

**WORLD GYM CORPORATION (FORMERLY
WORLD FITNESS SERVICES LTD.) AND
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT**

MARCH 31, 2026 AND 2025

For the convenience of readers and for information purpose only, the 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. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

WORLD GYM CORPORATION (FORMERLY WORLD FITNESS SERVICES LTD.)
AND SUBSIDIARIES
MARCH 31, 2026 AND 2025 CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
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INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR25000243

To the Board of Directors and Shareholders of World Gym Corporation.

Introduction

We have reviewed the accompanying consolidated balance sheets of World Gym Corporation and subsidiaries (the "Group") as at March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410 "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Lai, Chih-Wei

Hsu, Chien-Yeh

For and on behalf of PricewaterhouseCoopers, Taiwan

May 13, 2026

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

WORLD GYM CORPORATION (FORMERLY WORLD FITNESS SERVICES LTD.) AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(Expressed in thousands of New Taiwan dollars)

| Assets | Notes | March 31, 2026 | | December 31, 2025 | | March 31, 2025 | | |
|---------------------------|---|----------------------|----------------------|-------------------|----------------------|----------------|----------------------|------------|
| | | AMOUNT | % | AMOUNT | % | AMOUNT | % | |
| Current assets | | | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) and 12(2) | \$ 945,155 | 5 | \$ 1,006,860 | 5 | \$ 781,161 | 4 |
| 1136 | Current financial assets at amortised cost | 6(2), 8 and 12(2) | 606,860 | 4 | 656,987 | 4 | 635,112 | 4 |
| 1170 | Accounts receivable, net | 6(3) and 12(2) | 52,548 | - | 50,962 | - | 191,151 | 1 |
| 1197 | Finance lease receivable, net | 6(3)(7) and 12(2) | 22,909 | - | 22,769 | - | 22,452 | - |
| 1200 | Other receivables | 12(2) | 5,190 | - | 5,868 | - | 5,810 | - |
| 1210 | Other receivables - related parties | 7(2) and 12(2) | 143 | - | 245 | - | 155 | - |
| 130X | Inventories | | 31,665 | - | 28,232 | - | 23,855 | - |
| 1410 | Prepayments | | 102,848 | 1 | 95,937 | 1 | 112,252 | 1 |
| 1470 | Other current assets | | 764 | - | 1,011 | - | 3,133 | - |
| 11XX | Current Assets | | <u>1,768,082</u> | <u>10</u> | <u>1,868,871</u> | <u>10</u> | <u>1,775,081</u> | <u>10</u> |
| Non-current assets | | | | | | | | |
| 1535 | Non-current financial assets at amortised cost | 6(2), 8 and 12(2) | 20,213 | - | 20,213 | - | 20,194 | - |
| 1550 | Investments accounted for under equity method | 6(4) | 1,947 | - | 2,974 | - | 5,622 | - |
| 1600 | Property, plant and equipment, net | 6(5) | 5,967,028 | 32 | 6,071,818 | 33 | 6,141,737 | 34 |
| 1755 | Right-of-use assets | 6(6) | 9,430,784 | 51 | 9,599,135 | 51 | 9,090,598 | 50 |
| 1780 | Intangible assets | 6(8) | 461,715 | 3 | 449,781 | 2 | 459,493 | 2 |
| 1840 | Deferred income tax assets | | 202,727 | 1 | 189,812 | 1 | 166,896 | 1 |
| 1920 | Guarantee deposits paid | 12(2) | 442,889 | 2 | 433,404 | 2 | 421,025 | 2 |
| 194D | Long-term finance lease receivable, net | 6(3)(7) and 12(2) | 93,625 | 1 | 99,417 | 1 | 116,534 | 1 |
| 15XX | Non-current assets | | <u>16,620,928</u> | <u>90</u> | <u>16,866,554</u> | <u>90</u> | <u>16,422,099</u> | <u>90</u> |
| 1XXX | Total assets | | <u>\$ 18,389,010</u> | <u>100</u> | <u>\$ 18,735,425</u> | <u>100</u> | <u>\$ 18,197,180</u> | <u>100</u> |

(Continued)

WORLD GYM CORPORATION (FORMERLY WORLD FITNESS SERVICES LTD.) AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(Expressed in thousands of New Taiwan dollars)

| Liabilities and Equity | Notes | March 31, 2026 | | December 31, 2025 | | March 31, 2025 | | |
|--|--|-----------------|----------------------|-------------------|----------------------|----------------|----------------------|------------|
| | | AMOUNT | % | AMOUNT | % | AMOUNT | % | |
| Current liabilities | | | | | | | | |
| 2100 | Short-term borrowings | 6(9) and 12(2) | \$ 399,900 | 2 | \$ 799,900 | 4 | \$ 799,900 | 4 |
| 2130 | Current contract liabilities | 6(18) | 2,551,858 | 14 | 2,515,095 | 13 | 2,261,329 | 13 |
| 2150 | Notes payable | 12(2) | 3,708 | - | 926 | - | 1,875 | - |
| 2170 | Accounts payable | 12(2) | 7,770 | - | 9,920 | - | 1,125 | - |
| 2200 | Other payables | 6(10) and 12(2) | 1,454,371 | 8 | 1,101,267 | 6 | 1,225,196 | 7 |
| 2220 | Other payables to related parties | 7(2) and 12(2) | 28 | - | 24 | - | 22 | - |
| 2230 | Current income tax liabilities | | 169,469 | 1 | 107,997 | 1 | 51,978 | - |
| 2280 | Current lease liabilities | 6(27) and 12(2) | 1,356,655 | 7 | 1,499,657 | 8 | 1,270,409 | 7 |
| 2320 | Long-term borrowings, current portion | 6(11) and 12(2) | 120,000 | 1 | 120,000 | 1 | 60,000 | - |
| 2399 | Other current liabilities | 6(12) and 12(2) | 111,744 | - | 107,768 | 1 | 116,690 | 1 |
| 21XX | Current Liabilities | | <u>6,175,503</u> | <u>33</u> | <u>6,262,554</u> | <u>34</u> | <u>5,788,524</u> | <u>32</u> |
| Non-current liabilities | | | | | | | | |
| 2527 | Non-current contract liabilities | 6(18) | 501,710 | 3 | 517,986 | 3 | 580,203 | 3 |
| 2540 | Long-term borrowings | 6(11) and 12(2) | 210,000 | 1 | 240,000 | 1 | 75,000 | - |
| 2550 | Provisions for liabilities - non-current | 6(14) | 194,000 | 1 | 192,000 | 1 | 186,000 | 1 |
| 2570 | Deferred income tax liabilities | | 36,615 | - | 36,936 | - | 37,918 | - |
| 2580 | Non-current lease liabilities | 6(27) and 12(2) | 8,511,989 | 46 | 8,505,084 | 45 | 8,286,006 | 46 |
| 2600 | Other non-current liabilities | 6(12) and 12(2) | 92,737 | 1 | 88,270 | 1 | 97,766 | 1 |
| 25XX | Non-current liabilities | | <u>9,547,051</u> | <u>52</u> | <u>9,580,276</u> | <u>51</u> | <u>9,262,893</u> | <u>51</u> |
| 2XXX | Total Liabilities | | <u>15,722,554</u> | <u>85</u> | <u>15,842,830</u> | <u>85</u> | <u>15,051,417</u> | <u>83</u> |
| Equity | | | | | | | | |
| Share capital | | | | | | | | |
| 3110 | Share capital - common stock | 6(15) | 1,125,000 | 6 | 1,125,000 | 6 | 1,125,000 | 6 |
| Capital surplus | | | | | | | | |
| 3200 | Capital surplus | 6(16) | 1,538,291 | 9 | 1,837,117 | 10 | 2,170,501 | 12 |
| Retained earnings | | | | | | | | |
| 3310 | Legal reserve | 6(17) | 111,040 | 1 | 94,351 | - | 64,081 | - |
| 3320 | Special reserve | | 17,000 | - | 17,000 | - | - | - |
| 3350 | Unappropriated retained earnings | | 219,155 | 1 | 166,896 | 1 | 124,448 | 1 |
| Other equity | | | | | | | | |
| 3400 | Other equity interest | | 186 | - | (3,553) | - | 5,949 | - |
| 3500 | Treasury shares | 6(15) | (344,216) | (2) | (344,216) | (2) | (344,216) | (2) |
| 3XXX | Total equity | | <u>2,666,456</u> | <u>15</u> | <u>2,892,595</u> | <u>15</u> | <u>3,145,763</u> | <u>17</u> |
| Significant contingent liabilities and unrecognised contract commitments | | | | | | | | |
| Significant events after the balance sheet date | | | | | | | | |
| 3X2X | Total liabilities and equity | | <u>\$ 18,389,010</u> | <u>100</u> | <u>\$ 18,735,425</u> | <u>100</u> | <u>\$ 18,197,180</u> | <u>100</u> |

The accompanying notes are an integral part of these consolidated financial statements.

WORLD GYM CORPORATION (FORMERLY WORLD FITNESS SERVICES LTD.) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025

(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

| Items | Notes | Three months ended March 31 | | | | |
|-------|---|-----------------------------|--------------|--------|--------------|-------|
| | | 2026 | | 2025 | | |
| | | AMOUNT | % | AMOUNT | % | |
| 4000 | Operating revenue | 6(18) | \$ 2,811,384 | 100 | \$ 2,570,357 | 100 |
| 5000 | Operating costs | 6(23) | (2,199,038) | (78) | (2,170,679) | (85) |
| 5900 | Net operating margin | | 612,346 | 22 | 399,678 | 15 |
| | Operating expenses | 6(23) | | | | |
| 6100 | Selling expenses | | (22,485) | (1) | (42,367) | (2) |
| 6200 | General and administrative expenses | | (289,316) | (10) | (263,030) | (10) |
| 6000 | Total operating expenses | | (311,801) | (11) | (305,397) | (12) |
| 6900 | Operating profit | | 300,545 | 11 | 94,281 | 3 |
| | Non-operating income and expenses | | | | | |
| 7100 | Interest income | 6(19) | 4,476 | - | 4,521 | - |
| 7010 | Other income | 6(20) and 7(2) | 20,016 | 1 | 20,329 | 1 |
| 7020 | Other gains and losses | 6(21) | 3,777 | - | (694) | - |
| 7050 | Finance costs | 6(22) | (59,065) | (2) | (54,354) | (2) |
| 7060 | Share of loss of associates and joint ventures accounted for under equity method | 6(4) | (1,027) | - | (1,967) | - |
| 7000 | Total non-operating income and expenses | | (31,823) | (1) | (32,165) | (1) |
| 7900 | Profit before income tax | | 268,722 | 10 | 62,116 | 2 |
| 7950 | Income tax expense | 6(24) | (49,567) | (2) | (12,835) | - |
| 8200 | Profit for the period | | \$ 219,155 | 8 | \$ 49,281 | 2 |
| | Other comprehensive income | | | | | |
| | Components of other comprehensive income that will be reclassified to profit or loss | | | | | |
| 8361 | Financial statements translation differences of foreign operations | | \$ 3,739 | - | \$ 2,051 | - |
| 8300 | Other comprehensive income for the period | | \$ 3,739 | - | \$ 2,051 | - |
| 8500 | Total comprehensive income for the period | | \$ 222,894 | 8 | \$ 51,332 | 2 |
| | Earnings per share | 6(25) | | | | |
| 9750 | Basic earnings per share | | \$ 2.01 | | \$ 0.45 | |
| 9850 | Diluted earnings per share | | \$ 2.00 | | \$ 0.45 | |

The accompanying notes are an integral part of these consolidated financial statements.

WORLD GYM CORPORATION (FORMERLY WORLD FITNESS SERVICES LTD.) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

| Notes | Equity attributable to owners of the parent | | | | | | | Total equity |
|---|---|---|---------------|-------------------|----------------------------------|---|-----------------|--------------|
| | Share capital - common stock | Capital surplus, additional paid-in capital | Legal reserve | Retained Earnings | | Other Equity | Treasury shares | |
| | | | | Special reserve | Unappropriated retained earnings | Exchange differences on translation of foreign financial statements | | |
| Three-month period ended March 31, 2025 | | | | | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | (\$) | \$ |
| Balance at January 1, 2025 | 1,125,000 | 2,170,501 | 64,081 | - | 75,167 | 3,898 | (304,796) | 3,133,851 |
| Profit for the period | - | - | - | - | 49,281 | - | - | 49,281 |
| Other comprehensive income | - | - | - | - | - | 2,051 | - | 2,051 |
| Total comprehensive income | - | - | - | - | 49,281 | 2,051 | - | 51,332 |
| Treasury shares acquired | 6(15) | - | - | - | - | - | (39,420) | (39,420) |
| Balance at March 31, 2025 | \$ 1,125,000 | \$ 2,170,501 | \$ 64,081 | \$ - | \$ 124,448 | \$ 5,949 | (\$ 344,216) | \$ 3,145,763 |
| Three-month period ended March 31, 2026 | | | | | | | | |
| Balance at January 1, 2026 | \$ 1,125,000 | \$ 1,837,117 | \$ 94,351 | \$ 17,000 | \$ 166,896 | (\$ 3,553) | (\$ 344,216) | \$ 2,892,595 |
| Profit for the period | - | - | - | - | 219,155 | - | - | 219,155 |
| Other comprehensive income | - | - | - | - | - | 3,739 | - | 3,739 |
| Total comprehensive income | - | - | - | - | 219,155 | 3,739 | - | 222,894 |
| Appropriations and distribution of 2025 earnings: | | | | | | | | |
| Legal reserve | - | - | 16,689 | - | (16,689) | - | - | - |
| Cash dividends | 6(17) | - | - | - | (150,207) | - | - | (150,207) |
| Cash dividends from capital surplus | 6(16) | (298,826) | - | - | - | - | - | (298,826) |
| Balance at March 31, 2026 | \$ 1,125,000 | \$ 1,538,291 | \$ 111,040 | \$ 17,000 | \$ 219,155 | \$ 186 | (\$ 344,216) | \$ 2,666,456 |

The accompanying notes are an integral part of these consolidated financial statements.

WORLD GYM CORPORATION (FORMERLY WORLD FITNESS SERVICES LTD.) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

| | Notes | Three-month periods ended March 31 | |
|--|----------|------------------------------------|----------------|
| | | 2026 | 2025 |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | | |
| Profit before tax | | \$ 268,722 | \$ 62,116 |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Depreciation | 6(5)(23) | 228,266 | 231,885 |
| Depreciation for right-of-use assets | 6(6)(23) | 360,808 | 344,505 |
| Amortization expense | 6(8)(23) | 7,093 | 5,466 |
| Interest expense | 6(22) | 8,329 | 6,861 |
| Interest expense for lease liabilities | 6(6)(22) | 50,736 | 47,493 |
| Interest income | | (4,476) | (4,521) |
| Share of loss of associates and joint ventures accounted for under equity method | 6(4) | 1,027 | 1,967 |
| Gain on disposal of property, plant and equipment | 6(21) | (17) | (9) |
| Gain on lease modification | 6(21) | (3,784) | - |
| Impairment loss on non-financial assets | | 95 | 156 |
| Unrealised net gain on foreign currency exchange | | (71) | (2) |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Accounts receivable, net | | (1,586) | (123,494) |
| Finance lease receivable, net | | 6,204 | 6,139 |
| Other receivables | | 678 | 550 |
| Other receivables - related parties | | 102 | (16) |
| Inventories | | (3,528) | (2,318) |
| Prepayments | | (6,910) | 7,189 |
| Other current assets | | 246 | 600 |
| Changes in operating liabilities | | | |
| Contract liabilities | | 20,487 | 101,927 |
| Notes payable | | 2,782 | (1,302) |
| Accounts payable, net | | (2,150) | 382 |
| Other payables | | (60,676) | (2,514) |
| Other payables to related parties | | 4 | (18) |
| Other current liabilities | | 2,029 | (1,360) |
| Cash inflow generated from operations | | 874,410 | 681,682 |
| Interest received | | 1,278 | 1,214 |
| Interest paid | | (58,323) | (54,306) |
| Income tax paid | | (1,330) | (896) |
| Net cash flows from operating activities | | <u>816,035</u> | <u>627,694</u> |

(Continued)

WORLD GYM CORPORATION (FORMERLY WORLD FITNESS SERVICES LTD.) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

| | Notes | Three-month periods ended March 31 | |
|---|-------|------------------------------------|--------------------|
| | | 2026 | 2025 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | |
| Acquisition of property, plant and equipment | 6(26) | (\$ 148,463) | (\$ 353,981) |
| Proceeds from disposal of property, plant and equipment | | 17 | 13 |
| Decrease (increase) in financial assets at amortised cost | | 50,127 | (35,883) |
| Acquisition of intangible assets | 6(8) | (15,973) | (16,141) |
| Increase in guarantee deposits paid | | (14,668) | (4,066) |
| Decrease in guarantee deposits paid | | <u>7,180</u> | <u>6,389</u> |
| Net cash flows used in investing activities | | <u>(121,780)</u> | <u>(403,669)</u> |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | | |
| Decrease in short-term borrowings | 6(27) | (400,000) | - |
| Increase in short-term borrowings | 6(27) | - | 400,000 |
| Repayment of long-term borrowings | 6(27) | (30,000) | (15,000) |
| Repayment of the principal portion of lease liabilities | 6(27) | (327,331) | (325,542) |
| Increase in guarantee deposits received | 6(27) | 1,000 | - |
| Cash dividends paid (distribution of cash from capital surplus) | 6(26) | (326) | (32,349) |
| Purchase of treasury shares | 6(15) | <u>-</u> | <u>(39,420)</u> |
| Net cash flows used in financing activities | | <u>(756,657)</u> | <u>(12,311)</u> |
| Effect of exchange rate changes on cash and cash equivalents | | <u>697</u> | <u>(214)</u> |
| Net (decrease) increase in cash and cash equivalents | | (61,705) | 211,500 |
| Cash and cash equivalents at beginning of period | | <u>1,006,860</u> | <u>569,661</u> |
| Cash and cash equivalents at end of period | | <u>\$ 945,155</u> | <u>\$ 781,161</u> |

The accompanying notes are an integral part of these consolidated financial statements.

WORLD GYM CORPORATION (FORMERLY WORLD FITNESS SERVICES LTD.) AND
SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

World Gym Corporation (the “Company”) was originally named WORLD FITNESS SERVICES LTD., but the shareholders' meeting on May 23, 2025 passed a resolution to change the Company’s name to “World Gym Corporation” The Company was incorporated in the Cayman Islands on November 21, 2013. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the physical fitness, sports and sauna business.

2. The Date of Authorisation for Issuance of the Consolidated Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorized for issuance by the Board of Directors on May 13, 2026.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2026 are as follows:

| <u>New Standards, Interpretations and Amendments</u> | <u>Effective date by International Accounting Standards Board</u> |
|---|---|
| Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’ | January 1, 2026 |
| Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’ | January 1, 2026 |
| IFRS 17, ‘Insurance contracts’ | January 1, 2023 |
| Amendments to IFRS 17, ‘Insurance contracts’ | January 1, 2023 |
| Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’ | January 1, 2023 |
| Annual Improvements to IFRS Accounting Standards—Volume 11 | January 1, 2026 |

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

None

IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

| <u>New Standards, Interpretations and Amendments</u> | <u>Effective date by International Accounting Standards Board</u> |
|---|---|
| Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture' | To be determined by International Accounting Standards Board |
| IFRS 18, 'Presentation and disclosure in financial statements' | January 1, 2027 (Note) |
| IFRS 19, 'Subsidiaries without public accountability: disclosures' | January 1, 2027 |
| Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency' | January 1, 2027 |

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment. The quantitative impact will be disclosed when the assessment is complete.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2025, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.

B. These consolidated financial statements are to be read in conjunction with the consolidated

financial statements for the year ended December 31, 2025.

(2) Basis of preparation

- A. The consolidated financial statements have been prepared under the historical cost convention.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:

Basis for preparation of these consolidated financial statements is the same as that for the preparation of the consolidated financial statements as of and for the year ended December 31, 2025.

- B. Subsidiaries included in the consolidated financial statements:

| Name of investor | Name of subsidiary | Main business activities | Ownership(%) | | | Description |
|-------------------------------|-------------------------------|--|----------------|-------------------|----------------|-------------|
| | | | March 31, 2026 | December 31, 2025 | March 31, 2025 | |
| WORLD GYM CORPORATION | WORLD FITNESS ASIA LIMITED | Physical fitness, sports and sauna business | 100 | 100 | 100 | |
| WORLD GYM CORPORATION | WG Franchise Management Corp. | Fitness brand trademark management | 100 | 100 | 100 | Note 1 |
| WORLD GYM CORPORATION | World Gym International, LLC | Trademark licensing service for fitness brands | 99.9 | 99.9 | 99.9 | Note 2 |
| WG Franchise Management Corp. | World Gym International, LLC | Trademark licensing service for fitness brands | 0.1 | 0.1 | 0.1 | Note 2 |

Note 1: The Company was registered in the United States on August 21, 2024, and the board of directors of the Company resolved to transfer ownership to WORLD GYM CORPORATION.

Note 2: On October 28, 2024, the Group acquired 100% of the equity of World Gym International, LLC for USD 9 million. After the acquisition, WORLD GYM CORPORATION and WG Franchise Management Corp. hold 99.9% and 0.1% respectively of the equity of World Gym International, LLC.

- C. Subsidiaries not included in the consolidated financial statements:

None.

- D. Adjustments for subsidiaries with different balance sheet dates:

None.

E. Significant restrictions:

None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

None.

(4) Income tax

A. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

B. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

There have been no significant changes as of March 31, 2026. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2025.

6. Details of Significant Accounts

(1) Cash and cash equivalents

| | <u>March 31, 2026</u> | <u>December 31, 2025</u> | <u>March 31, 2025</u> |
|---------------------------------------|-----------------------|--------------------------|-----------------------|
| Cash on hand and revolving funds | \$ 10,897 | \$ 10,988 | \$ 9,655 |
| Cash in transit | 227,594 | - | - |
| Checking accounts and demand deposits | 706,664 | 995,872 | 771,506 |
| | <u>\$ 945,155</u> | <u>\$ 1,006,860</u> | <u>\$ 781,161</u> |

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has reclassified pledged time deposits, reserved trust account, and time deposits maturing in excess of three months to 'financial assets at amortised cost'. Please refer to Note 6(2) for details.

(2) Financial assets at amortised cost

| <u>Items</u> | <u>March 31, 2026</u> | <u>December 31, 2025</u> | <u>March 31, 2025</u> |
|--|-----------------------|--------------------------|-----------------------|
| Current items: | | | |
| Reserved trust account | <u>606,860</u> | <u>656,987</u> | <u>635,112</u> |
| Non-current items: | | | |
| Reserved time deposits pledged as collateral | <u>\$ 20,213</u> | <u>\$ 20,213</u> | <u>\$ 20,194</u> |

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

| | <u>Three-month period ended March 31, 2026</u> | <u>Three-month period ended March 31, 2025</u> |
|-----------------|--|--|
| Interest income | \$ 1,117 | \$ 1,040 |

B. As of March 31, 2026, December 31, 2025 and March 31, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was its book value.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(3) Notes and accounts receivable

| | <u>March 31, 2026</u> | <u>March 31, 2026</u> | <u>March 31, 2025</u> |
|--|-----------------------|-----------------------|-----------------------|
| Accounts receivable | \$ 52,548 | \$ 50,962 | \$ 191,445 |
| Less: Loss allowance | <u>-</u> | <u>-</u> | <u>(294)</u> |
| | <u>\$ 52,548</u> | <u>\$ 50,962</u> | <u>\$ 191,151</u> |
| Finance lease payments receivable | \$ 24,848 | \$ 24,815 | \$ 24,814 |
| Long-term finance lease payments receivable | 97,171 | 103,408 | 122,019 |
| Less: Unearned finance income of finance lease | (1,939) | (2,046) | (2,362) |
| Less: Unearned finance income of long-term finance lease | <u>(3,546)</u> | <u>(3,991)</u> | <u>(5,485)</u> |
| | <u>\$ 116,534</u> | <u>\$ 122,186</u> | <u>\$ 138,986</u> |

A. The aging analysis of accounts receivable that were past due but not impaired is as follows:

| | <u>March 31, 2026</u> | <u>December 31, 2025</u> | <u>March 31, 2025</u> |
|---------------|----------------------------|----------------------------|----------------------------|
| | <u>Accounts receivable</u> | <u>Accounts receivable</u> | <u>Accounts receivable</u> |
| Not past due | \$ 52,285 | \$ 48,969 | \$ 191,151 |
| Up to 30 days | 86 | 1,931 | - |
| 31 to 60 days | 177 | 46 | - |
| 61 to 90 days | - | - | - |
| 91-180 days | - | 16 | - |
| | <u>\$ 52,548</u> | <u>\$ 50,962</u> | <u>\$ 191,151</u> |

The above aging analysis was based on past due date.

B. As at March 31, 2026, December 31, 2025 and March 31, 2025, accounts receivable mainly comprised of receivables from credit card companies who collected payment for the customers' purchase of workout area services and coaching course services. And as of January 1, 2025, the balance of receivables from credit card payment amounted to \$67,657.

C. As at March 31, 2026, December 31, 2025 and March 31, 2025, without taking into account any

collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was \$52,548, \$50,962 and \$191,151, respectively.

D. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

E. Information relating to finance lease payments receivable is provided in Note 6(7).

(4) Investments accounted for under equity method

The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

As at March 31, 2026, December 31, 2025 and March 31, 2025, the carrying amount of the Group's individually immaterial associates amounted to \$1,947, \$2,974 and \$5,622, respectively.

| | Three-month period ended March 31, 2026 | Three-month period ended March 31, 2025 |
|--|--|--|
| Loss for the period from continuing operations | (\$ 1,027) | (\$ 1,967) |
| Loss for the period from discontinued operations | - | - |
| Other comprehensive income, net of tax | - | - |
| Total comprehensive loss | <u>(\$ 1,027)</u> | <u>(\$ 1,967)</u> |
| Dividend received from the associates | <u>\$ -</u> | <u>\$ -</u> |

(5) Property, plant and equipment, net

| | Three-month period ended March 31, 2026 | | | | | | |
|--|---|---------------------|-------------------|------------------|--------------------------|---------------------------------|-----------------------|
| | <u>Beginning of period</u> | <u>Additions</u> | <u>Disposals</u> | <u>Transfers</u> | <u>Reclassifications</u> | <u>Net exchange differences</u> | <u>End of period</u> |
| Cost | | | | | | | |
| Building and structures | \$ 7,608 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 7,608 |
| Fitness equipment | 2,026,143 | 12,930 | (1,714) | 4,487 | - | 204 | 2,042,050 |
| Leasehold improvements | 11,618,678 | 79,729 | - | 22,788 | - | - | 11,721,195 |
| Unfinished construction and equipment under acceptance | 103,913 | 30,757 | - | (27,275) | - | - | 107,395 |
| | <u>\$ 13,756,342</u> | <u>\$ 123,416</u> | <u>(\$ 1,714)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 204</u> | <u>\$ 13,878,248</u> |
| Accumulated depreciation | | | | | | | |
| Building and structures | (\$ 571) | (\$ 190) | \$ - | \$ - | \$ - | \$ - | (\$ 761) |
| Fitness equipment | (1,613,327) | (38,629) | 1,714 | - | - | (144) | (1,650,386) |
| Leasehold improvements | (6,070,626) | (189,447) | - | - | - | - | (6,260,073) |
| | <u>(\$ 7,684,524)</u> | <u>(\$ 228,266)</u> | <u>\$ 1,714</u> | <u>\$ -</u> | <u>\$ -</u> | <u>(\$ 144)</u> | <u>(\$ 7,911,220)</u> |
| | <u>\$ 6,071,818</u> | | | | | | <u>\$ 5,967,028</u> |

Three-month period ended March 31, 2025

| | <u>Beginning of period</u> | <u>Additions</u> | <u>Disposals</u> | <u>Transfers</u> | <u>Reclassifications</u> | <u>Net exchange differences</u> | <u>End of period</u> |
|--|----------------------------|---------------------|-------------------|------------------|--------------------------|-------------------------------------|-----------------------|
| Cost | | | | | | | |
| Fitness equipment | \$ 1,907,607 | \$ 26,597 | (\$ 2,248) | \$ 37,781 | \$ - | \$ 152 | \$ 1,969,889 |
| Leasehold improvements | 10,698,832 | 256,552 | - | 94,344 | - | - | \$ 11,049,728 |
| Unfinished construction and equipment under acceptance | 212,503 | 58,682 | - | (132,125) | - | - | 139,060 |
| | <u>\$ 12,818,942</u> | <u>\$ 341,831</u> | <u>(\$ 2,248)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 152</u> | <u>\$ 13,158,677</u> |
| Accumulated depreciation | | | | | | | |
| Fitness equipment | (\$ 1,469,298) | (\$ 44,003) | \$ 2,244 | \$ - | \$ - | (\$ 72) | (\$ 1,511,129) |
| Leasehold improvements | (5,317,929) | (187,882) | - | - | - | - | (5,505,811) |
| | <u>(\$ 6,787,227)</u> | <u>(\$ 231,885)</u> | <u>\$ 2,244</u> | <u>\$ -</u> | <u>\$ -</u> | <u>(\$ 72)</u> | <u>(\$ 7,016,940)</u> |
| | <u>\$ 6,031,715</u> | | | | | | <u>\$ 6,141,737</u> |

- A. The aforementioned property, plant and equipment are all for own use.
- B. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(6) Leasing arrangements – lessee

- A. The Group leases various assets including land and buildings. Rental contracts are typically made for periods of 2 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes. In addition, according to the operating lease agreement, the Group bears dismantling, removing the asset and restoring the site obligations for certain property, plant and equipment in the future. Please refer to Note 6 (14) for the relevant decommissioning liabilities.
- B. Short-term leases with a lease term of 12 months or less comprise office equipment and advertising board.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

| | <u>March 31, 2026</u> | <u>December 31, 2025</u> | <u>March 31, 2025</u> |
|-----------|-----------------------|--------------------------|-----------------------|
| | <u>Book Value</u> | <u>Book Value</u> | <u>Book Value</u> |
| Land | \$ 674,519 | \$ 687,203 | \$ 646,859 |
| Buildings | 8,756,265 | 8,911,932 | 8,443,739 |
| | <u>\$ 9,430,784</u> | <u>\$ 9,599,135</u> | <u>\$ 9,090,598</u> |

| | <u>Three-month period ended March 31, 2026</u> | <u>Three-month period ended March 31, 2025</u> |
|-----------|--|--|
| | <u>Depreciation expense</u> | <u>Depreciation expense</u> |
| Land | \$ 12,683 | \$ 11,699 |
| Buildings | 348,125 | 332,806 |
| | <u>\$ 360,808</u> | <u>\$ 344,505</u> |

- D. For the three-month periods ended March 31, 2026 and 2025, the additions to right-of-use assets amounted to \$373,645 and \$701,541, respectively.
- E. Information on profit or loss in relation to lease contracts is as follows:

| | <u>Three-month period ended March 31, 2026</u> | <u>Three-month period ended March 31, 2025</u> |
|---|--|--|
| <u>Items affecting profit or loss</u> | | |
| Interest expense on lease liabilities | \$ 50,736 | \$ 47,493 |
| Gain on sublease of right-of-use assets | 6,853 | 6,304 |
| Expense on short-term lease contracts | 17,630 | 17,648 |

- F. For the three-month periods ended March 31, 2026 and 2025, the Group's total cash outflow for leases amounted to \$395,697 and \$390,683, respectively.
- G. For the three-month periods ended March 31, 2026 and 2025, the Group recognised the gain from changes in lease contract to gain of \$3,784 and gain of \$0 (Presented as other gains and losses).

(7) Leasing arrangements – lessor

A. The Group leases various assets including sublease of right-of-use assets to others. Rental contracts are typically made for periods of 1 to 15 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes, or a residual value guarantee was required.

B. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

| | <u>March 31, 2026</u> |
|------------------------------------|--------------------------|
| April 1, 2026 to December 31, 2026 | \$ 18,611 |
| 2027 | 25,152 |
| 2028 | 25,220 |
| 2029 | 22,166 |
| 2030 | 18,557 |
| After 2031 | 12,313 |
| | <u>\$ 122,019</u> |
| | <u>December 31, 2025</u> |
| 2026 | \$ 24,815 |
| 2027 | 25,153 |
| 2028 | 25,220 |
| 2029 | 22,165 |
| 2030 | 18,557 |
| After 2031 | 12,313 |
| | <u>\$ 128,223</u> |
| | <u>March 31, 2025</u> |
| April 1, 2025 to December 31, 2025 | \$ 18,611 |
| 2026 | 24,815 |
| 2027 | 25,152 |
| 2028 | 25,220 |
| 2029 | 22,165 |
| After 2030 | 30,870 |
| | <u>\$ 146,833</u> |

C. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

| | March 31, 2026 | | December 31, 2025 | | March 31, 2025 | |
|-----------------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|
| | Current | Non-current | Current | Non-current | Current | Non-current |
| Undiscounted lease payments | \$ 24,848 | \$ 97,171 | \$ 24,815 | \$ 103,408 | \$ 24,814 | \$ 122,019 |
| Unearned finance income | (1,939) | (3,546) | (2,046) | (3,991) | (2,362) | (5,485) |
| Net investment in the lease | <u>\$ 22,909</u> | <u>\$ 93,625</u> | <u>\$ 22,769</u> | <u>\$ 99,417</u> | <u>\$ 22,452</u> | <u>\$ 116,534</u> |

D. The Group has no overdue lease receivables from the lessee, and the amount of loss arising from credit risk is assessed to be insignificant.

E. Gain arising from operating lease agreements for the three-month periods ended March 31, 2026 and 2025 are as follows:

| | Three-month period ended March 31, 2026 | Three-month period ended March 31, 2025 |
|---|--|--|
| Rent income | <u>\$ 5,728</u> | <u>\$ 5,309</u> |
| Rent income arising from variable lease payments | <u>\$ 1,125</u> | <u>\$ 995</u> |

F. The maturity analysis of the lease payments under the operating leases is as follows:

| | March 31, 2026 |
|------------------------------------|-------------------|
| April 1, 2026 to December 31, 2026 | \$ 20,717 |
| 2027 | 26,310 |
| 2028 | 26,684 |
| 2029 | 22,059 |
| 2030 | 13,678 |
| After 2031 | 69,247 |
| | <u>\$ 178,695</u> |
| | December 31, 2025 |
| 2026 | \$ 22,387 |
| 2027 | 21,348 |
| 2028 | 21,192 |
| 2029 | 16,344 |
| 2030 | 7,964 |
| After 2031 | 39,819 |
| | <u>\$ 129,054</u> |

| | <u>March 31, 2025</u> |
|------------------------------------|-----------------------|
| April 1, 2025 to December 31, 2025 | \$ 17,403 |
| 2026 | 24,386 |
| 2027 | 22,936 |
| 2028 | 23,280 |
| 2029 | 18,929 |
| After 2030 | 49,972 |
| | <u>\$ 156,906</u> |

(8) Intangible assets

| | <u>Three-month period ended March 31, 2026</u> | | | | |
|--------------------------|--|-------------------|--------------------------|---------------------------------|----------------------|
| | <u>Beginning of period</u> | <u>Additions</u> | <u>Reclassifications</u> | <u>Net exchange differences</u> | <u>End of period</u> |
| Cost | | | | | |
| Goodwill | \$ 39,814 | \$ - | \$ - | \$ - | \$ 39,814 |
| Software | 217,879 | 15,101 | - | - | 232,980 |
| Trademark | 316,607 | 872 | - | 3,054 | 320,533 |
| | <u>\$ 574,300</u> | <u>\$ 15,973</u> | <u>\$ -</u> | <u>\$ 3,054</u> | <u>\$ 593,327</u> |
| Accumulated amortisation | | | | | |
| Software | (\$ 106,731) | (\$ 7,093) | \$ - | \$ - | (\$ 113,824) |
| Trademark | (17,788) | - | - | - | (17,788) |
| | <u>(\$ 124,519)</u> | <u>(\$ 7,093)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>(\$ 131,612)</u> |
| | <u>\$ 449,781</u> | | | | <u>\$ 461,715</u> |

| | <u>Three-month period ended March 31, 2025</u> | | | | |
|--------------------------|--|-------------------|--------------------------|---------------------------------|----------------------|
| | <u>Beginning of period</u> | <u>Additions</u> | <u>Reclassifications</u> | <u>Net exchange differences</u> | <u>End of period</u> |
| Cost | | | | | |
| Goodwill | \$ 39,814 | \$ - | \$ - | \$ - | \$ 39,814 |
| Software | 190,231 | 14,469 | - | - | 204,700 |
| Trademark | 318,124 | 1,672 | - | 2,187 | 321,983 |
| | <u>\$ 548,169</u> | <u>\$ 16,141</u> | <u>\$ -</u> | <u>\$ 2,187</u> | <u>\$ 566,497</u> |
| Accumulated amortisation | | | | | |
| Software | (\$ 84,186) | (\$ 5,028) | \$ - | \$ - | (\$ 89,214) |
| Trademark | (17,352) | (438) | - | - | (17,790) |
| | <u>(\$ 101,538)</u> | <u>(\$ 5,466)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>(\$ 107,004)</u> |
| | <u>\$ 446,631</u> | | | | <u>\$ 459,493</u> |

A. Details of amortisation on intangible assets are as follows:

| | <u>Three-month period ended March 31, 2026</u> | <u>Three-month period ended March 31, 2025</u> |
|-------------------------|--|--|
| Administrative expenses | <u>\$ 7,093</u> | <u>\$ 5,466</u> |

B. Goodwill is allocated as follows to the Group's cash-generating units identified according to operating segment:

| | <u>March 31, 2026</u> | <u>December 31, 2025</u> | <u>March 31, 2025</u> |
|----|-----------------------|--------------------------|-----------------------|
| US | \$ 39,814 | \$ 39,814 | \$ 39,814 |

- C. The Group entered into a trademark licensing agreement on October 1, 2015. This agreement grants the Group the exclusive right and license to World Gym trademark in the People's Republic of China, Taiwan, Hong Kong and Macau for twenty-five years. The Group acquired 100% ownership of World Gym International, LLC on October 28, 2024. Since that date, the trademark rights owned have been held by the Group.
- D. In accordance with IAS 36, goodwill acquired in a business combination must be tested for impairment at least annually. The recoverable amount of goodwill calculated using the value-in-use exceeded its carrying amount as at March 31, 2026, so goodwill was not impaired. The key assumptions used for value-in-use calculations of goodwill during 2026 and 2025 are as follows: The cash flow projections used are the basis for the estimation. Key assumptions include revenue growth rate and operating expense rate. These assumptions are derived from assessments of future trends in the industry and considerations on both internal and external historical information. Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rate used during 2026 and 2025 were 17.47% and 14.62%, are pre-tax and reflect specific risks relating to the relevant operating segments.

(9) Short-term borrowings

| <u>Type of borrowings</u> | <u>March 31, 2026</u> | <u>Interest rate range</u> | <u>Collateral</u> |
|---------------------------|--------------------------|----------------------------|-------------------|
| Bank borrowings | | | |
| Unsecured borrowings | \$ <u>399,900</u> | 1.67% | None |
| <u>Type of borrowings</u> | <u>December 31, 2025</u> | <u>Interest rate range</u> | <u>Collateral</u> |
| Bank borrowings | | | |
| Unsecured borrowings | \$ <u>799,900</u> | 1.67%~2.18% | None |
| <u>Type of borrowings</u> | <u>March 31, 2025</u> | <u>Interest rate range</u> | <u>Collateral</u> |
| Bank borrowings | | | |
| Unsecured borrowings | \$ <u>799,900</u> | 1.67%~2.18% | None |

Interest expense recognised in profit or loss amounted to \$2,945 and \$3,051 for the three-month periods ended March 31, 2026 and 2025, respectively.

(10) Other payables

| | <u>March 31, 2026</u> | <u>December 31, 2025</u> | <u>March 31, 2025</u> |
|---|-----------------------|--------------------------|-----------------------|
| Payable for salaries and bonus | \$ 543,188 | \$ 595,116 | \$ 484,461 |
| Payable for dividends | 449,455 | 748 | 113 |
| Payable for insurance | 78,219 | 78,286 | 78,259 |
| Payable for retirement benefit | 68,619 | 69,210 | 65,819 |
| Payable for value-added tax | 33,573 | 64,151 | 30,793 |
| Payable for utilities | 56,097 | 57,897 | 56,132 |
| Payable for purchase of construction and equipment | 22,897 | 53,358 | 266,760 |
| Payable for compensation for unused leave | 30,889 | 18,684 | 63,002 |
| Payable for employees' compensation | 16,046 | 10,562 | 10,363 |
| Others | 155,388 | 153,255 | 169,494 |
| | <u>\$ 1,454,371</u> | <u>\$ 1,101,267</u> | <u>\$ 1,225,196</u> |

(11) Long-term borrowings

| <u>Type of borrowings</u> | <u>Borrowing period and repayment term</u> | <u>Interest rate range</u> | <u>Collateral</u> | <u>March 31, 2026</u> |
|---------------------------|---|--------------------------------|-------------------|-----------------------|
| Long-term bank borrowings | | | | |
| Unsecured borrowings | Borrowing period is from June 29, 2022 to June 29, 2027; interest payable monthly; principal is repayable monthly from July 29, 2022. | 2.31% | None | \$ 75,000 |
| Unsecured borrowings | Borrowing period is from June 15, 2025 to May 14, 2030; interest payable monthly; principal is repayable quarterly from August 3, 2025. | 2.55% | None | <u>255,000</u> |
| | | | | <u>330,000</u> |
| Less: Current portion | | | | (<u>120,000</u>) |
| | | | | <u>\$ 210,000</u> |

| <u>Type of borrowings</u> | <u>Borrowing period and repayment term</u> | <u>Interest rate range</u> | <u>Collateral</u> | <u>December 31, 2025</u> |
|---------------------------|---|----------------------------|-------------------|--------------------------|
| Long-term bank borrowings | | | | |
| Unsecured borrowings | Borrowing period is from June 29, 2022 to June 29, 2027; interest payable monthly; principal is repayable monthly from July 29, 2022. | 2.31% | None | \$ 90,000 |
| Unsecured borrowings | Borrowing period is from June 15, 2025 to May 14, 2030; interest payable monthly; principal is repayable quarterly from August 3, 2025. | 2.55% | None | |
| | | | | <u>270,000</u> |
| | | | | 360,000 |
| Less: Current portion | | | | (120,000) |
| | | | | <u>\$ 240,000</u> |

| <u>Type of borrowings</u> | <u>Borrowing period and repayment term</u> | <u>Interest rate range</u> | <u>Collateral</u> | <u>March 31, 2025</u> |
|---------------------------|---|----------------------------|-------------------|-----------------------|
| Long-term bank borrowings | | | | |
| Unsecured borrowings | Borrowing period is from June 29, 2022 to June 29, 2027; interest payable monthly; principal is repayable monthly from July 29, 2022. | 2.31% | None | \$ 135,000 |
| Less: Current portion | | | | (60,000) |
| | | | | <u>\$ 75,000</u> |

(12) Payable for purchase of equipment (Listed as other current liabilities and other non-current liabilities)

| | <u>March 31, 2026</u> | <u>December 31, 2025</u> | <u>March 31, 2025</u> |
|---|-----------------------|--------------------------|-----------------------|
| Payable for purchase of equipment | \$ 131,439 | \$ 126,025 | \$ 140,608 |
| Less: Current portion - payable for purchase of equipment | (52,019) | (50,072) | (55,139) |
| Long-term payable for purchase of equipment | <u>\$ 79,420</u> | <u>\$ 75,953</u> | <u>\$ 85,469</u> |

(13) Pensions

- A. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, World Fitness Asia Limited (H.K.) Taiwan Branch contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- B. The pension costs under defined contribution pension plans for the three-month periods ended March 31, 2026 and 2025 were \$68,761 and \$65,952, respectively.

(14) Provisions

| | 2026 | 2025 |
|-----------------------|------------|------------|
| At January 1 | \$ 192,000 | \$ 176,000 |
| Additional provisions | 2,000 | 10,000 |
| At March 31 | \$ 194,000 | \$ 186,000 |

Decommissioning liabilities

According to the operating lease agreement, the Group bears dismantling, removing the asset and restoring the site obligations for certain property, plant and equipment in the future. A provision is recognised for the present value of costs to be incurred for dismantling, removing the asset and restoring the site.

(15) Share capital

As of March 31, 2026, the Company’s authorized capital was \$2,000,000, consisting of 200,000 thousand shares of ordinary stock, and the paid-in capital was \$1,125,000 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company’s ordinary shares outstanding are as follows:

| | 2026 | 2025 |
|-----------------------------|---------|---------|
| At January 1 | 109,222 | 109,611 |
| Cash capital increase | - | - |
| Purchase of treasury shares | - | (389) |
| At March 31 | 109,222 | 109,222 |

- A. To transfer stock to employees, the Board of Directors made a resolution for purchasing treasury stock on March 18, 2024. As of March 31, 2026, the Company has purchased 1,500 thousand units from Taiwan Stock Exchange.
- B. To transfer stock to employees, the Board of Directors made a resolution for another purchase of treasury stock on August 27, 2024, expecting to purchase 2,000 thousand units. As of March 31, 2026, the Company has purchased 1,018 thousand units from Taiwan Stock Exchange.
- C. To transfer stock to employees, the Board of Directors made a resolution for the third purchase

of treasury stock on November 12, 2024, expecting to purchase 1,500 thousand units. As of March 31, 2026, the Company has purchased 760 thousand units from Taiwan Stock Exchange.

D. Treasury shares

- (a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

| | | Unit: thousand of shares March 31, 2026 | |
|---------------------------------------|-----------------------------|--|--------------------|
| Name of company holding the shares | Reason for reacquisition | Number of shares | Carrying amount |
| The Company | To be reissued to employees | 3,278 | \$ 344,216 |

| | | Unit: thousand of shares December 31, 2025 | |
|---------------------------------------|-----------------------------|---|--------------------|
| Name of company holding the shares | Reason for reacquisition | Number of shares | Carrying amount |
| The Company | To be reissued to employees | 3,278 | \$ 344,216 |

| | | Unit: thousand of shares March 31, 2025 | |
|---------------------------------------|-----------------------------|--|--------------------|
| Name of company holding the shares | Reason for reacquisition | Number of shares | Carrying amount |
| The Company | To be reissued to employees | 3,278 | \$ 344,216 |

- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realized capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(16) Capital surplus

- A. Capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.
- B. On May 23, 2025, the shareholders' meeting made a resolution to distribute cash dividends

amounting to \$333,384 (\$3.05 in dollars per share) from capital surplus and additional paid-in capital of the Company.

C. On February 24, 2026, the Board of Directors made a resolution to distribute cash dividends amounting to \$298,826 (\$2.73 in dollars per share) from capital surplus and additional paid-in capital of the Company.

D. On May 13, 2026, the Board of Directors made a resolution to distribute cash dividends amounting to \$200,000 (\$1.83 in dollars per share) from capital surplus and additional paid-in capital of the Company.

(17) Retained earnings

A. In accordance with the distribution ordinance, the Company may at a general meeting apply the reserves for any purpose to which the profits of the Company may be properly applied. If there are any reserves, dividends will be distributed according to the shareholding ratio of each shareholder on the resolution date. Under the Company's Articles of Incorporation, the distribution of earnings in the form of new shares shall be proposed by the Board of Directors and shall be reported to the shareholders for the resolution. However, the distribution of earnings in the form of cash shall be resolved by the Board of Directors. Profits of the Company shall be distributed preferably by way of cash dividend and also made by way of non-cash assets of equivalent value as approved by the Board of Directors. Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by executing to the Company a deed to that effect. However, if the share has more than one person entitled to the share whether by the reason of death or bankruptcy, the deed is not effective unless it is expressed to be executed by all the holders.

B. In accordance with the amendment to the Articles of Incorporation approved at the shareholders' meeting on May 24, 2024, the appropriation of earnings or loss can be made after the end of each quarter or semi-annual fiscal year.

C. In accordance with the regulations, the Group shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on the other equity items is reserved subsequently, the reserved amount could be included in the distributable earnings.

D. On May 23, 2025, the shareholders' meeting made a resolution for distribution of dividends for the fourth quarter of 2024 was \$69,116 at \$0.63 (in dollars) per share.

E. On August 26, 2025, the Board of Directors made a resolution for distribution of dividends of \$99,107 at \$0.91 (in dollars) per share from the distributable earnings in the first half year of 2025.

F. On November 12, 2025, the Board of Directors made a resolution for distribution of dividends of 101,859 at \$0.93 (in dollars) per share from the distributable earnings in the third quarter of 2025.

G. On February 24, 2026, the Board of Directors made a resolution for distribution of dividends of 150,207 at \$1.38 (in dollars) per share from the distributable earnings in the year of 2025.

H. On May 13, 2026, the Board of Directors made a resolution for distribution of dividends of \$197,239 at \$1.81 (in dollars) per share from the distributable earnings in the first quarter of 2026.

(18) Operating revenue

| | Three-month period ended March 31, 2026 | Three-month period ended March 31, 2025 |
|---------------------------------------|--|--|
| Revenue from contracts with customers | \$ 2,811,384 | \$ 2,570,357 |

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time as shown below:

| Three-month period ended March 31, 2026 | Taiwan | | | America | |
|--|---------------------|---------------------|------------------|------------------|---------------------|
| | Membership fees | Coaching fees | Others | Royalty income | Total |
| Revenue from external customer | \$ 1,421,478 | \$ 1,344,167 | \$ 30,516 | \$ 15,223 | \$ 2,811,384 |
| Timing of revenue | | | | | |
| At a point in time | \$ - | \$ - | \$ 30,516 | \$ - | \$ 30,516 |
| Over time | 1,421,478 | 1,344,167 | - | 15,223 | 2,780,868 |
| | <u>\$ 1,421,478</u> | <u>\$ 1,344,167</u> | <u>\$ 30,516</u> | <u>\$ 15,223</u> | <u>\$ 2,811,384</u> |
| Three-month period ended March 31, 2025 | Taiwan | | | America | |
| | Membership fees | Coaching fees | Others | Royalty income | Total |
| Revenue from external customer | \$ 1,260,899 | \$ 1,265,075 | \$ 25,127 | \$ 19,256 | \$ 2,570,357 |
| Timing of revenue | | | | | |
| At a point in time | \$ - | \$ - | \$ 25,127 | \$ - | \$ 25,127 |
| Over time | 1,260,899 | 1,265,075 | - | 19,256 | 2,545,230 |
| | <u>\$ 1,260,899</u> | <u>\$ 1,265,075</u> | <u>\$ 25,127</u> | <u>\$ 19,256</u> | <u>\$ 2,570,357</u> |

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

| | <u>March 31, 2026</u> | <u>December 31, 2025</u> | <u>March 31, 2025</u> | <u>January 1, 2025</u> |
|----------------------------------|-----------------------|--------------------------|-----------------------|------------------------|
| Contract liabilities: | | | | |
| Membership fees | \$ 299,462 | \$ 295,167 | \$ 304,428 | \$ 279,873 |
| Coaching fees | | | | |
| Contract not due | 1,482,873 | 1,501,409 | 1,397,640 | 1,396,109 |
| Contract due | 768,237 | 718,519 | 558,794 | 494,041 |
| Royalty | 1,286 | - | 467 | 495 |
| Current contract liabilities | <u>2,551,858</u> | <u>2,515,095</u> | <u>2,261,329</u> | <u>2,170,518</u> |
| Membership fees | 487,934 | 504,117 | 565,445 | 551,813 |
| Royalty | 13,776 | 13,869 | 14,758 | 17,274 |
| Non-current contract liabilities | <u>501,710</u> | <u>517,986</u> | <u>580,203</u> | <u>569,087</u> |
| | <u>\$ 3,053,568</u> | <u>\$ 3,033,081</u> | <u>\$ 2,841,532</u> | <u>\$ 2,739,605</u> |

Revenue recognized that was included in the contract liability balance at the beginning of the period:

| | <u>Three-month period ended March 31, 2026</u> | <u>Three-month period ended March 31, 2025</u> |
|----------------------------------|--|--|
| Membership fees | | |
| Current contract liabilities | \$ 288,722 | \$ 268,675 |
| Non-current contract liabilities | 53,923 | 28,494 |
| Coaching fees | | |
| Contract not due | 756,720 | 710,381 |
| Contract due | 235,205 | 207,131 |
| Royalty income | 183 | 124 |
| | <u>\$ 1,334,753</u> | <u>\$ 1,214,805</u> |

Unfulfilled long-term contracts

Aggregate amount of the transaction price allocated to long-term contracts that are partially or fully unsatisfied as at March 31, 2026 and 2025, amounted to \$15,062 and \$6,391, respectively. Management expects that the transaction price allocated to the unsatisfied contracts as of March 31, 2027 and 2026, will be recognised as revenue amounting to \$1,286 during 2026 and \$467 during 2025. The remaining will be recognised annually based on the straight-line method. The amount disclosed above does not include variable consideration which is constrained.

Except for the abovementioned contracts, all other IT consulting contracts are for periods of one year or less or are billed based on time incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(19) Interest income

| | Three-month period ended March 31, 2026 | Three-month period ended March 31, 2025 |
|---|--|--|
| Interest income from bank deposits | \$ 161 | \$ 174 |
| Interest income from financial assets measured at amortised cost | 1,117 | 1,040 |
| Interest income from financial lease receivable | 552 | 656 |
| Interest income from guarantee deposits paid | 2,646 | 2,651 |
| | <u>\$ 4,476</u> | <u>\$ 4,521</u> |

(20) Other income

| | Three-month period ended March 31, 2026 | Three-month period ended March 31, 2025 |
|--------------------------|--|--|
| Government grants (Note) | \$ 5,680 | \$ 4,621 |
| Rental income | 6,853 | 6,304 |
| Others | 7,483 | 9,404 |
| | <u>\$ 20,016</u> | <u>\$ 20,329</u> |

Note: The Group received government grants in accordance with the “Youth's Employment Ultimate Program” and the “Basic Wage Supplement Program” from Ministry of Labor and Ministry of Economic Affairs.

(21) Other gains and losses

| | Three-month period ended March 31, 2026 | Three-month period ended March 31, 2025 |
|--|--|--|
| Gain on disposal of property, plant and equipment | \$ 17 | \$ 9 |
| Foreign exchange gain | 540 | 27 |
| Gain on lease modification | 3,784 | - |
| Other losses | (564) | (730) |
| | <u>\$ 3,777</u> | <u>(\$ 694)</u> |

(22) Finance costs

| | Three-month period ended March 31, 2026 | Three-month period ended March 31, 2025 |
|-----------------------------------|--|--|
| Interest expense: | | |
| Bank borrowings | \$ 5,157 | \$ 3,889 |
| Installment payment for equipment | 2,430 | 2,924 |
| Lease liability-interest expense | 50,736 | 47,493 |
| Other interest expense | 742 | 48 |
| | <u>\$ 59,065</u> | <u>\$ 54,354</u> |

(23) Expenses by nature

| | <u>Three-month period ended March 31, 2026</u> | <u>Three-month period ended March 31, 2025</u> |
|--|--|--|
| Employee benefit expense | | |
| Wages and salaries | \$ 1,196,019 | \$ 1,159,816 |
| Labour and health insurance fees | 116,359 | 116,127 |
| Pension costs | 68,761 | 65,952 |
| Other personnel expenses | 48,640 | 50,086 |
| | <u>\$ 1,429,779</u> | <u>\$ 1,391,981</u> |
| Depreciation charges on property, plant and equipment | <u>\$ 228,266</u> | <u>\$ 231,885</u> |
| Depreciation charges on right-of-use assets | <u>\$ 360,808</u> | <u>\$ 344,505</u> |
| Amortisation charges on intangible assets | <u>\$ 7,093</u> | <u>\$ 5,466</u> |

A. According to the Articles of Incorporation of the Company, a portion of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 2% for employees' compensation and shall not be higher than 2% for directors' remuneration.

B. For the three-month periods ended March 31, 2026 and 2025, employees' compensation was accrued at \$5,484 and \$1,268, respectively; while no directors' remuneration was accrued. The aforementioned amounts were recognized in salary expenses.

For the three-month periods ended March 31, 2026 and 2025, the employees' compensation and directors' remuneration were estimated and accrued based on 2% and 0% of distributable profit of current year as of the end of reporting period.

Employees' compensation and directors' remuneration for 2025 amounting to \$10,562 and \$0, respectively, as resolved at the meeting of Board of Directors, were in agreement with those amounted recognized in the 2025 financial statements.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(24) Income tax

A. Income tax expense

Components of income tax expense:

| | <u>Three-month period ended March 31, 2026</u> | <u>Three-month period ended March 31, 2025</u> |
|---|--|--|
| Current tax: | | |
| Current tax on profit for the period | \$ 62,803 | \$ 28,757 |
| Deferred tax: | | |
| Origination and reversal of temporary differences | (13,236) | (15,922) |
| Income tax expense | <u>\$ 49,567</u> | <u>\$ 12,835</u> |

B. World Fitness Asia Limited (H.K.) Taiwan Branch's income tax returns through 2024 have been assessed and approved by the Tax Authority.

(25) Earnings per share

| | <u>Three-month period ended March 31, 2026</u> | | |
|--|--|--|--|
| | <u>Amount after tax</u> | <u>Weighted average number of ordinary shares outstanding (share in thousands)</u> | <u>Earnings per share (in dollars)</u> |
| <u>Basic earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | <u>\$ 219,155</u> | <u>109,222</u> | <u>\$ 2.01</u> |
| <u>Diluted earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | 219,155 | 109,222 | |
| Assumed conversion of all dilutive potential ordinary shares | | | |
| Employees' compensation | <u>-</u> | <u>161</u> | |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | <u>\$ 219,155</u> | <u>109,383</u> | <u>\$ 2.00</u> |

| | <u>Three-month period ended March 31, 2025</u> | | |
|--|--|--|--|
| | <u>Amount after tax</u> | <u>Weighted average number of ordinary shares outstanding (share in thousands)</u> | <u>Earnings per share (in dollars)</u> |
| <u>Basic earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 49,281 | 109,253 | \$ 0.45 |
| <u>Diluted earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | 49,281 | 109,253 | |
| Assumed conversion of all dilutive potential ordinary shares | | | |
| Employees' compensation | - | 85 | |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | \$ 49,281 | 109,338 | \$ 0.45 |

(26) Business combinations

A. On October 28, 2024, the Group acquired 100% of the share capital of World Gym International, LLC for USD 9 million and obtained the control over World Gym International, LLC, which provides fitness trademark licensing services in the US. The acquisition is part of the Group's operating strategy and expanded its business locations.

B. The following table summarizes the consideration paid for World Gym International, LLC and the fair values of the assets acquired and liabilities assumed at the acquisition date:

| | <u>October 28, 2024</u> |
|--|-------------------------|
| Purchase consideration | |
| Cash paid | \$ 288,855 |
| Fair value of the identifiable assets acquired and liabilities assumed | |
| Cash | 7,735 |
| Accounts receivable | 2,376 |
| Inventories | 821 |
| Property, plant and equipment | 6,925 |
| Intangible assets-trademarks | 271,634 |
| Other current assets | 5,050 |
| Accounts payable | (594) |
| Other payables | (1,797) |
| Deferred tax liabilities for | |
| Intangible assets-trademarks | (21,952) |
| Other current liabilities | (21,157) |
| Total identifiable net assets | <u>249,041</u> |
| Goodwill | <u>\$ 39,814</u> |

C. As of September 30, 2025, the Group has obtained a report on reasonable price allocation. The Group has revised the preliminary estimated values for the price allocation period based on the fair value as of the acquisition date, and the financial statements at the acquisition date have retrospectively adjusted in accordance with IFRS 3. This adjustment resulted in a reduction of goodwill by \$9,094 and a reduction of deferred tax liabilities by \$9,094.

D. The operating revenue included in the consolidated statement of comprehensive income since October 28, 2024 contributed by World Gym International, LLC was \$12,085. World Gym International, LLC also contributed profit before income tax of \$3,227 over the same period. Had World Gym International, LLC been consolidated from January 1, 2024, the consolidated statement of comprehensive income would increase operating revenue by \$70,539 and loss before income tax by \$49,044.

(27) Supplemental cash flow information

A. Investing activities with partial cash payments

| | Three-month period ended March 31, 2026 | Three-month period ended March 31, 2025 |
|--|--|--|
| Purchase of property, plant and equipment | \$ 123,416 | \$ 341,831 |
| Add: Opening balance of payable on construction and equipment | 53,358 | 279,083 |
| Opening balance of long-term payable for purchase of equipment | 126,025 | 140,435 |
| Less: Ending balance of payable on construction and equipment | (22,897) | (266,760) |
| Ending balance of long-term payable for purchase of equipment | (131,439) | (140,608) |
| Cash paid during the period | <u>\$ 148,463</u> | <u>\$ 353,981</u> |

B. Financing activities with partial cash payments

| | Three-month period ended March 31, 2026 | Three-month period ended March 31, 2025 |
|---|--|--|
| Dividends recognised | \$ 449,033 | \$ - |
| Add: Opening balance of dividends payable | 748 | 32,462 |
| Loss: Ending balance of dividends payable | (449,455) | (113) |
| Cash paid during the period | <u>\$ 326</u> | <u>\$ 32,349</u> |

(28) Changes in liabilities from financing activities

| | 2026 | | | | | |
|--|-----------------------|--|-----------------------------|-------------------|---------------------|---|
| | Short-term borrowings | Long-term borrowings (including current portion) | Guarantee deposits received | Dividends payable | Lease liabilities | Liabilities from financing activities-gross |
| January 1, 2026 | \$ 799,900 | \$ 360,000 | \$ 12,317 | \$ 748 | \$ 10,004,741 | \$ 11,177,706 |
| Changes in cash flow from financing activities | (400,000) | (30,000) | 1,000 | (326) | (327,331) | (756,657) |
| Additions | - | - | - | 449,033 | 191,234 | 640,267 |
| March 31, 2026 | <u>\$ 399,900</u> | <u>\$ 330,000</u> | <u>\$ 13,317</u> | <u>\$ 449,455</u> | <u>\$ 9,868,644</u> | <u>\$ 11,061,316</u> |

2025

| | Short-term borrowings | Long-term borrowings (including current portion) | Guarantee deposits received | Dividends payable | Lease liabilities | Liabilities from financing activities-gross |
|--|-----------------------|--|-----------------------------|-------------------|---------------------|---|
| January 1, 2025 | \$ 399,900 | \$ 150,000 | \$ 12,297 | \$ 32,462 | \$ 9,185,723 | \$ 9,780,382 |
| Changes in cash flow from financing activities | 400,000 | (15,000) | - | (32,349) | (325,542) | 27,109 |
| Additions | - | - | - | - | 696,234 | 696,234 |
| March 31, 2025 | <u>\$ 799,900</u> | <u>\$ 135,000</u> | <u>\$ 12,297</u> | <u>\$ 113</u> | <u>\$ 9,556,415</u> | <u>\$ 10,503,725</u> |

7. Related Party Transactions

(1) Names of related parties and relationship

| Names of related parties | Relationship with the Group |
|----------------------------------|-----------------------------|
| Jing Keng Health World Co., Ltd. | Associate |

(2) Significant related party transactions

A. Receivables from related parties

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|-------------------|----------------|-------------------|----------------|
| Other receivables | | | |
| Associates | <u>\$ 143</u> | <u>\$ 245</u> | <u>\$ 155</u> |

Other receivables are receivables for miscellaneous expenses.

B. Payables to related parties

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|----------------|----------------|-------------------|----------------|
| Other payables | | | |
| Associates | <u>\$ 28</u> | <u>\$ 24</u> | <u>\$ 22</u> |

Other payables are payables for miscellaneous expenses.

C. Other income

| | Three-month period ended March 31, 2026 | Three-month period ended March 31, 2025 |
|--------------|---|---|
| Other income | | |
| Associates | <u>\$ 1,571</u> | <u>\$ 1,571</u> |

Other income was charged with a fixed amount monthly for service provided for the development, management and operation of fitness centers.

(3) Key management compensation

| | Three-month period ended March 31, 2026 | Three-month period ended March 31, 2025 |
|------------------------------|--|--|
| Short-term employee benefits | \$ 23,610 | \$ 23,853 |
| Post-employment benefits | 529 | 501 |
| | <u>\$ 24,139</u> | <u>\$ 24,354</u> |

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

| Pledged asset | Book value | | | Purpose |
|------------------------|-------------------|-------------------|-------------------|--|
| | March 31, 2026 | December 31, 2025 | March 31, 2025 | |
| Reserved trust account | \$ 606,860 | \$ 656,987 | \$ 635,112 | Collaterals for membership fees and coaching fees received in advance. |
| Reserved time deposits | 20,213 | 20,213 | 20,194 | Collaterals for lease deposit. |
| Fitness equipment | 145,392 | 151,642 | 175,532 | Collaterals for purchase of equipment by installments. |
| | <u>\$ 772,465</u> | <u>\$ 828,842</u> | <u>\$ 830,838</u> | |

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contingencies

None.

(2) Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|-------------------------------|-------------------|-------------------|-------------------|
| Property, plant and equipment | <u>\$ 208,906</u> | <u>\$ 280,053</u> | <u>\$ 301,575</u> |

Lease arrangement contracted for at the balance sheet date but not yet incurred is as follows:

| | March 31, 2026 | December 31, 2025 | March 31, 2025 |
|---------------------|-------------------|-------------------|------------------|
| Right-of-use assets | <u>\$ 231,305</u> | <u>\$ 85,223</u> | <u>\$ 45,984</u> |

10. Significant Disaster Loss

None.

11. Significant Event after the Balance Sheet Date

Please refer to Notes 6(16) D and 6(17) H. for the explanation of the earnings distribution proposal of the first quarter of 2026.

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less

cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

As at March 31, 2026, December 31, 2025 and March 31, 2025, the Group's debt ratios were as follows:

| | <u>March 31, 2026</u> | <u>December 31, 2025</u> | <u>March 31, 2025</u> |
|-------------------|-----------------------|--------------------------|-----------------------|
| Total liabilities | \$ 15,722,554 | \$ 15,842,830 | \$ 15,051,417 |
| Total assets | 18,389,010 | 18,735,425 | 18,197,180 |
| Debt ratio | 85% | 85% | 83% |

(2) Financial instruments

A. Financial instruments by category

| | <u>March 31, 2026</u> | <u>December 31, 2025</u> | <u>March 31, 2025</u> |
|------------------------------|-----------------------|--------------------------|-----------------------|
| <u>Financial assets</u> | | | |
| Financial assets at | | | |
| amortised cost | | | |
| Cash and cash equivalents | \$ 945,155 | \$ 1,006,860 | \$ 781,161 |
| Financial assets at | 627,073 | 677,200 | 655,306 |
| amortised cost | | | |
| Accounts receivable | 52,548 | 50,962 | 191,151 |
| Financial lease receivables | 116,534 | 122,186 | 138,986 |
| Other receivables | 5,333 | 6,113 | 5,965 |
| (including related parties) | | | |
| Guarantee deposits paid | 442,889 | 433,404 | 421,025 |
| | <u>\$ 2,189,532</u> | <u>\$ 2,296,725</u> | <u>\$ 2,193,594</u> |
| | <u>March 31, 2026</u> | <u>December 31, 2025</u> | <u>March 31, 2025</u> |
| <u>Financial liabilities</u> | | | |
| Financial liabilities at | | | |
| amortised cost | | | |
| Short-term borrowings | \$ 399,900 | \$ 799,900 | \$ 799,900 |
| Notes payable | 3,708 | 926 | 1,875 |
| Accounts payable | 7,770 | 9,920 | 1,125 |
| Other payables | 1,454,399 | 1,101,291 | 1,225,218 |
| (including related parties) | | | |
| Long-term borrowings | 330,000 | 360,000 | 135,000 |
| (including current portion) | | | |
| Long-term payables | 131,439 | 126,025 | 140,608 |
| (including current portion) | | | |
| Guarantee deposits received | 13,317 | 12,317 | 12,297 |
| | <u>\$ 2,340,533</u> | <u>\$ 2,410,379</u> | <u>\$ 2,316,023</u> |
| Lease liabilities | <u>\$ 9,868,644</u> | <u>\$ 10,004,741</u> | <u>\$ 9,556,415</u> |

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's

overall risk management programmer focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance.

- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The material financing activities are reviewed by the Board of Directors in accordance with procedures required by relevant regulations and internal control system. During the implementation of financing plans, the Board of Directors is assisted in its oversight role by the internal audit department. Internal audit undertakes both regular and exceptional reviews of risk management controls and procedures, and reports the results to the Board of Directors.

C. Significant financial risks and degrees of financial risks

- (a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.
- ii. The Group's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

| | | March 31, 2026 | | | | | |
|--|--|---|------------------|-------------------------------------|------------------------|-----------------------------|--|
| | | | | | Sensitivity analysis | | |
| | | Foreign currency amount (thousands) | Exchange rate | Book value (TWD in thousands) | Degree of variation | Effect on profit or loss | Effect on other comprehensive income |
| (Foreign currency: functional currency) | | | | | | | |
| <u>Financial assets</u> | | | | | | | |
| <u>Monetary items</u> | | | | | | | |
| USD : TWD | | \$ 2,588 | 32.00 | \$ 82,788 | 1% | \$ 828 | \$ - |

| December 31, 2025 | | | | | | |
|--|------------------|-------------------------------------|------------------------|-----------------------------|--|------|
| Foreign currency amount (thousands) | Exchange rate | Book value (TWD in thousands) | Sensitivity analysis | | | |
| | | | Degree of variation | Effect on profit or loss | Effect on other comprehensive income | |
| (Foreign currency: functional currency) | | | | | | |
| <u>Financial assets</u> | | | | | | |
| <u>Monetary items</u> | | | | | | |
| USD : TWD | \$ 2,356 | 31.43 | \$ 74,037 | 1% | \$ 740 | \$ - |

| March 31, 2025 | | | | | | |
|--|------------------|-------------------------------------|------------------------|-----------------------------|--|------|
| Foreign currency amount (thousands) | Exchange rate | Book value (TWD in thousands) | Sensitivity analysis | | | |
| | | | Degree of variation | Effect on profit or loss | Effect on other comprehensive income | |
| (Foreign currency: functional currency) | | | | | | |
| <u>Financial assets</u> | | | | | | |
| <u>Monetary items</u> | | | | | | |
| USD : TWD | \$ 1,047 | 33.21 | \$ 34,781 | 1% | \$ 348 | \$ - |

iii. The exchange gain or loss including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended March 31, 2026 and 2025 amounted to gain of \$540 and gain of \$27, respectively.

Cash flow and fair value Interest rate risk

- i. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. For the three-month periods ended March 31, 2026 and 2025 and for the year ended December 31, 2025, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars.
- ii. The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- iii. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the three-month periods ended March 31, 2026 and 2025, would have increased/decreased by \$365 and \$467, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed

- terms, and the contract cash flows of financial instruments at fair value through profit or loss and at fair value through other comprehensive income.
- ii. According to the Group's credit policy, only well-known financial institutions within the operating country can be accepted as transaction banks.
 - iii. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
 - iv. The Group adopts assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
 - v. For accounts receivable generated from exchanges, the Group evaluates the expected credit risk of accounts receivable using the following methods:
 - (i.) For each significant account receivable that has already defaulted, the expected credit loss is estimated on an individual basis.
 - (ii.) The Group classifies customers' notes receivable and accounts receivable in accordance with credit rating of customer. The Group applies the modified approach based on the loss rate methodology to estimate expected credit loss under the provision matrix basis.
 - vi. The accounts receivable of the Group mainly uses credit card payment and bank remittance methods. These receivables are mainly paid by domestic famous financial institutions, and thus there are no significant concerns regarding contract payments, and the probability of occurrence of credit risk is extremely low.
 - vii. The Group adjusts the loss rates based on forward-looking considerations and historical and current information for a specific period to estimate the allowance for doubtful accounts. The loss rate method as of March 31, 2026, December 31, 2025 and March 31, 2025 is as follows:

| | At March 31, 2026 | | | |
|--------------------|----------------------|-----------|------------|------------|
| | Individual | Group A | Group B | Total |
| Expected loss rate | 0.00% | 0.00% | 0.00% | |
| Total book value | \$ - | \$ 6,887 | \$ 45,661 | \$ 52,548 |
| Loss allowance | \$ - | \$ - | \$ - | \$ - |
| | At December 31, 2025 | | | |
| | Individual | Group A | Group B | Total |
| Expected loss rate | 0.00% | 0.00% | 0.00% | |
| Total book value | \$ - | \$ 10,910 | \$ 40,052 | \$ 50,962 |
| Loss allowance | \$ - | \$ - | \$ - | \$ - |
| | At March 31, 2025 | | | |
| | Individual | Group A | Group B | Total |
| Expected loss rate | 0.00% | 21.46% | 0.00% | |
| Total book value | \$ - | \$ 1,370 | \$ 190,075 | \$ 191,445 |
| Loss allowance | \$ - | \$ 294 | \$ - | \$ 294 |

viii. The changes in the allowance for doubtful accounts of the Group under the simplified approach are as follows:

| | 2026 | | 2025 | |
|----------------------------|---------------------|---|---------------------|--------|
| | Accounts receivable | | Accounts receivable | |
| At January 1 | \$ | - | \$ | 1,540 |
| Write-offs | | - | (| 1,267) |
| Effect of foreign exchange | | - | | 21 |
| At March 31 | \$ | - | \$ | 294 |

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements.
- ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.
- iii. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group's unused floating rate short-term borrowing facilities were \$100, \$100 and \$100, respectively.
- iv. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

March 31, 2026

| <u>Non-derivative financial liabilities</u> | <u>Less than 3 months</u> | <u>Between 3 months and 1 year</u> | <u>Between 1 and 2 years</u> | <u>Between 2 and 5 years</u> | <u>Over 5 years</u> | <u>Total</u> |
|---|---------------------------|------------------------------------|------------------------------|------------------------------|---------------------|--------------|
| Short-term borrowings | \$ 400,925 | \$ - | \$ - | \$ - | \$ - | \$ 400,925 |
| Notes payable | 3,708 | - | - | - | - | 3,708 |
| Accounts payable | 7,770 | - | - | - | - | 7,770 |
| Other payables (including related parties) | 1,431,502 | 22,897 | - | - | - | 1,454,399 |
| Guarantee deposits received | - | - | - | - | 13,317 | 13,317 |
| Long-term borrowings (including current portion) | 32,029 | 94,995 | 79,456 | 139,303 | - | 345,783 |
| Long-term payable (including current portion) | 16,056 | 44,460 | 45,954 | 40,368 | - | 146,838 |
| Lease liability | 386,946 | 1,157,707 | 1,463,678 | 3,625,609 | 4,236,130 | 10,870,070 |

December 31, 2025

| <u>Non-derivative financial liabilities</u> | <u>Less than 3 months</u> | <u>Between 3 months and 1 year</u> | <u>Between 1 and 2 years</u> | <u>Between 2 and 5 years</u> | <u>Over 5 years</u> | <u>Total</u> |
|---|---------------------------|------------------------------------|------------------------------|------------------------------|---------------------|--------------|
| Short-term borrowings | \$ 802,453 | \$ - | \$ - | \$ - | \$ - | \$ 802,453 |
| Notes payable | 926 | - | - | - | - | 926 |
| Accounts payable | 9,920 | - | - | - | - | 9,920 |
| Other payables (including related parties) | 1,047,933 | 53,358 | - | - | - | 1,101,291 |
| Guarantee deposits received | - | - | - | - | 12,317 | 12,317 |
| Long-term borrowings (including current portion) | 32,179 | 95,445 | 157,979 | 91,817 | - | 377,420 |
| Long-term payable (including current portion) | 15,610 | 42,656 | 43,833 | 38,561 | - | 140,660 |
| Lease liability | 376,927 | 1,139,691 | 1,460,760 | 3,657,060 | 4,398,531 | 11,032,969 |

March 31, 2025

| <u>Non-derivative financial liabilities</u> | <u>Less than 3 months</u> | <u>Between 3 months and 1 year</u> | <u>Between 1 and 2 years</u> | <u>Between 2 and 5 years</u> | <u>Over 5 years</u> | <u>Total</u> |
|---|---------------------------|------------------------------------|------------------------------|------------------------------|---------------------|--------------|
| Short-term borrowings | \$ 403,070 | \$ 404,746 | \$ - | \$ - | \$ - | \$ 807,816 |
| Notes payable | 1,875 | - | - | - | - | 1,875 |
| Accounts payable | 1,125 | - | - | - | - | 1,125 |
| Other payables (including related parties) | 958,458 | 266,760 | - | - | - | 1,225,218 |
| Guarantee deposits received | - | - | - | - | 12,297 | 12,297 |
| Long-term borrowings (including current portion) | 15,749 | 46,729 | 61,095 | 15,058 | - | 138,631 |
| Long-term payable (including current portion) | 18,486 | 45,730 | 45,994 | 47,727 | - | 157,937 |
| Lease liability | 373,282 | 1,065,443 | 1,376,220 | 3,506,960 | 4,160,368 | 10,482,273 |

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, accounts receivable, finance lease payments receivable, other receivables (including related party), guarantee deposits paid, notes payable, other payables (including related party), long-term payables, borrowings and guarantee deposits received are approximate to their fair values.

C. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group did not have any financial instruments and non-financial instruments measured at fair value.

12. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: Please to refer to table 1.

C. Holding of significant marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.

E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.

F. Significant inter-company transactions during the reporting periods: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 2.

(3) Information on investments in Mainland China

A. Basic information: None.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

13. Segment Information

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The business organizations are divided by subsidiary into the Group (except US) Operations Division and the US Operations Division. The reportable segments of the group are classified by operating company.

There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information during this period.

(2) Measurement of segment information

The chief operating decision-maker evaluates the performance of the operating segments based on a measure of income or loss before tax.

(3) Information about segment profit or loss, assets and liabilities

A. The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

| <u>Three-month period ended March 31, 2026</u> | <u>Group(except USA)</u> | <u>America</u> | <u>Write-off</u> | <u>Total</u> |
|--|--------------------------|------------------|-------------------|---------------------|
| Revenue from external customers | \$ 2,796,161 | \$ 15,223 | \$ - | \$ 2,811,384 |
| Inter-segment revenue | - | 8,876 | (8,876) | - |
| Total segment revenue | <u>\$ 2,796,161</u> | <u>\$ 24,099</u> | <u>(\$ 8,876)</u> | <u>\$ 2,811,384</u> |
| Segment income before tax | <u>\$ 256,334</u> | <u>\$ 12,388</u> | <u>\$ -</u> | <u>\$ 268,722</u> |
| Segment income including: | | | | |
| Interest income | <u>\$ 4,476</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,476</u> |
| Interest expense | <u>\$ 59,065</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 59,065</u> |
| Depreciation and amortisation | <u>\$ 595,678</u> | <u>\$ 489</u> | <u>\$ -</u> | <u>\$ 596,167</u> |
| Income tax expense | <u>\$ 46,724</u> | <u>\$ 2,843</u> | <u>\$ -</u> | <u>\$ 49,567</u> |

| <u>Three-month period ended March 31, 2025</u> | <u>Group(except USA)</u> | <u>America</u> | <u>Write-off</u> | <u>Total</u> |
|--|--------------------------|------------------|-------------------|---------------------|
| Revenue from external customers | \$ 2,551,101 | \$ 19,256 | \$ - | \$ 2,570,357 |
| Inter-segment revenue | - | 9,468 | (9,468) | - |
| Total segment revenue | <u>\$ 2,551,101</u> | <u>\$ 28,724</u> | <u>(\$ 9,468)</u> | <u>\$ 2,570,357</u> |
| Segment income before tax | <u>\$ 49,121</u> | <u>\$ 12,995</u> | <u>\$ -</u> | <u>\$ 62,116</u> |
| Segment income including: | | | | |
| Interest income | <u>\$ 4,521</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,521</u> |
| Interest expense | <u>\$ 54,354</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 54,354</u> |
| Depreciation and amortisation | <u>\$ 581,130</u> | <u>\$ 726</u> | <u>\$ -</u> | <u>\$ 581,856</u> |
| Income tax expense | <u>\$ 12,055</u> | <u>\$ 780</u> | <u>\$ -</u> | <u>\$ 12,835</u> |

B. The Group's main sources of revenue are membership income, course income, and trademark royalty income

(4) Reconciliation for segment income (loss)

- A. Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income, and the segment income reported to the chief operating decision-maker is measured in a manner consistent with that of the Group's financial statements. Therefore, no adjustment is needed.
- B. The amount provided to the chief operating decision-maker with respect to total assets and to total liabilities are measured in a manner consistent with that of the Group's financial statements. Therefore, no adjustment is needed.

World Gym Corporation and Subsidiaries
Provision of endorsements and guarantees to others
Three-month periods ended March 31, 2026

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

| Number (Note1) | Endorser/guarantor | Party being endorsed/guaranteed | | Limit on endorsements/ guarantees provided for a single party(Note 3) | Maximum balance during the period | Outstanding balance at March 31, 2026 | Actual amount drawn down | Amount of endorsements/ guarantees secured with collateral | Ratio of accumulated endorsements/ guarantee amount to net worth of the endorser/guarantor company(%) | Limit on total amount of endorsements/ guarantee(Note 4) | Provision of endorsements / guarantee by parent company to subsidiary | Provision of endorsements/ guarantee by subsidiary to parent company | Provision of endorsements/ guarantee to party in Mainland Number Endorser/guarant or Company | Note |
|-------------------|--------------------------|--|--------------|---|---|---|-----------------------------|--|---|---|---|---|---|------|
| | | Relationship with the endorser/ guarantor (Note 2) | Company name | | | | | | | | | | | |
| 0 | WORLD GYM CORPORATION | World Fitness Asia Limited (H.K.) Taiwan Branch | 2 | \$ 2,666,456 | \$ 400,000 | \$ - | \$ 400,000 | \$ - | 15.00% | \$ 2,666,456 | Y | N | N | |

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

- (1) The Company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: The following code represents the relationship with the Company :

- (1) Trading partner.
- (2) Majority owned subsidiary.
- (3) The Company direct and indirect owns over 50% ownership of the investee company.
- (4) A subsidiary jointly owned over 90% by the Company.
- (5) Guaranteed by the Company according to the construction contract.
- (6) An investee company. The guarantees were provided based on the Company's proportionate share in the investee company.
- (7) Joint and several guaranteed by the Company according to the pre-construction contract under Consumer Protection Act.

Note 3: The limit of endorsement for any single entity is 100% of its net worth and 10% of the Company's net worth.If the Board of Directors makes a resolution for the endorsements to subsidiaries which are 100% directly or indirectly owned by the Company, the limit of endorsement for any single entity should not exceed the amount of 100% of the Company's net worth.

Note 4: The total amount of transactions of endorsement shall not exceed 100% of the company's net worth.

World Gym Corporation and Subsidiaries
Information on investees
Three-month periods ended March 31, 2026

Table 2

Expressed in thousands of NTD/ share
(Except as otherwise indicated)

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at March 31, 2026 | | | Net profit (loss) of the investee for the three-month period ended March 31, 2026 | Investment income(loss) recognised by the Company for the three-month period ended March 31, 2026 | Footnote |
|----------------------------|----------------------------------|-----------|---|------------------------------|---------------------------------|----------------------------------|---------------|--------------|---|---|-----------------|
| | | | | Balance as at March 31, 2026 | Balance as at December 31, 2025 | Number of shares | Ownership (%) | Book value | | | |
| WORLD GYM CORPORATION | WORLD FITNESS ASIA LIMITED | Hong Kong | Fitness centers and other sports related services | \$ 10,397 | \$ 10,397 | 2,482,606 | 100.00 | \$ 2,263,564 | \$ 224,350 | \$ 224,350 | Note 1 |
| WORLD GYM CORPORATION | World Gym International, LLC | America | Trademark licensing service for fitness brands | 288,855 | 288,855 | - | 99.90 | 357,488 | 9,545 | 9,545 | Note 1 · Note 2 |
| WORLD FITNESS ASIA LIMITED | Jing Keng Health World Co., Ltd. | Taiwan | Fitness centers and other sports related services | 16,350 | 16,350 | 1,635,000 | 30.00 | 1,947 (| 3,423) (| 1,027) | |

Note 1: The transaction has already been written off in the consolidated financial statements.

Note 2: WG Franchise Management Corp. holds 0.1% of World Gym International, LLC. Since the final actual controlling shareholder is World Gym Corporation, all investment income is recognized in World Gym Corporation.