advantages of multiple stores, they have also worked closely with the property market on project sales.

- 3. Product development trend and competition: Currently, the real estate market in Kaohsiung mainly lies in the residential market. As for the Company, the bulk of operating revenue stems from residential properties. In the near future, residential products will remain our product focus. Moreover, we will start to enter the office building and factory market.
- (III) Technology and R&D
 - 1. R&D expenses during the most recent fiscal year and up to the date of publication of the annual report: None.
 - 2. Technology and products successfully developed during the most recent fiscal year and up to the date of publication of the annual report: None.
- (IV)Long-term and short-term business development plans
 - Short-term business development plan: Taking into account the Company's capital size, human resources conditions, rate of return on individual projects, and capital turnover efficiency, our short-term business focus will be on the investments of residential constructions at the Greater Kaohsiung and Tainan area. Besides optimizing operation efficiency, the Company can enjoy stable growth.
 - Long-term business development plan: Continuously launching residential products in the Kaohsiung and Tainan areas.
- II. Analysis of the Market as well as Production and Sales Situation
 - (I) Market analysis:
 - 1. Sales distribution of main products (services) by region: The sales regions cover Kaohsiung City, Tainan County and Pingtung

City/County.

At present, the geographical distribution of the Company's major sales projects is as follows:

Area	Project	Product Type	Units
	King's Grand Tower	Residential-commercial building	122 units
	Le Dome	Private residence	156 units
	The Peak	Private residence	53 units
	King Park	Residential-commercial building	126 units
Kaohsiung City	Museum of Modern Art	Residential-commercial building	366 units
	Luxury Forest	Residential-commercial building	133 units
	Heart of World	Residential-commercial building	533 units
	Kingdom of New Asia Bay (pre-sale)	Residential-commercial building	38 units

2. Market share

The Company has operated in the property market of southern Taiwan for many years and has accomplished considerable projects and masterpieces. We have also established a good reputation and enjoyed a relatively high market share.

- 3. Future market supply and demand and prospect:
 - (1) According to the monthly statistical reports of the Construction and Planning Administration, Kaohsiung City issued 20,295 residential building construction licenses in 2024, an increase of 2,441 licenses compared to the 17,854 units in 2023, representing a year-on-year change of 13.67%. The total floor area of residential building construction licenses issued in 2024 was 2,425,479 square meters, an increase of 5.46% or 2,299,961 square meters compared to the same period in 2023. Based on the above data, the issuance of residential building construction licenses has increased due to a relatively active housing market in the first half of 2024.

Moreover, the residential building usage licenses were issued for 18,050 units in 2024, an increase of 1,610 units or 9.79% compared to the 16,440 units in 2023. The total floor area covered by the licenses issued was 2,,325,797 square meters in 2024, a decrease of 2.00% compared to the 2,373,349 square meters in 2023. The supply of newly constructed homes in 2024 showed a slight increase.

- (2) In the face of many major companies establishing branch offices and factories in Kaohsiung, it is expected that the demand for office space will also increase. Therefore, immediate changes should be made to product planning to meet market demands.
- 4. Competitive advantage and favorable, unfavorable factors for long-term development and countermeasures:
 - (1) Competitive advantage:
 - ① Reputation of long-term cultivation.
 - 2 Professional after-sales service well received by customers.
 - ③ With abundant resources and a strong and excellent team of

subcontractors, the Company needs not worry about quality and progress control.

- ④ The Company has outstanding talents with low turnover rate.
- (2) Favorable factors for long-term development:
 - ① Public works and industrial settlements promote regional prosperity:

Currently, there are several major public construction projects that have been completed, under construction, or planned, such as the Nanzih North City Project, Nanzih Freeway Interchange Project, Kaohsiung Metro Yellow Line, and certain cases of the Specific Trade Zone (III) of Asia's New Bay Area Development Project has been launched. For TSMC's subsequent construction plan, it will likely be positioned at a high level. In addition, other industries continue to set foot in Kaohsiung. These factors will drive the real estate market in the Greater Kaohsiung region and contribute to the overall development of the real estate market.

(2) Low interest rates:

The Central Bank has temporarily paused its interest rate hikes, and the current interest rates remain within an acceptable range.

- (3) Unfavorable factors for long-term development:
 - Difficulties in acquiring prime land: Land is the fundamental material for construction. Taiwan has limited land for development as the majority of land area consists of hills or high mountains. Moreover, after years of development, land available becomes even more scarce.
 - 2 The government employs various forms of suppression: The Central Bank has implemented the seventh wave of credit controls to curb the overheating of the housing market. With the introduction of the Property Tax 2.0, the market has become quite sluggish. The future direction of the market will largely depend on the government's stance, which will determine whether normal trading volumes can be restored.
- (4) Countermeasures:
 - ① Explore suitable land:

Initiate projects at regions with potential for value enhancement and resistance to price erosion in the metropolitan areas to cope with the impact of market downturn and meet the customers' demand concerning the living environment.

- ② Seize the selling opportunities: Monitor changes in the market constantly and seize selling opportunities to avoid price competitions with its peers.
- ③ Design quality products:

There are popular items even in a bear market. As long as the Company can launch products that meet market demand and enhance the added value of the products, it can thrive in times of adversity.

(4) Reduce operating costs:

Improve the quality of worksite management in order to shorten the construction period and increase the gross profit.

- (5) Strengthen R&D work: Conduct preliminary surveys and analyses on potential regions in the future to get a head start, and stay aware of changes in markets other than the Greater Kaohsiung area.
- (II) Main applications and production process of key products
 - 1. Main applications:

Key products of the Company can be categorized into townhouses, residential buildings and commercial buildings. They are built for sale or leased as residences, offices or shops.

2. Production process:

The production process is rather complex. It involves a wide range of industries, such as concrete, cement, reinforcement steel, sanitary facilities, utility devices, aluminum doors and windows, tiles, landscape design and gardening. The site manager of the contractor is responsible for the construction planning and quality control of associated subcontractors. The Company would assign employees to perform unscheduled inspections on the construction status to deliver the best quality.

The process is illustrated below:



(III)Supply of key raw materials

1. Construction sites:

The Company's projects are mostly in Kaohsiung City and Tainan City, which have a relatively large area for construction purposes. Thus, we have sufficient land resources. Moreover, the release of public land for bidding is favorable to land acquisition.

2. Construction work:

The Company mostly commissions Chieh Chih Construction Co., Ltd., Bai Hong Construction Co., Ltd. and other construction companies for construction works. Chieh Chih Construction Co., Ltd. and Bai Hong Construction Co., Ltd. are Grade-A construction companies. The quality, progress and source of materials of their construction work are assured.

- The above suppliers of key raw material are affiliates of the Company. The source of supply is stable and we do not expect major changes.
- (IV)Names of any Suppliers (clients) Accounting for 10% or More of the Company's Total Procurement (sales) Amount in either of the Most Recent Two Fiscal Years, the Monetary Amount, and the Proportion of Such Procurements (sales) as a Percentage of Total Procurements (sales):
 - 1. Names of any suppliers accounting for 10% or more of the Company's total procurement amount in the most recent two fiscal years, the monetary amount, and the proportion of such procurements as a percentage of total procurements:

May 1, 2025						
V	2024		2023		As of the first quarter of 2025	
Year Name	Amount (In Thousands of NT\$)	Percentage of annual net purchase amount (%)	Amount (in NT\$ thousands)	Percentage of annual net purchase amount (%)	Amount (in NT\$ thousands)	Percentage to Net Purchase in the First Quarter of 2025 (%)
Chieh Chih Construction Co., Ltd. (Concluded as having controlling or subordinate relation)	766,344	11.88%	566,728	19.49%	66,680	16.90%
Bai Hong Construction Co., Ltd. (Concluded as having controlling or subordinate relation)	642,926	9.97%	333,457	11.47%	180,971	45.87%
Others	5,039,761	78.15%	2,007,156	69.04%	146,845	37.23%
Net purchase	6,449,031	100.00%	2,907,341	100.00%	394,496	100.00%

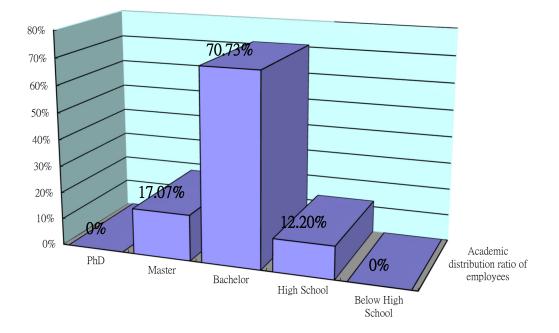
2. In the past two years, customers who accounted for more than 10% of the total sales in terms of their names, sales amount, and percentage: The Company has not had any customers who accounted for more than 10% of the total sales in the past two years.

III. Employees:

	1 4011044	lon of the Am		May 1, 2025
Year		2024	2023	As of May 1, 2025
No. of Employees	General employees	40	38	38
	Engineering employees	3	1	3
	Total	43	39	41
Average age		47.56	49.31	47.83
Average year of services		14.34	16.62	14.35
	PhD	0.00%	0.00%	0.00%
Academic distribution ratio (%)	Master	16.28%	15.38%	17.07%
	Bachelor	69.77%	66.67%	70.73%
	Senior high school	13.95%	17.95%	12.20%
	Below senior high school	0.00%	0.00%	0.00%

Employees Information in the Past Two Fiscal Years and up to the Date of Publication of the Annual Report

Academic distribution ratio of employees



IV. Environmental Protection Expenditure:

- (I) Any losses suffered by the Company in the most recent fiscal year and up to the date of publication of the annual report due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental audits, of which the disposition dates, disposition reference numbers, the articles and details of law violated, and the content of the dispositions shall be specified), and disclosures on an estimate of possible expenses that could incur currently or in the future and countermeasures being or to be taken: None.
- (II) Action plans (including improvement measures) and expected spending: Strengthen environment management at and landscape the construction site.
- V. Labor Relations:
 - (I) Employee welfare and benefits, continuing education, training, and retirement plans and the implementation status thereof, agreements between labor and management, and measures taken to safeguard employee rights:
 - Employee welfare and benefits, continuing education, and training and the implementation status thereof

 On Jan. 17, 1992, the Labor Affairs Bureau of Kaohsiung City
 Government approved the establishment of the Employee Welfare
 Committee per Letter No. Gao-Shi-Lao-3-Tze-000494 (1992). In
 addition, the Company established the King Group's Joint Employee
 Welfare Committee (EWC) together with affiliates Jing Cheng
 Construction Co., Ltd., Nan Jing Construction Co., Ltd., Jin Cheng
 Construction Co., Ltd., Chieh Chih Construction Co., Ltd., and Bai
 Hong Construction Co., Ltd., on Jan. 20, 2006. And it was organized
 following the EWC Charter promulgated by the Ministry of the Interior.
 The main benefits under the EWC Charter are as follows:
 - The Company appropriates 0.1% of sales and another 0.5% of employee salaries as the welfare fund every month.
 - (2) Welfare fund expenditure items include festival allowances, employee travel, wedding and funeral allowances, maternity subsidies, educational training, emergency relief, cultural and recreational activities, club activities, etc.
 - (3) The EWC draws up an annual activity plan and carries it out accordingly.
 - (4) A comprehensive vocation system.
 - (5) Employee bonus scheme and employee stock purchase plan.
 - 2. Retirement system

Retirement rules are stipulated in the personnel management rules and approved by the Labor Affairs Bureau of Kaohsiung City Government. The Company makes monthly contributions to the designated retirement account to optimize employee protection. The Company has maintained a harmonious labor relation and has not had any loss incurred due to labor disputes.

- 3. Labor-management agreement The Company has maintained a harmonious labor relation and has not had labor disputes. Thus, there has been no labor-management agreement.
- 4. Measures taken to safeguard employee rights EWC is the complaint channel for issues concerning employee rights. Complaints raised by employees are reviewed in EWC meetings. The operation has been smooth.
- (II) Any losses suffered by the Company in the most recent fiscal year and up to the date of publication of the annual report due to industrial disputes: None.
- (III)An estimate of possible expenses that could incur currently or in the future and countermeasures being or to be taken The Company has 41 employees. We have maintained harmonious labor relations and have no labor disputes.
- VI. Cyber Security Management:
 - (I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management:
 - 1. Cyber security risk management framework
 - The Company will establish the Cyber Security Committee with the Manager of the Administration Department as the cyber security executive and the IT supervisor as the cyber security personnel.
 - (2) It has formulated and issued cyber security management objectives and policies and personal data management policies and has regularly reviewed for amendment.
 - 2. Cyber security policies
 - Ensure the security of the Company's mainframe, network equipment, and network communications, effectively reducing the risk of theft, improper use, leakage, tampering, or destruction of information assets caused by human negligence, deliberate or natural disasters, etc., and establish cyber security management specifications.
 - (2) Ensure the confidentiality, integrity, and availability of the Company's business information.
 Confidentiality: Ensure that only authorized personnel have access to use the information.
 Integrity: Ensure that the information adopted is accurate and has

Integrity: Ensure that the information adopted is accurate and has not been tampered with.

Availability: Ensure that authorized personnel has access to the required information.

- 3. Concrete management programs
 - (1) Make a periodic inventory of information assets and personal data, conduct risk management according to cyber security and personal data risk assessment, and implement various control measures.
 - (2) Outsourced manufacturers must sign a confidentiality agreement to ensure that those who use the information services provided by the Company or perform related information business have the responsibility and obligation to protect the Company's information assets acquired or used by them to prevent unauthorized access, alteration, destruction, or improper disclosure.
 - (3) An appropriate backup, spare, or monitoring mechanism has been established for essential information systems or equipment and drilled regularly to maintain their availability.
 - (4) All personal computers are installed with anti-virus software and regularly checked for virus pattern updates, and the use of unauthorized software is prohibited.
 - (5) It is required that the colleague's account number, password, and permission be carefully kept and used, and the password be changed periodically.
 - (6) Standard procedures for responding to and reporting cyber security incidents have been formulated. The cyber security emergency response team is responsible for handling cyber security incidents and appropriately managing cyber security incidents in real time to avoid the expansion of damage.
 - (7) Conduct internal audits regularly every year to ensure the effectiveness of cyber security and personal information protection management systems.
- 4. Investments in resources for cyber security management
 - (1) Currently, there is a workforce of one employee.
 - (2) Regularly formulate cyber security plans and perform internal audits.
- (II) List any losses suffered by the Company in the most recent fiscal years and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

At present, the Company has not suffered any losses due to significant cyber security incidents.

VII.Important Contracts:

Nature	Counterparty	Duration	Major Contents	Restrictions
Construction work of Project "Heart of World"		Signed on November 18, 2020	Contract sum: 2,211,730 thousand	Check for performance bond of 10% Five-year warranty

Nature	Counterparty	Duration	Major Contents	Restrictions
Construction work of Project "Luxury Forest"	Bai Hong Construction Co., Ltd.	Signed on November 18, 2020	Contract sum: NT\$970,200 thousand	Check for performance bond of 10% Five-year warranty
Construction work of Project "Kingdom of New Asia Bay"		Signed on August 25, 2022	Contract sum: NT\$1,405,500 thousand	Check for performance bond of 10% Five-year warranty
Construction work of Land Parcel No. 880, etc., Yuguang Section	Construction Co.,	Signed on September 30, 2023	Contract sum: NT\$1,377,360 thousand	Check for performance bond of 10% Five-year warranty
Construction work of Land Parcel No. 191, Lungchung Section		Signed on September 30, 2023	Contract sum: NT\$1,072,320 thousand	Check for performance bond of 10% Five-year warranty
Building Structural Engineering of Land Parcel No. 698-1, Fuho Section	Bai Hong Construction Co., Ltd.	Signed on September 30, 2023	Contract sum: NT\$2,006,214 thousand	Check for performance bond of 10% Five-year warranty
Renovation work of Land Parcel No. 698- 1, Fuho Section	Chieh Chih Construction Co., Ltd.	Signed on September 30, 2023	Contract sum: NT\$2,486,986 thousand	Check for performance bond of 10% Five-year warranty

Note: Contracts above were still valid and/or will expire in the most recent fiscal year up to the date of publication of the annual report.

Chapter 5. Review and Analysis of the Company's Financial Position and Financial Performance, and Listing of Risks

I. Financial Position:

Review and Analysis on Financial Position

Comparative Analysis on Financial Position

	Unit: N	Г\$ thousand		
Year	2024	2023	Amount Difference	%
Current assets	40,259,894	36,098,066	4,161,828	11.53%
Financial assets at fair value through profit or loss - non- current	82	82	0	-
Investments accounted for using the equity method	15,872	16,642	-770	-4.63%
Property, plant, and equipment	543,699	621,170	-77,471	-12.47%
Net right-of-use assets	65,260	67,004	-1,744	-2.60%
Intangible assets	151,716	156,065	-4,349	-2.79%
Other assets	78,573	70,155	8,418	12.00%
Total assets	41,115,096	37,029,184	4,085,912	11.03%
Current liabilities	9,555,602	9,762,112	-206,510	-2.12%
Non-current liabilities	10,998,601	9,539,057	1,459,544	15.30%
Total liabilities	20,554,203	19,301,169	1,253,034	6.49%
Share capital	3,694,196	3,694,196	0	0.00%
Capital surplus	8,082	8,082	0	
Retained earnings	16,858,615	14,025,737	2,832,878	20.20%
Total equity	20,560,893	17,728,015	2,832,878	15.98%

Explanations on the analysis:

Reasons and impact of significant changes in asset, liability and equity in the past two fiscal years, and countermeasures:

(1) Retained earnings for 2024 increased by NT\$2,832,878 thousand (+20.20%) compared to 2023, primarily due to a significant increase in profitability in 2024.

Countermeasures: As the aforementioned changes arose from normal operations, the Company did not have to take any actions.

II. Financial Performance:

Review and Analysis on Financial Performance

			Unit: N	NT\$ thousand
<u>Year</u> Item	<u>2024</u>	<u>2023</u>	<u>Increase</u> (Decrease)	<u>Changes</u> (%)
Total operating revenue	<u>9,283,423</u>	<u>2,553,746</u>	<u>6,729,677</u>	<u>263.52%</u>
Less: Sales return and	<u>0</u>	<u>0</u>	<u>0</u>	
<u>discount</u>				
Net operating revenue	<u>9,283,423</u>	<u>2,553,746</u>	<u>6,729,677</u>	<u>263.52%</u>
Cost of revenue	<u>5,105,455</u>	<u>1,276,115</u>	<u>3,829,340</u>	<u>300.08%</u>
<u>Gross profit</u>	<u>4,177,968</u>	<u>1,277,631</u>	<u>2,900,337</u>	<u>227.01%</u>
Operating expenses	<u>717,313</u>	472,464	244,849	<u>51.82%</u>
Operating income to	<u>3,460,655</u>	805,167	<u>2,655,488</u>	<u>329.81%</u>
capital (%)				
Non-operating income	(319,823)	(310,393)	-9,430	<u>3.04%</u>
and expenses				
Net income before tax	<u>3,140,832</u>	<u>494,774</u>	2,646,058	<u>534.80%</u>
from continuing				
operations				
Income tax expense	<u>309,139</u>	<u>52,733</u>	<u>256,406</u>	<u>486.23%</u>
Net income after tax	<u>2,831,693</u>	442,041	2,389,652	<u>540.60%</u>
from continuing				
operations				
Other comprehensive	<u>1,185</u>	<u>(766)</u>	<u>1,951</u>	<u>-254.70%</u>
income				
Total comprehensive	<u>2,832,878</u>	<u>441,275</u>	<u>2,391,603</u>	<u>541.98%</u>
income				
Evenlage at any endlage and levels				

Comparative Analysis on Financial Performance

Explanations on the analysis:

1. Analysis on variance in the past two fiscal years:

- (1) In 2024, net operating revenue increased by NT\$6,729,677 thousand (+263.52%) compared to 2023, primarily due to a booming real estate market in the first half of 2024 and the Company's land sales, which led to a significant increase in operating revenue compared to 2023.
- (2) Operating costs and gross profit in 2024 increased compared to 2023, for reasons consistent with those stated in item (1).
- (3) Operating income in 2024 increased by NT\$2,655,488 thousand (+329.81%) compared to 2023, for reasons consistent with those stated in item (1).
- (4) The increase in net profit before tax and after tax in 2024 compared to 2023 is due to the same reason as stated in item (1).
- 2. Sales volume forecast and the basis thereof: The Company did not compile financial forecasts for 2025. Please refer to page 2.
- 3. Possible impact on the Company's finance and business in the future and countermeasures: No Impact.

Review and Analysis on Cash Flows

Cash Flows Analysis

Unit: NT\$ thousand

	Net Cash Flows	vs		Remedies for	Cash Shortage
Cash, Beginning of Year	from Operating Activities	Cash Flows	Cash Surplus (Shortage)	Investment Plan	Financing Plan
\$634,228	\$1,591,793	\$2,366,017	\$3,000,245	\$28,427	745,797

I. Analysis on cash flow movements for the current year:

1. Operating Activities: Due to strong sales performance in 2024, net cash inflow from operating activities for the year amounted to NT\$1,591,793 thousand.

2. Investing Activities: There was no significant change in cash flows from investing activities in 2024.

3. Financing activities: Due to the increase in borrowings in 2024, the cash inflow from financing activities for the year was NT\$745,797 thousand.

II. Improvement plans for liquidity shortage: None.

III. Liquidity analysis in the coming year: The Company anticipates a decrease in operating revenue over the next year, and the net cash inflow from operating activities may also decline.

- IV. Effect Upon Finance and Business of Any Major Capital Expenditures During the Most Recent Fiscal Year: None major capital expenditures during the most recent fiscal year.
- V. Recent-Year Investment Policy, Major Causes of Profit or Loss, Improvement Measures, and Investment Plans for the Coming Year: As the individual amount of the Company's reinvestment cases did not exceed 5% of the Company's paid-in capital, analysis was not conducted.
- VI. Risk Analysis and Assessment:
 - (I) Impacts of fluctuations in interest rates and foreign exchange rates and inflation on the Company's profitability and associated action plans:
 - 1. There has been no significant change in interest rate levels in the most recent year.
 - 2. As a domestic-oriented industry, the Company has not been significantly affected by recent major exchange rate fluctuations.
 - 3. The current inflation situation both domestically and internationally may persist due to ongoing U.S. policies; however, it does not have a material impact on the Company's operations.
 - (II) Policies for engaging in high-risk, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions, the main reasons for profit or loss, and future countermeasures: The Company has not engaged in high-risk, high-leverage investments, lending funds to

others, or derivative transactions during the recent fiscal year. The company endorsed and guaranteed SanDi Properties Co., Ltd. based on our collaborative development relationship. Currently, the financing and endorsement guarantee arrangement is still being maintained without any issues.

- (III)Future R&D plans and expected R&D expenditure: None.
- (IV)Impact of Key Domestic and International Policy and Legal Changes on the Company's Financial and Business Operations, and Response Measures: Currently, the domestic real estate market is affected by the central bank's seventh round of selective credit controls, leading to sluggish transactions. The Company must remain prepared for potential changes in the real estate market in the future.
- (V) Impact of technological and industrial changes (including cyber security risk) on the Company's financial business and countermeasures: None.
- (VI)Impacts of changes in corporate image on corporate risk management and associated action plans: None.
- (VII)Expected benefits and risks relating to merger and acquisition and associated action plans: None.
- (VIII) Expected benefits and risks relating to plant expansion and associated action plans: None.
- (IX)Risks relating to concentrated sources of sales or purchases and associated action plans: Purchases of the Company concentrated on the two construction companies: Chieh Chih Construction Co., Ltd. and Bai Hong Construction Co., Ltd. However, these two companies are affiliates of the Company, i.e., they are controlled by the Company. They both operate well at present and there is no purchase concentration risk. The Company did not have sales concentration.
- (X) Impact and risk of sale or transfer of a significant number of shares by the Directors, Supervisors or shareholders with over 10% of shareholding and associated action plans: None.

(XI) Impact and risk of change in management and associated action plans: None. (XII)Litigations or non-litigations:

- 1. In 2019, the Company leased the premises for sale on the first basement level and the first and second level of Hua Shang Building to a fitness company, which caused dissatisfaction of the residents convened the 2019 second temporary meeting of the sub-owners, and amended its management regulations to prohibit the establishment of specific industries, including gymnasiums. The Company believes that it has infringed upon the Company's right to use its assets; therefore, it filed a civil lawsuit against the "Hua Shang Building Management Committee" to confirm that the resolution shown by the defendant "Hua Shang Building Management Committee" at the 2019 second temporary meeting of the owners of the Hua Shang Building on November 23, 2019, is invalid. The case has been ruled partially in our favor by the Taiwan Ciaotou District Court in the first instance, Su-Zi No. 1202 in 2020. The defendant "Hua Shang Building Management Committee" has appealed within the statutory period (Shang-Zi No. 62 in 2022). The outcome is pending court review.
- 2. In 2019, the Company leased premises for sale on the first basement level and the

first and second level of Hua Shang Building to World Fitness Asia Limited (H.K.) Taiwan Branch. As a result, the Taiwan branch of Hong Kong Business World Fitness Co., Ltd. was unable to operate due to a dispute arising from the residents' dissatisfaction with the Company's lease of the land to the fitness company. The company filed a lawsuit against the Company for damages in the amount of NT\$27,710 thousand, including NT\$6,591 thousand, NT\$574 thousand for the refund of the deposit, and NT\$20,545 thousand for the loss of the member who failed to fulfill the membership agreement. The case (Shen-Chong-Su No. 57 of 2021) was ruled by the Taiwan Kaohsiung District Court on November 28, 2022, that the Company should pay the plaintiff NT\$3,137 thousand plus interest. The Company has filed an appeal within the statutory period (Chong-Shang-Zi No. 27 of 2023). In March 2024, the Company submitted a request for civil second-instance mediation to the court, and the mediation was successfully completed on April 30, 2024, at the Taiwan High Court, Kaohsiung Branch.

- 3. In 2020, the Company leased unsold properties on the first basement level and the first and second floors of Hua Shang Building to World Fitness Asia Limited (H.K.) Taiwan Branch. Due to residents' dissatisfaction with the Company's lease to the fitness company, a dispute arose, resulting in the inability of the Taiwan branch of World Fitness Asia Limited (H.K.) to operate and its failure to pay rent. As a result, the Company filed a lawsuit against World Fitness Asia Limited (H.K.) Taiwan Branch, seeking payment of NT\$1,045 thousand in rent and NT\$3,150 thousand in damages for restoring the premises to their original condition, totaling NT\$4,195 thousand. The case (Case No. 780 of 2021) was ruled by the Taiwan Kaohsiung District Court on May 12, 2022, which dismissed the Company's claims. The Company filed an appeal within the statutory period (Case No. 200 of 2022), and in March 2024, the Company submitted a request for civil second-instance mediation to the court. The mediation was successfully completed on April 30, 2024, at the Taiwan High Court, Kaohsiung Branch.
- 4. The Company represents the Kaicheng Construction Co., Ltd. (a dissolved company) as the litigation agent in the first-instance trial of the lawsuit involving compensation for damages caused by building destruction and repairs between Kaicheng Construction Co., Ltd. and the Wujia Ruichun Management Committee. The committee is seeking compensation of NT\$700 thousand from the Company. The litigation (Shen-Su-Zi No. 1126 of 2020) has been dismissed and concluded by the civil judgment of Taiwan Kaohsiung District Court. The committee has filed an appeal, and the litigation (Shang-Yi-Zi No. 7 of 2022) was ruled non-appealable by the Taiwan High Court Kaohsiung Branch Court on August 23, 2023.
- 5. "The Management Committee of Xi Nian Lai Building" in 2016 claimed that the Company's construction work caused the tilting of Xi Nian Lai Building, resulting in damage to the residents' assets. They have filed a lawsuit seeking compensation for the damages and requesting the restoration of the building, including the replacement and repair of the elevator mainframe, structural reinforcement, and the restoration of the building's tilted state. They also demanded the removal of the underground sewage treatment pipeline on Land No. 1133 in the Lindeguan Section and the return of that land. They are seeking payment of the repair costs totaling NT\$33,903 thousand plus interest of NT\$2,669 thousand amounting to a total claim of NT\$36,572 thousand. The litigation (Su-Zi No. 1977 of 2016) is currently under review by the Taiwan Kaohsiung District Court, and the outcome is pending the court's decision.

(XIII) Other important risks and countermeasures to be taken: None.

VII. Other Important Matters: None.

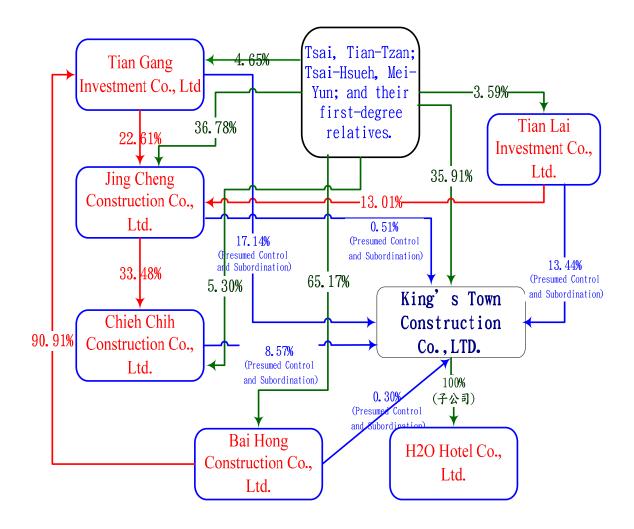
Chapter 6. Special Disclosure

- I. Information on the Company's Affiliates:
 - (I) Consolidated business report of the affiliates:
 - 1. Overview of the affiliates:
 - (1) Chart of the affiliates:

Tian Gang Investment Co., Ltd. (had 17.14% stake in the Company and 22.61% stake in Jing Cheng Construction Co., Ltd.); Tian Lai Investment Co., Ltd. (had 13.44% stake in the Company and 13.01% stake in Jing Cheng Construction Co., Ltd.); Jing Cheng Construction Co., Ltd., Chieh Chih Construction Co., Ltd., and Bai Hong Construction Co., Ltd. were concluded as having controlling or subordinate relation with the Company (pursuant to Article 369-3 of the Company Act.).

(2) Basic information on affiliates:

May 1, 2025; Unit: NT\$ thousand



Name	Date of Incorporation	Address	Paid-in Capital Main Business / Products	
Tian Gang Investment Co., Ltd.	1998/09/02	12F., No. 150, Bo'ai 2nd Rd., Zuoying Dist., Kaohsiung City 813017, Taiwan (R.O.C.)		H201010 Investment
Tian Lai Investment Co., Ltd.	1998/08/26	12F., No. 150, Bo'ai 2nd Rd., Zuoying Dist., Kaohsiung City 813017, Taiwan (R.O.C.)		H201010 Investment
Jing Cheng Construction Co., Ltd.	1992/05/28	12F., No. 150, Bo'ai 2nd Rd., Zuoying Dist., Kaohsiung City 813017, Taiwan (R.O.C.)	201,000	H701010 Housing and Building Development and Rental
Chieh Chih Construction Co., Ltd.	1981/12/24	12F., No. 150, Bo'ai 2nd Rd., Zuoying Dist., Kaohsiung City 813017, Taiwan (R.O.C.)	330,000	Contractors of civil and architectural engineering
Bai Hong Construction Co., Ltd.	1993/03/12	12F., No. 150, Bo'ai 2nd Rd., Zuoying Dist., Kaohsiung City 813017, Taiwan (R.O.C.)	201.000	Contractors of civil and architectural engineering
H2O Hotel Co., Ltd.	2015/04/16	No. 366, Minghua Rd., Gushan Dist., Kaohsiung City 804059, Taiwan (R.O.C.)	520,000	Hotel and restaurants

(3) Information on common shareholders of entities concluded as having controlling or subordinate relation:

As of May 1, 2025	(NT\$ thousand	, Shares, %)
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		Share	holding	Date of		Paid-in	Main
Reason	Name	Shares	Shareholding (%)	Date of Incorporation	Address	Capital	Business Activities
Concluded pursuant to Article 369-3 of the Company Act	Tian Gang Investment Co., Ltd.	63,328,801	17.14%	1998/09/02	12F., No. 150, Bo'ai 2nd Rd., Zuoying Dist., Kaohsiung City 813017, Taiwan (R.O.C.)	220,000	H201010 Investment
Concluded pursuant to Article 369-3 of the Company Act	Tian Lai Investment Co., Ltd.	49,652,072	13.44%	1998/08/26	12F., No. 150, Bo'ai 2nd Rd., Zuoying Dist., Kaohsiung City 813017, Taiwan (R.O.C.)	323,200	H201010 Investment
Concluded pursuant to Article 369-3 of the Company Act	Tien-Tsan Tsai	85,577,838	23.17%	-	-	-	-
Concluded pursuant to Article	Meiyun S. Tsai	20,209,951	5.47%	-	-	-	-

369-3 of				
the				
Company				
Act				

(4) Industries in which the affiliates operate and division of labor:

Name of Affiliate	Industry of Affiliate	Business Relation	Division of Labor
Tian Gang Investment Co., Ltd.	Investment	None	-
Tian Lai Investment Co., Ltd.	Investment	None	-
	Rental and sale of residences and buildings	None	Similar business activities with the Company but at a different region and with different target groups
Chieh Chih Construction Co., Ltd.	Contractors of civil and architectural engineering		Mainly undertakes commissioned building construction works for the Company and Jing Cheng Construction Co., Ltd.
Co., Ltd.	Contractors of civil and architectural engineering		Mainly undertakes commissioned building construction works for the Company and Jing Cheng Construction Co., Ltd.
H2O Hotel Co., Ltd.	Hotel and restaurants	None	-

				usand; Shares; %
Name	Designation	Name or Representative		olding
Iname	Designation	Iname of Representative	Shares	Shareholding (%)
	Chairman	Mei-Yun Tsai-Hsueh	380,000	1.73%
Tian Gang	Director	Tien-Tsan Tsai	620,000	2.82%
Investment Co., Ltd.	Director	Mei-Hui Chen	0	0.00%
	Supervisor	Yao-Hung Tsai	0	0.00%
	Chairman	I-Ying Chen	10,455,200	32.35%
Tian Lai Investment	Director	Chun-Chun Chiu	0	0.00%
Co., Ltd.	Director	Chin-Hsing Chen	0	0.00%
	Supervisor	Chia-Ling Tsai	155,800	0.48%
	•	Representative of Xin Rui		
	Chairman	Învestment Co., Ltd.:	4,919,569	24.48%
		Tien-Tsan Tsai		
		Representative of Xin Rui		
Line Chang	Director	Învestment Co., Ltd.:	4,919,569	24.48%
Jing Cheng		Yao-Hung Tsai		
Construction Co., - Ltd.		Representative of Xin Rui		
Lia.	Director	Investment Co., Ltd.:	4,919,569	24.48%
		I-Ying Chen		
		Representative of Tian		
	Supervisor	Lai Investment Co., Ltd.:	2,615,236	13.01%
	-	Ching-Shun Ou		
	Chairman	Hsien-Tsung Wang	20,200,000	61.21%
		Representative of Jing		
	Director	Cheng Construction Co.,	11,050,000	33.48%
Chieh Chih		Ltd.: Chia-Ling Tsai		
Construction Co.,		Representative of Jing		
Ltd.	Director	Cheng Construction Co.,	11,050,000	33.48%
		Ltd.: Shih-Hsiung Li		
	Supervisor	Chen-Jung Li	0	0.00%
	1	Ũ		
Bai Hong	Chairman	Ching-Shun Ou	0	0.00%
Construction Co.,	Director	Hsien-Tsung Wang	0	0.00%
Ltd.	Director	Yao-Hung Tsai	0	0.00%
	Supervisor	Tien-Tsan Tsai	6,100,000	30.35%
	C1 .	Representative of King's	52 000 000	100.000/
	Chairman	Town Construction Co.,	52,000,000	100.00%
H2O Hotel Co., Ltd.		Ltd.: Mei-Yun Tsai-Hsueh		
	D' (Representative of King's	52 000 000	100.000/
	Director	Town Construction Co.,	52,000,000	100.00%
		Ltd.: Chiung-Ting Tsai		
	Dimenter	Representative of King's	52 000 000	100.000/
	Director	Town Construction Co.,	52,000,000	100.00%
		Ltd.: I-Ying Chen		
	Superviser	Representative of King's	52 000 000	100 000/
	Supervisor	Town Construction Co.,	52,000,000	100.00%
		Ltd.: Chia-Ling Tsai		

(5) Information on Directors, Supervisors, and Presidents of affiliates: Unit: NT\$ thousand; Shares; %

	Dulu yeu]	December 3	1, 2024; U	Jnit: NT\$	thousand
Name	Capital	Total Assets	Total liabilities	Net Worth	Operating revenue	Operating income to capital (%)	Net Income	EPS (NT\$) (after-tax)
Tian Gang Investment Co., Ltd.	220,000	10,305,423	3,813,510	6,491,913	150,543	131,446	108,596	\$4.94
Tian Lai Investment Co., Ltd.	323,200	5,326,758	1,611	5,325,147	104,071	103,816	102,636	\$3.18
Jing Cheng Construction Co., Ltd.	201,000	26,600,214	25,649,776	950,438	1,294,459	349,944	35,116	\$1.75
Chieh Chih Construction Co., Ltd.	330,000	9,005,787	7,027,570	1,978,217	2,438,057	68,718	(18,237)	(\$0.55)
Bai Hong Construction Co., Ltd.		10,343,528	3,740,791	6,602,737	1,251,586	19,596	113,246	\$5.63

2. Operational highlights of affiliates: Data year: 2024

Note: Numbers above were audited by CPAs.

(II) Affiliation reports: Declaration:

It is hereby declared that the affiliation report of King's Town Construction Co., Ltd. (the "Company") for the year ended Dec. 31, 2024 is prepared by the Company in accordance with "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," and the information disclosed within is not materially inconsistent with relevant information disclosed in the notes to the financial reports for the above period. Sincerely,



Company Name: King's Town Construction Co., Ltd.

Responsible person: Tien-Tsan Tsai

March 13, 2025



CPA's review opinion:

Official Letter

CPA Review Opinion on Affiliated Enterprises

Recipient: King's Town Construction Co., Ltd.

Subject: Opinion on the reasonableness, in all material respects, of the management's assertions regarding the 2024 (Year 113 of the Republic of China) affiliated party report.

Statement:

The affiliated party report for the year 2024 has been prepared by your management and accompanied by a statement declaring that the report is compiled in accordance with the "Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Statements, and Affiliated Reports of Affiliated Enterprises." The disclosed information is consistent, in all material respects, with the disclosures made in the notes to the financial statements for the year 2024.

In our opinion, the assertions made by your management regarding the affiliated party report for the year 2024 are reasonable in all material respects.

ShineWing CPAs - Certified Public Accountant: Chuang, Shu-Yuan

Certified Public Accountant: Cho, Chuan-Chen

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2025/05/13

1.	Relationship b	between	subordinate	and	controlling	companies:
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May 1, 2023										
		Sharehold	ing and Pledged	Directors, Supervisors or						
Name of Controlling Company	Basis for the		ntrolling Compa	Managerial Officers Appointed by the Controlling Company						
	Control	Shareholding	Shareholding	by the Contro	oning Company					
Company		(shares)	(%)	Pledged Shares	Designation	Name				
		(blim cb)	(70)	2110100		Tian Lai				
					Chairman	Investment:				
					Channan	Tien-Tsan Tsai				
	Concluded as having controlling or				Director	Tian Lai				
						Investment: Mei-Yun				
					Director	Tsai-Hsueh				
			_		Dinastan	Tian Lai				
King's Town	subordinate				Director	Investment:				
Construction	relation	—		_	Independent	Shih-Hsiung Li				
Co., Ltd.	pursuant to Article 369-3 of				Director	Tian Lai Investment:				
	Article 369-3 of the Company Act.				Independent	Chin-Hsing				
					Director	Chen				
					Independent Director	Ming-Te Chang				
					Independent	Yao-Kuo Wu				
					Director	Chung-Chang Tsai				
						Chin-Yu Chiu				
	Concluded as having controlling or		17.14%							
		63,328,801								
The Care					Chairman	Mei-Yun				
Tian Gang Investment Co., Ltd.	subordinate relation			53,800,000	Director	Tsai-Hsueh Tien-Tsan Tsai				
	pursuant to	05,520,001			Director	Mei-Hui Chen				
	Article 369-3 of				Supervisor	Yao-Hung Tsai				
	the Company									
	Act.									
	Concluded as having		13.44%							
	controlling or subordinate relation				Chairman	I-Ying Chen				
Tian Lai					Chairman Director	Chun-Chun Chiu				
Investment Co.,		49,652,072		6,000,000	Director	Chin-Hsing				
Ltd.	pursuant to Article 369-3 of				Supervisor	Chen				
	the Company				_	Chia-Ling Tsai				
	Act.									
Jing Cheng Construction Co., Ltd.					Chairman	Xin Rui				
	Concluded as having controlling or subordinate relation pursuant to				Director	Investment:				
		1,899,268	0.51%		Director	Tien-Tsan Tsai Xin Rui				
					Director	Investment:				
				0		Yao-Hung Tsai				
				0	Supervisor	Xin Rui				
	Article 369-3 of					Investment:				
	the Company					I-Ying Chen Tian Lai				
	Act.					Investment:				
						Ching-Shun Ou				
Chieh Chih	Concluded as	31,651,513	8.57%	0	Chairman	Hsien-Tsung				
Construction	having	51,001,015	0.0770	v	Director	Wang				

Name of Controlling	Basis for the		ing and Pledged ntrolling Compa	Directors, Supervisors or Managerial Officers Appointed by the Controlling Company			
Company	Control	Shareholding (shares)	Shareholding (%)	Pledged Shares	Designation	Name	
Co., Ltd.	controlling or subordinate relation pursuant to Article 369-3 of the Company Act.				Director Supervisor	Jing Cheng Construction: Chia-Ling Tsai Jing Cheng Construction: Shih-Hsiung Li Chen-Jung Li	
Bai Hong Construction Co., Ltd.	Concluded as having controlling or subordinate relation pursuant to Article 369-3 of the Company Act.	1,109,863	0.30%	0	Chairman Director Director Supervisor	Ching-Shun Ou Hsien-Tsung Wang Yao-Hung Tsai Tien-Tsan Tsai	
H2O Hotel Co., Ltd.	Subsidiary of the Company	0	0.00%	0	Chairman Director Director Supervisor	King's Town Construction: Mei-Yun Tsai-Hsueh King's Town Construction: Chiung-Ting Tsai King's Town Construction: I-Ying Chen King's Town Construction: Chia-Ling Tsai	

Note: When the controlling company of the subordinate company is a subordinate company of another company, relevant information of the latter company shall also be provided. The same rule applies where the latter company is the subordinate company of a different company, and so on.

2. Sales and Purchases:

Unit: NT\$ thousand; %

Transaction with Controlling Company		Terms with Controlling Company		General Trading Terms		Deeree	Accounts/Notes Payable		Overdue Accounts Receivables					
Purchases (Sales)	Amount	% to Total Purchases	Gross Profit	Unit Price (NT\$)	Credit Term	Unit Price (NT\$)	Credit Term	Reason for Deviation	Ending Balance	% to Total Accounts/Notes Receivable (Payable)	Amount	Action Taken	Allowance for Doubtful Accounts	Remarks
Purchases	766,344	11.88%	_	_	Subject to contract	_	_	_	Notes payable \$91,884 Accounts payable \$188,314	30.09%	0	_	0	Chieh Chih Construction Co., Ltd.
Purchases	642,926	9.97%	_	_	Subject to contract	—	_	_	Notes payable \$145,009 Accounts payable \$0		0	_	0	Bai Hong Construction Co., Ltd.

Note 1: In case of advance receipts (prepayments), the reasons, contractual terms, amount and difference from the general trading terms shall be stated in the Remarks column.

- Note 2: If the listed accounts are not applicable, please adjust accordingly. Where accounts are not available due to industry characteristics, the company is exempted from providing the information.
 - 3. Property transactions: None.
 - 4. Financing of funds: None.
 - 5. Lease of assets: None.
 - 6. Endorsements and guarantees: None.
 - 7. Other significant transactions: None.

- II. Private Placement of Securities: None.
- III. Other Supplementary Information: None.
- IV. Any Events in the Most Recent Year and as of the Date of this Annual Report that had Significant Impacts on Shareholders' Right or Security Prices as Stated in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act: None.

King's Town Construction Co., Ltd.

16F., No.150, Bo-ai 2nd Rd.,Kaohsiung City 813, Taiwan (R.O.C.) TEL:+886-7-558-6368 FAX:+886-7-557-2111