

Stock symbol : 2496

**卓越成功股份有限公司**

**SUCCESS PRIME CORPORATION**

**2023 AGM**  
**(Physical Shareholders' Meeting)**

**Handbook**  
**(Translation)**

**Date : June 16, 2023 (Friday)**

**Place : 14F., No.17, Xuchang St., Zhongzheng Dist., Taipei City, Taiwan(R.O.C.)**

# **Table of Contents**

<b>I. Meeting Procedure</b>	<b>1</b>
<b>II. Meeting Agenda</b>	<b>2</b>
i. Reported Matters	3
ii. Acknowledgements Matters	4
iii. Election Matters	5
iv. Extemporaneous Motions	5
<b>III. Attachment</b>	<b>6</b>
i. 2022 Annual Business Report	6
ii. Audit Committee's Review Report	9
iii. Independent Auditors' Report for Consolidated Financial Statements	10
iv. Independent Auditors' Report for Parent Company Only Financial Statements	21
v. 2022 Distribution of Earnings	31
vi. Independent Directors Candidate List	32
<b>IV. Appendix</b>	<b>33</b>
i. Articles of Incorporation	33
ii. Rules and Procedures of Shareholders' Meeting	40
iii. Procedures for Election of Directors	44
iv. Shareholdings of All Directors	47

# **Success Prime Corporation**

## **2023 AGM Meeting Procedure**

- I. Chairman Call Meeting to Order
- II. Message from the Chairman
- III. Reported Matters
- IV. Acknowledged Matters
- V. Election Matters
- VI. Extemporaneous Motions
- VII. Adjournment

# **Success Prime Corporation**

## **2023 AGM Meeting Agenda**

- I. Time: June 16, 2023 (Friday) 10a.m.
- II. Place: 14F., No.17, Xu-chang St., Zhong-zheng Dist., Taipei City, Taiwan(R.O.C.)
- III. Chairman Call Meeting to Order
- IV. Message from the Chairman
- V. Reported Matters
  - i. The company's 2022 Annual Business Report.
  - ii. Audit Committee's Review of the 2022 Audited Financial Statements.
  - iii. Report on the 2022 Compensation Distribution of Employees and Directors.
  - iv. Report on the 2022 cash dividend earnings distribution.
- VI. Acknowledged Matters
  - i. Proposal for the 2022 Business Report and Financial Statements.
  - ii. Proposal for Distribution of 2022 Profits.
- VII. Election Matters
  - Hold a Co-opt for One Independent Director.
- VIII. Extemporaneous Motions
- IX. Adjournment

## **Reported Matters**

### **I. The Company's 2022 Annual Business Report.**

Explanation:

The 2022 Business Report is attached as pp. [6-8], Attachment 1.

### **II. Audit Committee's Review Report of 2022 Audited Financial Statements.**

Explanation:

Audit Committee's Review Report is attached as pp. [9], Attachment 2.

### **III. Report on the 2022 Compensation Distribution of Employees and Directors.**

Explanation:

- i. According to Article 20 of the Company's Articles of Incorporation, If Company makes profit in the year, Employees compensation should be no less than 3%, Directors' compensation should not exceed 5%.
- ii. In accordance with the Company's 2022 profit before tax of NT\$ 88,631,730, the compensation is distributed in cash with NT\$ 2,658,952 as Employees compensation (3%) and NT\$ 1,329,476 as Directors compensation (1.5%)

### **IV. Report on the 2022 cash dividend earnings distribution.**

Explanation:

- i. Per Article 240, Item 5 of the Company Act, and Article 20-3 of the Company's Articles of Association, cash dividends may be distributed after a special resolution from the BOD is authorized and reported to the AGM.
- ii. The company's 2022 earning distribution of cash dividends is as follows:

Year	Distribution Date	Distribution Amount Per Share	Total Distribution Amount
2022	May 9,2023	NT \$ 3.3	NT \$ 62,444,052

## **Acknowledgements Matters**

### **I. (Proposed by the Board)**

Proposal:

Adoption of the 2022 Business Report and Financial Statements.

Explanation:

- i. The Company's 2022 Business Report and Financial Statements have been approved by the Board and examined by the audit committee, the Financial Statements were audited by independent auditors, Jin-Chuan Shi and Yung-Ming Chiu auditors of Deloitte, review reports were formulated.
- ii. 2022 Business Report, Independent Auditors' Report and Financial Statements are attached as follow pp. [6-8] Attachment 1, pp. [10-20] Attachment 3, and pp. [21-30] Attachment 4.

Resolution:

### **II. (Proposed by the Board)**

Proposal:

Adoption of the Distribution of 2022 Profits.

Explanation:

The 2022 Profit Distribution Table is attached as pp. [31], Attachment 5.

Resolution:

## **Election Matters**

### **I. (Proposed by the Board)**

Proposal:

Hold a co-opt election for one independent director.

Explanation:

- i. In line with the provisions of Item 2 of Article 4 of the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers," the company is planned to elect an additional independent director at the 2023 Annual General Meeting of Shareholders.
- ii. The term of the additional independent directors is the same as that of the original directors. They will take office immediately after the election, from June 16, 2023, to June 8, 2025.
- iii. The list of candidates for independent directors is attached as pp. [32], Attachment 6.

Resolution:

## **Extemporaneous Motions**

## **Adjournment**

## Success Prime Corporation 2022 Annual Business Report

The rollout of COVID-19 vaccine has encouraged classes to shift from online back to in-person teaching. Although the problem of declining birth rate has caused the overall number of people in related industries to decrease year over year, the demand for entrance exams preparation is still viable. The Group's continuous dedication to solid education training and professional counseling has shape its renown reputation in the education sector and drive excellence results, growth in overall performance. In terms of revenue growth, other than expansion to elementary and middle school division, the high school division continues to maintain growth in monthly and quarterly financial reports and successfully reached the 700 million revenue mark.

### I. 2022 Annual Business Report

#### i. Business Plan Outcome

The consolidated net operating income in 2022 is NT\$702,257 thousand, which is 6.09% higher than 2021 figure of NT\$661,920 thousand. The consolidated net profit attributable to the parent Company only in 2022 is NT\$78,704 thousand, which increased by 38.32% compared to 2021 figure of NT\$56,900 thousand. The increase in consolidated net operating income was mainly attributable to expansion in elementary and middle school division; the increase in consolidated net profit was mainly due to the growth of net profit driven by the increase in operating income and the recognition of impairment losses of subsidiaries in China in 2021.

#### ii. Budget Implementation: The Company has not disclosed financial forecasts

#### iii. Analysis of Financial Income, Expenditure and Profitability

Units: NT\$ Thousand; %

Item/Year			Consolidated		Individual	
			2022	2021	2022	2021
Income and expenditure	Operating Income		95,043	77,493	30,461	33,098
	Non-operating Income and Expenses		3,333	(3,237)	54,182	31,219
	Pre-tax Income		98,376	74,256	84,643	64,317
	Net Income		79,261	56,623	78,704	56,900
Analysis of profitability	Return on asset		6.40	4.71	9.39	6.81
	Return on equity		9.90	7.07	9.87	7.14
	Pre-tax income to paid-in Capital ratio (%)		51.50	38.87	44.31	33.67
	Net Profit Margin		11.28	8.55	35.49	26.09
	EPS (NT\$)	Non-adjusted	4.16	3.02	4.16	3.02
		Adjusted	-	-	-	-

#### iv. Analysis of Financial Income, Expenditure and Profitability

The Corporation's main business is education service with faculty and curriculum management for primary and secondary education, there is no R&D fee investments in 2022.



## II. 2023 Business Plan Prospects

### i. Operation Strategy, Planning and Key Marketing Policies

- A. After three years of virtual and offline integration during the pandemic, the solid and professional training resources of SPC's "Chen Li Education" and its applicability to 2019 K-12 curriculum are what makes Chen Li Education the top choice of academy for parents and students. The course planning, professional education and counselling services for primary, middle to high school curriculums helped our market share and per capita consumption to grow. The comprehensive education intergraded platform includes TMT diagnostic test, resume certification, literacy questions and other materials, these all are core competences and growth drivers of this platform.
- B. In response to the declining birth rate and regionalization, one on one tutoring has become a teaching model that has flourished in Taiwan in the past five years. Chen Li Education's core model continues to be hosting big group classes, but is not absent in the new field either. Smaller group classes were opened in separate one on one academies, and one to four tutoring classes has opened in CL's Northern branches, this creates a one stop service providing different teaching models to meet the needs of students.
- C. In addition to developing the online, offline, literacy topics and more for primary, middle and high schools, SPC has created new product line "Brain Max"- a board game series for children to build logical thinking, the game is to embed Mathematics into lifestyle, the more you play, the smarter you are.
- D. In addition to perfecting K-12 Mathematics and all subject exams, SPC has also expanded to online education for professionals. SPC has invested in Xuemi, a potential high performing stock that is involved in graphic design, front-end engineering, web design and audio-visual media fields. This service help provides high-quality and functional training to college students and workplace professionals, especially to the graduates of Chen Li Education in the past 40 years.
- E. In terms of Mathematics teaching materials for primary schools, on top of the original STEMath digital courseware, 12 volumes of K-12 Mathematics were produced, including paper textbooks, teaching videos, homework, assessment systems and more. Moreover, the subsidiary Chen Li Elementary has developed exclusive teaching materials for primary schools in 2022, including logic mathematics for first to third graders, and modular mathematics for forth to sixth graders. These help CLE expand more opportunities to collaborate with private primary schools, English academies and other organizations.

### ii. Sales Volume Forecast and Basis

The all-subject branches in the Group with steady growth are forecasted to continue to grow slightly in 2023, and the high school division will expand its services to maintain its market share. The junior high division will expand its branches, subjects and servicing year groups and work with regional academies. The primary and pre-school division are still in the pioneering stage, and the future growth is expected to be promising.

### **III. Impact from Future Development Strategies, External Market Environment, Legal Environment, and Global Environment**

The cram school education industry is a licensed industry regulated by the central government and approved by the municipal government. Our corporate value is to operate legally and pay meticulous attention to public safety, which all of our business operating locations fit all the legal criteria.

The pandemic has accelerated the acceptance and popularization of online education, but in the post-pandemic era, the nature of K-12 Education's difficulty in self-learning has caused parents who demand high performance or those who have no time to take care of kids to send students back to classrooms one after another. Other than focusing on 2019's second interview, resume certification and self-learning, CL's primary division continues to expand branches working towards the goal of "one school district, one Chen Li Education", providing digital platform, opening Think Mathematics classes, Gold Olympic Mathematics Competition classes, extracurricular classes, summer-winter camps and many more. Moreover, SPC has developed new pre-school board games, one to one tutoring, broadcasting classes and virtual classes for professionals. The diversified models, fruitful resources and efficient management creates a win-win advantage and will push SPC into another peak of success.

The corporation will try its best to generate more revenue streams, and we hope to reward the shareholders for their many years of support with better operating results.

Chairman: Shu-Ling Tseng

General Manager: Shu-Ling Tseng

Accounting Manager: Xiang-Yi Luo

( Attachment 2 )

## **Success Prime Corporation Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2022 Business Report, Consolidated and Subsidiary Financial Statements, and distribution of earnings proposal. Accountants Jin-Chuan Shi and Yung-Ming Chiu of CPA firm of Deloitte & Touche was retained to audit SPC's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Success Prime Corporation. According to relevant requirements of the Securities and Exchange Act (Article 14-4) and the Corporate Law (Article 219), we hereby submit this report.

TO SPC 2023 AGM

Audit Committee Convener:

Bing- Quan Shi

March 14, 2023

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Success Prime Corporation

### Opinion

We have audited the accompanying consolidated financial statements of Success Prime Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022, and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022, and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Key audit matters of 2022 Success Prime Corporation consolidated financial statements are described as follow:

### Revenue Recognition of Education Services

Success Prime Corporation's main source of business revenue is from education service, note on its revenue recognition policy please refer to the Consolidated Financial Report Note 4(15). The revenue recognition of the Success Prime Corp. Education Service, collect student prepaid full tuition payment, then calculated and recognized as revenue according to the actual teaching timeline of the course. Due to the wide range of education service revenue from various courses offered, and the large volume of transactions, the auditors believe that the correctness of the revenue calculation from education services may possess potential risks and therefore list it as a key audit matter.

The audit procedure by the Auditors is as follows:

1. Understand and test the effectiveness of the design and implementation of the main internal control system for the calculation process of education service revenue.
2. Verify the correctness of the information related to the Education Service Revenue statement used by the Success Prime Corp., including random spot check on the collection of student tuition matches the prepaid account amount, and check on the consistency between the teaching time periods used for revenue amortization and actual class syllabus schedule.
3. Test the validity of the calculation formulas of the tuition distribution calculation and re-verify the correctness of the calculation spreadsheet.

### Assessment of Goodwill and Trademark Impairment

The Goodwill and Trademark rights of the Success Prime Corp. are considered as significant assets, displaying high value amount in the consolidated balance sheet. In accordance with the IFRS Article 36 regulation on "impairment of assets", Success Prime Corp. shall conduct annual impairment testing of Goodwill and Trademark rights, as well as measure the recoverable amount of Goodwill and Trademark rights. When the Management is deciding future operating cash flows, the consideration will base on the future business outlook of the projected sales growth rate and profit margin, and calculate the weighted average capital cost rate as the discount rate. As these estimations and judgments of assumptions and management subjective views might be affected by high uncertainty of future markets or economic conditions, they are classified as key audit matters. The disclosure of relevant accounting policies and information of Goodwill and Trademark rights, please refer to the Consolidated Financial Statements Note 4(10), 5 and 15.

The main verification procedures by the accountant for Management impairment assessment of Goodwill and Trademark rights as follows:

1. Assess the professional qualifications, suitability and independence of external independent evaluation experts entrusted by Management to assist the impairment tests implementation, identifying items that imposes no effect on their objectivity and no limit on the scope of their work, and that the methods used by the evaluators use are in compliance with regulations.
2. Understand the process and basis of revenue growth rate and profit margin projected by Management to estimate future operational outlook, and whether it takes into account the recent operation results, historical trends and industry profile.
3. Evaluate the recoverable amount calculated by the management base on the value of use model, the weighted average cost rate used, including the assumptions of risk-free compensation interest rate, volatility and overpayment risk, and whether it is consistent with Company's current status and its industry conditions, then re-execute and verify the calculations.

### **Other Matters**

Success Prime Corporation has prepared 2022 and 2021 parent company only financial statements and an Audit Report has been issued by the Auditors, for reference.

### **Responsibility of Management and Governance Units over the Consolidated Financial Statements**

The responsibility of the Management is to formulate the Consolidated Financial Statements in accordance to the financial reports preparation guidelines by securities issuer and be approved by the Financial Supervisory Commission; to release Consolidated Financial Statements that is prepared through effective international Financial Reporting Standards, International accounting standards, and permissible interpretation notices; to maintain the necessary internal controls relating to the preparation of Consolidated Financial Statements, ensuring that the Consolidated Financial Statements do not contain significant false representations of fraud or error.

In preparing the Consolidated Financial Statements, the responsibilities of the management also include assessing the ability of the Success Prime Corp. to sustain its operations, the disclosure of related matters, and the adoption of the accounting basis for sustainable operations, unless the Management intends to liquidate Success Prime Corp. or terminate business, or other options that are not practical besides than liquidation or closure.

The governance unit of the Success Prime Corp. (the Audit Committee included) has the responsibility to supervise financial reporting procedures.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Jin-Chuan Shi and Yung-Ming Chiu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
March 14, 2023

#### Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China. For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*



**SUCCESS PRIME CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2022 AND 2021**  
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
Current assets				
Cash and cash equivalents	\$ 217,894	17	\$ 227,721	19
Financial assets measured at amortized cost	64,071	5	16,331	1
Notes receivables	203	-	91	-
Accounts receivable	2,219	-	3,728	-
Accounts receivable from related parties	1,063	-	1,313	-
Other receivables	300	-	630	-
Current income tax assets	525	-	6,947	1
Inventories	2,765	-	3,296	-
Other current assets	5,399	-	5,911	1
Total current assets	294,439	22	265,968	22
Non-current assets				
Financial assets measured at fair value through other comprehensive income	4,900	-	4,900	-
Financial assets measured at amortized cost	4,900	-	4,920	-
Investments accounted for using the equity method	34,805	3	-	-
Property, plant and equipment	292,300	22	287,490	24
Right-of-use assets	138,668	11	100,149	8
Trademarks	404,144	31	404,144	33
Goodwill	81,419	6	81,419	7
Computer software	3,787	-	6,660	1
Deferred income tax assets	15,918	1	22,517	2
Cash surrender value of term life insurance	25,248	2	23,063	2
Other non-current assets	13,964	1	13,458	1
Total non-current assets	1,020,053	78	948,720	78
Total assets	\$ 1,314,492	100	\$ 1,214,688	100
LIABILITIES AND EQUITY				
Current liabilities				
Short-term borrowings	\$ -	-	\$ 10,000	1
Contract liabilities- current	270,843	21	238,719	19
Notes payables	70	-	340	-
Accounts payable	23,806	2	21,264	2
Accounts payable to related parties	53	-	-	-
Other payables	46,958	3	35,149	3
Current income tax liabilities	12,271	1	11,253	1
Lease liabilities-current	51,688	4	32,637	3
Other current liabilities	3,696	-	2,749	-
Total current liabilities	409,385	31	352,111	29
Non-current liabilities				
Provisions	2,980	-	1,540	-
Deferred income tax liabilities	2,484	-	2,377	-
Lease liabilities- non-current	88,773	7	68,868	6
Total non-current liabilities	94,237	7	72,785	6
Total liabilities	503,622	38	424,896	35
Equity attributable to owners of the Company				
Ordinary shares	191,004	15	191,004	16
Capital surplus	293,962	22	309,100	25
Retained earnings				
Legal reserve	44,613	4	39,992	3
Special reserve	2,522	-	2,392	-
Unappropriated retained earnings	291,075	22	258,907	22
Total retained earnings	338,210	26	301,291	25
Other equity	( 2,517 )	-	( 2,522 )	-
Treasury shares	( 12,406 )	( 1 )	( 12,406 )	( 1 )
Total equity attributable to owners of the Company	808,253	62	786,467	65
Non-controlling interests	2,617	-	3,325	-
Total equity	810,870	62	789,792	65
Total liabilities and equity	\$ 1,314,492	100	\$ 1,214,688	100

# SUCCESS PRIME CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Operating revenue				
Sales revenue	\$ 3,554	1	\$ 2,107	-
Service revenue	<u>698,703</u>	<u>99</u>	<u>659,813</u>	<u>100</u>
Total operating revenue	<u>702,257</u>	<u>100</u>	<u>661,920</u>	<u>100</u>
Operating costs				
Cost of sales	1,074	-	1,285	-
Cost of services	<u>348,982</u>	<u>50</u>	<u>340,114</u>	<u>51</u>
Total operating costs	<u>350,056</u>	<u>50</u>	<u>341,399</u>	<u>51</u>
Gross profit	<u>352,201</u>	<u>50</u>	<u>320,521</u>	<u>49</u>
Operating expenses				
Marketing expenses	60,141	8	50,864	8
General and administrative expenses	<u>197,017</u>	<u>28</u>	<u>192,445</u>	<u>29</u>
Total operating expenses	<u>257,158</u>	<u>36</u>	<u>243,309</u>	<u>37</u>
Net Income from operations	<u>95,043</u>	<u>14</u>	<u>77,212</u>	<u>12</u>
Non-operating income and expenses				
Other income	1,150	-	10,061	1
Other gains and losses	2,219	-	( 11,572)	( 2)
Finance costs	( 2,142)	-	( 2,119)	-
Share of profit or loss of subsidiaries	961	-	-	-
Interest revenue	<u>1,145</u>	<u>-</u>	<u>393</u>	<u>-</u>
Total non-operating income and expenses	<u>3,333</u>	<u>-</u>	<u>( 3,237)</u>	<u>( 1)</u>

( Continued )

( Continued )

	2022		2021	
	Amount	%	Amount	%
Income before income tax	98,376	14	\$ 74,256	11
Income tax expense	( 19,115 )	( 3 )	( 17,633 )	( 2 )
Net income for the year	<u>79,261</u>	<u>11</u>	<u>56,623</u>	<u>9</u>
Other comprehensive income (loss)				
Items that may be reclassified				
subsequently to profit or loss:				
Exchange differences on				
translating foreign				
operations	<u>5</u>	<u>-</u>	( <u>130</u> )	<u>-</u>
Total comprehensive income for the				
year	<u>\$ 79,266</u>	<u>11</u>	<u>\$ 56,493</u>	<u>9</u>
Net income (loss) attributable to:				
Shareholders of the parent	\$ 78,704	11	\$ 56,900	9
Non-controlling interests	<u>557</u>	<u>-</u>	( <u>277</u> )	<u>-</u>
	<u>\$ 79,261</u>	<u>11</u>	<u>\$ 56,623</u>	<u>9</u>
Total comprehensive income (loss)				
attributable to:				
Shareholders of the parent	\$ 78,709	11	\$ 56,770	9
Non-controlling interests	<u>557</u>	<u>-</u>	( <u>277</u> )	<u>-</u>
	<u>\$ 79,266</u>	<u>11</u>	<u>\$ 56,493</u>	<u>9</u>
Earnings per share				
Basic	<u>\$ 4.16</u>		<u>\$ 3.02</u>	
Diluted	<u>\$ 4.15</u>		<u>\$ 3.02</u>	

**SUCCESS PRIME CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Stockholders of the Parent											
	Share Capital			Retained Earnings			Other Equity					
	Shares (Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange differences on translating foreign operations	Treasury Shares	Total	Non-controlling Interests	Total Equity
Balance at January 1, 2021	19,185	\$ 191,854	\$ 341,190	\$ 33,966	\$ 2,600	\$ 274,945	\$ 311,511	( \$ 2,392 )	( \$ 34,362 )	\$ 807,801	\$ 3,646	\$ 811,447
Appropriation of 2020 earnings	-	-	-	6,026	-	( 6,026 )	-	-	-	-	-	-
Legal reserve	-	-	-	-	( 208 )	208	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company - NT\$3 per share	-	-	-	-	-	( 56,425 )	( 56,425 )	-	-	( 56,425 )	-	( 56,425 )
Cash dividends distributed from capital surplus- NT\$ 1.5 per share	-	-	( 28,213 )	-	-	-	-	-	-	( 28,213 )	-	( 28,213 )
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	( 44 )	( 44 )
Net income (loss) for the year ended December 31, 2021	-	-	-	-	-	56,900	56,900	-	-	56,900	( 277 )	56,623
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	-	( 130 )	-	( 130 )	-	( 130 )
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	56,900	56,900	( 130 )	-	56,770	( 277 )	56,493
Share-based payment transaction—Buy-back of treasury shares	-	-	-	-	-	-	-	-	( 4,727 )	( 4,727 )	-	( 4,727 )
Cancellation of treasury shares	( 85 )	( 850 )	( 3,877 )	-	-	-	-	-	4,727	-	-	-
Share-based payment transaction— Transfer of treasury shares to employees	-	-	-	-	-	( 10,695 )	( 10,695 )	-	21,956	11,261	-	11,261
Balance at December 31, 2021	19,100	191,004	309,100	39,992	2,392	258,907	301,291	( 2,522 )	( 12,406 )	786,467	3,325	789,792
Appropriation of 2021 earnings	-	-	-	4,621	-	( 4,621 )	-	-	-	-	-	-
Legal reserve	-	-	-	-	130	( 130 )	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company - NT\$2.2 per share	-	-	-	-	-	( 41,629 )	( 41,629 )	-	-	( 41,629 )	-	( 41,629 )
Cash dividends distributed from capital surplus- NT\$ 0.8 per share	-	-	( 15,138 )	-	-	-	-	-	-	( 15,138 )	-	( 15,138 )
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	( 1,265 )	( 1,265 )
Net income (loss) for the year ended December 31, 2022	-	-	-	-	-	78,704	78,704	-	-	78,704	557	79,261
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	-	5	-	5	-	5
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	78,704	78,704	5	-	78,709	557	79,266
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	( 156 )	( 156 )	-	-	( 156 )	-	( 156 )
Balance at December 31, 2022	19,100	\$ 191,004	\$ 293,962	\$ 44,613	\$ 2,522	\$ 291,075	\$ 338,210	( \$ 2,517 )	( \$ 12,406 )	\$ 808,253	\$ 2,617	\$ 810,870

**SUCCESS PRIME CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(In Thousands of New Taiwan Dollars)**

	2022	2021
Cash flows from operating activities		
Income before income tax	\$ 98,376	\$ 74,256
Adjustments for:		
Depreciation expense	70,162	74,392
Amortization expense	2,873	3,365
Finance costs	2,142	2,119
Decrease (increase) in cash surrender value of term life insurance	( 2,185)	280
Interest income	( 1,145)	( 393)
Share-based compensation cost	-	3,325
(Gain)/loss of associates recognized using the equity method	( 961)	-
Impairment loss	-	11,739
Net (gain) loss on foreign exchange	( 1,297)	305
Gain on lease modification	( 578)	( 1,393)
Changes in operating assets and liabilities:		
Notes receivables	( 112)	234
Accounts receivables	1,509	3,210
Accounts receivable from related parties	250	4,391
Other receivables	-	2,787
Inventories	531	( 780)
Other current assets	512	687
Notes payable	( 270)	311
Accounts payable	2,542	318
Accounts payable to related parties	53	-
Other payables	11,888	( 7,556)
Provisions	( 260)	( 80)
Contract liabilities	32,124	( 1,259)
Other current liabilities	947	550
Cash generated from operations	217,101	170,808
Interest received	1,145	508
Interest paid	( 2,142)	( 2,119)
Income taxes paid	( 4,969)	( 11,295)
Net cash generated from operating activities	<u>211,135</u>	<u>157,902</u>

( Continued )

( Continued )

	2022	2021
Cash flows from investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(\$ 13,000)	( \$ 400)
Acquisition of financial assets at amortized cost	( 75,269)	( 14,860)
Disposal of financial assets at amortized cost	27,820	15,700
Acquisition of associates	( 21,000)	-
Acquisition of property, plant and equipment	( 19,517)	( 23,497)
Increase in refundable deposits	( 4,172)	( 757)
Decrease in refundable deposits	4,674	857
Increase in other receivables	-	( 850)
Decrease in other receivables	330	220
Purchases of intangible assets	-	( 800)
Disposal of termination payments of life insurance	<u>-</u>	<u>59,854</u>
Net cash generated from/ (used in) investing activities	( <u>100,134</u> )	<u>35,467</u>
Cash flows from financing activities		
Increase in short-term loans	-	45,000
Decrease in short-term loans	( 10,000)	( 35,000)
Repayments of long-term borrowings	-	( 21,870)
Repayments of lease liabilities	( 53,827)	( 54,757)
Issuance of cash dividends	( 56,767)	( 84,638)
Payments of treasury shares buy-back	-	( 4,727)
Treasury shares buy-back by employees	-	7,936
Changes in non-controlling interests	( <u>1,265</u> )	( <u>44</u> )
Net cash used in financing activities	( <u>121,859</u> )	( <u>148,100</u> )
Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>1,031</u>	( <u>300</u> )
Net increase (decrease) in cash and cash equivalents	( 9,827)	44,969
Cash and cash equivalents at the beginning of the year	<u>227,721</u>	<u>182,752</u>
Cash and cash equivalents at the end of the year	<u>\$ 217,894</u>	<u>\$ 227,721</u>

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Success Prime Corporation

### Opinion

We have audited the accompanying financial statements of Success Prime Corporation (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2022 are stated as follows:

Investments impairment assessment using the equity method

On each balance sheet date, the management should assess whether there are any signs of impairment of the investments using the equity method. The assessment of whether the book amount has been reduced involves subjective judgments and discounts made by the management of SPC on its future cash flow forecasts. The current rate and other assumptions are estimated, so the auditors list it as a key audit matter. For the disclosure of relevant accounting policies and relevant information, please refer to Notes 4, 5 and 10 of the Parent Company Only Financial Statements.

Our key audit procedures performed by the Auditors are as follows:

1. We obtained the asset impairment self-evaluation reports by management.
2. We evaluated the reasonableness of the identification of the assets which were considered impaired and the assumptions and sensitivity analysis used in the asset impairment assessments of SPC.

**Responsibility of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Jin-Chuan Shi and Yung-Ming Chiu.

Deloitte & Touche

Taipei, Taiwan

Republic of China

March 14, 2023

Notice to Readers

*The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail..*

# SUCCESS PRIME CORPORATION

## PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
Current assets				
Cash	\$ 10,284	1	\$ 25,861	3
Financial assets measured at amortized cost	-	-	4,900	-
Accounts receivables	790	-	66	-
Accounts receivables- related parties	22,573	3	21,891	3
Other current assets	396	-	54	-
Total current assets	<u>34,043</u>	<u>4</u>	<u>52,772</u>	<u>6</u>
Non-current assets				
Financial assets measured at fair value through other comprehensive income	4,500	1	4,500	1
Investments accounted for using equity method	771,881	90	711,953	87
Net investment property	32,003	4	32,160	4
Computer software	-	-	44	-
Deferred income tax assets	12,502	1	18,441	2
Total non-current assets	<u>820,886</u>	<u>96</u>	<u>767,098</u>	<u>94</u>
Total assets	<u>\$ 854,929</u>	<u>100</u>	<u>\$ 819,870</u>	<u>100</u>
LIABILITIES AND EQUITY				
Current liabilities				
Short-term borrowings	\$ -	-	\$ 10,000	1
Accounts payables	17,317	2	16,575	2
Accounts payables - related parties	99	-	124	-
Other payables	8,591	1	6,078	1
Other payables- related parties	20,000	2	-	-
Other current liabilities	324	-	281	-
Total current liabilities	<u>46,331</u>	<u>5</u>	<u>33,058</u>	<u>4</u>
Non-current liabilities				
Deferred income tax liabilities	145	-	145	-
Guarantee deposits received	200	-	200	-
Total non-current liabilities	<u>345</u>	<u>-</u>	<u>345</u>	<u>-</u>
Total liabilities	<u>46,676</u>	<u>5</u>	<u>33,403</u>	<u>4</u>
Equity				
Ordinary shares	191,004	22	191,004	23
Capital surplus	293,962	34	309,100	38
Retained earnings				
Legal reserve	44,613	5	39,992	5
Special reserve	2,522	1	2,392	-
Unappropriated retained earnings	291,075	34	258,907	32
Total retained earnings	<u>338,210</u>	<u>40</u>	<u>301,291</u>	<u>37</u>
Other equity	( 2,517 )	-	( 2,522 )	-
Treasury shares	( 12,406 )	( 1 )	( 12,406 )	( 2 )
Total equity	<u>808,253</u>	<u>95</u>	<u>786,467</u>	<u>96</u>
Total liabilities and equity	<u>\$ 854,929</u>	<u>100</u>	<u>\$ 819,870</u>	<u>100</u>

# SUCCESS PRIME CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Operating revenue	\$ 221,762	100	\$ 218,012	100
Operating costs	<u>169,320</u>	76	<u>166,845</u>	77
Gross profit	<u>52,442</u>	<u>24</u>	<u>51,167</u>	<u>23</u>
Operating expenses				
Marketing expenses	1,143	1	-	-
General and administrative expenses	<u>20,838</u>	<u>9</u>	<u>18,069</u>	<u>8</u>
Total operating expenses	<u>21,981</u>	<u>10</u>	<u>18,069</u>	<u>8</u>
Net Income from operations	<u>30,461</u>	<u>14</u>	<u>33,098</u>	<u>15</u>
Non-operating income and expenses				
Other income	986	-	3,295	1
Finance costs	( 204 )	-	( 260 )	-
Share of profit or loss of subsidiaries	53,305	24	28,132	13
Interest revenue	<u>95</u>	<u>-</u>	<u>52</u>	<u>-</u>
Total non-operating income and expenses	<u>54,182</u>	<u>24</u>	<u>31,219</u>	<u>14</u>

( Continued )

( Continued )

	2022		2021	
	Amount	%	Amount	%
Income before income tax	\$ 84,643	38	\$ 64,317	29
Income tax expense	( 5,939 )	( 3 )	( 7,417 )	( 3 )
Net income for the year	<u>78,704</u>	<u>35</u>	<u>56,900</u>	<u>26</u>
Other comprehensive income (loss)				
Items that may be reclassified				
subsequently to profit or loss:				
Exchange differences on				
translating foreign				
operations	<u>5</u>	<u>-</u>	( <u>130</u> )	<u>-</u>
Total comprehensive income for the				
year	<u>\$ 78,709</u>	<u>35</u>	<u>\$ 56,770</u>	<u>26</u>
Earnings per share				
Basic	<u>\$ 4.16</u>		<u>\$ 3.02</u>	
Diluted	<u>\$ 4.15</u>		<u>\$ 3.02</u>	

**SUCCESS PRIME CORPORATION**  
**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**  
(In Thousands of New Taiwan Dollars)

	Share Capital			Retained Earnings			Other Equity			
	Shares (Thousands)	Amount \$	Capital Surplus \$	Legal Reserve \$	Special Reserve \$	Unappropriated Earnings \$	Total \$	Exchange differences on translating foreign operations (\$)	Treasury Shares ( \$ )	Total Equity \$
Balance at January 1, 2021	19,185	191,854	341,190	33,966	2,600	274,945	311,511	2,392	34,362	807,801
Appropriation of 2020 earnings										
Legal reserve	-	-	-	6,026	-	( 6,026 )	-	-	-	-
Special reserve	-	-	-	-	208	208	-	-	-	-
Cash dividends distributed by the Company - NT\$3 per share	-	-	-	-	-	( 56,425 )	( 56,425 )	-	-	( 56,425 )
Stock dividends distributed from capital surplus	1,726	17,260	( 17,260 )	-	-	-	-	-	-	-
Cash dividends distributed from capital surplus- NT\$ 1.5 per share	-	-	( 28,213 )	-	-	-	-	-	-	( 28,213 )
Net income (loss) for the year ended December 31, 2021	-	-	-	-	-	56,900	56,900	-	-	56,900
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	-	( 130 )	-	( 130 )
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	56,900	56,900	( 130 )	-	56,770
Share-based payment transaction—Buy-back of treasury shares	-	-	-	-	-	-	-	-	( 4,727 )	( 4,727 )
Cancellation of treasury shares	( 85 )	( 850 )	( 3,877 )	-	-	-	-	-	4,727	-
Share-based payment transaction— Transfer of treasury shares to employees	-	-	-	-	-	( 10,695 )	( 10,695 )	-	21,956	11,261
Balance at December 31, 2021	19,100	191,004	309,100	39,992	2,392	258,907	301,291	( 2,522 )	( 12,406 )	786,467
Appropriation of 2021 earnings										
Legal reserve	-	-	-	4,621	-	( 4,621 )	-	-	-	-
Special reserve	-	-	-	-	130	( 130 )	-	-	-	-
Cash dividends distributed by the Company - NT\$2.2 per share	-	-	-	-	-	( 41,629 )	( 41,629 )	-	-	( 41,629 )
Cash dividends distributed from capital surplus- NT\$ 0.8 per share	-	-	( 15,138 )	-	-	-	-	-	-	( 15,138 )
Net income (loss) for the year ended December 31, 2021	-	-	-	-	-	78,704	78,704	-	-	78,704
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	-	5	-	5
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	78,704	78,704	( 130 )	-	78,704
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	( 156 )	( 156 )	-	-	( 156 )
Balance at December 31, 2022	19,100	191,004	293,962	44,613	2,522	291,075	338,210	( 2,517 )	( 12,406 )	808,253

# SUCCESS PRIME CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from operating activities		
Income before income tax	\$ 84,643	\$ 64,317
Adjustments to reconcile profit (loss)		
Depreciation expense	157	157
Amortization expense	44	75
Finance costs	204	260
Interest income	( 95)	( 52)
Share-based compensation cost	-	551
Share of (profit) loss of subsidiaries accounted for using equity method	( 53,305)	( 28,132)
Changes in operating assets and liabilities:		
Accounts receivables	724	( 66)
Accounts receivables- related parties	( 682)	470
Other current assets	( 342)	5
Accounts payable	742	24
Accounts payable- related parties	( 25)	80
Other payables	2,513	( 1,168)
Other current liabilities	43	( 63)
Cash generated from operations	33,173	36,458
Interest received	95	52
Interest paid	( 204)	( 260)
Income taxes paid	-	( 2,469)
Net cash generated from operating activities	33,064	33,781
Cash flows from investing activities		
Acquisition of financial assets at fair value through other comprehensive income	( 13,000)	-
Acquisition of financial assets at amortized cost	( 4,900)	( 4,900)
Disposal of financial assets at amortized cost	9,800	9,800
Acquisition of associates	( 21,000)	-
Net cash inflow on disposal of subsidiary	1,357	-
Dividends received from subsidiaries	25,869	32,781
Net cash generated from/(used in) investing activities	( 1,874)	37,681

( Continued )

( Continued )

	2022	2021
Cash flows from financing activities		
Increase in short-term loans	\$ -	15,000
Decrease in short-term loans	( 10,000 )	( 5,000 )
Payments of long-term debt	-	( 21,870 )
Other payables- related parties	20,000	-
Issuance of cash dividends	( 56,767 )	( 84,638 )
Payments of treasury shares buy-back	-	( 4,727 )
Treasury shares buy-back by employees	<u>-</u>	<u>7,936</u>
Net cash used in financing activities	( <u>46,767</u> )	( <u>93,299</u> )
 Net decrease in cash	 ( 21,837 )	 ( 21,837 )
 Cash at beginning of the year	 <u>25,861</u>	 <u>47,698</u>
 Cash at end of the year	 <u>\$ 10,284</u>	 <u>\$ 25,861</u>



( Attachment 5 )

**Success Prime Corporation**  
**Distribution of Earnings**  
**For the Year Ended December 31, 2022**

Unit: NT\$

Items	Amount
Unappropriated retained earnings - Beginning of year	212,526,839
Net Income of 2022	78,704,398
Disposal of investments in equity instruments measured at fair value through other comprehensive gain and loss with accumulated profit or loss transferred directly to retained earnings	(156,000)
Unappropriated retained earnings- sum of net income and other comprehensive income accounted	78,548,398
Appropriated for 10% Legal Reserve	(7,854,840)
Rotation of special surplus reserve	4,573
<b>Retained earnings available for distribution</b>	<b>283,224,970</b>
Distribution Item	
Cash Dividends (NT\$ 3.3)	(62,444,052)
Unappropriated retained earnings	220,780,918

Shares Issued	19,100,440
Treasury Shares	<u>(178,000)</u>
Outstanding Shares	<u>18,922,440</u>

Chairman: Shu-Ling Tseng

General Manager: Shu-Ling Tseng

Accounting Manager: Xiang-Yi Luo

( Attachment 6 )

**Success Prime Corporation  
Independent Directors Candidate List**

Title	Name	Gender	Main Academic and Experience	Shareholdings (shares)
Independent Director	Chih-Chieh Tsai	Male	<b><u>Academic Experience:</u></b> National Taipei University, Masters of Business Administration National Yang Ming Chiao Tung University Electrophysics <b><u>Main Experience:</u></b> WitsLight Technology Corporation Limited(Samoa), Director San Far Property Limited, Chairman <b><u>Current Titles:</u></b> Chien Ta CPAs, Director Chieh Teng Industrial Economic Consultant Co., Ltd, Chairman Tien Jen Chu Green Technology Co., Ltd, Chairman	0

Note: Shareholdings calculation as of April 18, 2023.

-  
( Appendix 1 )

## **Success Prime Corporation Articles of Incorporation**

### **Section I General Provisions**

#### **Article 1**

The Company is incorporated as a Corporation by shares in accordance with the Republic of China's Company Act and shall have the Chinese name "卓越成功股份有限公司" and English name as "Success Prime Corporation" (referred to as SPC).

#### **Article 2**

The scope of Corporation Business shall be as follows:

1. I301010 Software Design Services
2. I301030 Digital Information Supply Services
3. I103060 Management Consulting Services
4. I301020 Data Processing Services
5. JZ99050 Agency Services
6. H703100 Real Estate Rental and Leasing
7. JE01010 Rental and Leasing Business
8. F401010 International Trading Service
9. IZ12010 Manpower Dispatch Service
10. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

#### **Article 3**

The Corporation shall have its head office in Taipei City, and shall be free, upon approval of board of directors, to set up representative and branch offices at various locations within and without the territory of the Republic of China, wherever and whenever the Corporation deems it necessary or advisable to carry out any or all of its activities.

#### **Article 3-1**

The Corporation may provide endorsement and guarantee and act as a guarantor

#### **Article 3-2**

The total amount of the Corporation's reinvestment shall not be subject to the restriction of not more than forty percent of the Corporation's paid-up capital as provided in Article 13 of the Company Law.

#### **Article 3-3**

Public announcements of the Corporation shall be made in accordance with the Company Law and other relevant rules and regulations of the Republic of China.

## **Section II Shares**

### **Article 4**

The total capital stock of the Corporation shall be in the amount of 2,000,000,000 New Taiwan Dollars, divided into 200,000,000 shares, at ten New Taiwan Dollars each, and may be paid-up in installments.

The amount of retained capital in the total capital of the preceding paragraph is NT\$100 million for the issuance of stock option certificates, special stocks with warrants or Company warrants with a total of 10,000 shares. Each share is subject to the approval of the board of directors.

The Company may transfer the treasury shares to the employees at an average price lower than the actual purchase price, or lower than the average number of shareholders who have attended the shareholders' meeting, and the consent of more than two-thirds of the shareholders' voting rights. The employee stock option certificate is issued at the subscription price of the daily closing price.

### **Article 4-1** (Deleted)

### **Article 4-2** (Deleted)

### **Article 5**

The share certificates hereof, the registered ones, shall be duly signed by or affixed with seals of the 3 or more managing directors, duly authenticated by the competent authorities of the government or the certification organization authorized thereby before issuance. The Company is exempted from printing the registered share certificates for the shares issued.

### **Article 5-1**

All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, change of address or similar stock transaction conducted by shareholders of the Corporation shall follow the "Guidelines for Stock Operations for Public Companies" unless specified otherwise by law and securities regulations.

### **Article 6**

Registration for transfer of shares shall be suspended within sixty (60) days immediately before the date of regular meeting of shareholders, and thirty (30) days immediately before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Corporation.

## **Section III Shareholders' Meeting**

### **Article 7**

Shareholders' meetings of the Corporation are of two types, namely: (1) regular meetings and (2) special meetings. Regular meetings shall be convened, by the Board of Directors, within six months after the close of each fiscal year. Special meetings shall be convened in accordance with the relevant laws, rules and regulations of the Republic of China.

**Article 7-1** (Deleted)

**Article 8** (Deleted)

If a shareholder is unable to attend a meeting, he/she may appoint a representative to attend it, and to exercise, on his/her behalf, all rights at the meeting, in accordance with Article 177 of the Company Law. A representative does not need to be a shareholder of the Corporation.

**Article 9**

Except as provided in the Company Law of the Republic of China, shareholders' meetings may be held if attended by shareholders in person or by proxy representing more than one half of the total issued and outstanding capital stock of the Corporation, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting.

**Article 10**

Each share of stock shall be entitled to one vote, unless law regulations stated otherwise.

**Article 10-1**

The shareholders' meeting shall be presided over by the Chairman of the Board of Directors of the Corporation. In his absence, either the Vice Chairman of the Board of Directors, or one of the Directors shall preside in accordance with Article 208 of the Company Law.

**Article 10-2**

The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the chairman of the meeting. Such minutes, together with the attendance list and proxies, shall be filed in accordance to relevant law regulations.

**Section IV Directors, Audit Committee, General Manager**

**Article 11**

The Corporation shall have 5 to 12 directors, of which the number of independent directors shall not be less than three and shall not be less than one-fifth of the number of directors. The term of office shall be three years and may be re-elected. The shareholders' meeting shall adopt the candidate nomination system, select Directors from the candidate list provided.

The Company may, by resolution of the Board of Directors, purchase liability insurance for the directors to be liable for damages in accordance with the law in the scope of their business.

**Article 11-1** (Deleted)

**Article 11-2** (Deleted)

**Article 11-3** (Deleted)

## **Article 12**

The Directors shall elect from among themselves a Chairman of the Board of Directors and may elect a Vice Chairman of the Board of Directors, by a majority in a meeting attended by over two-thirds of the Directors. The Chairman shall not have a second or casting vote at any meeting of the Board of Directors. The Chairman of the Board of Directors shall have the authority to represent the Corporation. Where the Chairman fails to perform his functions, the Vice Chairman may act on his behalf. Where the Chairman and Vice Chairman both fail to perform their functions, a director shall be appointed by the Chairman to act on their behalf. If no such designee is appointed, the chairperson shall be elected among the directors. If Board meeting is set as a video conference, the Any Director attending the meeting via video conference shall be deemed attending the meeting in person.

### **Article 12-1**

Except as otherwise provided in the Company Law of the Republic of China, a meeting of the Board of Directors may be held if attended by a majority of total Directors and resolutions shall be adopted with the concurrence of the majority of the Directors present at the meeting. The Directors shall exercise their functions by resolutions adopted at meetings of Shareholders and the Board of Directors.

## **Article 13**

Meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors, upon written notice mailed to all the other Directors, at least seven days, unless in case of urgent circumstances, prior to the date of the meeting, specifying the date and place of the meeting and its agenda. The meeting of the Board of Directors shall be held at least once every quarter.

In case of absence, a Director may, by written authorization, appoint another Director to attend on his behalf any meeting of the Board of Directors, and to vote for him on all matters presented at such meeting, but no Director may act as proxy for more than one other Director.

### **Article 13-1**

In the case that vacancies on the Board of Directors exceed, for any reason, one third of the total number of the Directors, then the Board of Directors shall convene a shareholders' meeting to elect new Directors to fill such vacancies in accordance with relevant laws, rules and regulations. Except for the election of new Directors across the board, the new Directors shall serve the remaining term of the predecessors.

## **Article 14**

The Corporation shall establish an Audit Committee, which shall consist of all independent directors, no less than three, in which one will be the main convener, at least one will have accounting or finance credentials. The Audit Committee shall be responsible for those responsibilities of Supervisors specified under the Company Law, the Securities and Exchange Law and other relevant regulations.

**Article 15**

The Board of Directors is authorized to determine the salary for the Chairman, Vice Chairman and Directors, taking into account the extent and value of the services provided for the management of the Corporation and the standards of the industry within the R.O.C. and overseas. For independent directors, a reasonable salary compensation is set different from that of the general directors.

**Article 16**

The Company elects one general manager and several deputy general managers, and is appointed or removed in accordance with Article 29 of the Company Law. The general manager is appointed by the chairman of the Board to handle all business of the Company in accordance with the meeting resolutions.

**Article 17** (Deleted)**Section V Accounting****Article 18**

The Company's fiscal year is starting from January 1 until December 31 of every calendar year. The final account closing shall be conducted at end of every fiscal year.

**Article 19**

The Company takes the calendar year as its fiscal year. Upon closing of each fiscal year, the board of directors shall work out the following documents and proposed to the shareholders' meeting in accordance with the legal procedures for adoption:

- (1) Business report;
- (2) Financial statements;
- (3) Proposals of profit allocation or loss coverage.

**Article 20**

The Company shall allocate no less than 3% of the profits earned during the current year for the purpose of employees' compensation and no more than 5% of the same for directors' compensation; provided, however, that the Company shall first reserve a sufficient amount to compensate its accumulated deficits.

An employee of the Company's affiliate who meets certain criteria shall be entitled to the employees' compensation.

**Article 20-1**

The net amount of other equity deductions and the net increase in the fair value of real estate investment accumulated in the previous period should be appropriated for the same amount of Special Reserve from the undistributed earnings. If not enough, net profit after-tax is added to the other items as undistributed earnings for appropriation.

#### **Article 20-2**

This Corporation shall not pay dividends or bonuses to shareholders when there are no earnings. When allocating the earnings for each fiscal year, the Corporation shall first offset its losses in previous years and set aside a legal capital reserve at 10% of the earnings left over, until the accumulated legal capital reserve has equaled the total capital of the Corporation; then set aside special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. After this Corporation has set aside the capital reserves pursuant to the first Paragraph of this Article, the balance left over shall be allocated according to the following principles per resolution of the shareholders' meeting: Earnings may be distributed in total after taking into consideration financial, business and operational factors. Earnings of this Corporation may be distributed by way of cash dividend and/or stock dividend.

The Company is in a stable growth stage. The dividend policy will consider the industrial environment and earnings status, future capital expenditure needs and long-term financial planning. If there is any surplus to distribute dividends, the total dividends distributed to shareholders should not be less than 10 % of the current year's earnings minus the adjustments. The proportion of cash dividends shall not be lower than 10% of the total dividends distributed in the current year, and the remaining part shall be distributed in the form of stock dividends.

#### **Article 20-3**

If the Company distributes dividends and bonuses or all or part of the Legal Reserve and Capital Reserve through cash distribution, it should be authorized through a board meeting with more than two-thirds of the directors' present and passed voted agreement, and resolution result is reported to the shareholders' meeting.

### **Section VI Supplementary Provisions**

#### **Article 21** (Deleted)

#### **Article 22**

With regards to all matters not provided for in these Articles of Incorporation, the Company Law of the Republic of China shall govern.



**Article 23**

These Articles of Incorporation are agreed to and signed on May 28, 1991 by all the promoters of the Corporation, and duly amended on:

- (01) July 9, 1993;
- (02) October 14, 1994;
- (03) April 10, 1996;
- (04) December 5, 1996;
- (05) May 23, 1997;
- (06) May 31, 2000;
- (07) May 2, 2001;
- (08) June 26, 2002;
- (09) June 27, 2003;
- (10) May 27, 2004;
- (11) June 27, 2005;
- (12) April 12, 2006;
- (13) June 8, 2007;
- (14) June 27, 2008;
- (15) October 31, 2008;
- (16) June 25, 2010;
- (17) May 25, 2011;
- (18) May 25, 2012;
- (19) July 31, 2012;
- (20) June 24, 2014;
- (21) May 12, 2015;
- (22) May 9, 2016;
- (23) January 18, 2017;
- (24) June 14, 2018;
- (25) July 1, 2021
- (26) July 9, 2022

( Appendix 2 )

## **Success Prime Corporation Rules and Procedures of Shareholders' Meeting**

### **Article 1**

Shareholders' Meeting of the Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures. Any matter not provided in these Rules and Procedures shall be handled in accordance with relevant laws and regulations.

### **Article 2**

Shareholders attending the Meeting shall submit the attendance card for the purpose of signing in. The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the attendance cards submitted by the shareholders.

### **Article 3**

In a shareholders' meeting, the participation and vote shall be counted on the grounds of the number of shares. The total number of shares present at the meeting will be calculated based on the attendance cards submitted as a substitute for sign-in, plus the number of shares exercising the voting power in writing or through means of electronic transmission.

### **Article 4**

The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.

### **Article 5**

Unless otherwise provided in laws, the shareholders' meeting shall be called by the Board of Directors and chaired by the Chairman of the Board. Where the Chairman of the Board fails to exercise his authority with justified reasons, the Vice Chairman of the Board may be his proxy. Where no Vice Chairman has been appointed or the Vice Chairman fails to exercise his authority with justified reasons too, the Chairman shall designate one director to be his proxy. Where no such designee is designated, the chairperson shall be elected out of the directors. Where the shareholders' meeting is called by any person entitled to hold the meeting other than the Board of Directors, the chairperson of the meeting shall be assumed by the person. If there are more than two conveners, the chairperson shall be elected from the conveners.

### **Article 6**

The Company may appoint designated counsel, CPA or other related persons to attend the Meeting. Persons handling affairs of the Meeting shall wear identification cards or badges.

#### **Article 7**

The process of the Meeting shall be tape recorded or videotaped and these tapes shall be preserved for at least one year. If a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation

#### **Article 8**

Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one - third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Law of the Republic of China. The aforesaid tentative resolutions shall be executed in accordance with relevant provisions of the Company Law of the Republic of China. If during the process of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Law of the Republic of China.

#### **Article 9**

The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda. The above provision also applies to cases where the shareholders meeting is called by any person entitled to hold the meeting other than the Board of Directors.

Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved.

The shareholders cannot designate any other person as chairman and continue the Meeting in the same or other place after the Meeting is adjourned. However, in the event that the Chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting.

#### **Article 10**

When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman.

Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding 5 minutes). In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder.

If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise the chairman shall stop such interruption.

#### **Article 11**

For a same issue, each shareholder shall not speak more than twice and shall not speak more than five minutes in each floor unless approved by the chairman. The chairman may ban such shareholder from speaking if he/she breaches the provision set forth in the preceding paragraph or speaks beyond the specified range.

#### **Article 12**

Where a judicial (corporate) person is consigned to participate in a shareholders' meeting, such judicial (corporate) person may appoint only one representative to participate in the meeting. Where a judicial (corporate) person shareholder appoints two or more representatives to participate in a shareholders' meeting, only one representative may speak up for the same issue.

#### **Article 13**

After a present shareholder speaks, the chairman may reply in person or through an appointee.

#### **Article 14**

The chairman may announce to end the discussion of any resolution and go into voting if the Chairman deems it appropriate.

#### **Article 15**

A speaker is deemed not to have spoken if he has made only one statement and has not issued a speech. The content of the statement is inconsistent with that of the statement, subject to the content of the statement. When attending a shareholder's speech, other shareholders shall not interfere with the speech except with the consent of the Chairman and the speaking shareholders. The President of the violators shall be stopped.

#### **Article 16**

The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s). The result of voting shall be announced at the Meeting and placed on record.

#### **Article 17**

During the Meeting, the chairman may, at his discretion, set time for intermission. In case of incident of force majeure, the chairman may decide to temporarily suspend the Meeting and announce, depending on the situation, when the meeting will resume. In cases where the agenda scheduled for the general meeting of shareholders are in discussion, the location of the meetings will continue to be used at the place where the meetings (including temporary motions) are not finalized, and the meeting may decide to find another place to continue to participate.

**Article 18**

Except otherwise specified in the Company Law of the Republic of China or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. The resolution shall be deemed adopted and shall have the same effect as if it were voted by casting ballots if no objection is voiced after solicitation by the chairman.

**Article 19**

If there is amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment, or the substitute. If any one of them has been adopted, the others shall be deemed voted and no further voting is necessary.

**Article 20**

The chairman may conduct the disciplinary officers or the security guard to assist in keeping order of the Meeting place. Such disciplinary officers or security guards shall wear badges marked "Disciplinary Officers" for identification purpose.

**Article 21**

Any matters insufficiently provided for herein shall be subject to the Company Law, Articles of Incorporation and other laws and regulations concerned.

**Article 22**

These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

( Appendix 3 )

## **Success Prime Corporation Procedures for Election of Directors**

### **Article 1**

To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

### **Article 2**

Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures

### **Article 3**

The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

### **Article 4**

Independent directors of the Company should meet the following criteria:

1. Honesty and credibility.
2. Fair judgement.
3. Professional knowledge.
4. Rich experiences.
5. Accounting and financial analysis ability.

In addition to the requirements, at least one of the independent directors of the Company must be an accounting or financial professional.

### **Article 5**

The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

**Article 6**

Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

**Article 7**

The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

**Article 8**

The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

**Article 9**

The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

**Article 10**

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

**Article 11**

If the electee is a shareholder, the elector shall fill in the electee's account name and shareholder account number in the electoral column of the ballot; if the electee is not a shareholder, the electee's name and identification document number shall be filled in. However, when the government or legal person shareholder is the electee, the name of the electee on the ballot shall be filled with the name of the government or legal person, and the name of its representative; when there are several representatives, the name of the representative should be added separately.

**Article 12**

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director shareholders list; the candidate whose name is entered in the ballot does not conform to the identification of the shareholders, such as name, ID number mismatch.
5. Other words or marks are entered in addition to the number of voting rights allotted.
6. The candidate whose name is entered in the ballot same as other identifiable shareholders who did not fill their information or identifications.

**Article 13**

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

**Article 14**

The board of directors of this Corporation shall issue notifications to the persons elected as directors.

**Article 15**

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.



(Appendix 4)

**Success Prime Corporation**  
**Shareholdings of All Directors**

As of April 18, 2023

Title	Name		Current shareholding	
			Number of shares	Percentage (%)
Chairman	Shu-Ling Tseng		1,023,728	5.36 %
Director	Min-Chun Chen		320,000	1.68 %
Corporate Director	Endow Capital Management Inc.		1,890,039	9.90 %
	Representative	Xiang-Qi Fang	0	0 %
	Representative	Jin-Ru Cheng	140,933	0.74 %
Corporate Director	Bash Consultant Inc.		1,890,039	9.90 %
	Representative	Yen-Shuen Chen	95,000	0.50 %
	Representative	Yun Chen	254,000	1.33 %
Independent Director	Bing-Quan Shi		0	0 %
Independent Director	Pei-Jun Hong		0	0 %
Independent Director	Ying-De Wu		0	0 %

Notes;

1. Total shares issued as of April 18, 2023 are 19,100,440 shares.
2. Under the relevant regulations of the ROC, SPC's Directors are required to hold in the aggregate not less than 2,292,052 shares.
3. As of April 18, 2023, SPC's Directors and Representative Directors together held total 5,613,739 shares.
4. As SPC has established the audit committee, the minimum shareholding requirements for supervisors do not apply.