King's Town Construction Co., Ltd.

2025 Annual Report

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V. Overseas Securities Exchange where Securities are Listed and Method of Inquiry:
   (I) Name of Overseas Securities Exchange: None.
   (II) Method of Inquiry: None.

VI. Corporate Website: http://www.kingtown.com.tw/

King's Town Construction Co., Ltd.

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Chapter 1 Letter to Shareholders

Dear Shareholders,

In 2025, under the influence of government credit controls and a continued strong wait-and-see sentiment in the market, Taiwan's real estate market generally exhibited a pattern of reduced transaction volume and stable prices. Affected by the Central Bank's selective credit controls and tighter bank lending, investment demand has significantly cooled, market transaction volume has declined from 2024, homebuyers have become more conservative, and the overall housing market has gradually shifted from rapid price increases into consolidation and adjustment. However, supported by construction costs, land prices, and inflationary factors, housing prices still have a certain degree of support, and the market shows differentiation in individual case performance and regional development.

In recent years, the government has continued to promote various real estate-related policies, including selective credit controls, Housing Tax 2.0, a ban on the assignment and resale of pre-sale homes, and rental market reforms. The main purpose is to curb short-term speculation, improve market order, and enhance housing justice. Although the relevant policies have affected market transaction volume in the short term, they will help the real estate market return to a fundamentals-based development path in the long term.

In the international economy, U.S. interest rate policies and tariff measures continue to affect the global financial market, while geopolitical risks and regional conflicts have also increased variables. However, the rapid development of Artificial Intelligence (AI) industries has driven the continued expansion of the semiconductor and high-technology industry chain, while Taiwan's importance in the global technology supply chain has continued to rise, further strengthening industrial investment and population inflow momentum in southern Taiwan.

The long-term development prospects for Kaohsiung and Tainan remain favored by the market, as TSMC's plant expansion effects, investment in the technology industry, and the continued advancement of major public infrastructure projects continue to move forward. In particular, the areas surrounding the Kaohsiung Ciaotou Science Park, Nanzih Technology Industrial Park, Asia New Bay Area, and Tainan Science Park are expected to continue to have stable demand for residential and commercial building uses, which will help support the long term development of the regional real estate market.

By the end of 2025, the total number of building transactions for the year reached 261,308, representing a 25.45% decrease from the 350,525 transactions in 2024. Among them, the total transaction volume in the six municipalities was 204,596 units, an annual decrease of 24.59%. The market in Kaohsiung exhibited a trend of relative weakness overall. In 2025, the number of building sales transfers in Kaohsiung City was 31,196 units, a decrease of approximately 31.05% compared to 2024, making it the weakest of the six municipalities. Kaohsiung, among the six special municipalities, features emerging technology industry clusters, major public infrastructure projects, and a continuing influx of population, and thus still has relatively stable demand; however, in some areas that saw larger price increases in the previous wave, the pace of price growth has significantly moderated.

Overall, Taiwan's housing market in 2025 has gradually shifted from broad-based price increases to a market characterized by product competition and regional selection. Projects with location advantages, transportation infrastructure, neighborhood amenities, and strong brand reputation are still more capable of maintaining sales stability. In Kaohsiung, affected by central credit controls and a cooling of market liquidity, real estate transaction volume has slowed significantly compared with previous years, and the market is gradually returning to being driven by end-user demand. However, benefiting from the long-term positive factors of semiconductor industry investment, such as high-tech supply chain development, development of the Asia New Bay Area, and rail construction, Kaohsiung's overall development prospects remain supported. In particular, the continued effects of TSMC's plant establishment in northern Kaohsiung have driven development in Nanzih, Ciaotou, Zuoying, and other districts, attracting population and industry and serving as an important force supporting the regional housing market.

Regarding the Company's project outlook in 2026, with no new projects being completed, excess housing is expected to be the primary sales driver and key source of revenue in 2026.

(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 2025 Business Report and Summary of 2026 Business Plan are as follows:

I. 2025 Business Results:

(I) Implementation Results of 2025 Business Plan:

In 2025, the Company's consolidated financial statements reported net operating revenue of NT$3,675,047 thousand, a decrease of NT$5,608,376 thousand compared to the net operating revenue of NT$9,283,423 thousand in 2024. The profit before tax was NT$801,141 thousand, with a pre-tax profit margin of 21.80%.

(II) Implementation of Forecast:

The Company did not publicly disclose any financial forecasts for 2026 and therefore this analysis is not reported.

(III)Financial Position and Profitability Analysis:

Unit: NT$ thousands

Item			2025	2024	Rate of change (%)
Financial receipts and expenditures	Operating revenue		3,675,047	9,283,423	-60.41%
	Gross profit		1,679,117	4,177,968	-59.81%
	Operating income		1,158,155	3,460,655	-66.53%
	Finance costs		386,420	324,683	19.01%
	Profit or loss before tax		801,141	3,140,832	-74.49%
	Profit or loss after tax		628,678	2,831,693	-77.80%
	Total comprehensive income		629,307	2,832,878	-77.79%
Profitability	Return on assets (%)		2.32	7.91	-70.67%
	Return on equity (ROE) (%)		3.02	14.79	-79.58%
	As a % of paid-in capital	Operating income	31.65	93.68	-66.21%
		Income before tax	21.89	85.02	25-74. %
	Net profit margin (%)		17.11	30.50	-43.90%
	Earnings per share (NT$)		1.71	7.67	-77.71%

1. Financial receipts and expenditures
   Due to investment in ongoing construction projects in 2025 decreasing significantly compared to 2024, inventories only increased slightly. However, operating revenue in 2025 decreased substantially compared to 2024, resulting in a slight net cash inflow from operating activities of NT$98,898 thousand, net cash outflow from investing activities of NT$512,474 thousand, net cash outflow from financing activities of NT$1,415,873 thousand, and total debt ratio decreased from 49.99% in 2024 to 47.30% in 2025. The interest expense amounted to NT$386,420 thousand in 2025, an increase of NT$61,737 thousand (+19.01%) compared to NT$324,683 thousand in 2024, mainly due to the increase in borrowing and rising interest rates.
2. Profitability Analysis:
   In 2025, the operating profit was NT$1,158,155 thousand, with an operating profit to paid-in capital ratio of 31.65%, a decrease of NT$2,302,500 thousand compared to NT$3,460,655 thousand in 2024. The net profit after tax was NT$628,678 thousand, with a net profit margin of 17.11%, a decrease of NT$2,203,015 thousand compared to NT$2,831,693 in 2024. The return on assets decreased by 70.67% compared to 2024, and the return on equity decreased by 79.58%.

(IV)Research and Development:

In land development, the Company has continued to uphold a specialized, proactive, and prudent development strategy, carefully evaluating areas with development potential, conducting market research, data analysis, and land consolidation and acquisition operations. In addition, a professional land development team, together with architects, deed specialists, and related consultants, promptly monitors and studies relevant laws and market trends in response to changes in the market environment and to enhance development efficiency. At present, Kaohsiung City and Tainan City remain the focal areas for land development.

In construction technology and residential quality, the Company has continued to enhance on-site management efficiency and construction quality, committing to developing high-value-added residential products to strengthen market competitiveness and improve product gross margin as well as brand reputation. At the same time, by optimizing the construction process and project management mechanisms, the construction period has been appropriately shortened to reduce the impact of rising raw material and construction costs. In addition, with respect to property management and residential services, cooperation with building management companies will continue to be strengthened to enhance community management quality and residents' living satisfaction.

II. Outline of 2026 Business Plan:

(I) Operating Guidelines:

1. The Company will adhere to the principle of prudent operations, maintain an appropriate and stable scale of project launches, and carefully assess market demand, regional development, as well as investment returns. The Company will select high-quality development land for individual projects to balance operational stability and risk control.
2. Continue to enhance project planning quality and product value-added, strengthening cost control and construction efficiency. By doing so, the Company aims to increase project gross margin and overall operational performance, further enhancing market competitiveness.
3. The Company firmly believes that architecture is not merely a living space, but also an integral part of urban culture and the aesthetics of life. Upholding our commitment toward urban development, the Company strives to create high-quality works that combine architectural aesthetics, humanistic spirit, and urban character in mutual prosperity and development with the city.
4. In response to changes in mainstream market demand, the Company will continue to strengthen the planning of our core unit-size products that meet owner-occupier and replacement housing needs. Through these improvements, we aim to enhance product market acceptance and expand operating revenue and sales momentum.
5. Actively expand the areas targeted for project launches, carefully establish a presence in markets with growth potential, and continue to enhance brand value, market recognition, and overall operating scale through high-quality projects and accumulating brand reputation.

(II) Sales Volume Forecast and Basis:

The Company has not disclosed a financial forecast for 2026.

(III) Key Production and Distribution Policy:

1. Continue to integrate market information and regional development trends, proactively evaluate regions with strong growth potential and downside resilience, prudently advance land development and acquisition, and closely monitor changes in the land market and acquisition timing, in order to enhance land utilization efficiency, increase product value, and mitigate the impact of market cycles on the Company's operations.
2. Continue to develop high-quality residential products, strengthen building planning, construction quality, and product differentiation, and enhance the Company's product value and market competitiveness in response to market demand and consumer trends, while maintaining the long-term value of the products and the Company's brand reputation.
3. Strengthen after-sales services, maintenance management, and community management quality; foster positive interactions with residents; enhance customer satisfaction and property management value; and further strengthen the Company's brand image and market recognition.

III. Future Development Strategies:

(I) Continue to monitor investment in the high-tech industry and the development of industrial clusters, seizing opportunities arising from growth in demand for residential and commercial buildings in the relevant areas.

(II) Focus strategic deployment on land surrounding Kaohsiung Ciaotou Science Park, Nanzih Technology Industrial Park, the Kaohsiung University Special District, the Asia New Bay Area, and Tainan Science Park in order to seize future development opportunities.

(III) In response to the industrial upgrading of southern Taiwan and demand for corporate relocations, we continue to remain optimistic about the long term development potential of the Kaohsiung and Tainan commercial building market.

IV. Effect of external competition, the legal environment, and the overall business environment:

(I) Impacts from External Competition

The Company's primary project development area is centered in the Greater Kaohsiung Area gradually expanding into Tainan. With brand recognition product planning capabilities and land development experience built through years of deep cultivation in the southern Taiwan market, the Company maintains considerable competitive advantages in its principal project development areas. Although competition in the overall real estate market continues to exist, the Company will continue to strengthen product positioning, construction quality, and brand value to enhance market competitiveness and maintain stable operating results.

(II) Impact of Regulatory Environment

In recent years, the government has continued to promote various policies for the comprehensive development of the real estate market, These policies include selective credit controls, adjustments to the house tax system, the presale housing management regime, and relevant real estate transaction regulations. These measures have had a certain impact on short-term market transaction volume and investment demand. However, relevant policies have long supported the improvement of market order and the stable development of the real estate market. The Company will continue to closely monitor relevant regulatory and policy changes and, as appropriate, adjust product launch planning, product strategy, and sales pace in response to changes in the market environment.

(III) Impact of Overall Operation Environment

The global economy continues to be affected by factors such as international interest rate policies, geopolitical risks, and volatility in the financial markets. The overall operating environment remains uncertain. However, with the rapid development of Artificial Intelligence (AI) and the high-tech industry, Taiwan's semiconductor and technology supply chain continues to expand. In addition, major public infrastructure projects and industrial investment in southern Taiwan are being advanced one after another, providing long-term support for population, employment, and housing demand in Kaohsiung and Tainan. The Company will continue to adhere to prudent management principles, respond cautiously to market changes, and enhance operational efficiency and product competitiveness.

The Company will not have any new construction cases completed and sold in 2026.

As for the Company's revenue for January through March, cumulative revenue amounted to NT$656,590 thousand, a substantial decrease of 65.32% from the same period last year. The main reason was that the Company is currently selling mostly large-unit remaining properties, for which the sell-through pace is inherently slow. In addition, the market has also been characterized by a strong wait-and-see sentiment, resulting in a significant decline in the Company's revenue for January through March. In 2026, 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 "New World."

Looking ahead, the Kaohsiung real estate market is expected to remain conservative in overall transaction volume in the short term, as it is affected by government credit controls, tighter mortgage lending, and a wait-and-see market atmosphere; however, driven by continued industrial investment and major construction projects, its medium to long-term development still has growth potential. Population inflow, employment opportunities, and housing demand are expected to continue increasing as the semiconductor and high-tech industry chain continues to strengthen its positioning, and as the Asia New Bay Area, MRT network, and public infrastructure are gradually implemented. The market will gradually shift from broad-based price increases to competition based on product quality, locational advantages, and brand value. Developers with regional development advantages and strong brand reputations will still be able to maintain steady growth. We hope the above report will be supported by our shareholders.

Wish you

good health and all the best.

Chairman and General Manager: Tien-Tsan Tsai

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, 2026

Designation	Nationality/ Place of Registration	Name, Gender, Age	Date Elected	Term	Date First Elected	Shareholding When Elected: Shares	Shareholding When Elected: Shareholding (%)	Current Shareholding: Shares	Current Shareholding: Shareholding (%)	Spouse & Minor Shareholding: Shares	Spouse & Minor Shareholding: Shareholding (%)	Major Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors Who are Spouses or within the Second Degree of Kinship: Designation	Executives, Directors or Supervisors Who are Spouses or within the Second Degree of Kinship: Name	Executives, Directors or Supervisors Who are Spouses or within the Second Degree of Kinship: 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	13.57%	–	–	–	–	–	–	–
Corporate Representative, Chairman	R.O.C.	Tien-Tsan Tsai (Male, age 71-80, Corporate Representative of Tian Lai)	–	–	–	–	–	85,577,838	23.38%	20,209,951	5.52%	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.	Mei-Yun Tsai-Hsueh (Female, age 71-80, Corporate Representative of Tian Lai)	–	–	–	–	–	20,209,951	5.52%	85,577,838	23.38%	Senior high school	Chairman of Tian Gang Investment, Director of Fugao Investment, Chairman of H2O Hotel Co., Ltd.	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 Representative of Tian Lai)	–	–	–	–	–	65,743	0.02%	11,241	0.00%	Bachelor's degree	Corporate Representative, Director of Chieh Chih Construction	–	–	–
Corporate Representative, Director	R.O.C.	Chin-Hsing Chen (Male, age 61-70, Corporate Representative of Tian Lai)	–	–	–	–	–	54,433	0.01%	0	0.00%	Some college	Director of King's Town Construction, Nanjing Construction Tian Lai Investment, Xin Rui Investment	–	–	–

Designation	Nationality/ Place of Registration	Name, Gender, Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Major Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors Who are Spouses or within the Second Degree of Kinship		
						Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)			Designation	Name	Relationship
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	–	–	–
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-Chang 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	R.O.C.	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 13.

Table 1. Major shareholders of corporate shareholders

May 1, 2026

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, 2026

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, 2026

Qualification Name	Professional qualifications and experience	Independence criteria	Number of other public companies where the individual concurrently serves as an independent director
Tien-Tsan Tsai	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
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 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 independent directors are persons independent of the Company.	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 none of the circumstances in the subparagraphs of Article 30 of the Company Act apply.		0
Chung-Chang Tsai (independent)	Has work experience related to real property industry in the areas of commerce and finance necessary for the business of the Company, and none of the circumstances in the subparagraphs of Article 30 of the Company Act apply.		0
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 30 of the Company Act apply.		0

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:

April 28, 2026

<table>
<tr><th rowspan="2">Designation</th><th rowspan="2">Nationality</th><th rowspan="2">Name (Gender)</th><th rowspan="2">Date Elected</th><th colspan="2">Shareholding</th><th colspan="2">Spouse & Minor Shareholding</th><th rowspan="2">Major Experience (Education)</th><th rowspan="2">Other Position Concurrently Held at Other Companies</th><th colspan="3">Managerial Officers Who Are Spouses or within the Second Degree of Kinship</th></tr>
<tr><th>Shares</th><th>Shareholding (%)</th><th>Shares</th><th>Shareholding (%)</th><th>Designation</th><th>Name</th><th>Relationship</th></tr>
<tr><td>President</td><td>R.O.C.</td><td>Tien-Tsan Tsai</td><td>2022/3/23</td><td>85,577,838</td><td>23.38%</td><td>20,209,951</td><td>5.52%</td><td>Senior high school</td><td>Chairman and Corporate Representative of King's Town Construction, Director of Tian Gang Investment, Supervisor of Bai Hong Construction</td><td>Representative of Corporate Director
Special Assistant of the Chairman</td><td>Mei-Yun Tsai-Hsueh
Yao-Hung Tsai</td><td>Spouse
First-degree relative</td></tr>
<tr><td>Vice President</td><td>R.O.C.</td><td>Chin-Hsing Chen (Male)</td><td>2018/5/24</td><td>54,433</td><td>0.01%</td><td>0</td><td>0.00%</td><td>Some college</td><td>None</td><td>—</td><td>—</td><td>—</td></tr>
<tr><td>Vice President</td><td>R.O.C.</td><td>Kuo-Tai Wang (Male)</td><td>2021/7/6</td><td>13,641</td><td>0.00%</td><td>0</td><td>0.00%</td><td>Bachelor's degree</td><td>None</td><td>—</td><td>—</td><td>—</td></tr>
<tr><td>Assistant Vice President</td><td>R.O.C.</td><td>Chia-Hung Huang (Male)</td><td>2018/5/24</td><td>76,161</td><td>0.02%</td><td>0</td><td>0.00%</td><td>Industrial high school</td><td>None</td><td>—</td><td>—</td><td>—</td></tr>
<tr><td>Assistant Vice President</td><td>R.O.C.</td><td>Jing-Heng Zhou (Male)</td><td>2019/5/10</td><td>13,564</td><td>0.00%</td><td>0</td><td>0.00%</td><td>Bachelor's degree</td><td>None</td><td>—</td><td>—</td><td>—</td></tr>
<tr><td>Assistant Vice President</td><td>R.O.C.</td><td>Jui-Li Chen (Female)</td><td>2023/7/18</td><td>61,456</td><td>0.02%</td><td>825</td><td>0.00%</td><td>Bachelor's degree</td><td>None</td><td>—</td><td>—</td><td>—</td></tr>
<tr><td>Assistant Vice President</td><td>R.O.C.</td><td>Chaowan Chen(Male)</td><td>2026/2/4</td><td>4,285</td><td>0.00%</td><td>0</td><td>0.00%</td><td>College graduate</td><td>None</td><td>—</td><td>—</td><td>—</td></tr>
<tr><td>Financial Executive</td><td>R.O.C.</td><td>Su-Ying Liang (Female)</td><td>2011/9/1</td><td>80,375</td><td>0.02%</td><td>0</td><td>0.00%</td><td>Bachelor's degree</td><td>None</td><td>—</td><td>—</td><td>—</td></tr>
</table>

Note1:The aforementioned managerial officers did not have shareholdings by nominees.

Note2:Mr. Chaowan Chen,Associate General Manager, retired in April 2026.

(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 Company’s Board of Directors approved on March 22, 2022, the Chairman will concurrently serve as President.
2. Before the selection of the President, it is reasonable for the Chairman to temporarily assume the role.
3. 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

Unit: NT$ thousands; December 31, 2025

Designation	Name	Remuneration to Directors								Total Remuneration (A+B+C+D) and its Ratio to Net Income (%)		Relevant Remuneration Received by Directors Who Are Also Employees								Total Remuneration (A+B+C+D+E+F+G) and its Ratio to Net Income (%)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company
		Base Compensation (A)		Severance Pay and Pension (B)		Director Compensation (C)		Allowances (D)				Salary, Bonus, and Allowances (E)		Severance Pay and Pension (F)		Employee Compensation (G) (Note 1)						
																The Company		All companies in the consolidated financial statements				
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	Cash	Stock	Cash	Stock	The Company	All companies in the consolidated financial statements	
Director	Tian Lai Investment: Tien-Tsan Tsai	3,827		0		0		547		4,374 0.70%		0		0		0	0	0	0	4,374 0.70%		None
	Tian Lai Investment: Mei-Yun Tsai-Hsueh	0		0		0		360		360 0.06%		0		0		0	0	0	0	360 0.06%		None
	Tian Lai Investment: Shih-Hsiung Li	0		0		0		360		360 0.06%		0		0		0	0	0	0	360 0.06%		None
	Tian Lai Investment: Chin-Hsing Chen	245		0		0		399		644 0.11%		1,410		0		0	163	0	163	2,217 0.35%		None
Independent Director	Ming-Te Chang	0		0		0		360		360 0.06%		0		0		0	0	0	0	360 0.06%		None
Independent Director	Yao-Kuo Wu	0		0		0		369		369 0.06%		0		0		0	0	0	0	369 0.06%		None
Independent Director	Chung-Chang Tsai	0		0		0		360		360 0.06%		0		0		0	0	0	0	360 0.06%		None
Independent Director	Chin-Yu Chiu	0		0		0		360		360 0.06%		0		0		0	0	0	0	360 0.06%		None

Note 1: Employee compensation from earnings was the amount from 2025 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 2025, 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: NT$ thousands; December 31, 2025

<table>
<tr><th rowspan="3">Designation</th><th rowspan="3">Name</th><th colspan="2">Salary (A)</th><th colspan="2">Severance Pay and Pension (B)</th><th colspan="2">Bonus and Allowance (C)</th><th colspan="4">Employee Compensation (D) (Note 1)</th><th colspan="2">Total Remuneration (A+B+C+D) and its Ratio to Net Income (%)</th><th rowspan="3">Remuneration from Invested Companies Other than Subsidiaries or the Parent Company</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">All companies in the consolidated financial statements</th><th rowspan="2">The Company</th><th rowspan="2">All companies in the consolidated financial statements</th><th rowspan="2">The Company</th><th rowspan="2">All companies in the consolidated financial statements</th><th colspan="2">The Company</th><th colspan="2">All companies in the consolidated financial statements</th><th rowspan="2">The Company</th><th rowspan="2">All companies in the consolidated financial statements</th></tr>
<tr><th>Cash</th><th>Stock</th><th>Cash</th><th>Stock</th></tr>
<tr><td>President</td><td>Tien-Tsan Tsai</td><td colspan="2">0</td><td colspan="2">0</td><td colspan="2">0</td><td>0</td><td>0</td><td>0</td><td>0</td><td colspan="2">0
0.00%</td><td>None</td></tr>
<tr><td>Vice President</td><td>Chin-Hsing Chen</td><td colspan="2">1,410</td><td colspan="2">0</td><td colspan="2">265</td><td>0</td><td>163</td><td>0</td><td>163</td><td colspan="2">1,838
0.29%</td><td>None</td></tr>
<tr><td>Vice President</td><td>Kuo-Tai Wang</td><td colspan="2">1,340</td><td colspan="2">0</td><td colspan="2">201</td><td>0</td><td>142</td><td>0</td><td>142</td><td colspan="2">1,683
0.27%</td><td>None</td></tr>
</table>

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, 2025

Designation	Name	Salary (A)		Severance Pay and Pension (B)		Bonus and Allowance (C)		Employee Compensation (D) (Note 1)				Total Remuneration (A+B+C+D) and its Ratio to Net Income (%)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements		The Company	All companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
Special Assistant	Yao-Hung Tsai	1,371		0		940		0	895	0	895	3,206(0.51%)		None
Vice President	Chin-Hsing Chen	1,410		0		265		0	163	0	163	1,838(0.29%)		None
Assistant Vice President	Chia-Hung Huang	1,396		0		185		0	139	0	139	1,720(0.27%)		None
Vice President	Kuo-Tai Wang	1,340		0		201		0	142	0	142	1,683(0.27%)		None
Assistant Vice President	Jui-Li Chen	1,119		0		189		0	123	0	123	1,431(0.23%)		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:

Unit: NT$ thousands
May 1, 2026

	Designation	Name	Stock	Cash	Total	Ratio of Total Remunerations to Net Income (%)
Managers	President	Tien-Tsan Tsai	970	0	970	0.15%
	Vice President	Chin-Hsing Chen				
	Vice President	Kuo-Tai Wang				
	Assistant Vice President	Chia-Hung Huang				
	Assistant Vice President	Jing-Heng Zhou				
	Assistant Vice President	Jui-Li Chen				
	Financial Executive	Su-Ying Liang				
	Assistant Vice President	Chao-Wan Chen				

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 1.39% and 0.36% of the consolidated and parent company only net income for 2025 and 2024, respectively. The decrease in percentage for 2025 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 10 Board meetings (the 14th term) were convened in 2025. 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	10	0	100.00%	10 meetings to attend
Director	Tian Lai Investment Co., Ltd. Representative: Mei-Yun Tsai-Hsueh	7	0	70.00%	10 meetings to attend
Director	Tian Lai Investment Co., Ltd. Representative: Shih-Hsiung Li	8	0	80.00%	10 meetings to attend
Director	Tian Lai Investment Co., Ltd. Representative: Chin-Hsing Chen	10	0	100.00%	10 meetings to attend
Independent Director	Ming-Te Chang	9	0	90.00%	10 meetings to attend
Independent Director	Yao-Kuo Wu	10	0	100.00%	10 meetings to attend
Independent Director	Chung-Chang Tsai	8	0	80.00%	10 meetings to attend
Independent Director	Chin-Yu Chiu	8	0	80.00%	10 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.

Implementation of the Board of Directors Evaluation

December 31, 2025

<table>
<tr><th>Frequency</th><th>Period</th><th>Scope</th><th>Method</th><th>Details</th></tr>
<tr><td rowspan="2">Annually</td><td rowspan="2">Evaluate the Board performance from January 1, 2025 to December 31, 2025.</td><td>Entire Board
Individual Board members
Functional committees (Audit Committee, Remuneration Committee)</td><td>In our Company, the internal evaluation of the performance of the Board of Directors is carried out by the Audit Department. Evaluation methods include internal self-evaluation by the Board of Directors, self-evaluation by Directors, and peer evaluation.</td><td>(1) 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.
(2) 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.
(3) Performance assessment on functional committees: level of participation in corporate operations, understanding of functional committees' duties, quality of functional committees' decisions, composition of the functional committees and election of members, and internal control.

Rating on overall operation: Excellent</td></tr>
<tr><td>Individual Board members
Functional committees</td><td>The executing units for the internal evaluation of the performance of other functional committees (Sustainable Development Committee) are the respective deliberation units of each committee.</td><td>(1) 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.
(2) Performance assessment on other functional committees: level of participation in corporate operations, understanding of functional committees' duties, quality of functional committees' decisions, composition of the functional committees and election of members, and internal control.

Rating on overall operation: Excellent</td></tr>
</table>

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

Operational Status of the Audit Committee

A total of seven (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	100.00%	7 meetings to attend
Independent Director	Yao-Kuo Wu	7	0	100.00%	7 meetings to attend
Independent Director	Chung-Chang Tsai	6	0	85.70%	7 meetings to attend
Independent Director	Chin-Yu Chiu	6	0	85.70%	7 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.
None.

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.

(III) Corporate Governance Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
I. Has 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".	—
II. Ownership structure and shareholders' rights (I) 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? (II) Does the Company possess a list of major shareholders and ultimate owners of these major shareholders? (III) Does the Company build and execute risk management and firewall mechanism between itself and affiliates? (IV) Does the Company have internal rules to prevent insiders from using undisclosed information to trade securities?	✓ ✓ ✓ ✓		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. The Company possesses a list of major shareholders and ultimate owners of these major shareholders. Transactions between the Company and its affiliates are conducted in accordance with relevant regulations under proper risk management. The Company has established internal rules to prevent insiders from using undisclosed information to trade securities.	—
III. Composition and responsibilities of the Board (I) 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	The Company will establish diversified policies for the composition of

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			number of directors in order to achieve gender diversity. However, a policy for diversifying the composition of the Board of Directors has not yet been formulated.	Board in 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 2025 performance assessment of the Board has been completed.	
(IV) Does the Company regularly assess 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'	✓		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.	—

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
meetings according to the law, and producing minutes of the Board and shareholders' meetings)?				
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.	—
VI. 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. Information disclosure (I) Has the Company established a corporate website to disclose information regarding the Company's finance, business and corporate governance status? (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)? (III) Does the Company announce and file the annual financial report within two months after the end of the fiscal year, and announce	 ✓ ✓	 ✓	 The Company has established a corporate website disclosing information regarding the Company's finance, business and corporate governance. 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. At present, the Company has not been able to publicly announce and file its annual financial report within two months after	In the future, the Company will accelerate the internal annual closing process as well as the CPA audits for earlier announcement and filing of annual financial statements.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
and file the financial reports for the first, second, and third quarter and the operating conditions of each month before the specified period?			the end of the financial year due to operations. However, the financial reports of the first three quarters as well as the 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 urban development, the Company believes that buildings aren't merely living spaces, but shall be integrated with the city, embodying the city's spirit and its humanistic values. This is also an important responsibility that enterprises should undertake. The Company remains committed to promoting the development of green buildings, smart buildings, themed buildings and aesthetic buildings. Through architectural works that combine quality, aesthetics, and the concept of sustainability, the Company seeks to contribute to enhancing the urban landscape and quality of life.	—
IX. 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 for the excluded companies) None.				

(IV) The Composition and Operations of the Remuneration Committee:

1. Professional Qualifications and Independence Analysis of the Remuneration Committee Members

May 1, 2026

<table>
<tr><th>Title (Note 1)</th><th>Qualification / Name</th><th>Professional qualifications and experience</th><th>Independence criteria</th><th>Number of other public companies in which the individual is concurrently serving as a Remuneration Committee member</th><th>Remarks</th></tr>
<tr><td>Convener Independent Director</td><td>Ming-Te Chang</td><td>Work experience related to real property industry in the areas of commerce necessary for the business of the Company</td><td rowspan="4">The Company continues to assess the independence of directors, taking into account all relevant factors, including whether a director can offer constructive advice and opinions for management and other directors, whether they can express opinions objectively and independently, or whether their conduct on and off the Board meets professional and appropriate standards.
In the course of performing their duties, the Company's independent directors are able to maintain an independent and objective stance, provide professional opinions in a timely manner, and diligently fulfill their supervisory responsibilities, demonstrating sound independence and professional judgment. After considering the various evaluation factors, the Company believes that all of its independent directors possess substantive independence and are independent of the Company and its management.</td><td>None</td><td></td></tr>
<tr><td>Independent Director</td><td>Yao-Kuo Wu</td><td>Work experience related to real property industry in the areas of commerce and finance necessary for the business of the Company</td><td>None</td><td></td></tr>
<tr><td>Independent Director</td><td>Chung-Chang Tsai</td><td>Work experience related to real property industry in the areas of commerce necessary for the business of the Company</td><td>None</td><td></td></tr>
<tr><td>Independent Director</td><td>Chin-Yu Chiu</td><td>Work experience related to real property industry in the areas of commerce necessary for the business of the Company</td><td>None</td><td></td></tr>
</table>

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-Kuo Wu	1	0	50.00%	2 meetings to attend
Member	Chung-Chang 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 item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
I. 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 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 ESG Report on September 24, 2025, as reported to the Board of Directors.	None
II. 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, social, and corporate governance (ESG) issues related to its operations in accordance with the materiality principle. The scope of the assessments covers both the Company and its subsidiaries to comprehensively identify potential risks and impacts. At the same time, the Company also regularly reviews and establishes relevant risk management policies and response measures, continuously strengthening the risk management mechanism to enhance sustainable operation capability and overall governance effectiveness.	None
III. 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 management is undertaken by the downstream contractors. At present,	None

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
			the environmental management system complies with the requirements.	
(II) Does the Company endeavor to utilize all resources more efficiently and use recycled materials that have a low impact on the environment?	✓		The Company and downstream contractors utilize resources with efficiency and adopt recycled materials which have low environmental impact.	
(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 impact of climate change on the Company remains insignificant. The Company regularly assesses the potential risks and opportunities, at present and in the future, arising from climate change.	
(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 2025, the Company's direct greenhouse gas (GHG) emissions totaled 28.5 metric tons of CO2e, indirect GHG emissions totaled 677.47 metric tons of CO2e, and other GHG emissions amounted to 240.77 metric tons of CO2e. In 2025, King Park's water consumption was 24,549 liters, with 1.73 metric tons of waste generated. 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.	None
(II) Has the Company formulated and implemented reasonable employee welfare measures (including remuneration, leaves and other benefits), and	✓		The Company has formulated and implemented reasonable employee welfare measures and regularly assessed employee performance which is reflected in employee compensation.	

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
properly reflected the operating performance or achievements in the employee remuneration?				
(III) Has the Company provided employees with a safe and healthy working environment with regular safety and health education?	✓		The Company has provided employees with a safe and healthy working environment with irregular safety and health education. No occupational accidents occur.	
(IV) Has the Company established effective career development training programs for its employees?	✓		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 formulated.	
(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?	✓		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 the 2024 ESG Report based on the guidelines of the Global Reporting Initiative (GRI). The aforementioned report has yet to obtain a third-party assurance or verification statement.	The 2025 ESG Report will be prepared in accordance with GRI and Sustainability Accounting Standards Board (SASB) standards.

<table>
<tr><td rowspan="2">Promotion item</td><td colspan="3">Implementation status</td><td rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</td></tr>
<tr><td>Yes</td><td>No</td><td>Description</td></tr>
<tr><td colspan="5">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" and proceed accordingly with no deviation.</td></tr>
<tr><td colspan="5">VII. Other important information to facilitate a better understanding of the Company's CSR practices:
None.</td></tr>
</table>

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

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 relevant functional teams are established as a platform for cross-departmental communication and management of corporate social responsibility-related issues. The Sustainable Development Committee is responsible for promoting and executing strategies and action plans for material sustainability issues, risk management issues, and climate-related initiatives. They are also responsible for integrating the resources of all departments to implement relevant management mechanisms. At the same time, regular reports are made to the Board of Directors on the implementation and performance of environment and sustainability-related initiatives to strengthen the Company’s sustainability governance and risk management capabilities.
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): Since 2023, King's Town Construction Co., Ltd. the latest standard, ISO 14064-1:2018, for emissions inventory verification as the first step in effectively managing emissions and complying with the requirements of the TCFD framework. The

Item	Implementation status
	scope of the inspection includes the headquarters, reception centers, large buildings, and uncompleted housing projects, comprehensively including all energy consumption situations at operational sites. At the same time, energy-saving and carbon reduction projects are promoted to achieve effective management of energy resources. (Medium term): Introduce green building designs in new construction projects, and set concrete reduction targets for greenhouse gas emissions, waste reduction, and water usage management to ensure that operations align with the direction of sustainable development. (Long term): Continue setting relevant green reduction targets, and gradually integrate climate-related risks and opportunities. Set management indicators and targets as the basis for performance evaluation to promote corporate sustainable operation and environmental responsibility.
3. Specify the impact of extreme weather events and transformation actions on financial performance.	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. In response to transformation opportunities arising from climate change risk, 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

Item	Implementation status
	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 basis for developing response measures, which are then integrated into the overall risk management system.
5. If scenario analysis is used to assess resilience against climate change risks, it should specify the scenarios, parameters, assumptions, analytical factors, and major financial impacts employed.	The Company has not yet utilized scenario analysis to assess resilience against climate change risks. Currently, the response measures are sufficient to address climate risks.
6. If there are transition plans in response to managing climate risks, please describe the content of these plans, as well as the indicators and targets used to identify and manage physical risks and transition risks.	The Company has set a target to reduce electricity consumption by 1% annually in relation to climate indicators and objectives. To enhance carbon management comprehensively, the Company introduced the ISO 14064-1 greenhouse gas inventory standard in 2023 and is conducting inventory operations in accordance with the latest ISO 14064-1:2018 standard. The Company will continue to monitor the implementation status of key indicators and objectives, including energy, greenhouse gas emissions, and waste.
7. If internal carbon pricing is used as a planning tool, the basis for price determination should be explained.	In the future, implementation will be carried out in accordance with legal regulations.
8. If climate-related targets have been established, the activities covered, the scope of greenhouse gas emissions, the planning timeline, and the progress 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.	The climate-related goals set by the Company and the progress made towards achieving them can be found in the Company's Sustainability Report.
9. Greenhouse Gas Inventory and Verification Status, Reduction Targets, Strategies, and Specific Action Plans (to be filled in sections 1-1 and 1-2).	The Company’s carbon inventory has not yet undergone assurance. It will be carried out in compliance with regulatory 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 CO_2e), intensity (in metric tons of CO_2e per NT$ million), and the scope of data coverage for the past two years.		
Item	2025	2024
Scope 1	28.45	21.81
Scope 2	677.47	151.34
Scope 3	240.77	131.54
Total emissions (metric tons CO_2e)	946.69	386
Intensity (metric tons CO_2e per NT$ million)	0.2758	0.0427
Scope of data	Only the parent company	Only the parent company

Note 1: The denominator of the density is the operating revenue of the Company for 2025.
Note 2: The 2024 carbon emissions values have been retrospectively adjusted in line with revisions to certain carbon inventory principles and coefficients.

1-1-2 Greenhouse Gas Assurance 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 greenhouse gas reduction	2023
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 2025 is 22.54 tons of CO_2e per person. Short-term (2026): Greenhouse gas emissions intensity shall not exceed 20 tons of CO_2e per person, and the proportion of new construction projects applying for green building certification shall be 10%. Mid-term (2027): Greenhouse gas emissions intensity shall not exceed 18 tons of CO_2e per person, and the proportion of new construction projects applying for green building certification shall reach 20%. Long-term (2028): Greenhouse gas emissions intensity shall not exceed 16 tons of CO_2e 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	1. Implement energy-saving design to reduce energy consumption in buildings, in response to green building practices and sustainable environmental thinking. 2. Kaohsiung Houses are planned based on local conditions. 3. Use emerging technologies such as Building Information Modeling and modular construction to enhance construction efficiency. 4. Recycle usable waste generated during construction. 5. Reuse sales venues. 6. Digital Transformation: Introduction of a customer service app and an online system for selecting building materials and equipment.

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

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies and Reasons Thereof
	Yes	No	Description	
I. Establishment of ethical corporate management policies and schemes				None
(I) 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?	✓		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.	
(II) 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 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.	
(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.	

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies and Reasons Thereof
	Yes	No	Description	
II. Implementation of ethical corporate management				None
(I) Does the Company review the counterparty's history of ethical conduct and include the compliance of business ethics as a clause in the contract?	✓		The Company avoids transacting with parties having records of unethical conduct.	
(II) 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 implementation status to the Board?	✓		The Audit Office is designated to promote ethical conduct concurrently and reports its operation to the Board.	
(III) 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 exclusively dedicated unit.	
(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?	✓		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 corporate management?	✓		The Company has irregularly held internal and external education and training sessions on ethical corporate management.	

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies and Reasons Thereof
	Yes	No	Description	
III. Implementation of the whistle-blowing system				
(I) 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 accused party?	✓		The whistle-blowing channels are under the supervision of the Audit Office. The disciplinary measures and compliant system have operated smoothly at present.	
(II) 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
(III) 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 own ethical corporate management principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", please describe the implementation and any deviations 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' concerns in property acquisition.				

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

(IX) Status of Internal Control System:

1. Statement of Internal Control

京城建設股份有限公司

內部控制制度聲明書

日期：115年3月12日

本公司民國114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114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115年3月12日董事會通過，出席董事6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

董事長兼總經理：　　　　(簽章)

2. Where a CPA has been hired to carry out a special audit of the internal control system: N/A.

(X) 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, 2025 to May 1, 2026

Date	Major Resolutions
2025/02/26 Board of Directors (the Board)	01. Acquisition of land parcel Lot 566 in Qinghai Section, Gushan District, Kaohsiung City, from non-related parties.
2025/03/13 Board of Directors (the Board)	01. Proposal for the "Assessment of the Effectiveness of the Internal Control System" and the "Statement on Internal Control" for 2024. 02. Amendment to the Articles of Incorporation. 03. Discussion on the Company's periodic evaluations of the independence of CPAs. 04. Ratification of 2024 consolidated and individual financial statements. 05. Proposal for the 2024 distribution of earnings, employee compensation and remunerations to Directors and Supervisors. 06. Discussion on the acquisition of parking spaces at King's Mansion from the related party, King's Town Construction. 07. Proposal for matters related to the 2025 Annual Shareholders' Meeting. 08. Change in contract of the construction project for Lot 2747, Ai-Chun Section (Heart of World).
2025/04/08 Board of Directors (the Board)	01. In order to meet practical needs, the Company plans to carry 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.
2025/05/13 Board of Directors (the Board)	01. Discussion on the 2025 Q1 financial statements of the Company. 02. Amendments to the Company's "Internal Control System." 03. Proposal to add an agenda item to the Company's 2025 Annual Shareholder's Meeting: Report on the status of the Company's 7th share repurchase
2025/06/26 Shareholders' Meeting	01. Amendments to the Company's "Internal Control System." 02. Determined the record date for the 2024 distribution of employee stock bonuses and discussed the 2024 employee compensation to managerial officers. 03. Proposal to sign a construction contract with the Company's related parties Bai Hong and Chieh Chih Construction Co., Ltd. for the Land Parcels No. 924 and 932, Shixing Section, Ciaotou District, Kaohsiung City, as well as Parcel No. 1175, Subsection 12, Xinzhuang Section, Zuoying District.
2025/08/12 Board of Directors (the Board)	01. Discussion on 2025 Q2 financial statements of the Company. 02. Proposal to establish the Company's "Procedures for Repurchasing Treasury Shares."
2025/09/24 Board of Directors (the Board)	01. Proposal to jointly develop and determine the ratio of joint construction and separate sale for Land Parcel No. 76, Qinghai Section, Gushan District, Kaohsiung City, with a related party. 02. Discussion on the Company’s "Greenhouse Gas Reduction Targets, Strategies, and Action Plans." 03. Proposal on the record date for capital reduction regarding the 7th buyback of treasury shares.

Date	Major Resolutions
2025/11/13 Board of Directors (the Board)	01. Discussion on 2025 Q3 financial statements of the Company. 02. Proposal for the 2026 annual audit plan of the Company 03. Amendments to the Company's "Internal Control System."
2025/12/11 Board of Directors (the Board)	01. Acquisition of land in Fumin Section, Zuoying District, Kaohsiung City, from non-related parties.
2025/12/24 Board of Directors (the Board)	01. Discussion on establishing the scope of the Company's junior employees.
2026/02/04 Board of Directors (the Board)	01. Endorsement and guarantee for Tung Cheng Investment Consultant Co., Ltd. due to purchasing land in the Caohu (I) self-administered urban land readjustment zone in Annan District, Tainan City. 02. Discussion on 2025 year-end bonus of managerial officers.
2026/03/12 Board of Directors (the Board)	01. In 2025, our Company conducted an assessment of the effectiveness of the internal control system and prepared a statement on the internal control system. 02. Discussion on the Company's periodic evaluations of the independence of CPAs. 03. Ratification of 2025 consolidated and parent company only financial statements. 04. 2025 distribution of earnings, employee compensation and remunerations to Directors and Supervisors. 05. Proposal for matters related to the 2026 Annual Shareholders' Meeting. 06. Reviewed the list of candidates for the election of Directors (including Independent Directors) in the 2026 shareholders'' meeting. 07. Released newly appointed Directors and their representatives from non-competition restrictions. 08. Proposal to sign a real estate sales contract with the Company's Independent Director, Ms. Chin-Yu Chiu of the Museum of Modern Art project.

(XI) 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$ thousands

Name of CPA Firm	Name of CPA	Audit period	Audit Fees	Non-audit Fees	Total	Remarks
ShineWing Taiwan	Angela Chuang	2025/01/01～2025/12/31	1,550	493	2,043	—
	Jackson Jwo					

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

◎ Changes in Equity Interests of Directors, Supervisors, Managerial Officers and Major Shareholders

Unit: Shares

Designation	Name	2025		As of Apr. 29, 2025	
		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%	Tian Lai Investment Co., Ltd. Representative (Date of appointment June 28, 2017)	0	1,200,000	0	24,000,000
Representative of Chairman/Major shareholders with 10% shareholdings or more/President	Tien-Tsan Tsai	0	3,200,000	0	0
Representative of Director	Mei-Yun Tsai-Hsueh	0	5,526,000	0	0
Representative of Director	Shih-Hsiung Li	0	0	0	0
Representative of Director/Vice President	Chin-Hsing Chen	11,095	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	9,641	0	0	0
Assistant Vice President	Chia-Hung Huang	9,472	0	0	0
Assistant Vice President	Jing-Heng Zhou	8,921	0	0	0
Assistant Vice President	Jui-Li Chen	3,328	0	0	0
Assistant Vice President	Chao-Wan Chen (retired)			(4,000)	
Finance and Accounting Executive	Su-Ying Liang	9,312	0	0	0
Shareholders with 10% Shareholdings or More	Tian Gang Investment Co., Ltd.	0	16,000,000	0	2,000,000

◎ 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 Ratio (%)	Pledge ratio (%)	Pledge (redemption) amount
Tien-Tsan Tsai	Discharged	2025/01/09	Mega Bills Finance Co., Ltd., Kaohsiung Branch	None	5,100,000	23.38	—	—
Tien-Tsan Tsai	Discharged	2025/01/09	Mega Bills Finance Co., Ltd., Kaohsiung Branch	None	1,900,000	23.38	—	—
Tien-Tsan Tsai	Discharged	2025/01/20	Ta Ching Bills Finance Corporation	None	1,500,000	23.38	—	—
Tien-Tsan Tsai	Discharged	2025/01/20	Union Bank Of Taiwan, Kaohsiung Branch	None	2,000,000	23.38		
Tien-Tsan Tsai	Discharged	2025/01/21	International Bills Finance Corp.	None	1,000,000	23.38		
Tien-Tsan Tsai	Discharged	2025/01/21	International Bills Finance Corp.	None	1,000,000	23.38		
Tien-Tsan Tsai	Pledged	2025/03/03	Taishin International Bank, Tainan Branch	None	6,100,000	23.38		
Tien-Tsan Tsai	Pledged	2025/03/04	China Bills Finance Co., Ltd., Kaohsiung Branch	None	1,900,000	23.38		
Tien-Tsan Tsai	Pledged	2025/03/04	China Bills Finance Co., Ltd., Kaohsiung Branch	None	2,000,000	23.38		
Tien-Tsan Tsai	Pledged	2025/03/04	China Bills Finance Co., Ltd., Kaohsiung Branch	None	3,700,000	23.38		
Tien-Tsan Tsai	Pledged	2025/03/04	China Bills Finance Co., Ltd., Kaohsiung Branch	None	1,000,000	23.38		
Tien-Tsan Tsai	Pledged	2025/03/04	Taishin International Bank, Tainan Branch	None	3,900,000	23.38		
Tien-Tsan Tsai	Discharged	2025/12/11	China Bills Finance Co., Ltd., Kaohsiung Branch	None	1,900,000	23.38		
Tien-Tsan Tsai	Discharged	2025/12/11	China Bills Finance Co., Ltd., Kaohsiung Branch	None	1,000,000	23.38		

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 Ratio (%)	Pledge ratio (%)	Pledge (redemption) amount
Tian Lai Investment Co., Ltd.	Pledged	2025/06/24	Taiwan Corporative Bills Finance Co., Ltd.	None	1,200,000	13.57		
Tian Lai Investment Co., Ltd.	Pledged	115/01/27	Far Eastern International Bank, Kaohsiung Chungcheng Branch	None	21,000,000	13.57		
Tian Lai Investment Co., Ltd.	Pledged	115/03/24	Far Eastern International Bank, Kaohsiung Chungcheng Branch	None	2,000,000	13.57		
Tian Lai Investment Co., Ltd.	Pledged	115/03/31	Taiwan Corporative Bills Finance Co., Ltd.	None	1,000,000	13.57		
Tian Gang Investment Co., Ltd.	Pledged	2025/02/07	Taiwan Finance Co., Ltd., Kaohsiung Branch	None	6,500,000	17.30		
Tian Gang Investment Co., Ltd.	Pledged	2025/02/17	Grand Bills Finance Co., Ltd., Kaohsiung Branch	None	9,300,000	17.30		
Tian Gang Investment Co., Ltd.	Pledged	2025/04/09	Taiwan Finance Co., Ltd., Kaohsiung Branch	None	4,500,000	17.30		
Tian Gang Investment Co., Ltd.	Pledged	2025/04/09	Taiwan Finance Co., Ltd., Kaohsiung Branch	None	3,000,000	17.30		
Tian Gang Investment Co., Ltd.	Pledged	2025/06/24	Taiwan Corporative Bills Finance Co., Ltd.	None	2,000,000	17.30		
Tian Gang Investment Co., Ltd.	Discharged	2025/10/17	Grand Bills Finance Co., Ltd., Kaohsiung Branch	None	9,300,000	17.30		
Tian Gang Investment Co., Ltd.	Pledged	115/04/08	Taiwan Finance Co., Ltd., Kaohsiung Branch	None	2,000,000	17.30		

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

Relationships among the Company's Ten Largest Shareholders

April 28, 2026

Name	Current Shareholding		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	
Tien-Tsan Tsai	85,577,838	23.38	20,209,951	5.52	–	–	Mei-Yun Tsai-Hsueh	Spouse	Corporate Representative - Director of the Company, major shareholder
							Chiung-Ting Tsai	First-degree relative by consanguinity	
							Mei-Hui Chen	Second-degree relative by affinity	
Tian Gang Investment Co., Ltd.	63,328,801	17.30	–	–	–	–	Mei-Yun Tsai-Hsueh	Responsible person	Major shareholder
Tian Gang Investment Co., Ltd. Responsible person: Mei-Yun Tsai-Hsueh	20,209,951	5.52	85,577,838	23.38	–	–	Tien-Tsan Tsai	Spouse	–
							Chiung-Ting Tsai	First-degree relative by consanguinity	
							Mei-Hui Chen	Second-degree relative by consanguinity	
Tian Lai Investment Co., Ltd.	49,652,072	13.57	–	–	–	–	–	–	Director of the Company
Tian Lai Investment Co., Ltd. Responsible person: I-Ying Chen	0	0.00	23,616,339	6.45	–	–	Tien-Tsan Tsai	First-degree relative by affinity	–
							Mei-Yun Tsai-Hsueh	First-degree relative by affinity	
							Chiung-Ting Tsai	Spouse	
Chieh Chih Construction Co., Ltd.	31,651,513	8.65	–	–	–	–	–	–	Affiliate of the Company
Chieh Chih Construction Co., Ltd. Responsible person: Hsien-Tsung Wang	589,635	0.16	11,533,354	3.15	–	–	–	–	–
Chiung-Ting Tsai	23,616,339	6.45	0	0.00	–	–	Tien-Tsan Tsai	First-degree relative by consanguinity	First-degree relative to corporate representative - Director of the Company
							Mei-Yun Tsai-Hsueh	First-degree relative by consanguinity	
Mei-Yun Tsai-Hsueh	20,209,951	5.52	85,577,838	23.38	–	–	Tien-Tsan Tsai	Spouse	Corporate Representative - Director of the Company
							Chiung-Ting Tsai	First-degree relative by consanguinity	
Xin Rui Investment Co., Ltd.	17,786,434	4.86	–	–	–	–	–	–	–
Xin Rui Investment Co., Ltd. Responsible person: I-Li Chuang	0	0.00	–	–	–	–	–	–	–
Jin Cheng Construction Co., Ltd.	18,089,180	4.94	–	–	–	–	–	–	–

<table>
<tr><th rowspan="2">Name</th><th colspan="2">Current Shareholding</th><th colspan="2">Spouse & Minor Shareholding</th><th colspan="2">Shareholding by Nominees</th><th colspan="2">Names and relationships of the top ten shareholders who are related parties, spouses, or within the second degree of kinship to each other.</th><th rowspan="2">Remarks</th></tr>
<tr><th>Shares</th><th>Shareholding (%)</th><th>Shares</th><th>Shareholding (%)</th><th>Shares</th><th>Shareholding (%)</th><th>Name</th><th>Relationship</th></tr>
<tr><td>Jin Cheng Construction Co., Ltd. Responsible person: Chun-Chun Chiu</td><td>117,708</td><td>0.03</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td rowspan="2">Mei-Hui Chen</td><td rowspan="2">11,533,354</td><td rowspan="2">3.15</td><td rowspan="2">589,635</td><td rowspan="2">0.16</td><td rowspan="2">–</td><td rowspan="2">–</td><td>Tien-Tsan Tsai</td><td>Second-degree relative by affinity</td><td rowspan="2">Second-degree relative to corporate representative - Director of the Company</td></tr>
<tr><td>Mei-Yun Tsai-Hsueh</td><td>Second-degree relative by consanguinity</td></tr>
<tr><td>Chin-Chueh Chen</td><td>3,201,149</td><td>0.87</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td><td>–</td></tr>
</table>

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

Unit: Shares; %

Investee (Note)	Investment by the Company		Investments of the Directors, Supervisors, Managerial Officers, and Any Companies Controlled Either Directly or Indirectly by the Company		Total	
	Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)
H2O Hotel Co., Ltd. (H2O Hotel)	52,000,000	100.00%	0	0.00	52,000,000	100.00%
Yangmin International Catering Co., Ltd. (investment by subsidiary H2O)	800,000	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

Year/Month	Issued Price	Authorized Capital		Paid-in Capital		Remarks		
		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
1985/09	NT$10,000	100	1,000	100	1,000	Initial capital	None	
1985/10	NT$10,000	3,000	30,000	3,000	30,000	Cash capital increase of NT$29,000,000	None	
1990/04	NT$10,000	8,000	80,000	8,000	80,000	Cash capital increase of NT$50,000,000	None	
1990/05	NT$10	19,800,000	198,000	19,800,000	198,000	Cash capital increase of NT$118,000,000	None	
1991/04	NT$10	40,000,000	400,000	40,000,000	400,000	Capitalization of earnings of NT$30,000,000, Cash capital increase of NT$172,000,000	None	
1991/12	NT$10	45,016,000	450,160	45,016,000	450,160	Capitalization of earnings of NT$50,160,000	None	
1992/08	NT$10	70,000,000	700,000	51,543,320	515,433	Capitalization of earnings of NT$65,273,200	None	
1993/06	NT$10	70,000,000	700,000	65,819,537	658,195	Capitalization of earnings of NT$142,762,170	None	
1994/07	NT$10	100,000,000	1,000,000	81,483,268	814,833	Capitalization of earnings of NT$156,637,310	None	
1995/05	NT$10	200,000,000	2,000,000	99,983,268	999,833	Cash capital increase of NT$185,000,000	None	
1995/07	NT$10	200,000,000	2,000,000	135,147,774	1,351,478	Capitalization of earnings of NT$351,645,060	None	
1999/10	NT$10	200,000,000	2,000,000	148,662,551	1,486,626	Capitalization of capital surplus of NT$135,147,770	None	
2005/06	NT$10	370,000,000	3,700,000	223,760,126	2,237,602	Capitalization of earnings of NT$750,975,750	None	Approved by Jin-Guan-Zheng-I-Zi No. 0940002934 on June 30, 2005
2006/08	NT$10	370,000,000	3,700,000	268,973,513	2,689,735	Capitalization of earnings of NT$452,133,870	None	Approved by Jin-Guan-Zheng-I-Zi No. 0950137780 on August 25, 2006
2007/07	NT$10	370,000,000	3,700,000	296,148,158	2,961,481	Capitalization of earnings of NT$271,746,450	None	Approved by Jin-Guan-Zheng-I-Zi No. 0960037710 on July 19, 2007
2008/02	NT$10	370,000,000	3,700,000	291,163,158	2,911,631	Capital reduction via treasury shares	None	

Year/Month	Issued Price	Authorized Capital		Paid-in Capital		Remarks		
		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
						of NT$49,850,000		
2008/08	NT$10	370,000,000	3,700,000	320,849,633	3,208,496	Capitalization of earnings of NT$296,864,750	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 No. 1040029174 on July 31, 2015
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 NT$41,890,000	None	—

Year/Month	Issued Price	Authorized Capital		Paid-in Capital		Remarks		
		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
2020/10	NT$10	450,000,000	4,500,000	371,193,098	3,711,931	Capitalization of employee bonus of NT$5,357,260	None	–
2021/09	NT$10	450,000,000	4,500,000	371,759,023	3,717,590	Capitalization of employee compensation of NT$5,659,250	None	–
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	
2025/10	NT$10	500,000,000	5,000,000	369,940,545	3,699,405	Capitalization of employee compensation of NT$5,209,450	None	
2025/11	NT$10	500,000,000	5,000,000	365,983,545	3,659,835	Capital reduction via treasury shares of NT$39,570,000	None	–

Share Type	Authorized Capital			Remarks
	Outstanding Shares	Unissued Shares	Total	
Registered common shares	365,983,545 shares	134,016,455 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, 2026

Name of Major Shareholders \ Shares	Shareholding (shares)	Shareholding (%)
Tien-Tsan Tsai	85,577,838	23.38%
Tian Gang Investment Co., Ltd.	63,328,801	17.30%
Tian Lai Investment Co., Ltd.	49,652,072	13.57%
Chieh Chih Construction Co., Ltd.	31,651,513	8.65%
Chiung-Ting Tsai	23,616,339	6.45%
Mei-Yun Tsai-Hsueh	20,209,951	5.52%
Jin Cheng Construction Co., Ltd.	18,089,180	4.94%
Xin Rui Investment Co., Ltd.	17,786,434	4.86%
Mei-Hui Chen	11,533,354	3.15%
Chin-Chueh Chen	3,201,149	0.87%

Note: Disclosure of top ten shareholders.

III. Company's Dividend Policy and Implementation Thereof:

◎ **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 shall not be less than 10% of the total amount distributed. The percentage shall be determined by the Board of Directors after considering the financial condition of the Company, except that no cash dividends may be paid when the debt ratio in the annual financial statements exceeds 50%.

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

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

◎ **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

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

<table>
<tr><td colspan="3">Year
Item</td><td>2026
(Estimation)</td></tr>
<tr><td colspan="3">Paid-in capital at the beginning (in thousands of NT$)</td><td>3,659,835</td></tr>
<tr><td rowspan="3">Cash and stock dividend in 2025</td><td colspan="2">Cash dividend per share (NT$)</td><td>0.00</td></tr>
<tr><td colspan="2">Stock dividend from capitalized retained earnings (shares)</td><td>0.00(Note 2)</td></tr>
<tr><td colspan="2">Stock dividend from capitalized capital surplus (shares)</td><td>0.00</td></tr>
<tr><td rowspan="7">Changes in operating performance</td><td colspan="2">Operating income (in thousands of NT$)</td><td rowspan="13">(Note 1)</td></tr>
<tr><td colspan="2">Ratio of increase (decrease) in operating income year-over-year</td></tr>
<tr><td colspan="2">Net income after tax (in thousands of NT$)</td></tr>
<tr><td colspan="2">Ratio of increase (decrease) in net income after tax year-over-year</td></tr>
<tr><td colspan="2">Earnings per share (NT$)</td></tr>
<tr><td colspan="2">Ratio of increase (decrease) in EPS year-over-year</td></tr>
<tr><td colspan="2">Average annual return on investment (reciprocal of annual price/earnings ratio)</td></tr>
<tr><td rowspan="6">Pro forma EPS and price/ earnings ratio</td><td rowspan="2">Where capitalized earnings were distributed as cash dividends instead</td><td>Pro forma EPS</td></tr>
<tr><td>Pro forma average annual return on investment</td></tr>
<tr><td rowspan="2">Where capital surplus was not capitalized</td><td>Pro forma EPS</td></tr>
<tr><td>Pro forma average annual return on investment</td></tr>
<tr><td rowspan="2">Where capital surplus was not capitalized and capitalized earnings were distributed as cash dividends instead</td><td>Pro forma EPS</td></tr>
<tr><td>Pro forma average annual return on investment</td></tr>
</table>

Note:

1. Not applicable as the Company did not disclose the complete financial forecasts for 2026.
2. The 2025 earnings distribution proposal is pending approval from the shareholders' meeting.
3. 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 2025.
2. The Company planned to issue new shares for employee bonuses of NT$8,092,330. The number of shares to be issued was calculated based on the closing price of NT$40.25 on the day immediately preceding the Board’s resolution on new share issuance (i.e., March 11). A total of 201,051 shares were issued. Amount less than one share was distributed in the form of cash.
3. The proposed distribution amount of NT$8,092,330 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$8,092,330 was 1.27% 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 2024 remuneration to Directors and Supervisors in 2025.
2. The Company will distribute NT$31,725,569 in employee compensation for the year 2024 in 2025, to be issued in shares.
3. The amount was the same as the one recognized in the financial statement.

VI. Share Repurchases:

(I) Repurchase completed:

Batch Number	Seventh		
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	3,957,000 registered common shares		
Amount of shares repurchased	NT$195,695 thousand		
Ratio of actual number of shares repurchased to planned number of the repurchase (%)	1.07%		
Number of shares cancelled and transferred	3,957,000 shares		
Cumulative number of company shares held	0 shares		
Ratio of cumulative number of company shares held to total number of issued shares (%)	0.00%		

(II) Ongoing: None.

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 2025, the sales of residential buildings accounted for 90.41%, the tourism hotel business accounted for 7.76%, and others and rental income accounted for 1.83%
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 land resources. As the nation is an island economy with limited land area and a relatively high population density, housing and real estate has enjoyed long-term stable demand. The current status of the market's underlying demand has not changed much.
   For more than two decades, as national income continues to grow and living standards have risen, consumers' demand for residential quality, building planning, and living functions has increased, further driving up market demand for real estate. Both first-time home buyer and replacement demand have grown steadily with overall economic development and the increase in consumers' real purchasing power.
   In recent years, driven by the continued expansion of Taiwan's technology industry and the formation of industrial clusters, the resulting influx of population into the relevant areas, increased employment opportunities, and rising housing demand have pushed up overall real estate market prices. The phenomenon is quite obvious especially in Tainan and Kaohsiung during the past few years. In the short term, as industrial development and regional construction continue to advance, the related trend is expected to continue. However, in terms of long-term development, against the backdrop of the government's continued implementation of real estate credit controls, tax reform, and market soundness policies, the domestic real estate market is expected to gradually move toward greater stability and maturity, and the industry's growth momentum will also return to fundamental demand.

2. Relationship amongst upstream, midstream, and downstream:

   Profits of the building industry mainly come from controls over land and construction costs, as well as the level of understanding of the economic fluctuations and regional development trends in the real estate market. Land is the most important foundational resource for the building development industry and may be regarded as the upstream segment of the industry. After acquiring land, building developers then commission construction companies to carry out project construction and contracting. The construction industry is therefore the midstream segment of the industry. Land costs and construction costs are both important components of the cost structure of building development companies.

   The downstream of the property market mainly consists of real estate marketing agencies and broking agencies. The building investment industry and commission sales industry have maintained a close cooperative relationship for a long term. By leveraging the marketing and sales planning capabilities of commission sales firms, they can accelerate the disposal efficiency of individual projects. In addition, brokerage firms, with their multi-location distribution channels and regional customer base advantages, are also important partners in the sales of construction projects and the disposal of unsold inventory, forming a close industry chain cooperative relationship with the property development industry.

3. Product development trend and competition:

   At present, Kaohsiung's real estate market still relies primarily on residential products as its main source of demand. As for the operating revenue structure of the Company, residential products still account for the majority and currently lie at the core of our project launches. Considering regional housing demand and market development trends, the Company will continue to focus on residential products as our principal launch direction in the short term.

   In addition, as industry development progresses and enterprises' demand for plant construction increases, market demand for office buildings and factory-office properties has also gradually risen. In the future, the Company will continue to deepen our presence in the residential market and will also gradually expand into the office building and factory-office market, so as to enhance the diversification of its product portfolio and overall operating momentum.

(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

1. Short-term business development plan:

Taking into account factors such as the Company's capital size, human resource allocation, rate of return on individual projects, and capital turnover efficiency, our short-term business strategies will remain focused on investments in residential constructions and sales in the Greater Kaohsiung and Tainan area. By focusing on the primary development areas, capturing local market demand, and enhancing product planning effectiveness, the Company can effectively leverage overall operational synergies and support stable growth.

2. 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
Kaohsiung City	King's Grand Tower	Residential-commercial building	122 units
	King Park	Residential-commercial building	126 units
	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, has accumulated extensive development achievements and numerous representative projects, and has established a favorable market reputation by virtue of sound operational performance, product quality, and brand credibility. We enjoy a certain degree of brand recognition and market share in the regional market.

3. Future market supply and demand and prospect:

(1) According to the monthly statistical reports of the Construction and Planning Administration, Kaohsiung City issued 19,674 residential building construction licenses in 2025, a decrease of 621 licenses compared to the 20,295 units in 2024, representing a year-on-year change of -3.06%. The total floor area of residential building construction licenses issued in 2025 was 2,486,302 square meters, an increase of 2.51% compared to the 2,425,479 square meters of the same period in 2024. 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 2025.

Moreover, the residential building usage licenses were issued for 20,925 units in 2025, an increase of 2,875 units or 15.93% compared to the 18,050 units in 2024. The total floor area covered by the licenses issued was 2,620,232 square meters in 2025, an increase of 12.66% compared to the 2,325,797 square meters in 2024. The supply of newly constructed homes in 2025 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:

① 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 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, 2026

Year / Name	2025		2024		As of the first quarter of 2026	
	Amount (in NT$ thousands)	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 2026 (%)
Chieh Chih Construction Co., Ltd. (Concluded as having controlling or subordinate relation)	204,806	11.76%	766,344	11.88%	19,050	5.06%
Bai Hong Construction Co., Ltd. (Concluded as having controlling or subordinate relation)	702,985	40.37%	642,926	9.97%	200,034	53.14%
Others	833,673	47.87%	5,039,761	78.15%	157,369	41.80%
Net purchase	1,741,464	100.00%	6,449,031	100.00%	376,453	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.

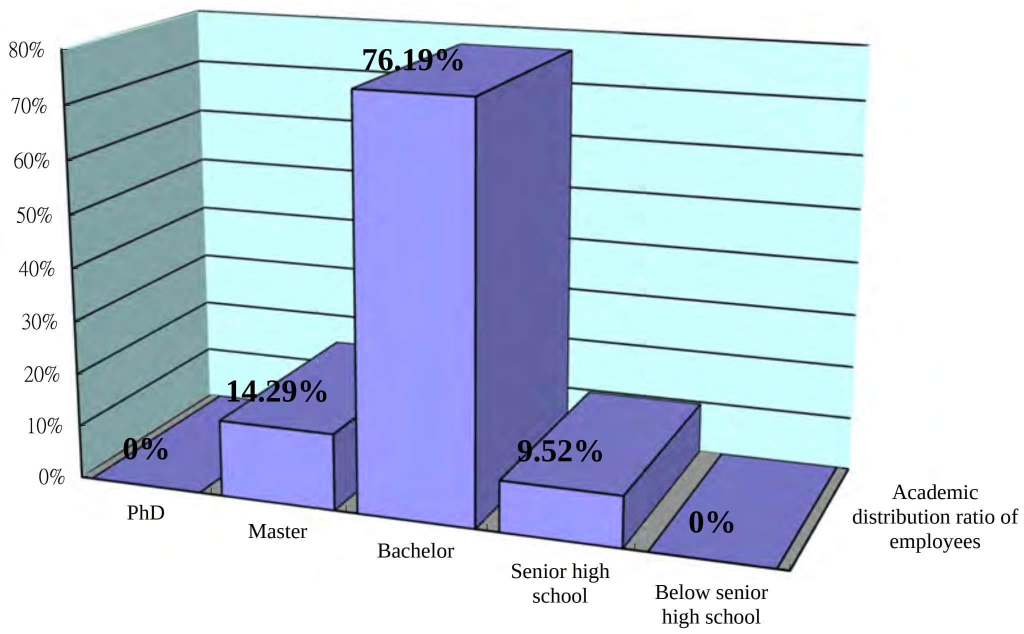
III. Employees:

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

May 1, 2026

Year		2025	2024	As of May 1, 2026
No. of employees	General employees	39	40	39
	Engineering employees	3	3	3
	Total	42	43	42
Average age		50.84	47.56	51.17
Average year of services		17.28	14.34	17.61
Academic distribution ratio (%)	PhD	0.00%	0.00%	0.00%
	Master	14.29%	16.28%	14.29%
	Bachelor	76.19%	69.77%	76.19%
	Senior high school	9.52%	13.95%	9.52%
	Below senior high school	0.00%	0.00%	0.00%

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:

1. 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:

   (1) 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 42 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

   (1) The Assistant Vice President of the Corporate Governance Department serves 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

   (1) 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 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.

(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 "Kingdom of New Asia Bay", Qianjin District, Kaohsiung City	Chieh Chih Construction Co., Ltd.	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, Tainan City	Bai Hong Construction Co., Ltd.	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, Gushan District, Kaohsiung City	Bai Hong Construction Co., Ltd.	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, Lingya District, Kaohsiung City	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, Lingya District, Kaohsiung City	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
Construction work of Land Parcel No. 1175, Xinzhuang 12 Sub-section, Zuoying District, Kaohsiung City	Chieh Chih Construction Co., Ltd.	Signed on July 21, 2025	Contract sum: NT$358,720 thousand	Check for performance bond of 10% Five-year warranty
Construction work of Land Parcel No. 924, Shixing Section, Ciaotou District, Kaohsiung City	Bai Hong Construction Co., Ltd.	Signed on July 25, 2025	Contract sum: NT$446,240 thousand	Check for performance bond of 10% Five-year warranty
Construction work of Land Parcel No. 932, Shixing Section, Ciaotou District, Kaohsiung City	Bai Hong Construction Co., Ltd.	Signed on July 25, 2025	Contract sum: NT$941,280 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: NT$ thousands

Item \ Year	2025	2024	Difference	
			Amount	%
Current assets	39,056,675	40,259,894	-1,203,219	-2.99%
Financial assets at fair value through profit and loss	0	82	-82	-100.00%
Investments accounted for using the equity method	15,226	15,872	-646	-4.07%
Property, plant, and equipment	492,355	543,699	-51,344	-9.44%
Net right-of-use assets	75,528	65,260	10,268	15.73%
Intangible assets	147,226	151,716	-4,490	-2.96%
Other assets	112,995	78,573	34,422	43.81%
Total assets	39,900,005	41,115,096	-1,215,091	-2.96%
Current liabilities	14,280,257	9,555,602	4,724,655	49.44%
Non-current liabilities	4,593,303	10,998,601	-6,405,298	-58.24%
Total liabilities	18,873,560	20,554,203	-1,680,643	-8.18%
Share capital	3,659,835	3,694,196	-34,361	-0.93%
Capital surplus	34,228	8,082	26,146	323.51%
Retained earnings	17,332,382	16,858,615	473,767	2.81%
Total equity	21,026,445	20,560,893	465,552	2.26%

Explanations on the analysis: (Change rate exceeds 20% and the amount of change exceeds NT$50 million)

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

(1) Current liabilities in 2025 increased by NT$4,724,655 thousand (+49.44%) compared with 2024, primarily due to the reclassification of long-term liabilities maturing within one year.

(2) Non-current liabilities in 2025 decreased by NT$6,405,298 thousand (-58.24%) compared with 2024, primarily due to the repayment of long-term borrowings and the reclassification of long-term borrowings to current liabilities.

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
Comparative Analysis on Financial Performance

Unit: NT$ thousands

Item \ Year	2025	2024	Increase (Decrease)	Changes (%)
Total operating revenue	3,675,047	9,283,423	-5,608,376	-60.41%
Less: Sales return and discount	0	0	0	—
Net operating revenue	3,675,047	9,283,423	-5,608,376	-60.41%
Operating costs	1,995,930	5,105,455	-3,109,525	-60.91%
Gross profit	1,679,117	4,177,968	-2,498,851	-59.81%
Operating expenses	520,962	717,313	-196,351	-27.37%
Operating income	1,158,155	3,460,655	-2,302,500	-66.53%
Non-operating income and expenses	(357,014)	(319,823)	-37,191	11.63%
Net income before tax from continuing operations	801,141	3,140,832	-2,339,691	-74.49%
Income tax expense	172,463	309,139	-136,676	-44.21%
Net income after tax from continuing operations	628,678	2,831,693	(2,203,015)	-77.80%
Other comprehensive income	629	1,185	-556	-46.92%
Total comprehensive income	629,307	2,832,878	(2,203,571)	-77.79%

Explanations on the analysis: (Change rate exceeds 20% and the amount of change exceeds NT$50 million)

1. Analysis on variance in the past two fiscal years:
   (1) In 2025, net operating revenue decreased by NT$5,608,376 thousand (-60.41%) compared to 2024, primarily due to the real estate market in 2025 being affected by the Centra Bank's credit controls on real estate, which affected financing in the real estate market, causing operating revenue in 2025 to decrease significantly compared with 2024.
   (2) Operating costs and gross profit in 2025 decreased compared to 2024, for reasons consistent with those stated in item (1).
   (3) Operating expenses in 2025 decreased by NT$196,351 thousand (-27.37%) compared to 2024, primarily due to the decrease in operating revenue, which led to a decrease in expenses.
   (4) Operating income in 2025 decreased by NT$2,302,500 thousand (-66.53%) compared to 2024, for reasons consistent with those stated in item (1).
   (5) The decrease in net profit before tax and after tax in 2025 compared to 2024 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 2026. Please refer to page 2.
3. Possible impact on the Company's finance and business in the future and countermeasures: No Impact.

III. Cash Flows:

Review and Analysis on Cash Flows
Cash Flows Analysis

Unit: NT$ thousands

Cash, Beginning of Year	Net Cash Flows from Operating Activities	Cash Flows	Cash Surplus (Shortage)	Remedies for Cash Shortage	
				Investment Plan	Financing Plan
$3,000,245	$98,898	($1,829,449)	$1,170,796	($512,474)	(1,415,873)

I. Analysis on cash flow movements for the current year:
1. Operating activities: Due to poor sales performance in 2025, net cash inflow from operating activities for the year decreased significantly compared to 2024, amounting to NT$98,898 thousand.
2. Investing activities: In 2025, investing activities resulted in cash outflows of NT$512,474 thousand due to the acquisition of financial assets.
3. Financing activities: Due to repayment of borrowings in 2025, the cash outflow from financing activities for the year was NT$1,415,873 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 will remain low.

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. Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Re-investment Profitability, and Investment Plans for 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.

(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. The Company is undertaking a construction project on the land located at No. 932, Shixing Section, Ciaotou District, Kaohsiung City. The owner of the adjacent land, located at No. 935-1 of the same section, has raised concerns that, upon completion of the project, their landlocked property may no longer have appropriate access to a public road, thereby rendering it unsuitable for its ordinary use. Accordingly, on November 20, 2024, the owner initiated legal proceedings seeking confirmation of the existence of a right of access for a landlocked parcel. The case (Qiao-Jian-Zi No. 97 of 2025) is currently pending before the Taiwan Ciaotou District Court, and the outcome remains subject to the Court's adjudication.

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

VII. Other Important Matters: None.

Chapter 6 Special Disclosure

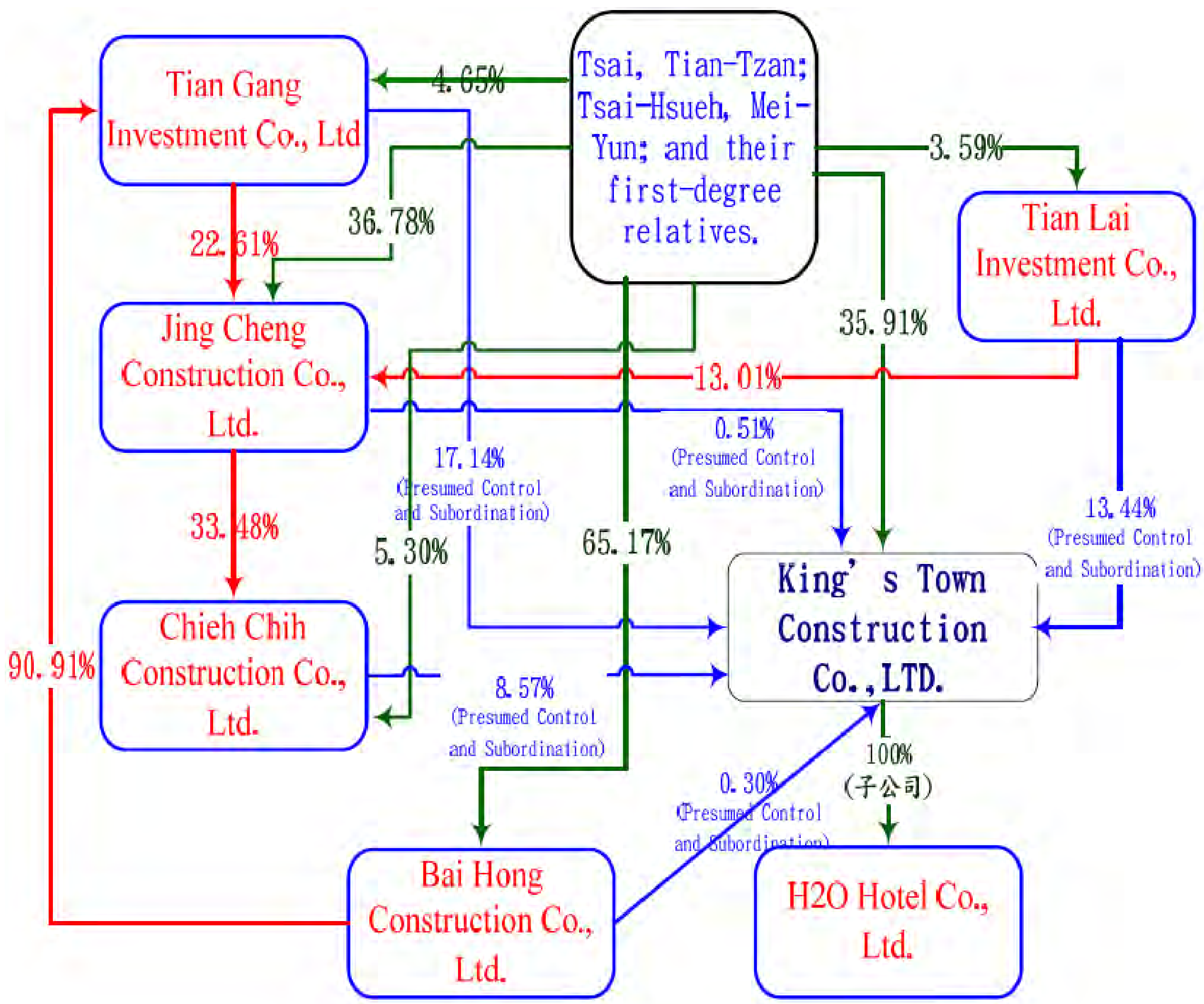
I. Information on the Company's Affiliates:

(I) Consolidated business report of the affiliates:

1. Overview of the affiliates:

(1) Chart of the affiliates:

Tian Gang Investment Co., Ltd. (had 17.30% stake in the Company and 22.61% stake in Jing Cheng Construction Co., Ltd.); Tian Lai Investment Co., Ltd. (had 13.57% 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, 2026; Unit: NT$ thousands

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	220,000	H201010 Investment
Tian Lai Investment Co., Ltd.	1998/08/26	12F., No. 150, Bo'ai 2nd Rd., Zuoying Dist., Kaohsiung City	323,200	H201010 Investment
King's Town Construction Co., Ltd.	1992/05/28	12F., No. 150, Bo'ai 2nd Rd., Zuoying Dist., Kaohsiung City	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	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	201,000	Contractors of civil and architectural engineering
H2O Hotel Co., Ltd. (H2O Hotel)	2015/04/16	No. 366, Minghua Rd., Gushan Dist., Kaohsiung City	520,000	Hotel and restaurants

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

As of May 1, 2026 (NT$ thousands, Shares, %)

Reason	Name	Shareholding		Date of Incorporation	Address	Paid-in Capital	Main Business Activities
		Shares	Shareholding (%)				
Concluded pursuant to Article 369-3 of the Company Act	Tian Gang Investment Co., Ltd.	63,328,801	17.30%	1998/09/02	12F., No. 150, Bo'ai 2nd Rd., Zuoying Dist., Kaohsiung City	220,000	H201010 Investment
Concluded pursuant to Article 369-3 of the Company Act	Tian Lai Investment Co., Ltd.	49,652,072	13.57%	1998/08/26	12F., No. 150, Bo'ai 2nd Rd., Zuoying Dist., Kaohsiung City	323,200	H201010 Investment
Concluded pursuant to Article 369-3 of the Company Act	Tien-Tsan Tsai	85,577,838	23.38%	–	–	–	–
Concluded pursuant to Article 369-3 of the Company Act	Mei-Yun Tsai-Hsueh	20,209,951	5.52%	–	–	–	–

(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	—
King's Town Construction Co., Ltd.	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	Yes	Mainly undertakes commissioned building construction works for the Company and Jing Cheng Construction Co., Ltd.
Bai Hong Construction Co., Ltd.	Contractors of civil and architectural engineering	Yes	Mainly undertakes commissioned building construction works for the Company and Jing Cheng Construction Co., Ltd.
H2O Hotel Co., Ltd. (H2O Hotel)	Hotel and restaurants	None	—

(5) Information on Directors, Supervisors, and Presidents of affiliates:

Unit: NT$ thousands; Shares; %

Name	Designation	Name or Representative	Shareholding	
			Shares	Shareholding (%)
Tian Gang Investment Co., Ltd.	Chairman	Mei-Yun Tsai-Hsueh	380,000	1.73%
	Director	Tien-Tsan Tsai	620,000	2.82%
	Director	Mei-Hui Chen	0	0.00%
	Supervisor	Yao-Hung Tsai	0	0.00%
Tian Lai Investment Co., Ltd.	Chairman	I-Ying Chen	10,455,200	32.35%
	Director	Chun-Chun Chiu	0	0.00%
	Director	Chin-Hsing Chen	0	0.00%
	Supervisor	Chia-Ling Tsai	155,800	0.48%
King's Town Construction Co., Ltd.	Chairman	Representative of Xin Rui Investment Co., Ltd.: Tien-Tsan Tsai	4,919,569	24.48%
	Director	Representative of Xin Rui Investment Co., Ltd.: Yao-Hung Tsai	4,919,569	24.48%
	Director	Representative of Xin Rui Investment Co., Ltd.: I-Ying Chen	4,919,569	24.48%
	Supervisor	Representative of Tian Lai Investment Co., Ltd.: Ching-Shun Ou	2,615,236	13.01%
Chieh Chih Construction Co., Ltd.	Chairman	Hsien-Tsung Wang	20,200,000	61.21%
	Director	Representative of Jing Cheng Construction Co., Ltd.: Chia-Ling Tsai	11,050,000	33.48%

Name	Designation	Name or Representative	Shareholding	
			Shares	Shareholding (%)
	Director	Representative of Jing Cheng Construction Co., Ltd.: Shih-Hsiung Li	11,050,000	33.48%
	Supervisor	Chen-Jung Li	0	0.00%
Bai Hong Construction Co., Ltd.	Chairman	Ching-Shun Ou	0	0.00%
	Director	Hsien-Tsung Wang	0	0.00%
	Director	Yao-Hung Tsai	0	0.00%
	Supervisor	Tien-Tsan Tsai	6,100,000	30.35%
H2O Hotel Co., Ltd. (H2O Hotel)	Chairman	Representative of King's Town Construction Co., Ltd.: Mei-Yun Tsai-Hsueh	52,000,000	100.00%
	Director	Representative of King's Town Construction Co., Ltd.: Chiung-Ting Tsai	52,000,000	100.00%
	Director	Representative of King's Town Construction Co., Ltd.: I-Ying Chen	52,000,000	100.00%
	Supervisor	Representative of King's Town Construction Co., Ltd.: Chia-Ling Tsai	52,000,000	100.00%

2. Operational highlights of affiliates:

Data year: 2025

December 31, 2025; Unit: NT$ thousands

Name	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Operating Income	Net Income (after-tax)	EPS (NT$) (after-tax)
Tian Gang Investment Co., Ltd.	220,000	8,621,190	3,375,756	5,245,434	172,361	92,676	52,338	$2.38
Tian Lai Investment Co., Ltd.	323,200	4,413,526	44,418	4,369,108	5,556	5,440	(39,384)	($1.22)
King's Town Construction Co., Ltd.	201,000	30,014,276	28,866,937	1,147,339	3,237,295	992,403	526,801	$26.21
Chieh Chih Construction Co., Ltd.	330,000	9,979,359	8,883,404	1,095,955	1,814,481	26,323	(46,662)	($1.41)
Bai Hong Construction Co., Ltd.	201,000	10,405,073	4,857,479	5,547,594	1,538,342	36,650	48,551	$2.42

Note: Numbers above were audited by CPAs.

(II) Affiliation reports:

Declaration:

Declaration

It is hereby declared that the affiliation report of King’s Town Construction Co., Ltd. (the “Company”) for the year ended Dec. 31, 2025 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 12, 2026

CPA's review opinion:

信永中和聯合會計師事務所 | SHINEWING CPAs | T. (886) 7 332 2003 | F. (886) 7 335 3691
80661高雄市中山二路91號21F-2 | 21F/2, 91, Chung Shan 2nd Road, 80661 Kaohsiung, Taiwan | www.swtw.com.tw

函

受文者：京城建設股份有限公司

主　旨：為　貴公司管理當局對民國一一四年度關係報告書所出具之聲明在重大性方面是否合理表示意見。

說　明：貴公司民國一一四年度關係報告書業經　貴管理當局編製完成，並出具聲明書表示前述報告書係依據「關係企業合併營業報告書關係企業合併財務報表及關係報告書編製準則」編製，且所揭露資訊與民國一一三年度之財務報告附註所揭露之相關資訊尚無重大不符。

依本會計師之意見，　貴公司管理當局對民國一一四年度關係企業報告書所出具之聲明，本會計師認為在所有重大性方面尚屬合理。

信永中和聯合會計師事務所

會計師：莊淑媛

會計師：卓傳陣

中華民國一一五年三月十二日

Catalyst for success

Relationship between subordinate and controlling companies:

Unit: Shares
May 1, 2026

Name of Controlling Company	Basis for the Control	Shareholding and Pledged Shares of Controlling Company			Directors, Supervisors or Managerial Officers Appointed by the Controlling Company	
		Shareholding (shares)	Shareholding (%)	Pledged Shares	Designation	Name
King's Town Construction Co., Ltd.	Concluded as having controlling or subordinate relation pursuant to Article 369-3 of the Company Act.	—	—	—	Chairman Director Director Director Independent Director Independent Director Independent Director Independent Director	Tian Lai Investment: Tien-Tsan Tsai Tian Lai Investment: Mei-Yun Tsai-Hsueh Tian Lai Investment: Shih-Hsiung Li Tian Lai Investment: Chin-Hsing Chen Ming-Te Chang Yao-Kuo Wu Chung-Chang Tsai Chin-Yu Chiu
Tian Gang Investment Co., Ltd.	Concluded as having controlling or subordinate relation pursuant to Article 369-3 of the Company Act.	63,328,801	17.30%	55,800,000	Chairman Director Director Supervisor	Mei-Yun Tsai-Hsueh Tien-Tsan Tsai Mei-Hui Chen Yao-Hung Tsai
Tian Lai Investment Co., Ltd.	Concluded as having controlling or subordinate relation pursuant to Article 369-3 of the Company Act.	49,652,072	13.57%	32,700,000	Chairman Director Director Supervisor	I-Ying Chen Chun-Chun Chiu Chin-Hsing Chen Chia-Ling Tsai
King's Town Construction Co., Ltd.	Concluded as having controlling or subordinate relation pursuant to Article 369-3 of the	1,899,268	0.52%	0	Chairman Director Director	Xin Rui Investment: Tien-Tsan Tsai Xin Rui Investment: Yao-Hung Tsai Xin Rui Investment:

<table>
<tr><th rowspan="2">Name of Controlling Company</th><th rowspan="2">Basis for the Control</th><th colspan="3">Shareholding and Pledged Shares of Controlling Company</th><th colspan="2">Directors, Supervisors or Managerial Officers Appointed by the Controlling Company</th></tr>
<tr><th>Shareholding (shares)</th><th>Shareholding (%)</th><th>Pledged Shares</th><th>Designation</th><th>Name</th></tr>
<tr><td></td><td>Company Act.</td><td></td><td></td><td></td><td>Supervisor</td><td>I-Ying Chen Tian Lai Investment: Ching-Shun Ou</td></tr>
<tr><td>Chieh Chih Construction Co., Ltd.</td><td>Concluded as having controlling or subordinate relation pursuant to Article 369-3 of the Company Act.</td><td>31,651,513</td><td>8.65%</td><td>0</td><td>Chairman
Director
Director
Supervisor</td><td>Hsien-Tsung Wang
Jing Cheng Construction: Chia-Ling Tsai
Jing Cheng Construction: Shih-Hsiung Li
Chen-Jung Li</td></tr>
<tr><td>Bai Hong Construction Co., Ltd.</td><td>Concluded as having controlling or subordinate relation pursuant to Article 369-3 of the Company Act.</td><td>2,255,863</td><td>0.62%</td><td>0</td><td>Chairman
Director
Director
Supervisor</td><td>Ching-Shun Ou
Hsien-Tsung Wang
Yao-Hung Tsai
Tien-Tsan Tsai</td></tr>
<tr><td>H2O Hotel Co., Ltd. (H2O Hotel)</td><td>Subsidiary of the Company</td><td>0</td><td>0.00%</td><td>0</td><td>Chairman
Director
Director
Supervisor</td><td>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</td></tr>
</table>

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.

1. Sales and Purchases:

Unit: NT$ thousands; %

Transaction with Controlling Company				Terms with Controlling Company		General Trading Terms		Reason for Deviation	Accounts/Notes Payable		Overdue Accounts Receivables			Remarks
Purchase (sale)	Amount	% to Total Purchases	Gross Profit	Unit Price (NT$)	Payment term	Unit Price (NT$)	Payment term		Balance	% to Total Accounts/Notes Receivable (Payable)	Amount	Action Taken	Allowance for Doubtful Accounts	
Purchases	204,806	11.76%	–	–	Subject to contract	–	–	–	Notes payable $20,015 Accounts payable $0	9.64% 0.00%	0	–	0	Chieh Chih Construction Co., Ltd.
Purchases	702,985	40.37%	–	–	Subject to contract	–	–	–	Notes payable $140,033 Accounts payable $0	67.47% 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.

2. Property transactions: None.
3. Financing of funds: None.
4. Lease of assets: None.
5. Endorsements and guarantees: None.
6. 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.

京城建設股份有限公司

董事長：

King's Town Construction Co., Ltd.
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