

Stock symbol : 2496

卓越成功股份有限公司

SUCCESS PRIME CORPORATION

2024 AGM

(Physical Shareholders' Meeting)

Handbook

(Translation)

Date : June 13, 2024 (Thursday)

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

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Success Prime Corporation

2024 AGM Meeting Procedure

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

Success Prime Corporation

2024 AGM Meeting Agenda

- I. Time: June 13, 2024 (Thursday) 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 2023 Annual Business Report.
 - ii. Audit Committee's Review of the 2023 Audited Financial Statements.
 - iii. Report on the 2023 Compensation Distribution of Employees and Directors.
 - iv. Report on the 2023 cash dividend earnings distribution.
- VI. Acknowledged Matters
 - i. Proposal for the 2023 Business Report and Financial Statements.
 - ii. Proposal for Distribution of 2023 Profits.
- VII. Extemporary Motions
- VIII. Adjournment

Reported Matters

I. The Company's 2023 Annual Business Report.

Explanation:

The 2023 Business Report is attached as Attachment 1.

II. Audit Committee's Review Report of 2023 Audited Financial Statements.

Explanation:

Audit Committee's Review Report is attached as Attachment 2.

III. Report on the 2023 Compensation Distribution of Employees and Directors.

Explanation:

- i. According to Article 20 of the SPC's Articles of Incorporation, If SPC makes profit in the year, employees compensation should be no less than 3%, and directors' compensation should not exceed 5%.
- ii. In accordance with the SPC's 2023 profit before tax of NT\$ 115,684,929, the compensation is distributed in cash with NT\$ 3,470,548 as employees compensation (3%) and NT\$ 1,735,274 as directors compensation (1.5%).

IV. Report on the 2023 cash dividend earnings distribution.

Explanation:

- i. Per Article 240, Item 5 of the Company Act, and Article 20-3 of the SPC'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 SPC's 2023 earning distribution of cash dividends is as follows:

Year	Distribution Date	Distribution Amount Per Share	Total Distribution Amount
2023	May 10,2024	NT \$ 4.68	NT \$ 88,557,019

Acknowledgements Matters

I. (Proposed by the Board)

Proposal:

Adoption of the 2023 Business Report and Financial Statements.

Explanation:

- i. The SPC's 2023 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, Chien-Hui Lu and An-Chih Cheng auditors of KPMG, review reports were formulated.
- ii. 2023 Business Report, Independent Auditors' Report and Financial Statements are attached as follow Attachment 1, 3, and 4.

Resolution:

II. (Proposed by the Board)

Proposal:

Adoption of the distribution of 2023 profits.

Explanation:

The 2023 Profit Distribution Table is attached as Attachment 5.

Resolution:

Extemporary Motions

Adjournment

(Attachment 1)

Success Prime Corporation 2023 Annual Business Report

In 2023, the COVID-19 pandemic gradually subsided, and in-person teaching returned to normal. Under the stable management of the group, the revenue situation of each subsidiary continued to recover, showing a commendable growth in the group's annual revenue. Chenli Education, a subsidiary of the group, not only stabilized the number of high school students but also continued to expand the numbers of junior high and elementary school students. Each operational location delivered outstanding performance. In addition to revenue growth, the group also promoted a paperless policy in 2023, optimized administrative processes, and implemented lean cost management, resulting in an increase in net profit after tax from 11.28% to 13.53%.

I. 2022 Annual Business Report

i. Business Plan Outcome

The consolidated net operating income in 2023 is NT\$764,815 thousand, which is 8.91% higher than 2022 figure of NT\$702,257 thousand. The consolidated net profit attributable to the parent Company only in 2023 is NT\$103,644 thousand, which increased by 31.69% compared to 2022 figure of NT\$78,704 thousand. The increase in consolidated operating income is mainly due to the continued expansion of junior high and elementary divisions. The increase in consolidated net profit is primarily attributed to the growth in operating income driving the growth in net profit.

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	
		2023	2022	2023	2022
Income and expenditure	Operating Income	122,007	95,043	30,757	30,461
	Non-operating Income and Expenses	3,325	3,333	79,722	54,182
	Pre-tax Income	125,332	98,376	110,479	84,643
	Net Income	103,487	79,261	103,644	78,704
Analysis of profitability	Return on asset	7.83	6.40	11.94	9.41
	Return on equity	12.43	9.90	12.51	9.87
	Pre-tax income to paid-in Capital ratio (%)	65.61	51.50	57.84	44.31
	Net Profit Margin	13.53	11.28	44.47	35.49
	EPS (NT\$)				
	Non-adjusted	5.48	4.16	5.48	4.16
	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 2023.

II. 2024 Business Plan Prospects

i. Operation Strategy, Planning and Key Marketing Policies

- A. Under the umbrella of the group, "Chenli Education" offers professional teaching resources, providing comprehensive planning and specialized services from primary school entrance to private junior high school, junior high school entrance exams, high school entrance exams, subject-specific exams, and second-stage interviews. Leveraging Chenli Education's robust educational platform as a foundation, in 2024, we will actively expand the enrollment of comprehensive subjects in the junior high school departments of each branch and offer summer and winter camp programs, while also expanding enrollment in elementary schools. We anticipate becoming the growth engine for each branch school.
- B. Chenli Education plans to establish 3 directly operated schools, covering elementary, junior high, and high school levels, in the rapidly growing population area of Zhubei. This initiative is expected to become a key development highlight in 2024. Besides aiming to enhance the academic performance of students in Zhubei, it also aims to increase brand exposure.
- C. In 2023, Chenli Education made a strategic investment in establishing a company in Indonesia. It anticipates entering the local primary and secondary school markets with online mathematics learning and assessment systems. Additionally, it plans to offer Chinese language courses targeting the expatriate white-collar professionals in Taiwan. The aim of this multinational expansion is to enhance the capabilities of the overall system at an early stage.
- D. The group, a leader in the supplementary education industry, has pioneered a collaboration with FarHugs, an online psychological counseling platform, breaking ground in the field of academic advancement. This partnership aims to provide mental health services alongside academic support, aligning with the United Nations Sustainable Development Goals (SDGs) for quality education and well-being. Through this initiative, the group seeks to enhance students' academic performance while also nurturing their well-being.
- E. In addition to maintaining its original collaboration models with STEMath Thinking Mathematics and curriculum-compliant mathematics programs, as well as partnerships with Childcare Kid and the private Elite Elementary School, Chen-li Elementary School under the group has further expanded its cooperation to include junior high school science and mathematics subjects. Currently, both the number of collaborating partners and the geographic coverage are continuously expanding, with promising revenue prospects from junior high school subject offerings.
- F. The group's investment in the Xue-mi Company, which ventures into online adult vocational education courses in fields such as graphic design, front-end engineering, web design, and audiovisual media, is expected to yield better-than-expected revenue and profits.

ii. Sales Volume Forecast and Basis

The group's steadily growing comprehensive subject schools for academic advancement are expected to continue experiencing slight growth in 2024. High school services will be expanded to maintain market share, while junior high schools will expand their locations, subjects, and grades, collaborating with local childcare centers. The development of elementary and preschool sectors is still in the exploratory stage, with promising growth prospects in the future.

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.

Although Taiwan is facing severe population decline, specific areas such as Zhubei, Taoyuan, and Linkou still show a positive population growth trend. These areas also represent untapped markets. In addition to planning to establish a directly operated school in Zhubei in 2024, we also do not rule out the possibility of acquiring local startup teams. With excellent and comprehensive corporate governance, compliance auditing, and financial management, we believe that post-investment synergies can be achieved. In the future, we will closely monitor changes in the external competitive environment, regulatory environment, and overall operating environment, and adjust the company's development strategy in a timely manner to ensure that the company maintains a competitive advantage and sustainability in future development, and to return long-term support to shareholders.

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 SPC's 2023 Business Report, Consolidated and Subsidiary Financial Statements, and distribution of earnings proposal. Accountants Chien-Hui Lu and An-Chih Cheng of CPA firm of KPMG 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 2024 AGM

Audit Committee Convener:

Bing- Quan Shi

March 8, 2024

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Success Prime Corporation

Opinion

We have audited the consolidated financial statements of Success Prime Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, 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.

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, 2023 and 2022, 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 and the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") and the former Standing Interpretations Committee ("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, 2023. 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. Based on our judgment, the key audit matters that should be disclosed in this report are as follow:

1. Revenue Recognition of Education Services

Please refer to Note 4 (15) "Summary of significant accounting policies – Revenue recognition", Note 6 (19) "Description of significant accounting – Operating revenue" to the consolidated financial statements.

Description of key audit matter:

The Group main source of business revenue is from education service. The revenue recognition of the Group. 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.

How the matter was addressed in our audit:

The accountant's main audit procedures for the above key audit matters include understanding and testing the design and implementation effectiveness of the main internal controls for the calculation process of education service income; verifying the correctness of the relevant information used by the combined company to calculate the education service income statement, including auditing Check whether the tuition fees collected in advance from students are consistent with those recorded in the account, and check the consistency of the teaching period used to calculate income in the student revenue sharing calculation sheet with the actual class schedule of students; test the rationality of the calculation formula in the student revenue sharing calculation sheet, and Recalculate its correctness.

2. Assessment of Goodwill and Trademark Impairment

Please refer to Note 4 (12) and Note (13) "Summary of significant accounting policies – Intangible Assets and Non-financial Assets". Regarding the uncertainty of accounting estimates and assumptions in goodwill impairment assessment, please refer to the five major sources of uncertainty in accounting judgments, estimates and assumptions in the notes to the consolidated financial report for details. Note 6 (9) "Description of significant accounting – Goodwill and Trademark Impairment" to the consolidated financial statements.

Description of key audit matter:

Since the amount of goodwill and trademark rights of the merged company accounts for 36% of the total assets and the amount is significant, resulting from mergers and acquisitions, as the merged company is susceptible to fluctuations in the market environment and other factors, the impairment of this goodwill and trademark rights is Assessment is important; the asset impairment assessment includes the process of identifying the cash-generating unit, determining the assessment model, determining important assumptions and calculating the recoverable amount. The assessment

process is complex and involves subjective judgment by the management, so they are classified as key audit matters.

How the matter was addressed in our audit:

The accountant's main audit procedures for the above key audit matters; understand the process and basis for management's estimation of the revenue growth rate and profit margin predicted by the future operating outlook, and whether recent operating results, historical trends and industry profiles are considered; evaluate management Whether the recoverable amount calculated based on the value-in-use model and the assumptions used are consistent with the company's current and industry conditions, and re-executed and verified.

Other Matters

1. Issuance of review report on individual financial reports

Success Prime Corporation has prepared its parent company only financial statements as of and for the years ended December 31, 2023 and 2022. The audit report issued by our accountant with an unqualified opinion and paragraphs on other matters in the year 2023 of the Republic of China is on record; the audit report issued by other accountants with an unqualified opinion in the year 2022 of the Republic of China is on record.

2. The former accountant issued an unqualified audit report

The consolidated financial report of the merged company for the year 2023 was audited by other accountants, and an unqualified audit report was issued on March 14, 2022.

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, 2023 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 Chien-Hui Lu and An-Chih Cheng.

KPMG

Taipei, Taiwan (Republic of China)

March 8, 2024

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, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
ASSETS		Amount	%	Amount	%
Current assets					
1100	Cash and cash equivalents	\$ 183,689	14	\$ 217,894	17
1136	Financial assets at amortized cost – current	209,038	16	64,071	5
1150	Notes receivables, net	52	-	203	-
1170	Accounts receivable, net	2,753	-	2,219	-
1180	Accounts receivable – related parties, net	21	-	1,063	-
1200	Other receivables	-	-	300	-
1220	Current income tax assets	3	-	525	-
130X	Inventories	3,848	-	2,765	-
1470	Other current assets	4,642	-	5,399	-
	Total current assets	<u>404,046</u>	<u>30</u>	<u>294,439</u>	<u>22</u>
Non-current assets					
1517	Financial assets at fair value through other comprehensive income – non-current	8,400	1	4,900	-
1535	Financial assets at amortized cost – non-current	4,900	-	4,900	-
1550	Investments accounted for using the equity method	33,660	2	34,805	3
1660	Property, plant and equipment	281,430	21	292,300	22
1755	Right-of-use assets	100,291	7	138,668	11
1781	Trademarks	404,144	30	404,144	31
1805	Goodwill	81,419	6	81,419	6
1821	Intangible assets	2,185	-	3,787	-
1840	Deferred income tax assets	7,511	-	15,918	1
1981	Cash surrender value of term life insurance	25,412	2	25,248	2
1990	Other non-current assets	12,013	1	13,964	1
	Total non-current assets	<u>961,365</u>	<u>70</u>	<u>1,020,053</u>	<u>78</u>
	Total assets	<u>\$ 1,365,411</u>	<u>100</u>	<u>\$ 1,314,492</u>	<u>100</u>
LIABILITIES AND EQUITY					
Current liabilities					
2130	Contract liabilities- current	\$ 310,819	23	\$ 270,843	21
2150	Notes payables	20	-	70	-
2170	Accounts payable	25,073	2	23,806	2
2180	Accounts payable to related parties	51	-	53	-
2200	Other payables	50,864	4	46,853	3
2220	Other payables to related parties	-	-	105	-
2230	Current income tax liabilities	12,485	1	12,271	1
2280	Lease liabilities-current	52,288	3	51,688	4
2300	Other current liabilities	4,265	-	3,696	-
	Total current liabilities	<u>455,865</u>	<u>33</u>	<u>409,385</u>	<u>31</u>
Non-current liabilities					
2550	Provisions – noncurrent	3,180	-	2,980	-
2570	Deferred income tax liabilities – non-current	2,517	-	2,484	-
2580	Lease liabilities- non-current	49,886	4	88,773	7
	Total non-current liabilities	<u>55,583</u>	<u>4</u>	<u>94,237</u>	<u>7</u>
	Total liabilities	<u>511,448</u>	<u>37</u>	<u>503,622</u>	<u>38</u>
Equity					
3100	Ordinary shares	191,004	14	191,004	15
3200	Capital surplus	293,962	22	293,962	22
3300	Retained earnings	379,411	28		26
3400	Other equity	(2,659)	-	(2,517)	-
3500	Treasury shares	(12,406)	(1)	(12,406)	(1)
	Total equity attributable to owners of the Company	<u>849,312</u>	<u>63</u>	<u>808,253</u>	<u>62</u>
36XX	Non-controlling interests	4,651	-	2,617	-
	Total equity	<u>853,963</u>	<u>63</u>	<u>810,870</u>	<u>62</u>
	Total liabilities and equity	<u>\$ 1,365,411</u>	<u>100</u>	<u>\$ 1,314,492</u>	<u>100</u>

SUCCESS PRIME CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue	\$ 764,815	100	\$ 702,257	100
5000	Operating costs	<u>362,649</u>	<u>47</u>	<u>350,056</u>	<u>50</u>
5950	Gross profit	<u>402,166</u>	<u>53</u>	<u>352,201</u>	<u>50</u>
	Operating expenses				
6100	Marketing expenses	63,425	8	60,141	8
6200	General and administrative expenses	<u>216,734</u>	<u>28</u>	<u>197,017</u>	<u>28</u>
	Total operating expenses	<u>280,159</u>	<u>36</u>	<u>257,158</u>	<u>36</u>
	Net Income from operations	<u>122,007</u>	<u>17</u>	<u>95,043</u>	<u>14</u>
	Non-operating income and expenses				
7010	Other income	1,435	-	1,150	-
7020	Other gains and losses	147	-	2,219	-
7050	Finance costs	(1,839)	-	(2,142)	-
7060	Share of profit of associates accounted for using equity method	1,028	-	961	-
7100	Interest revenue	<u>2,554</u>	<u>-</u>	<u>1,145</u>	<u>-</u>
	Total non-operating income and expenses	<u>3,325</u>	<u>-</u>	<u>3,333</u>	<u>-</u>
7900	Income before income tax	125,332	17	98,376	14
7950	Income tax expense	<u>21,845</u>	<u>3</u>	<u>19,115</u>	<u>3</u>
8200	Net income for the year	<u>103,487</u>	<u>14</u>	<u>79,261</u>	<u>11</u>
8300	Other comprehensive income (loss)				
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating foreign operations	(<u>237</u>)	<u>-</u>	<u>5</u>	<u>-</u>
8500	Total comprehensive income for the year	<u>\$ 103,250</u>	<u>14</u>	<u>\$ 79,266</u>	<u>11</u>
	Net income (loss) attributable to:				
8610	Shareholders of the parent	\$ 103,644	14	\$ 78,704	11
8620	Non-controlling interests	(<u>157</u>)	<u>-</u>	<u>557</u>	<u>-</u>
		<u>\$ 103,487</u>	<u>14</u>	<u>\$ 79,261</u>	<u>11</u>
	Total comprehensive income (loss) attributable to:				
8710	Shareholders of the parent	\$ 103,502	14	\$ 78,709	11
8720	Non-controlling interests	(<u>252</u>)	<u>-</u>	<u>557</u>	<u>-</u>
		<u>\$ 103,250</u>	<u>14</u>	<u>\$ 79,266</u>	<u>11</u>
	Earnings per share (New Taiwan Dollars)				
9750	Basic earnings per share	<u>\$ 5.48</u>		<u>\$ 4.16</u>	
9850	Diluted earnings per share	<u>\$ 5.46</u>		<u>\$ 4.15</u>	

SUCCESS PRIME CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of the Company						Total equity attributable to owners of the Company	Non-controlling interests	Total Equity	
	Retained Earnings			Other Equity						
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange differences on translating foreign operations	Treasury Shares		
Balance at January 1, 2022	\$ 191,004	309,100	39,992	2,392	258,907	301,291	(2,522)	(12,406)	3,325	789,792
Net income for the year	-	-	-	-	78,704	78,704	-	-	557	79,261
Other comprehensive income (loss) for the year	-	-	-	-	-	-	5	-	-	5
Total comprehensive income (loss) for the year	-	-	-	-	78,704	78,704	5	-	557	79,266
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	4,621	-	(4,621)	-	-	-	-	-
Special reserve	-	-	-	130	(130)	-	-	-	-	-
Cash dividends of common shares	-	-	-	-	(41,629)	(41,629)	-	-	-	(41,629)
Cash dividends distributed from capital surplus	-	(15,138)	-	-	-	-	-	-	-	(15,138)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(156)	(156)	-	-	-	(156)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(1,265)	(1,265)
Balance at December 31, 2022	191,004	293,962	44,613	2,522	291,075	338,210	(2,517)	(12,406)	2,617	810,870
Net income for the year	-	-	-	-	103,644	103,644	-	-	(157)	103,487
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(142)	-	(95)	(237)
Total comprehensive income (loss) for the year	-	-	-	-	103,644	103,644	(142)	-	(252)	103,250
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	7,855	-	(7,855)	-	-	-	-	-
Special reserve	-	-	-	(5)	5	-	-	-	-	-
Cash dividends of common shares	-	-	-	-	(62,443)	(62,443)	-	-	-	(62,443)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	2,286	2,286
Balance at December 31, 2023	\$ 191,004	293,962	52,468	2,517	324,426	379,411	(2,659)	(12,406)	4,651	853,963

SUCCESS PRIME CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities		
Income before income tax	\$ 125,332	\$ 98,376
Adjustments for:		
Depreciation expense	72,305	70,162
Amortization expense	3,010	2,873
Finance costs	1,839	2,142
Interest income	(2,554)	(1,145)
Share of loss (profit) of associates accounted for using equity method	(1,028)	(961)
Net loss (gain) on foreign exchange	314	(1,297)
Decrease (increase) in cash surrender value of term life insurance	(164)	(2,185)
Gain on lease modification	(60)	(578)
Total adjustments to reconcile profit (loss)	<u>73,662</u>	<u>69,011</u>
Changes in operating assets and liabilities:		
Notes receivables	151	(112)
Accounts receivables	(534)	1,509
Accounts receivable from related parties	1,042	250
Other receivables	300	330
Inventories	(1,083)	531
Other current assets	553	512
Notes payable	(270)	(270)
Contract liabilities	39,976	32,124
Notes payables	(50)	(270)
Accounts payable	1,267	2,542
Accounts payable to related parties	(2)	53
Other payables	3,920	11,783
Other payables to related parties		
Provisions	-	(260)
Other current liabilities	<u>569</u>	<u>947</u>
Total changes in operating assets and liabilities	<u>46,004</u>	<u>50,044</u>
Cash generated from operations	244,998	217,431
Interest received	2,554	1,145
Interest paid	(1,839)	(2,142)
Income taxes paid	<u>(12,669)</u>	<u>(4,969)</u>
Net cash generated from operating activities	<u>233,044</u>	<u>211,465</u>

(Continued)

(Continued)

	2023	2022
Cash flows from investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(\$ 3,500)	(\$ 13,000)
Acquisition of financial assets at amortized cost	(230,674)	(75,269)
Disposal of financial assets at amortized cost	85,450	27,820
Acquisition of associates	-	(21,000)
Acquisition of property, plant and equipment	(4,798)	(19,517)
Increase in refundable deposits	(490)	(4,172)
Decrease in refundable deposits	1,433	4,674
Purchases of intangible assets	1,204	-
Dividends received	<u>2,173</u>	<u>-</u>
Net cash generated used in investing activities	(<u>151,610</u>)	(<u>100,134</u>)
Cash flows from financing activities		
Decrease in short-term loans	-	(10,000)
Repayments of lease liabilities	(55,188)	(53,827)
Issuance of cash dividends	(62,443)	(56,767)
Changes in non-controlling interests	<u>2,286</u>	(<u>1,265</u>)
Net cash used in financing activities	(<u>115,345</u>)	(<u>121,859</u>)
Effects of exchange rate changes on the balance of cash held in foreign currencies	(<u>294</u>)	<u>1,031</u>
Net decrease in cash and cash equivalents	(34,205)	(9,827)
Cash and cash equivalents at the beginning of the year	<u>217,894</u>	<u>227,721</u>
Cash and cash equivalents at the end of the year	<u>\$ 183,689</u>	<u>\$ 217,894</u>

(Attachment 4)

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, 2023 and 2022, 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, 2023 and 2022, 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 judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Investments impairment assessment using the equity method

Please refer to Note 4(7) "Summary of significant accounting policies – Investments using the equity method" and Note 4(8) "Summary of significant accounting policies – Investment subsidiary. For an explanation of the valuation of investments using the equity method, please refer to Note 6 (5) Investments using the equity method in the individual financial report.

Description of key audit matter:

Since the investment amount of Success Prime Corporation using the equity method accounts for 82% of the total assets and the amount is significant, the evaluation of investments using the equity method is listed as a key item in the accountant's review.

How the matter was addressed in our audit:

The accountant's main audit procedures for the above key audit matters include accounting for the company's recognition of investment gains and losses in the invested company based on the shareholding ratio; on-site inventory of long-term equity investment securities and related certificates; discussions with management and understanding of its investment in subsidiaries. Evaluate relevant important matters to understand the correctness of the recognition of education service income of these subsidiaries and the reasonableness of the assessment of impairment of goodwill and trademark rights; evaluate whether the management's disclosure of relevant information in the notes to the financial report is appropriate.

Other Matters

The individual financial report of Success Prime Corporation for the year 2022 was audited by other accountants, and an unqualified audit report was issued on March 14, 2023.

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

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

Those charged with governance (including the Audit Committee or supervisors) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chien-Hui Lu and An-Chih Cheng.

KPMG

Taipei, Taiwan (Republic of China)

March 8, 2024

(Expressed in Thousands of New Taiwan Dollars)

Total assets

Success Prime Corporation
Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue	\$ 233,042	100	221,762	100
5000	Operating costs	<u>177,629</u>	<u>76</u>	<u>169,320</u>	<u>76</u>
5950	Gross profit	<u>55,413</u>	<u>24</u>	<u>52,442</u>	<u>24</u>
	Operating expenses				
6100	Marketing expenses	230	-	1,143	1
6200	General and administrative expenses	<u>24,426</u>	<u>11</u>	<u>20,838</u>	<u>9</u>
	Total operating expenses	<u>24,656</u>	<u>11</u>	<u>21,981</u>	<u>10</u>
6900	Net Income from operations	<u>30,757</u>	<u>13</u>	<u>30,461</u>	<u>14</u>
	Non-operating income and expenses				
7010	Other income	952	-	986	-
7050	Finance costs	(90)	-	(204)	-
7070	Share of profit of associates accounted for using equity method	78,365	34	53,305	24
7100	Interest revenue	<u>495</u>	<u>-</u>	<u>95</u>	<u>-</u>
		<u>79,722</u>	<u>34</u>	<u>54,182</u>	<u>24</u>
7900	Income before income tax	110,479	47	84,643	38
7950	Income tax expense	<u>6,835</u>	<u>3</u>	<u>5,939</u>	<u>3</u>
8200	Net income for the year	<u>103,644</u>	<u>44</u>	<u>78,704</u>	<u>35</u>
8300	Other comprehensive income (loss)				
8360	Items that may be reclassified subsequently to profit or loss				
	Exchange differences on translating foreign operations	<u>(142)</u>	<u>-</u>	<u>5</u>	<u>-</u>
8500	Total comprehensive income for the year	<u>\$ 103,502</u>	<u>44</u>	<u>78,709</u>	<u>35</u>
	Earnings per share (New Taiwan Dollars)				
9750	Basic earnings per share	<u>\$ 5.48</u>		<u>4.16</u>	
9850	Diluted earnings per share	<u>\$ 5.46</u>		<u>4.15</u>	

Success Prime Corporation
Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Retained Earnings					Other Equity			
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange differences on translating foreign operations	Treasury Shares	Total Equity
Balance at January 1, 2022	\$ 191,004	309,100	39,992	2,392	258,907	301,291	(2,522)	(12,406)	786,467
Net income for the year	-	-	-	-	78,704	78,704	-	-	78,704
Other comprehensive income (loss) for the year	-	-	-	-	-	-	5	-	5
Total comprehensive income (loss) for the year	-	-	-	-	78,704	78,704	5	-	78,709
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	4,621	-	(4,621)	-	-	-	-
Special reserve	-	-	-	130	(130)	-	-	-	-
Cash dividends of common shares	-	-	-	-	(41,629)	(41,629)	-	-	(41,629)
Cash dividends distributed from capital surplus	-	(15,138)	-	-	-	-	-	-	(15,138)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(156)	(156)	-	-	(156)
Balance at December 31, 2022	191,004	293,962	44,613	2,522	291,075	338,210	(2,517)	(12,406)	808,253
Net income for the year	-	-	-	-	103,644	103,644	-	-	103,644
Other comprehensive income (loss) for the year	-	-	-	-	-	-	(142)	-	(142)
Total comprehensive income (loss) for the year	-	-	-	-	103,644	103,644	(142)	-	103,502
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	7,855	-	(7,855)	-	-	-	-
Special reserve	-	-	-	(5)	5	-	-	-	-
Cash dividends of common shares	-	-	-	-	(62,443)	(62,443)	-	-	(62,443)
Balance at December 31, 2023	\$ 191,004	293,962	52,468	2,517	324,426	379,411	(2,659)	(12,406)	849,312

Success Prime Corporation

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Income before income tax	\$ 110,479	84,643
Adjustments to reconcile profit (loss):		
Depreciation expense	157	157
Amortization expense	135	44
Finance costs	90	204
Interest income	(495)	(95)
Share of loss (profit) of associates accounted for using equity method	(78,365)	(53,305)
Total adjustments to reconcile profit (loss)	(78,478)	(52,995)
Changes in operating assets and liabilities:		
Accounts receivables	(647)	(724)
Accounts receivables- related parties	(257)	(682)
Other current assets	236	(342)
Contract liabilities	952	-
Accounts payable	229	742
Accounts payable- related parties	(7)	(25)
Other payables	3,545	2,513
Other current liabilities	22	43
Total changes in operating assets and liabilities	4,073	1,525
Cash generated from operations	36,074	33,173
Interest received	495	95
Interest paid	(90)	(204)
Income taxes paid	(20)	-
Net cash generated from operating activities	36,459	33,064
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(3,500)	(13,000)
Acquisition of financial assets at amortized cost	(90,770)	(4,900)
Disposal of financial assets at amortized cost	21,760	9,800
Acquisition of associates	-	(21,000)
Net cash inflow on disposal of subsidiary	-	1,357
Invested companies using the equity method reduce capital and return shares	57,000	-
Increase in refundable deposits	(6)	-
Purchases of intangible assets	(608)	-
Dividends received from subsidiaries	68,401	25,869
Net cash generated from/(used in) investing activities	52,277	(1,874)
Cash flows from financing activities:		
Decrease in short-term loans	-	(10,000)
Increase other payables- related parties	-	20,000
Decrease other payables- related parties	(20,000)	-
Cash dividends paid	(62,443)	(56,767)
Net cash used in financing activities	(82,443)	(46,767)
Net increase (decrease) in cash and cash equivalents	6,293	(15,577)
Cash and cash equivalents at beginning of period	10,284	25,861
Cash and cash equivalents at end of period	\$ 16,577	10,284

(Attachment 5)

Success Prime Corporation
Distribution of Earnings
For the Year Ended December 31, 2023

Unit: NT\$

Items	Amount
Unappropriated retained earnings - Beginning of year	220,780,918
Net Income of 2023	103,643,564
Appropriated for 10% Legal Reserve	(10,364,356)
Appropriated for special surplus reserve	(141,905)
Retained earnings available for distribution	313,918,221
Distribution Item	
Cash Dividends (NT\$ 4.68)	(88,557,019)
Unappropriated retained earnings	225,361,202

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

(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
Shareholdings of All Directors

As of April 15, 2024

Title	Name		Current shareholding	
			Number of shares	Percentage (%)
Chairman	Shu-Ling Tseng		1,441,728	7.55 %
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	140,000	0.73 %
Corporate Director	Bash Consultant Inc.		1,890,039	9.90 %
	Representative	Yen-Shuen Chen	216,000	1.13 %
	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 %
Independent Director	Chih-Chieh Tsai		0	0 %

Notes;

1. Total shares issued as of April 15, 2024 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 15, 2024, SPC's Directors and Representative Directors together held total 6,151,806 shares.
4. As SPC has established the audit committee, the minimum shareholding requirements for supervisors do not apply.