Risk Factors Comparison 2024-03-28 to 2023-03-24 Form: 10-K

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Our short and long- term success is subject to numerous risks and uncertainties, many of which involve factors that are difficult to predict or beyond our control. As a result, investing in **our** ~~the Company' s~~ common stock involves substantial risk. **Our** ~~The Company' s~~ stockholders should carefully consider the risks and uncertainties described below, in addition to the other information contained in or incorporated by reference into this Annual Report, as well as the other information we file with the **Securities and Exchange Commission (the "** SEC **")** from time to time. If any of these risks are realized, our business, financial condition, results of operations, liquidity and prospects could be materially and adversely affected. In that case, the value of **our** ~~the Company' s~~ common stock could decline, and stockholders may lose all or part of their investment. Furthermore, additional risks and uncertainties of which we are currently unaware, or which we currently consider to be immaterial, could have a material adverse effect on our business. Certain statements made in this section constitute " forward- looking statements, " which are subject to numerous risks and uncertainties including those described in this section. For additional information, refer to the section entitled " Cautionary Note Regarding Forward- Looking Statements " within this Annual Report. Risks Related to our Business Unstable macroeconomic market conditions could materially and adversely affect our operating results. Our operations and performance depend on worldwide economic conditions. Uncertainty about global economic conditions poses a risk to our business as consumers, tourists and real estate investors postpone or reduce spending in response to tighter credit markets, energy costs, negative financial news, reduced consumer confidence, and / or declines in income or asset values, which could have a material negative effect on the demand for our products and services. Other factors that could influence demand include increases in fuel costs, conditions in the residential real estate and mortgage markets, interest rates, labor costs, access to credit on reasonable terms, geopolitical issues, and other macroeconomic factors affecting consumer spending behavior. These and other economic factors could have a material adverse effect on demand for our products and services and on our financial condition and operating results. In addition, should current equity or credit market conditions deteriorate, or if our expenses increase unexpectedly, it may become necessary for us to raise additional capital in the form of a debt or equity financing, or a combination of the two. A downturn in industry, market or economic conditions could make debt or equity financing more difficult, more costly, and, in the case of an equity financing, more dilutive to our existing stockholders. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our ability to execute our current business strategy, as well as our financial performance and stock price. Real estate investments are subject to numerous risks and we are negatively impacted by downturns in the real estate market. We are subject to risks that generally relate to investments in real property because we develop, sell, and lease real property, primarily for residential use. The market for real estate on Maui and in ~~Hawaii~~ - **Hawai ' i** generally tends to be highly cyclical and is typically affected by numerous changes in local, national, and worldwide conditions, especially economic conditions, many of which are beyond our control, including the following: • periods of economic uncertainty and weakness in ~~Hawaii~~ - **Hawai ' i** and in the United States generally; • uncertainties and changes in U. S. social, political, regulatory, and economic conditions or laws and policies, and concerns surrounding ongoing developments in the European Union, the Middle East and Asia; • high unemployment rates and low consumer confidence; • the general availability of mortgage financing, including the effect of more stringent lending standards for mortgages and perceived or actual changes in interest rates; • energy costs, including fuel costs, which could impact the cost and desirability of traveling to ~~Hawaii~~ - **Hawai ' i** ; • local, state, and federal government regulation, including eminent domain laws, which may result in a taking for less compensation than what we believe our property is worth; • the popularity of the Kapalua Resort area, the island of Maui, and the State of ~~Hawaii~~ - **Hawai ' i** as a vacation destination or second home market; • the relationship of the dollar to foreign currencies; • tax law changes, including limits or potential elimination of the deductibility of certain mortgage interest expenses, real property taxes and employee relocation expenses; and / or • acts of God, such as **wildfires as recently experienced on Maui,** tsunamis, hurricanes, earthquakes, and other natural disasters, including the impacts of the COVID- 19 pandemic and its variants. Changes in any of the foregoing could have a material adverse effect on our business by causing a more significant decline in the market for residential or luxury real estate, which, in turn, could adversely affect our development plans, revenues and profitability. During low periods of demand, real estate may remain on hand for much longer than expected or be sold at lower- than- expected returns, or even at a loss, which could impair our liquidity and ability to proceed with development projects and negatively affect our operating results. Sustained adverse changes to our development plans could result in impairment charges or write- offs of deferred development costs, which could have a material adverse impact on our financial condition and results of operations. In addition, in the current economic environment, equity real estate investments may be difficult to sell quickly and we may not be able to adjust our portfolio of properties quickly in response to economic or other conditions. ~~The COVID- 19 pandemic, or an outbreak of another highly infectious or contagious disease, could adversely affect our business, financial condition, results of operations and cash flow. The spread of a highly infectious or contagious disease, such as COVID- 19 and its variants, has caused and could continue to cause severe disruptions in the U. S. economy, which could in turn disrupt the business, activities, and operations of our customers, as well as our business and operations. The COVID- 19 pandemic has caused significant disruption in business activity and financial markets both globally and in the United States. Many states and localities have imposed limitations on commercial activity and public gatherings and events, as well as moratoria on evictions. Concern regarding the spread of COVID- 19 may continue to cause quarantines, business shutdowns, reduction in business activity and financial transactions, increased unemployment, restrictions on travel, reduced tourism to Maui, reduced real estate development activity and overall~~

~~economic and financial market instability, all of which may result in a decrease in our business, financial condition and results of operations. Such conditions are likely to exacerbate many of the risks described elsewhere in this section. Therefore, to the extent that economic activity, travel, real estate development and business conditions are impacted, our business, financial condition, results of operations and cash flows could be materially adversely affected. If related government restrictions impact the buyers' determinations during the respective due diligence periods, the sales of these assets may be adversely impacted.~~ Because we are located in ~~Hawaii~~ - **Hawai ' i** and therefore apart from the mainland United States, our financial results are more sensitive to certain economic factors, such as spending on tourism and increased fuel and travel costs, which may adversely impact and materially affect our business, financial condition and results of operations. Our businesses are dependent on attracting visitors to the Kapalua Resort, to the island of Maui, and to the State of ~~Hawaii~~ - **Hawai ' i** as a whole. Economic factors that affect the number of visitors, their length of stay or expenditure levels will affect our financial performance. Factors such as worldwide economic uncertainty and weakness, the level of unemployment in ~~Hawaii~~ - **Hawai ' i** and the mainland United States, natural disasters, substantial increases in the cost of energy, including fuel costs, and events in the airline industry that may reduce passenger capacity or increase traveling costs could reduce the number of visitors to the Kapalua Resort and negatively affect a potential buyer' s demand for our future property developments, each of which could have a material adverse impact on our business, financial condition and results of operations. In addition, the threat, or perceived threat, of heightened terrorist activity in the United States or other geopolitical events, or the threat, or perceived threat, of the spread of contagious diseases, such as COVID- 19 and its variants, could negatively affect a potential visitor' s choice of vacation destination or second home location or result in travel bans that could, as a result, have a material adverse impact on our business, financial condition and results of operations. We have previously been involved in joint ventures and may be subject to risks associated with future joint venture relationships. We have previously been involved in partnerships, joint ventures and other joint business relationships, and may initiate future joint venture projects. A joint venture involves certain risks such as: • our actual or potential lack of voting control over the joint venture; • our ability to maintain good relationships with our joint venture partners; • a venture partner at any time may have economic or business interests that are inconsistent with ours, especially in light of economic uncertainty and weakness; • a venture partner may fail to fund its share of operations and development activities, or to fulfill its other commitments, including providing accurate and timely accounting and financial information to us; and • a joint venture or venture partner could lose key personnel. In connection with our joint venture projects, we may be asked to guarantee the joint venture' s obligations, or to indemnify third parties in connection with a joint venture' s contractual arrangements. If we were to become obligated under such arrangements or become subject to the risks associated with joint venture relationships, our business, financial condition and results of operations may be adversely affected. If we are unable to complete land development projects within forecasted time and budget expectations, if at all, our financial results may be negatively affected. We intend to develop **subdivisions,** resort and other properties as suitable opportunities arise, taking into consideration the general economic climate. New project developments have a number of risks, including risks associated with: • construction delays or cost overruns that may increase project costs; • receipt of zoning **, subdivision, water availability** , occupancy and other required governmental permits and authorizations; • development costs incurred for projects that are not pursued to completion; • earthquakes, tsunamis, hurricanes, floods, fires or other natural disasters that could adversely impact a project; • defects in design or construction that may result in additional costs to remedy or require all or a portion of a property to be closed during the period required to rectify the situation; • ability to raise capital; • impact of governmental fines and assessments such as park fees or affordable housing requirements; • governmental restrictions on the nature or size of a project or timing of completion; and • the potential lack of adequate building / construction capacity for large development projects. If any development project is not completed on time or within budget, this could have a material adverse effect on our financial results. If we are unable to obtain required land use ~~entitlements~~ **approvals** at reasonable costs, or at all, our operating results would be adversely affected. The financial performance of our ~~Real Estate~~ **Land Development and Sales** segment is dependent upon our success in obtaining **discretionary** ~~land~~ - **and** ~~use entitlements~~ **ministerial approvals** for proposed development projects. Obtaining all ~~of~~ the necessary ~~entitlements~~ **approvals** to develop a parcel of land is often difficult, costly and may take several years, or longer, to complete. In some situations, we may be unable to obtain the necessary ~~entitlements~~ **approvals** to proceed with a real estate development or may be required to alter our plans for the development. Delays or failures to obtain these ~~entitlements~~ **approvals** may have a material adverse effect on our financial results. If we are unable to successfully compete with other developers of real estate in Maui, our financial results could be materially adversely affected. Our real estate products face significant competition from other luxury resort real estate properties on Maui, and from other residential property in ~~Hawaii~~ - **Hawai ' i** and the mainland United States. In many cases, our competitors are larger than us and have greater access to capital. If we are unable to compete with these competitors, our financial results could be materially adversely affected. We may be subject to certain environmental regulations under which we may have additional liability and experience additional costs for land development. Various federal, state, and local environmental laws, ordinances and regulations regulate our properties and could make us liable for the costs of removing or cleaning up hazardous or toxic substances on, under, or in property we currently own or operate or that we previously owned or operated. These laws could impose liability without regard to whether we knew of, or were responsible for, the presence of hazardous or toxic substances. The presence of hazardous or toxic substances, or the failure to properly clean up such substances when present, could jeopardize our ability to develop, use, sell or rent our real property or to borrow using our real property as collateral. If we arrange for the disposal or treatment of hazardous or toxic wastes, we could be liable for the costs of removing or cleaning up wastes at the disposal or treatment facility, even if we never owned or operated that facility. Certain laws, ordinances, and regulations, particularly those governing the management or preservation of wetlands, coastal zones and threatened or endangered species, could limit our ability to develop, use, sell or rent our real property. Changes in weather conditions or natural disasters could adversely impact and materially affect our business, financial condition, and results of operations. Natural disasters **, including wildfires, tsunamis,**

hurricanes, earthquakes and others, could damage our resort and real estate holdings, resulting in substantial repair or replacement costs to the extent not covered by insurance, a reduction in property values, or a loss of revenue, each of which could have a material adverse impact on our business, financial condition and results of operations. Our competitors may be affected differently by such changes in weather conditions or natural disasters depending on the location of their assets or **operations. The wildfires in August 2023 devasted the town of Lahaina, Maui and negatively impacted tourism to the area and the local economy. We expect the aftermath of the wildfires to continue to impact commercial activity throughout the island of Maui, and there is uncertainty as to how long it will take Maui to rebuild, return tourism to historic levels, and recover economically. Until such time as commercial activity and tourism return to normal levels, the impact of the wildfires may continue to negatively impact** operations. Our insurance coverages may be inadequate to cover any losses we incur. We maintain various insurance coverages for our business. We have engaged experts to assist us in the determination of our insurance policy terms, including coverage limits and deductibles, based on an evaluation of the level of potential risk, exposure and costs involved. This may result in insurance coverage that may not be sufficient to cover the full value of our losses in certain catastrophic or unforeseen circumstances. In addition, securing coverage in the event we file a claim under our insurance policies may involve substantial time, effort, resources, and the risk that the insurance carrier may deny or dispute coverage under the policy. Under such circumstances, we may not receive insurance proceeds or the insurance proceeds we receive may not fully cover business interruptions or losses and our operating results, liquidity and financial condition could be adversely affected. Unauthorized use of our trademarks could negatively impact our businesses. We have several trademarks that we have **been** registered in the United States and in several foreign countries. To the extent that our exclusive use of these trademarks is challenged, we intend to vigorously defend our rights. If we are not successful in defending our rights, our businesses could be adversely impacted. Market volatility of asset values and interest rates affect the funded status of our defined benefit pension plans and could, under certain circumstances, have a material adverse effect on our financial condition. We have a defined benefit pension plan which was frozen with respect to benefits and the addition of participants in 2011. The funded status and our ability to satisfy the future obligations of the plan is affected by, among other things, changes in interest rates, returns from plan asset investments, and actuarial assumptions including the life expectancies of the plan' s participants. If we are unable to adequately fund or meet our future obligations with respect to the plan, our business, financial condition and results of operations may be adversely affected. Changes in U. S. accounting standards may adversely impact us. The regulatory boards and government agencies that determine financial accounting standards and disclosures in the U. S., including the Financial Accounting Standards Board (" FASB ") and the International Accounting Standards Board (" IASB ") (collectively, the " Boards ") and the SEC, continually change and update the financial accounting standards we must follow. Any difficulties in the implementation of changes in accounting principles, including the ability to modify our accounting systems and to update our policies, procedures, information systems, and internal controls over financial reporting, could result in materially inaccurate financial statements, which in turn could harm our operating results or cause us to fail to meet our reporting obligations. The adoption of new accounting standards could also affect the calculation of our credit facility covenants. We cannot be assured that we will be able to work with our lenders to amend our credit facility covenants in response to changes in accounting standards. Security incidents through cyber- attacks, cyber intrusions, or other methods could disrupt our information technology networks and related systems, cause a loss of assets or loss of data, give rise to remediation or other expenses, expose us to liability under federal and state laws, and subject us to litigation and investigations, which could result in substantial reputational damage and materially and adversely affect our business, financial condition, results of operations, cash flows, and the market price of our common stock. Information technology, communication networks, and related systems are essential to the operation of our business. We use these systems to manage our tenant, vendor and customer relationships, internal communications, accounting and record- keeping systems, and many other key aspects of our business. Our operations rely on the secure processing, storage, and transmission of confidential and other information in our computer systems and networks, which also depend on the strength of our procedures and the effectiveness of our internal controls. A security incident may occur through physical break- ins, breaches of our secure network by an unauthorized party, software vulnerabilities, malware, computer viruses, attachments to emails, employee theft or misuse, social engineering, or inadequate use of security controls. Outside parties may attempt to fraudulently induce our employees to disclose sensitive information or transfer funds via illegal electronic spamming, phishing, spoofing or other tactics. Additionally, cyber attackers can develop and deploy malware, credential theft or guessing tools, and other malicious software programs to gain access to sensitive data or fraudulently obtain assets we hold. We have implemented security measures to safeguard our systems and data and to manage cyber security risk. We monitor and develop our information technology networks and infrastructure and invest in the development and enhancement of our controls designed to prevent, detect, address, and mitigate the risk of unauthorized access, misuse, computer viruses, and other events that could have a security impact. We conduct periodic security awareness trainings for our employees to educate them on how to identify and alert management regarding phishing emails, spoofed or manipulated electronic communications, and other critical security threats. We have implemented internal controls around our treasury function including enhanced payment authorization procedures, verification requirements for new vendor set- up and vendor information changes and bolstered outgoing payment notification processes and account reconciliation procedures. While, to date, we are not aware of having experienced a significant security incident or cyber- attack, there can be no assurance that our actions, security measures, and controls designed to prevent, detect, or respond to intrusion; to limit access to data; to prevent loss, destruction, alteration, or exfiltration of business information; or to limit the negative impact from such attacks can provide absolute security against a security incident. A principal reason that we cannot provide absolute protection from security incidents is that it may not always be possible to anticipate, detect, or recognize threats to our systems, or to implement effective preventive measures against all security incidents due to, among other things, the frequent change in techniques used in cyber- attacks, which may not be recognized until launched, and the wide variety of sources from which a cyber- attack can originate.

We may not be able to immediately address the consequences of a security incident due to a cyber- attack. The extent of a particular cyber- attack and the steps that we may need to take to investigate the attack may not be immediately clear. Therefore, in the event of an attack, it may take a significant amount of time before such an investigation can be completed. During an investigation, we may not necessarily know the extent of the damage incurred or how best to remediate it, and certain errors or actions could be repeated or compounded before they are discovered and remediated, which could further increase the costs and consequences of a cyber- attack. Even if we are not targeted directly, cyber- attacks on the U. S. government, financial markets, financial institutions, or other businesses, including our tenants, vendors, software creators, cloud providers, and other third parties with whom we do business, could disrupt our normal business operations and networks. We maintain insurance to protect ourselves against certain losses incurred in the event of a security incident or disruption of our information systems. However, we cannot be certain that the coverage will be adequate to compensate us for all damages that may arise. In addition, we cannot be certain that such insurance coverages will remain available to us in the future on commercially reasonable terms, or at all. Risks Related to Indebtedness We have entered into a credit agreement for a $ 15. 0 million revolving line of credit facility with a bank. The credit facility has a maturity date of December 31, 2025 and its terms include certain financial and operating covenants, which if we fail to satisfy, could accelerate our repayment obligations, and adversely affect our operations and financial results. The terms of our credit facility include covenants requiring among other things, a minimum of $ 2. 0 million in liquidity (as defined), a maximum of $ 45. 0 million in total liabilities and a limitation on new indebtedness. Our ability to continue to borrow under our credit facility to fund our business initiatives depends upon our ability to comply with these covenants. Our business initiatives for the next twelve months include investing in our operating infrastructure and continued planning and ~~entitlement~~ **pre- development** efforts on our **land** development **and sales** projects. At times, this may require borrowing under our credit facility or other indebtedness, repayment of which may be dependent on selling of our real estate assets at acceptable prices in condensed timeframes. Our indebtedness could have the effect of, among other things, increasing our exposure to general adverse economic and industry conditions, limiting our flexibility in planning for, or reacting to, changes in our business and industry, and limiting our ability to borrow additional funds. Risks Relating to our Stock Our stock price has been subject to significant volatility. ~~In~~ **During the year ended December 31,** ~~2022~~ **2023** , the low and high share prices of our common stock ranged from $ 8. ~~27~~ **66** to $ ~~12~~ **16** . ~~36~~ **09** . Our stock price has been, and may continue to be, subject to significant volatility. Among others, including the risks and uncertainties discussed in this Annual Report, the following factors, some of which are out of our control, may cause the market price of our common stock to continue to be volatile: • our quarterly or annual earnings or those of other companies in our industry; • actual or unanticipated fluctuations in our operating results; • the relatively low volume of trading in our stock; and • the lack of significant securities analysts **’** coverage of our stock. Fluctuations in the price of our common stock may also be exacerbated by economic and other conditions in Maui in particular, or conditions in the financial markets generally. Share ownership by our affiliates make it more difficult for third parties to acquire us or effectuate a change of control that might be viewed favorably by other stockholders. Affiliates of our company owned, in the aggregate, a majority of our outstanding shares at December 31, ~~2022~~ **2023** . As a result, if these affiliates were to oppose a third party’ s acquisition proposal for, or a change in control of, the Company, these affiliates may have sufficient voting power to be able to block or at least delay such an acquisition or change in control from taking place, even if other stockholders would support such a sale or change of control. Trading in our stock over the last twelve months has been limited, so investors may not be able to sell as much stock as they want at prevailing prices. The average daily trading volume in our common stock for the year ended December 31, ~~2022~~ **2023** ~~,~~ was approximately ~~8~~ **26** , 000 shares. If limited trading in our stock continues, it may be difficult for investors to sell their shares in the public market at any given time at prevailing prices. Moreover, the market price for shares of our common stock may be made more volatile because of the relatively low volume of trading in our common stock. When trading volume is low, significant price movement can be caused by the trading in a relatively small number of shares. Volatility in our common stock could cause stockholders to incur substantial losses. We do not anticipate declaring any cash dividends on our common stock. We have not declared or paid regular cash dividends on our common stock. Our current policy is to retain all funds and any earnings for use in the operation and expansion of our business. The payment of cash dividends by us is restricted by our credit facility which contains covenants prohibiting us from paying any cash dividends without the lender’ s prior approval. If we do not pay dividends, our stock may be less valuable to you because a return on your investment will only occur if our stock price appreciates. If we do not meet the continued listing requirements of the NYSE, our common stock may be delisted. Our common stock is currently listed on the NYSE. If we are unable to maintain compliance with the NYSE’ s continued listing standards the NYSE may take action to delist our common stock. Delisting could negatively impact us by, among other things, reducing the liquidity and market price of our common stock, reducing the number of investors willing to hold or acquire our common stock, and limiting our ability to issue additional securities or obtain additional financing in the future, and might negatively impact our reputation and, ~~as a consequence~~ **consequently** , our business. In addition, if our common stock is delisted, it would violate the covenants of our credit facility. We may need additional funds which, if available, could result in significant dilution to our stockholders, have superior rights to our common stock and contain covenants that restrict our operations. If unanticipated contingencies or other unforeseen circumstances arise, it may be necessary for us to raise additional capital either through public or private equity or debt financing. We cannot say with any certainty that we will be able to obtain the additional needed funds on reasonable terms, or at all. If we were to raise capital through the issuance of our common stock or securities convertible or exercisable into our common stock, our existing stockholders may suffer significant dilution. If we issued preferred equity or debt securities, these securities could have rights superior to holders of our common stock and could contain covenants that will restrict our operations. If additional funds are raised through a bank credit facility or the issuance of debt securities, the holder of such indebtedness would have rights senior to the rights of equity holders and the terms of such indebtedness could impose restrictions on our operations. Item 1B. UNRESOLVED STAFF COMMENTS