

World Fitness Services Ltd.
2024 Annual Shareholders' Meeting Minutes
(Translation)

Meeting type: Physical

Time: 2:00 PM, Friday, May 24, 2024

Location: THE LIN Hotel Taichung (No.99, Chaofu Rd., Xitun Dist., Taichung City, Taiwan)

Total outstanding shares of the Company:

112,072,000 shares (deducting nonvoting stock 480,000 shares).

Total shares represented by shareholders present in person or by proxy:

95,460,491 shares

Percentage of shareholding of the shareholders present in person or by proxy:

85.17%

Present Directors:

John Edward Caraccio, Jack Hsiao

Attendance:

Chien-Yeh Hsu, CPA, Pwc Taiwan

Ian Chen, Corporate Governance Officer

Justine Hsieh, Corporate Financial Officer

Chairman: John Edward Caraccio, Chairman of the Board of Directors

Recorder: Faith Tsai

Commencement:

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

A. Chairman's Remark (Omitted)

B. Report Items

- I. 2023 Business report (See Attachment 1)
- II. Audit committee's review report (See Attachment 2)
- III. Report on 2023 Employees' and Directors' Remuneration

Explanation:

1. According to Article 102 of the Company's Articles of Incorporation, "where there is an Annual Profit, the Company shall set aside the following amounts as Directors and/or employees' compensation, provided that there is accumulated losses, the Company shall first reserve the losses covering amounts: (i) Collectively, Directors are entitled to receive year-end compensation of not more than two (2%) of the Annual Profit, and such

compensation payment shall only be paid in cash; and (ii) Employees of the Company and the Subsidiaries of the Company collectively are entitled to receive year-end compensation no less than two percent (2%) of the Annual Profit, which may be payable in cash, fully paid-up Shares, or any combination of both.” The distribution of remuneration in 2023 for employees is proposed to be NT\$9,059,595 and remuneration for directors is proposed to be NT\$0, and both to be distributed in cash.

2. The Remuneration has been resolved by Remuneration Committee and the Board on 2024/3/7.

IV. Stock Buyback Execution Report

Explanation:

Update on the Company's buyback of shares, of which the implementation status is as follows:

Buyback phase no.	First time
Board Resolution Date	2024/3/18
Purpose of Buyback	Transfer the shares to employees
Buyback Period	2024/03/19~2024/5/18
Price Range of Shares Buyback	NTD 90~159
Actual Number of Shares Bought-Back	1,500,000 common shares
Actual Value of Shares Bought-Back	NTD 174,981,915
Number of Already Bought-Back Shares as a Percentage of the Total Number of Shares Planned to be Bought Back	100%
Number of Shares Cancelled	0 shares
Cumulative Number of the Company's Shares Held	1,500,000 common shares
Cumulative Number of the Company's Shares Held as a Percentage of Total Number of Shares Issued (%)	1.33%

V. Report the Company's Regulations for the Transfer of Treasury Shares to Employees

Explanation:

The Company Formulated the Regulations for the Transfer of Treasury Shares to Employees which is approved by the Board on March 18, 2024. And the Regulation had been revised on May 9, 2024. (See Attachment 3)

VI. Report on the Company's Amendments to the Regulations Governing Procedure for Board of Directors Meetings

Explanation:

The Board has approved Company's Amendments to the Regulations Governing Procedure for Board of Directors Meetings on May 9, 2024. (See Attachment 4)

C. Ratification Items

I. Please ratify the Company's 2023 Business Report and Consolidated Financial Statement

Explanation:

The Company's 2023 Consolidated Financial Statements have been audited by Chien-Yeh Hsu and Yu-Chuan Wang of PwC, and along with the Business Report, have been reviewed by the Audit Committee with no discrepancies found. The related files (including the Business Report as well as Consolidated Financial Statements) can be found in Attachment 1, 2, 5.

Voting Result:

Voting Result*	% of the total represented share present
Votes in favor : 90,084,234 votes (6,164,234 votes)	94.36%
Votes against : 21,020 votes (21,020 votes)	0.02%
Votes invalid : 0	0%
Votes abstained : 5,355,237 votes (4,416,237 votes)	5.60%

*including votes casted electronically(number in brackets)

RESOLVED, that the above proposal was hereby approved as proposed.

II. 2023 Profit Distribution Proposal is presented for ratification.

Explanation:

1. Please refer to Attachment 6 of the Company's Profit Distribution in 2023.
2. The Company proposes to distribute NT\$314,578,055 (equivalent to NT\$2.79624938 per share, based on the total number of outstanding shares, which is 112,000,000 shares as of March 25, 2024).
3. The unit of distributed cash dividend shall be NT one dollar (shall be rounded down to an integer). If the total amount of allocated cash dividends is less than NT\$1, the amount will be recognized as other revenue of the Company.
4. If the number of outstanding shares of the company changes due to the repurchase of the company's shares, and it becomes necessary to adjust dividend per share, it is proposed that the Chairman of the Board of Directors

be fully authorized by the Annual Shareholders' Meeting to resolve related matters.

5. For the dividend distribution proposal this time, the Chairman is authorized to set the ex-dividend date, record date, payment date and other related matters.

Voting Result:

Voting Result*	% of the total represented share present
Votes in favor : 90,072,054 votes (6,152,054 votes)	94.35%
Votes against : 35,200 votes (35,200 votes)	0.03%
Votes invalid : 0	0%
Votes abstained : 5,353,237 votes (4,414,237 votes)	5.60%

*including votes casted electronically (number in brackets)

RESOLVED, that the above proposal was hereby approved as proposed.

D. Discussion Items

- I. To distribute cash dividends from the paid-in capital.

Explanation:

1. The Company proposes to distribute from the paid-in capital in the amount of NT\$335,421,945 as cash dividends to shareholders (equivalent to NT\$ 2.98152840 per share based on based on the total number of outstanding shares, which is 112,000,000 shares as of March 25, 2024).
2. Distribution will be based on the shareholder list on the record date.
3. The unit of distributed cash dividend shall be NT one dollar (shall be rounded down to an integer). If the total amount of allocated cash dividends is less than NT\$1, the amount will be recognized as other revenue of the Company.
4. If the number of outstanding shares of the company changes due to the repurchase of the company's shares, and it becomes necessary to adjust dividend per share, it is proposed that the Chairman of the Board of Directors be fully authorized by the Annual Shareholders' Meeting to resolve related matters.
5. For the dividend distribution proposal this time, the Chairman is authorized to set the ex-dividend record date, release date and other related matters.

Voting Result:

Voting Result*	% of the total represented share present
Votes in favor : 90,075,254 votes (6,155,254 votes)	94.35%
Votes against : 34,020 votes (34,020 votes)	0.03%
Votes invalid : 0	0%
Votes abstained : 5,351,217 votes (4,412,217 votes)	5.60%

*including votes casted electronically (number in brackets)

RESOLVED, that the above proposal was hereby approved as proposed.

II. Amendments to the Company's Articles of Incorporation.

Explanation:

In line with the amendments to the "Checklist for the Protection of Shareholders' Rights and Interests in the Company Where the Foreign Issuer is Registered" announced by TWSE and the Company's operational needs, the Company proposes to amend certain articles in its Articles of Incorporation accordingly. The comparison table refers to Attachment 7.

Voting Result:

Voting Result*	% of the total represented share present
Votes in favor : 90,077,236 votes (6,157,236 votes)	94.36%
Votes against : 29,038 votes (29,038 votes)	0.03%
Votes invalid : 0	0%
Votes abstained : 5,354,217 votes (4,415,217 votes)	5.60%

*including votes casted electronically (number in brackets)

RESOLVED, that the above proposal was hereby approved as proposed.

III. Amendments to "The Procedures for Loaning of Funds"

Explanation:

1. Amendments to the Company's "The Procedures for Loaning of Funds" are made to satisfy the Company's operational needs.
2. The comparison table refers to Attachment 8.

Voting Result:

Voting Result*	% of the total represented share present
Votes in favor : 90,053,803 votes (6,133,803 votes)	94.33%
Votes against : 53,471 votes (53,471 votes)	0.05%
Votes invalid : 0	0%
Votes abstained : 5,353,217 votes (4,414,217 votes)	5.60%

*including votes casted electronically (number in brackets)

RESOLVED, that the above proposal was hereby approved as proposed.

IV. Amendments to “The Procedures for Acquisition or Disposal of Assets”

Explanation:

1. Amendments to the Company’s “The Procedures for Acquisition or Disposal of Assets” are made to satisfy the Company’s operational needs.
2. The comparison table refers to Attachment 9.

Voting Result:

Voting Result*	% of the total represented share present
Votes in favor : 90,066,236 votes (6,146,236 votes)	94.34%
Votes against : 40,018 votes (40,018 votes)	0.04%
Votes invalid : 0	0%
Votes abstained : 5,354,237 votes (4,415,237 votes)	5.60%

*including votes casted electronically (number in brackets)

RESOLVED, that the above proposal was hereby approved as proposed.

E. Directors Election

- I. By-election of an independent director, please proceed to review and discuss.

Explanation:

1. The Independent Director Kevin Fong resigned due to personal reasons, and as a result, one director’s position has become vacant. It is proposed to conduct an election at shareholders’ meeting this time on May 24, 2024 to elect one seat of Independent Director, the term of the office is from May 24, 2024 to January 16, 2026.

2. Regarding the Company's Independent Directors nomination system, list of candidates and their educational background, experiences and shareholding, please refer to Attachment 10.
3. Regarding "Procedures for Election of Directors", please refer to Annex 2 (Page 46 of Annual Meeting book).

Election result: The list of the newly elected independent director with votes received follows:

Title	Name	Votes
Independent Director	She-Ting Wang	89,462,858 Votes

F. Other Matters

- I. Release of non-competition restrictions on the newly elected independent director, please discuss.

Explanation:

1. Please approve to release the non-competition restriction for the newly elected independent director according to Article 209 of the Company Act, the newly elected director shall do anything for herself that is within the scope of the Company's business.
2. Details of the release of non-competition restrictions on the newly elected independent director, please refer to Attachment 11.

Voting Result:

Voting Result*	% of the total represented share present
Votes in favor : 90,037,335 votes (6,117,335 votes)	94.31%
Votes against : 46,001 votes (46,001 votes)	0.04%
Votes invalid : 0	0%
Votes abstained : 5,377,155 votes (4,438,155 votes)	5.63%

*including votes casted electronically (number in brackets)

RESOLVED, that the above proposal was hereby approved as proposed.

G. Questions and Motions

There being no other business and special motion, upon a motion duly made and seconded, the meeting was adjourned.

H. Adjournment: 2:37PM May 24, 2024.

World Fitness Services Ltd.

Business Report

World Gym sincerely thanks our Club Members, Shareholders, and Directors for their unwavering support along the way. 2023 marked a pivotal moment for World Gym's significant transformation and upgrade. As a milestone in its brand history and a leader in the industry, World Gym introduced AI body posture detection technology in its branches, announced its expansion into the retail market, and successfully applied for IPO listing on August 28, 2023. We have been listed on January 24, 2024, officially entering the capital market. Emerging from the post-pandemic downturn, World Gym pursued a steady growth strategy in store expansion.

By the end of 2023, World Gym had opened 7 new branches: Taoyuan Yangmei, Taichung Taiping, Taichung Tanzih, Sanchong Wuhua, Taichung Wenxin, Taoyuan TaiMall, and Zhongli Zhongshan, bringing the total number of branches to 118. The increase in branches and membership contributed to overall revenue growth. In 2023, the revenue was NTD 9,428,163 thousand, operating profit was NTD 511,183 thousand, net income after tax was NTD 349,531 thousand, and basic EPS was NTD 3.5.

Unit: NT\$ thousands ; %

項目 \ 年度	2023	2022	增(減)金額	成長率 %
Revenue	9,428,163	8,862,771	565,392	6.38
Gross Profit	1,551,144	1,426,137	125,007	8.77
Operating Expense	(1,039,961)	(940,610)	(99,351)	10.56
Operating Profit	511,183	485,527	25,656	5.28
Net Income Before Tax	443,921	363,466	80,455	22.14
Net Income After Tax	349,531	303,806	45,725	15.05
Basic EPS	3.50	3.04	0.46	15.13

As the largest fitness chain brand in Taiwan, World Gym boasts over 440,000 members, providing a professional exercise environment for all age groups. Maintaining its position as an industry leader, its core values revolve around "technology, professionalism, and system," ensuring efficient management.

In terms of technology, the continuous integration of sports technology is evident through the exclusive representation of exercise devices such as MY Zone and Inbody body posture analysis assessments. Furthermore, the introduction of AI body posture detection, expansion of health functions in the WG APP, and the upgrade of WG Online reflect its commitment to technological advancement.

Professionalism is upheld through education and training programs, enhancing the expertise of personal trainers and aerobic instructors. Simultaneously, talent soft skills are reinforced through training, aiding in recruitment for store expansion and mitigating labor shortages. World Gym stands out as the only fitness gym brand in Taiwan to establish educational training centers, with three locations in New Taipei City, Taichung, and Kaohsiung, offering complete training course.

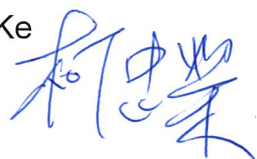
Regarding systems, collaboration with Systex Corporation involves custom development of exclusive CRM services and management ERP systems. These systems effectively manage operations across all branches, enabling tracking and monitoring of sports service provision.

We are honored to earn your trust in World Gym. We are more excited about our future, and are even more firmly committed to earning good returns for our shareholders in the years to come.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 Business Report, 2023 Financial Statements, and proposal for distribution plan. The CPA firm of PwC was retained to audit WFSL's Financial Statements and has issued an audit report relating to the Financial Statements. The 20223Business Report, 2023 Financial Statements, and distribution plan have been reviewed and determined to be correct and accurate by the Audit Committee members of World Fitness Services Ltd. According to relevant requirements of the Securities and Exchange Act and the Company Law, we hereby submit this report.

World Fitness Services Ltd.
Chairman of the Audit Committee:
Zhong-Rong Ke



March 7th, 2024

World Fitness Services Ltd.

庫藏股員工轉讓辦法

Regulations for the Transfer of Treasury Shares to Employees

第一條

目的

Article 1

本公司為激勵員工及提升員工向心力，依據證券交易法第二十八條之二第一項第一款及「上市上櫃公司買回本公司股份辦法」等有關規定，訂定本公司買回股份轉讓員工辦法。本公司買回股份(以下簡稱庫藏股)轉讓予員工，除依有關法令規定外，悉依本辦法規定辦理。

Purpose

In order to motivate employees and enhance their loyalty, the Company establishes these regulations for the transfer of shares repurchased by the Company to employees, pursuant to Article 28-2, Paragraph 1, Subparagraph 1 of the Securities and Exchange Act and relevant regulations such as the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies". The transfer of repurchased shares (hereinafter referred to as treasury shares) to employees shall be conducted in accordance with the provisions of these regulations, in addition to relevant statutory requirements.

第二條

Article 2

(轉讓股份之種類、權利內容及權利受限情形)

本公司轉讓予員工之股份均為普通股，其權利義務除有關法令及本辦法另有規定者外，與其他流通在外之普通股相同。

(Type, Rights and Restrictions of Transferred Shares)

The shares transferred by the Company to employees are all common shares. The rights and obligations associated with these shares are the same as other outstanding common shares, unless otherwise provided by applicable laws, regulations, or these regulations.

第三條

Article 3

(轉讓期間)

本公司買回之股份，應依本辦法之規定，自買回股份之日起五年為限，得一次或分次轉讓予員工。

(Duration of Transfer)

The shares repurchased by the Company shall be subject to a transfer period of five years from the date of repurchase in accordance with the regulations. The transfer could be either at once or in stages.

第四條

Article 4

(受讓人之資格)

凡於認購配股基準日前到職滿一年或對公司有特殊貢獻之本公司員工，得享有認購庫藏股之權利。本辦法所稱之員工，係指本公司及直接或間接持有表決權股份超過百分之五十之海內外子公司領有薪資之全職員工。兼職員工、臨時性員工、短期工讀生及委外勞工均不適用本辦法。

Qualifications of Transferees

Employees who have been employed for at least one year prior to the subscription record date or who have made significant contributions to the

Company shall have the right to subscribe to treasury shares. For the purposes of these regulations, "employees" refer to full-time employees receiving salaries from the Company and its domestic and foreign subsidiaries holding directly or indirectly more than 50% of shares. Part-time employees, temporary employees, short-term interns, and outsourced labor are not eligible under these regulations.

第 五 條
Article 5

(轉讓之程序)

員工得認購股數係依據員工職等、服務年資及對公司之特殊貢獻及兼顧認股基準日時公司持有之買回股份總額及單一員工認購股數之上限等因素為計算標準，訂定員工得受讓認購股數，並呈報董事會核定之。惟認股人具經理人身份者，應先提報薪資報酬委員會審議後，呈送董事會決議；轉讓之對象非具經理人身份者，應先經審計委員會同意後再提報董事會決議。

員工於認購繳款期間屆滿而未認購繳款者，視為棄權；認購不足之餘額，可由董事會於當次認購作業，另洽其他員工認購，並依認股人身份提報審計委員會或薪資報酬委員會審議後呈報董事會決議。

(Transfer Procedure)

The number of shares that employees may subscribe to shall be calculated based on factors such as the employee's position, length of service, contributions to the company, and taking into account the total amount of treasury shares held by the company at the subscription record date, as well as the maximum number of shares that a single employee may subscribe to. The calculation shall be subject to approval by the Board. However, if the transferees are main managers, the matter shall first be submitted to the Remuneration Committee for approval and then presented to the Board of Directors for resolution; the transferees are not the main managers, the matter shall be submitted to the Audit Committee for approval and then presented to the Board of Directors for resolution.

Employees who fail to make payment within the subscription payment period shall be deemed to forgo their subscription. During the subscription process, the remaining unsubscribed balance may be subscribed by other employees negotiated with by the Board of Directors. The subscription shall be resolved by the Board of Directors after review by the Audit Committee or the Remuneration Committee based on the subscriber's position.

第 六 條
Article 6

本公司買回股份轉讓予員工依以下程序辦理：

- 一、依董事會之決議、公告、申報並於執行期限內買回本公司股份。
- 二、董事會依本辦法訂定及公布員工認購基準日、得認購數量標準、認購繳款期間、權利內容及限制條件等作業事項。
- 三、統計實際認購繳款股數，辦理股票轉讓過戶登記。

The procedure for transfer of treasury shares to employees:

The Company shall repurchase the shares within the specified period in accordance with the resolution of the Board of Directors, announcement, and declaration.

The Board shall set and announce operational matters such as the

subscription record date for employees, criteria for subscription quantity, subscription payment period, rights, and restrictions, in accordance with the regulations.

The actual number of shares subscribed and paid for shall be compiled, and the transfer of shares shall be registered through the stock transfer and registration process.

第 七 條
Article 7

（約定之每股轉讓價格）

本次買回股份轉讓予員工，以實際買回之平均價格為轉讓價格。惟在轉讓前，如遇有本公司已發行之普通股股份增加或減少，得按發行股份增加或減少比率調整之。

轉讓價格調整公式：

調整後轉讓價格= 實際買回股份之平均價格 x 申報買回股份時已發行之普通股總數 / 轉讓買回股份予員工前已發行之普通股總數。

(Transfer Price per Share)

The transfer of repurchased shares to employees in this transaction shall be based on the actual average repurchase price. However, prior to the transfer, if there is an increase or decrease in the total number of ordinary shares issued by the Company, the transfer price may be adjusted accordingly based on the ratio of the increase or decrease in issued shares.

The formula for adjusting the transfer price is as follows:

Adjusted Transfer Price = Actual Average Repurchase Price x Total Number of Ordinary Shares Issued at the time of declaration of repurchase / Total Number of Ordinary Shares Issued prior to the transfer of repurchased shares to employees.

第 八 條
Article 8

（轉讓後之權利義務）

本公司買回股份轉讓予員工並辦理過戶登記後，除另有規定者外，餘權利義務與原有股份相同。

(Rights and Obligations After Transfer)

After the transfer of treasury shares to employees by the Company and the completion of the transfer registration, unless otherwise specified, the remaining rights and obligations shall be the same as those of the original shares.

第 九 條
Article 9

（其他有關公司與員工權利義務事項）

本公司買回股份轉讓予員工，其所發生之稅捐及費用應依相關法令由公司或員工各自負擔。

(Other Matters Related to Rights and Obligations of the Company and Employees)

In the transfer of treasury shares to employees by the Company, any taxes, duties, and expenses incurred shall be borne by the Company or the

employees respectively, in accordance with relevant laws and regulations.

第十條 (其他事項)

Article 10 本公司為轉讓股份予員工所買回之股份，應自買回之日起五年內全數轉讓，逾期未轉讓部份，視為本公司未發行股份，應依法辦理銷除股份變更登記。

(Other Matters)

The shares repurchased by the Company for transfer to employees shall be fully transferred within five years from the date of repurchase. Any portion not transferred within the specified period shall be treated as unissued shares by the Company, and procedures for cancellation of shares shall be conducted in accordance with the law.

第十一條 本辦法經審計委員會審核，董事會決議通過後生效，並應提報最近一次股東會報告，修正時亦同。

Article 11

本辦法訂定日期民國113年3月18日。

本辦法於民國113年5月9日修訂

The Regulations had been examined by Audit Committee, and shall be effective upon approval by the Board of Directors and shall be reported in the latest shareholders' meeting report. The same procedure shall apply for any amendments to the regulations.

The Regulations are enacted on March 18, 2024

The Regulations are revised on May 9, 2024

World Fitness Services Ltd.

Comparison Table for the Regulations Governing Procedure for Board of Directors Meetings

AFTER THE REVISION	BEFORE THE REVISION
Article 7 When the meeting time is due and one-half all board directors are not present, the meeting chair may announce that the meeting time will be postponed <u>on the same day</u>, provided that no more than two postponements are made. If the quorum is still not met after two postponements, the chair may re-convene the meeting following the procedures provided in Article 3.	Article 7 When the meeting time is due and one-half all board directors are not present, the meeting chair may announce that the meeting time will be postponed, provided that no more than two postponements are made. If the quorum is still not met after two postponements, the chair may re-convene the meeting following the procedures provided in Article 3.
Article 11 A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting. The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting. If at any time during the proceedings of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of the meeting, in which case paragraph 1 of the preceding article shall apply mutatis mutandis. During the meeting, the chairman may exercise discretion to announce breaks or negotiate break times. <u>During the proceedings of a board meeting, if the chair is unable to chair the meeting or fails to declare the meeting closed as provided in paragraph 2, the provisions of Article 10, paragraph 3 shall apply mutatis mutandis to the selection of the deputy to act in place thereof.</u>	Article 11 A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting. The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting. If at any time during the proceedings of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of the meeting, in which case paragraph 1 of the preceding article shall apply mutatis mutandis. During the meeting, the chairman may exercise discretion to announce breaks or negotiate break times.
Article 17 The regulations shall require approval from the Board of Directors and shall be reported to the shareholders' meeting. Any future amendments shall be implemented upon approval by the Board of Directors. 2023 January 17th Approved by Shareholders Meeting <u>2024 May 9th Approved Revised by Board of Directors</u>	Article 17 The regulations shall require approval from the Board of Directors and shall be reported to the shareholders' meeting. Any future amendments shall be implemented upon approval by the Board of Directors. 2023 January 17th Approved by Shareholders Meeting

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 23003689

To the Board of Directors and Shareholders of World Fitness Services Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of World Fitness Services Ltd. and subsidiaries (the "Group") as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

Key audit matters for the Group's consolidated financial statements of the current period are stated as follows:

Revenue recognition of the professional coaching course services

Description

For the accounting policy of sales revenue recognition, please refer to Note 4(27). Contract liabilities of the professional coaching course services amounted to 1,772,662 thousand (including contract liabilities that have expired and not yet expired) as at December 31, 2023; revenue of the professional coaching course services amounted to 4,693,588 thousand for the year ended December 31, 2023. Revenue for the coaching course with which contract has expired and the course has not been completed is recognised based on the evaluation report of the amortisation period of unfinished courses issued by external experts based on the past service experience.

The assumptions of the evaluation report are critical accounting estimates and the calculation of sales revenue is complex. Therefore, we included revenue recognition of the professional coaching course services (those recognised based on the evaluation report) as one of the key areas of focus for this year.

How our audit addressed the matter

The procedures that we have conducted in response to the above key audit matter are summarized as follows:

- A. We evaluated the professional qualification, competency and independence of the independent actuaries engaged by the management. engaged by the management.
- B. We understood and sample-tested the accuracy and completeness of the data used by management in the evaluation report.
- C. We compared the methodologies and significant assumptions, including the number of days and usage percentage for the completion of the course which contract has expired, with specific historical data of the Group in order to assess the reasonableness of management's judgments.
- D. We obtained an understanding, evaluated, and verified the effectiveness of managements' control of revenue recognition, including reviewing contract terms and amount, confirming the period for rendering of services and selecting courses to verify the condition of execution.
- E. We performed testing, on a sampling basis, revenue recognised in accordance with the evaluation report for contract liabilities that have expired.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the Audit Committee, are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Hsu, Chien-Yeh

Wang, Yu-Chuan

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 7, 2024

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.

WORLD FITNESS SERVICES LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

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

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1) and 12(2)	\$ 424,123	2	\$ 785,029	4
1136	Current financial assets at amortised cost	6(2) and 12(2)	636,748	4	868,559	5
1150	Notes receivable, net	6(3) and 12(2)	-	-	149	-
1170	Accounts receivable, net	6(3) and 12(2)	159,837	1	133,068	1
1197	Finance lease receivable, net	6(3)(7) and 12(2)	17,880	-	17,483	-
1200	Other receivables	12(2)	4,900	-	3,384	-
1210	Other receivables - related parties	7(2) and 12(2)	97	-	192	-
130X	Inventories		2,435	-	-	-
1410	Prepayments		118,131	1	89,119	1
1470	Other current assets		2,910	-	2,336	-
11XX	Current Assets		1,367,061	8	1,899,319	11
Non-current assets						
1535	Non-current financial assets at amortised cost	6(2) and 12(2)	14,175	-	24,963	-
1550	Investments accounted for under equity method	6(4)	13,980	-	19,766	-
1600	Property, plant and equipment, net	6(5)	5,539,200	33	5,748,859	32
1755	Right-of-use assets	6(6)	9,107,439	54	9,131,560	52
1780	Intangible assets	6(8)	132,996	1	117,552	1
1840	Deferred income tax assets	6(24)	170,066	1	116,155	1
1920	Guarantee deposits paid	12(2)	416,981	2	430,758	2
194D	Long-term finance lease receivable, net	6(3)(7) and 12(2)	114,773	1	132,653	1
15XX	Non-current assets		15,509,610	92	15,722,266	89
1XXX	Total assets		\$ 16,876,671	100	\$ 17,621,585	100

(Continued)

WORLD FITNESS SERVICES LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

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

Liabilities and Equity			December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(9) and 12(2)	\$ 400,000	2	\$ 400,000	2
2130	Current contract liabilities	6(18)	2,077,152	12	2,097,701	12
2150	Notes payable	12(2)	4,398	-	6,030	-
2200	Other payables	6(10) and 12(2)	1,156,826	7	1,442,725	8
2220	Other payables to related parties	7(2) and 12(2)	33	-	3	-
2230	Current income tax liabilities		136,318	1	96,842	1
2280	Current lease liabilities	6(27) and 12(2)	1,178,091	7	1,185,604	7
2320	Long-term borrowings, current portion	6(11)	210,000	1	255,094	1
2399	Other current liabilities	6(12) and 12(2)	132,798	1	165,702	1
21XX	Current Liabilities		5,295,616	31	5,649,701	32
Non-current liabilities						
2527	Non-current contract liabilities	6(18)	506,920	3	436,421	2
2540	Long-term borrowings	6(11)	150,000	1	360,000	2
2550	Provisions for liabilities - noncurrent	6(14)	154,000	1	142,000	1
2570	Deferred income tax liabilities	6(24)	12,843	-	13,406	-
2580	Non-current lease liabilities	6(27) and 12(2)	8,350,627	50	8,316,820	47
2600	Other non-current liabilities	6(12) and 12(2)	76,676	-	112,779	1
25XX	Non-current liabilities		9,251,066	55	9,381,426	53
2XXX	Total Liabilities		14,546,682	86	15,031,127	85
Equity						
	Share capital	6(15)				
3110	Share capital - common stock		1,000,000	6	500,000	3
	Capital surplus	6(16)				
3200	Capital surplus		980,458	6	1,822,806	10
	Retained earnings	6(17)				
3350	Unappropriated retained earnings		349,531	2	267,652	2
3XXX	Total equity		2,329,989	14	2,590,458	15
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 16,876,671	100	\$ 17,621,585	100

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

WORLD FITNESS SERVICES LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

			Year ended December 31			
			2023		2022	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(18)		\$ 9,428,163	100	\$ 8,862,771	100
5000 Operating costs	6(23)		(7,877,019)	(83)	(7,436,634)	(84)
5900 Net operating margin			<u>1,551,144</u>	<u>17</u>	<u>1,426,137</u>	<u>16</u>
Operating expenses	6(23)					
6100 Selling expenses			(103,439)	(1)	(76,964)	(1)
6200 General and administrative expenses			(936,522)	(10)	(863,646)	(10)
6000 Total operating expenses			(1,039,961)	(11)	(940,610)	(11)
6900 Operating profit			<u>511,183</u>	<u>6</u>	<u>485,527</u>	<u>5</u>
Non-operating income and expenses						
7100 Interest income	6(19)		15,657	-	9,784	-
7010 Other income	6(20) and 7(2)		125,944	1	72,355	1
7020 Other gains and losses	6(21)		8,946	-	15,505	-
7050 Finance costs	6(22)		(212,023)	(2)	(216,550)	(2)
7060 Share of loss of associates and joint ventures accounted for under equity method	6(4)		(5,786)	-	(3,155)	-
7000 Total non-operating income and expenses			(67,262)	(1)	(122,061)	(1)
7900 Profit before income tax			443,921	5	363,466	4
7950 Income tax expense	6(24)		(94,390)	(1)	(59,660)	(1)
8200 Profit for the year			<u>\$ 349,531</u>	<u>4</u>	<u>\$ 303,806</u>	<u>3</u>
8500 Total comprehensive income for the year			<u>\$ 349,531</u>	<u>4</u>	<u>\$ 303,806</u>	<u>3</u>
Earnings per share	6(25)					
9750 Basic earnings per share			<u>\$ 3.50</u>		<u>\$ 3.04</u>	
9850 Diluted earnings per share			<u>\$ 3.48</u>		<u>\$ 3.04</u>	

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

WORLD FITNESS SERVICES LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Equity attributable to owners of the parent			
	Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Total unappropriated retained earnings	Total equity
<u>Year ended December 31, 2022</u>					
Balance at January 1, 2022		\$ 500,000	\$ 3,646,493	(\$ 1,249,841)	\$ 2,896,652
Profit for the year		-	-	303,806	303,806
Total comprehensive income		-	-	303,806	303,806
Appropriations and distribution of 2021 earnings:					
Cash dividends	6(17)	-	-	(610,000)	(610,000)
Capital surplus used to offset accumulated deficit	6(16)	-	(1,823,687)	1,823,687	-
Balance at December 31, 2022		<u>\$ 500,000</u>	<u>\$ 1,822,806</u>	<u>\$ 267,652</u>	<u>\$ 2,590,458</u>
<u>Year ended December 31, 2023</u>					
Balance at January 1, 2023		\$ 500,000	\$ 1,822,806	\$ 267,652	\$ 2,590,458
Profit for the period		-	-	349,531	349,531
Total comprehensive income		-	-	349,531	349,531
Appropriations and distribution of 2022 earnings:					
Cash dividends	6(16)(17)	-	(342,348)	(267,652)	(610,000)
Capitalisation of capital surplus	6(15)(16)	500,000	(500,000)	-	-
Balance at December 31, 2023		<u>\$ 1,000,000</u>	<u>\$ 980,458</u>	<u>\$ 349,531</u>	<u>\$ 2,329,989</u>

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

WORLD FITNESS SERVICES LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 443,921	\$ 363,466
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(5)(23)	994,206	964,445
Depreciation for right-of-use assets	6(6)(23)	1,290,161	1,250,570
Amortization expense	6(8)(23)	17,312	14,159
Interest expense	6(22)	35,621	41,630
Interest expense for lease liabilities	6(6)(22)	176,402	174,920
Interest income	6(19)	(15,657)	(9,784)
Share of loss of associates and joint ventures accounted for under equity method	6(4)	5,786	3,155
(Gain) loss on disposal of property, plant and equipment	6(21)	(610)	1,001
Gain on lease modification		(11,380)	(15,045)
Unrealised net (gain) loss on foreign currency exchange		(1)	120
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		149	(104)
Accounts receivable, net		(26,769)	5,900
Finance lease receivable, net		20,129	10,940
Other receivables		(1,516)	(1,011)
Other receivables - related parties		95	14
Inventories		(2,435)	-
Prepayments		(29,012)	10,410
Other current assets		(573)	1,933
Changes in operating liabilities			
Contract liabilities		49,950	(180,959)
Notes payable		(1,632)	(18,728)
Other payables		(246,862)	81,173
Other payables to related parties		30	3
Other current liabilities		118	(8,872)
Cash inflow generated from operations		2,697,433	2,689,336
Interest received		7,298	2,235
Interest paid		(211,864)	(216,473)
Income tax paid		(109,387)	(162,848)
Net cash flows from operating activities		2,383,480	2,312,250
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6(26)	(878,081)	(1,023,330)
Proceeds from disposal of property, plant and equipment		835	587
(Increase) decrease in financial assets at amortised cost		242,599	(483,958)
Acquisition of intangible assets	6(8)	(22,229)	(14,765)
Increase in guarantee deposits paid		(34,120)	(21,778)
Decrease in guarantee deposits paid		51,445	11,053
Net cash flows used in investing activities		(639,551)	(1,532,191)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings	6(27)	-	300,000
Repayment of long-term borrowings	6(27)	(255,094)	(163,052)
Repayment of the principal portion of lease liabilities	6(27)	(1,182,847)	(1,113,250)
Increase (decrease) in guarantee deposits received	6(27)	(59)	1,398
Cash dividends paid	6(17)(26)	(666,836)	(536,656)
Net cash flows used in financing activities		(2,104,836)	(1,511,560)
Effect of exchange rate changes on cash and cash equivalents		1	(120)
Net decrease in cash and cash equivalents		(360,906)	(731,621)
Cash and cash equivalents at beginning of year		785,029	1,516,650
Cash and cash equivalents at end of year		\$ 424,123	\$ 785,029

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

WORLD FITNESS SERVICES LTD.

2023 年盈餘分配表

Profit Distribution Table of Year 2023

單位：新台幣元/ Unit: NTD

期初未分配盈餘(累積虧損) Retained earnings (or accumulated deficit) of prior years	0
加：本年度稅後淨利 Add : Net profit after tax	349,531,172
減：法定盈餘公積 10% Less: Legal reserve 10%	(34,953,117)
可供分配盈餘 Distributable net profit	314,578,055
減：股東現金股利(2.79624938 元/股) Less: Dividend to shareholders(2.79624938 per share)	(314,578,055)
期末未分配盈餘 Unappropriated retained earnings	0

說明：

1. 擬自本次盈餘分派發放現金 314,578,055 元，約當每股配發現金股利 2.79624938 元，另由資本公積發放現金股利案中以資本公積配發現金 335,421,945 元，約當每股配發現金 2.98152840 元，合計配發現金股利新台幣 650,000,000 元，約當每股配發現金 5.77777778 元。
2. 嗣後如本公司因買回庫藏股而使流通在外股數減少，每股配發金額有調整之必要時，擬授權董事長全權處理。

NOTE:

1. It is proposed to distribute a cash dividend of NT\$ 314,578,055, equivalent to 2.79624938 per share from this year's earnings distribution plan. In addition, a cash dividend distribution of 335,421,945 will be distributed from the paid-in capital, equivalent to 2.98152840 per share. The total cash dividend will be NT\$ 650,000,000, equivalent to 5.77777778 per share.
2. If the number of outstanding shares of the company changes due to the repurchase of the company's shares, and it becomes necessary to adjust dividend per share, the chairman of the Board of Directors will be authorized to handle the matter with full authority.

董事長：柯約翰



經理人：柯約翰



會計主管：謝如菁



WORLD FITNESS SERVICES LTD.

The Comparison Table of Amended and Restated Articles of Association

AFTER THE REVISION	BEFORE THE REVISION	Explanation
Article 27(a) The Company may in each year hold a general meeting as its annual general meeting, PROVIDED HOWEVER THAT, for so long as the Shares are listed on any ROC Securities Exchange, an annual general meeting shall be held within six (6) Months following the end of each fiscal year of the Company and it shall be specified as such meeting in the notice convening the same. Unless otherwise provided in these Articles <u>or any Applicable Public Company Rules</u>, all general meetings shall be convened by the Board.	Article 27(a) The Company may in each year hold a general meeting as its annual general meeting, PROVIDED HOWEVER THAT, for so long as the Shares are listed on any ROC Securities Exchange, an annual general meeting shall be held within six (6) Months following the end of each fiscal year of the Company and it shall be specified as such meeting in the notice convening the same. Unless otherwise provided in these Articles, all general meetings shall be convened by the Board.	Since the Company has been listed on the TWSE, the wording has been revised to comply with the relevant regulations.
Article 54(a) Subject to the Statute and the Applicable Public Company Rules, the Board may determine that Members not attending and voting at a general meeting in person or by proxy may exercise their voting right either by means of a written ballot or by means of electronic transmission prior to the commencement of that general meeting; provided, however, that so long as the Shares are listed in any ROC Securities Exchange, the Company <u>shall</u> provide the Members with the right to exercise his/her/its voting right through electronic transmission. Such method for exercising voting right shall be described in the notice convening the general meeting to be given to the Members in accordance with these Articles. For the avoidance of doubt, Shares voted in the manner mentioned above shall, for purposes of these Articles and the Statute, be counted towards the quorum of the respective meeting and a Member who exercises	Article 54(a) Subject to the Statute and the Applicable Public Company Rules, the Board may determine that Members not attending and voting at a general meeting in person or by proxy may exercise their voting right either by means of a written ballot or by means of electronic transmission prior to the commencement of that general meeting; provided, however, that so long as the Shares are listed in any ROC Securities Exchange, the Company <u>may</u> provide the Members with the right to exercise his/her/its voting right through electronic transmission, <u>and, in case a general meeting is to be held outside of Taiwan, the Company shall, subject to the Statute and all applicable law, provide the Members with a method for exercising their voting right by means of a written ballot or electronic transmission.</u> Such method for exercising voting right shall be described in the notice convening the general meeting to be given to the	In order to comply with the “Checklist of Shareholders’ Equity Protection Measures at Foreign Issuer’s Domicile”.

AFTER THE REVISION	BEFORE THE REVISION	Explanation
his/her/its voting rights by means of a written ballot or electronic transmission shall be deemed to have appointed a FSC-recognized shareholders' service agent, or if such agent was not engaged the chairman of the general meeting, as his proxy.	Members in accordance with these Articles. For the avoidance of doubt, Shares voted in the manner mentioned above shall, for purposes of these Articles and the Statute, be counted towards the quorum of the respective meeting and a Member who exercises his/her/its voting rights by means of a written ballot or electronic transmission shall be deemed to have appointed a FSC-recognized shareholders' service agent, or if such agent was not engaged the chairman of the general meeting, as his proxy.	
Article 54(b) Subject to the Statute and the Applicable Public Company Rules, all Members voting by means of a written ballot or of electronic transmission shall be deemed to have waived notice of, and the right to vote in regard to, any ad hoc motion or amendment to the items set out in the notice convening the general meeting to be resolved at the said general meeting. <u>Each Member voting by means of a written ballot or of electronic transmission shall, at least two (2) days prior to the date of the general meeting, serve his/her/its declaration about the votes by means of a written ballot or of electronic transmission to the Company; whereas if two or more declarations are served to the Company, the first declaration shall prevail unless an explicit statement to revoke the previous declaration is made in the declaration which comes later.</u>	Article 54(b) Subject to the Statute and the Applicable Public Company Rules, all Members voting by means of a written ballot or of electronic transmission shall be deemed to have waived notice of, and the right to vote in regard to, any ad hoc motion or amendment to the items set out in the notice convening the general meeting to be resolved at the said general meeting.	In order to comply with the "Checklist of Shareholders' Equity Protection Measures at Foreign Issuer's Domicile".
Article 57(b) Subject to the Statute, so long as the Shares are listed in any ROC Securities Exchange, when a Director pledges more than one-half of the Shares which he/she/it held at the moment when he/she/it was elected as a Director, such Director shall refrain from exercising	Article 57(b) Subject to the Statute, so long as the Shares are listed in any ROC Securities Exchange, when a Director pledges more than one-half of the Shares which he/she/it held at the moment when he/she/it was elected as a Director, such Director shall refrain from exercising	In order to comply with the "Checklist of Shareholders' Equity Protection Measures at Foreign Issuer's Domicile".

AFTER THE REVISION	BEFORE THE REVISION	Explanation
the votes with respect to the Shares pledged exceeding the one-half threshold, and the votes of the Shares pledged exceeding the one-half threshold shall not be counted in the total number of votes of Member present at the meeting. However, such Shares shall be counted in determining the quorum of the general meeting.	the votes with respect to the Shares pledged exceeding the one-half threshold, and the votes of the Shares pledged exceeding the one-half threshold shall not be counted in the total number of votes of Member present at the meeting. However, such Shares shall be counted in determining the quorum of the general meeting.	
Article 59 So long as the Shares are listed on any ROC Securities Exchange, if a Member who has a personal interest in respect of any matter proposed for consideration and, if appropriate, approval at a general meeting, and such interest is in conflict with and may harm the interests of the Company, such Member shall abstain from voting in respect of all his/her/its Shares which such Member would otherwise be entitled to vote in person or by proxy (or by corporate representative, if such Member is a corporation) with respect to the said matter, and the votes cast in respect of the Shares held by such Members shall not be counted, but such Members and their Shares may be counted in determining the quorum of the general meeting. The aforementioned Member shall also not vote on behalf of any other Member with respect to that same matter.	Article 59 So long as the Shares are listed on any ROC Securities Exchange, if a Member who has a personal interest in respect of any matter proposed for consideration and, if appropriate, approval at a general meeting, and such interest is in conflict with and may harm the interests of the Company, such Member shall abstain from voting in respect of all his/her/its Shares which such Member would otherwise be entitled to vote in person or by proxy (or by corporate representative, if such Member is a corporation) with respect to the said matter, and the votes cast in respect of the Shares held by such Members shall not be counted, but such Members and their Shares may be counted in determining the quorum of the general meeting. The aforementioned Member shall also not vote on behalf of any other Member with respect to that same matter.	In order to comply with the “Checklist of Shareholders’ Equity Protection Measures at Foreign Issuer’s Domicile”.
Article 67 So long as the Shares are listed on any ROC Securities Exchange, unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors, and the total number of Independent Directors shall not be less than <u>one-third</u> of the total number of Directors. To the extent	Article 67 So long as the Shares are listed on any ROC Securities Exchange, unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors, and the total number of Independent Directors shall not be less than <u>one-fifth</u> of the total number of Directors. To the extent	In order to comply with article 28-4 of “Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings”.

AFTER THE REVISION	BEFORE THE REVISION	Explanation
required by the Applicable Public Company Rules, at least two (2) of the Independent Directors shall be domiciled in the ROC and at least one of the same shall have accounting or financial expertise.	required by the Applicable Public Company Rules, at least two (2) of the Independent Directors shall be domiciled in the ROC and at least one of the same shall have accounting or financial expertise.	
<u>Article 102(c)</u> <u>In addition to the circumstances stipulates in the paragraph (b) of this Article, the Company may also allocate and distribute profits or losses after the end of each of the first three quarters of a fiscal year in accordance with Article 102.1.</u>	(This article is newly added.)	The Company plan to adopt a policy of distributing dividends quarterly, therefore, Article 102(c) is added to the Articles of Association to comply with the regulations.
Article 102(d) <u>(d)</u> Notwithstanding anything to the contrary, as the Company continues to grow, the need for capital expenditure, business expansion and a sound financial planning for sustainable development increases, it is the Company's dividends policy that the dividends may be allocated in the form of cash dividends and/or bonus shares according to the Company's future expenditure budgets and funding needs. When the Board elects to recommend to the Company to declare and pay dividends to Members and/or from the Accumulated Distributable Net Profit, the Board shall prepare a plan of allocation and distribution of dividends and submit such plan to the Members for approval by way of an Ordinary Resolution at a general meeting subject to the following requirements: (i) The Accumulated Distributable Net Profit is available for distribution to the Members as cash or bonus shares to be issued to the Members. (ii) The total dividends as proposed for declaration in such plan shall not be less	Article 102(c) <u>(c)</u> Notwithstanding anything to the contrary, as the Company continues to grow, the need for capital expenditure, business expansion and a sound financial planning for sustainable development increases, it is the Company's dividends policy that the dividends may be allocated in the form of cash dividends and/or bonus shares according to the Company's future expenditure budgets and funding needs. When the Board elects to recommend to the Company to declare and pay dividends to Members and/or from the Accumulated Distributable Net Profit, the Board shall prepare a plan of allocation and distribution of dividends and submit such plan to the Members for approval by way of an Ordinary Resolution at a general meeting subject to the following requirements: (i) The Accumulated Distributable Net Profit is available for distribution to the Members as cash or bonus shares to be issued to the Members. (ii) The total dividends as proposed for declaration in such plan shall not be less	The article number has been changed since the article is newly added.

AFTER THE REVISION	BEFORE THE REVISION	Explanation
than ten percent (10%) of the Distributable Net Profit of the Current Year.	than ten percent (10%) of the Distributable Net Profit of the Current Year.	
Article 102(e) (e) No unpaid dividend, distribution or other monies payable by the Company shall bear interest against the Company.	Article 102(d) (d) No unpaid dividend, distribution or other monies payable by the Company shall bear interest against the Company.	The article number has been changed since the article is newly added.
<u>102.1 The proposal of the allocation and distribution of the quarter or semiannual profits or losses of a fiscal year shall be performed in accordance with the following:</u> <u>(a) Unless the Board decides via a resolution not to allocate and distribute profits or losses, the proposal of the allocation and distribution of quarter or semiannual profits or losses of a fiscal year, together with the business report, financial statements and records and such other reports and documents as may be required by the Cayman Islands law and the Applicable Public Company Rules, shall be first reviewed by the Audit Committee and then be submitted to the Board for approval.</u> <u>(b) Where the Company proposes to distribute profits provided in the preceding paragraph, the Company shall</u> <u>(i) make provision of the applicable amount of taxes pursuant to the applicable tax laws and regulations, (ii) cover accumulated losses, if any, (iii) set aside a sum ten percent (10%) of the specific quarter or semiannual profits for any capital reserve pursuant to the Applicable Public Company Rules, unless the accumulated amount of such reserve equals to the total paid-up capital of the Company and (iv) set aside a sum for an additional special reserve in compliance with the requirements promulgated by applicable</u>	(This article is newly added.)	The Company plan to adopt a policy of distributing dividends quarterly, therefore, Article 102(c) is added to the Articles of Association to comply with the regulations.

AFTER THE REVISION	BEFORE THE REVISION	Explanation
<u>ROC authorities (including, but not limited to, the FSC or any applicable ROC Securities Exchange).</u> <u>(c) Where the Company intends to distribute profits by way of issuance of shares in accordance with the paragraph (a) of this Article, such proposal shall be approved by the Supermajority Resolution; where the Company intends to distribute profits in the form of cash in accordance with the paragraph (a) of this Article, such proposal shall be approved by the Board.</u> <u>(d) Where the Company proposes to allocate and distribute profits or losses provided in this Article, such allocation and distribution shall be based on the audited or reviewed financial statements by certified public accountants.</u>		

World Fitness Services Ltd.

Comparison Table for the Procedures for Loaning of Funds Before and After Revision

AFTER THE REVISION	BEFORE THE REVISION
Article 4 The aggregate amount of loans shall not exceed <u>30%</u> of the Company's net worth. 1. The aggregate amount of loans made for companies with which the Company has business relations shall not exceed 10% of the Company's net worth. 2. The aggregate amount of loans made for companies which are in need of short-term financing shall not exceed <u>30%</u> of the Company's net worth. The maximum loan amount permitted to a single borrower shall be set forth below: 1. The maximum loan amount permitted to a company having a business relationship with the Company shall not exceed the total transaction amount between the parties during the period of twelve (12) months prior to the time of lending, and shall not exceed 5% of the Company's net worth. The "transaction amount" shall mean the sales or purchasing amount between the parties, whichever is higher. 2. The maximum loan amount permitted to a company in need of funds for a short-term period shall not exceed <u>30%</u> of the Company's net worth. The aggregate amount of loans to each borrower shall not be more than 30% of the borrower's net worth, provided that this restriction will not apply to subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company. For fund-lending (for financing needs) between offshore subsidiaries whose voting shares are 100% owned, directly or indirectly, by the	Article 4 The aggregate amount of loans shall not exceed 20% of the Company's net worth. 1. The aggregate amount of loans made for companies with which the Company has business relations shall not exceed 10% of the Company's net worth. 2. The aggregate amount of loans made for companies which are in need of short-term financing shall not exceed 20% of the Company's net worth. The maximum loan amount permitted to a single borrower shall be set forth below: 1. The maximum loan amount permitted to a company having a business relationship with the Company shall not exceed the total transaction amount between the parties during the period of twelve (12) months prior to the time of lending, and shall not exceed 5% of the Company's net worth. The "transaction amount" shall mean the sales or purchasing amount between the parties, whichever is higher. 2. The maximum loan amount permitted to a company in need of funds for a short-term period shall not exceed 10% of the Company's net worth. The aggregate amount of loans to each borrower shall not be more than 30% of the borrower's net worth, provided that this restriction will not apply to subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company. For fund-lending (for financing needs) between offshore subsidiaries whose voting shares are 100% owned, directly or indirectly, by the

AFTER THE REVISION	BEFORE THE REVISION
Company, or fund-lending to the Company by offshore subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company, the total amount for such fund-lending shall not exceed 20% of the Company's net worth, and the total amount for such fund-lending of individual company shall not exceed 10% of the Company's net worth.	Company, or fund-lending to the Company by offshore subsidiaries whose voting shares are 100% owned, directly or indirectly, by the Company, the total amount for such fund-lending shall not exceed 20% of the Company's net worth, and the total amount for such fund-lending of individual company shall not exceed 10% of the Company's net worth.

World Fitness Services Ltd.

Comparison Table for the Procedures for Acquisition or Disposal of Assets Before and After Revision

AFTER THE REVISION	BEFORE THE REVISION
Article 4 1. The acquisition of real estate and related right-of-use assets by the Company for nonbusiness use shall not exceed 15% of the Company's net worth. The acquisition of real estate and related right-of-use assets for non-business use by each of its Subsidiaries shall not exceed 15% of the Company's net worth. 2. The total amount of all security investments of the Company shall not exceed 50% of the Company's net worth. The total amount of all security investments of each of its Subsidiaries shall not exceed 20% of the Company's net worth. 3. The amount of investment of the Company in each individual security shall not exceed 40% of the Company's net worth. The amount of investment of each of its Subsidiaries in each individual security shall not exceed 5% of the Company's net worth. The aforementioned amounts of investment in securities shall be calculated based on the initial investment costs.	Article 4 1. The acquisition of real estate and related right-of-use assets by the Company for nonbusiness use shall not exceed 15% of the Company's net worth. The acquisition of real estate and related right-of-use assets for non-business use by each of its Subsidiaries shall not exceed 15% of the Company's net worth. 2. The total amount of all security investments of the Company shall not exceed 20% of the Company's net worth. The total amount of all security investments of each of its Subsidiaries shall not exceed 20% of the Company's net worth. 3. The amount of investment of the Company in each individual security shall not exceed 5% of the Company's net worth. The amount of investment of each of its Subsidiaries in each individual security shall not exceed 5% of the Company's net worth. The aforementioned amounts of investment in securities shall be calculated based on the initial investment costs.
Article 5 1-4 (Omitted) 5. Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares Any acquisition or disposal of assets through mergers, spin-offs, acquisitions or shares transfer by the Company shall comply with the Governing Regulations announced by the competent authority.	Article 5 1-4 (Omitted) 5. Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares : Any acquisition or disposal of assets through mergers, spin-offs, acquisitions or shares transfer by the Company shall comply with the Governing Regulations announced by the competent authority.

AFTER THE REVISION	BEFORE THE REVISION
5. Acquisition or disposal of Derivatives Trading : The company does not intend to engage in derivatives trading transactions. 6. When a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the procedures, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. 7. Any acquisition or disposal of major assets shall be approved by the audit committee and submitted to the board of directors for a resolution. 8. Acquisition or disposal of assets according to the requirements of the Company Act or the provisions of the other Acts to be approved, ratified or reported at the shareholders' meeting shall be handled certainly.	6. Acquisition or disposal of Derivatives Trading : The company does not intend to engage in derivatives trading transactions. 7. When a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the procedures, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. 8. Any acquisition or disposal of major assets shall be approved by the audit committee and submitted to the board of directors for a resolution. 9. Acquisition or disposal of assets according to the requirements of the Company Act or the provisions of the other Acts to be approved, ratified or reported at the shareholders' meeting shall be handled certainly.
Article 8 1. Assessment and operating procedures (1) When the Company conducts a merger, demerger, acquisition, or transfer of shares, CPA, attorney, and securities underwriter shall be engaged to schedule project timetable and a task force shall be formed to execute the project according to statutory rules and regulations. Prior to convening the board of directors meeting to resolve on the matter, CPA, attorney, or securities underwriter shall give an opinion on the reasonableness of the share exchange ratio, acquisition price,	

AFTER THE REVISION	BEFORE THE REVISION
or distribution of cash or other property to shareholders, and submit it to the board meeting for deliberation and approval. (2) The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders' meeting and include it along with the expert opinion referred to in subparagraph (1) when sending shareholders notification of the shareholders' meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts the Company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders' meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders' meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders' meeting. 2. Others (1) A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders' meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or	

AFTER THE REVISION	BEFORE THE REVISION
the FSC is notified in advance of extraordinary circumstances and grants consent. A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. (2) When the Company participates in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference: a. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information. b. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting. c. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of the board of directors meeting.	

AFTER THE REVISION	BEFORE THE REVISION
(3) When the Company participates in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days commencing immediately from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in item a. and b. to the FSC for recordation. (4) Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and shall not disclose the content of the plan prior to public disclosure of the information and shall not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares. (5) When the Company participates in a merger, demerger, acquisition, or transfer of another company's shares shall not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract: a. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities. b. An action, such as a disposal of major assets that affects the Company's	

AFTER THE REVISION	BEFORE THE REVISION
financial operations. c. An event, such as a major disaster or major change in technology that affects equity or share price. d. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock. e. An increase or decrease in the number of entities or companies participating in the merger, spin-off, acquisition, or transfer of shares. f. Other terms and conditions that the contract stipulates may be altered and that have been publicly disclosed. (6) The contract of the companies participating in the merger, spin-off, acquisition, or share transfer shall comply to Article 371-1 of the Company Act and Article 22 of the Business Mergers and Acquisitions Act and shall also record the followings: a. Handling of breach of contract. b. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or its spin-off. c. The quantity of treasury stock that the participating company may legally permitted to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof. d. The manner of handling changes in the number of participating entities or companies. e. Preliminary progress schedule for plan execution, and anticipated completion	

AFTER THE REVISION	BEFORE THE REVISION
date. f. Scheduled date for convening the legally mandated shareholders' meeting if the plan exceeds the deadline without completion, and relevant procedures. (7) After public disclosure of the information, if any company participating in the merger, spin-off, acquisition, or share transfer intends further to carry out a merger, spin-off, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, spin-off, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders' meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders' meeting to resolve on the matter anew.	
Article <u>9</u> The Procedures for Supervising Acquisition or Disposal of Assets by Subsidiaries (Omitted)	Article 8 The Procedures for Supervising Acquisition or Disposal of Assets by Subsidiaries (Omitted)
Article <u>10</u> Public Disclosure of Information (Omitted)	Article 9 Public Disclosure of Information (Omitted)
Article <u>11</u> Penal Provisions (Omitted)	Article 10 Penal Provisions (Omitted)
Article <u>10</u> Establishment and Amendments (Omitted)	Article 11 Establishment and Amendments (Omitted)

World Fitness Services Ltd.
List of independent director candidates

Type	Name	Shares	Educational Background	Experiences	Representative of the Government or a Juristic Person	Has Already Served as an Independent Director for Three Consecutive Terms /Reason
Independent Director	She-Ting Wang	0	♦ Department of Economics and Management, Boston University ♦ MBA of Medical management, Bourdais University	♦ Deputy CEO of Kuang Tien General Hospital ♦ CEO of Ren Shin Welfare Park ♦ Establisher of Cross-fit UltiLife ♦ Financial Analyst of Tufts Medical Center ♦ Harvard Children' s Hospital Financial Department	-	No

World Fitness Services Ltd.

List of directors to be released from non-competition restrictions

Title	姓名	Position in other copmany
Independent Director	She-Ting Wang	Director, Kuang Tien General Hospital
		Chairman, Ren Shin Welfare Park
		Director, CROSSFIT UltiLife