

WORLD FITNESS SERVICES LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2023, DECEMBER 31, 2022 AND MARCH 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(The balance sheets as of March 31, 2023 and 2022 are reviewed, not audited)

Assets	Notes	March 31, 2023		December 31, 2022		March 31, 2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1) and 12(2)	\$ 694,296	4	\$ 785,029	4	\$ 1,100,176	6
1136	Current financial assets at amortised cost	6(2) and 12(2)	886,559	5	868,559	5	759,101	4
1150	Notes receivable, net	6(3) and 12(2)	-	-	149	-	90	-
1170	Accounts receivable, net	6(3) and 12(2)	26,718	-	133,068	1	24,242	-
1197	Finance lease receivable, net	6(3)(7) and 12(2)	17,629	-	17,483	-	16,953	-
1200	Other receivables	12(2)	2,917	-	3,384	-	2,216	-
1210	Other receivables - related parties	7(2) and 12(2)	132	-	192	-	158	-
1410	Prepayments		112,220	1	89,119	1	109,325	1
1470	Other current assets		2,142	-	2,336	-	449	-
11XX	Current Assets		<u>1,742,613</u>	<u>10</u>	<u>1,899,319</u>	<u>11</u>	<u>2,012,710</u>	<u>11</u>
Non-current assets								
1535	Non-current financial assets at amortised cost	6(2) and 12(2)	14,163	-	24,963	-	24,463	-
1550	Investments accounted for under equity method	6(4)	17,922	-	19,766	-	22,361	-
1600	Property, plant and equipment, net	6(5)	5,736,011	33	5,748,859	32	5,825,213	33
1755	Right-of-use assets	6(6)	8,993,197	52	9,131,560	52	9,064,435	51
1780	Intangible assets	6(8)	115,492	1	117,552	1	121,162	1
1840	Deferred income tax assets		116,085	1	116,155	1	140,551	1
1920	Guarantee deposits paid	12(2)	435,304	2	430,758	2	415,669	2
194D	Long-term finance lease receivable, net	6(3)(7) and 12(2)	128,214	1	132,653	1	145,843	1
15XX	Non-current assets		<u>15,556,388</u>	<u>90</u>	<u>15,722,266</u>	<u>89</u>	<u>15,759,697</u>	<u>89</u>
1XXX	Total assets		<u>\$ 17,299,001</u>	<u>100</u>	<u>\$ 17,621,585</u>	<u>100</u>	<u>\$ 17,772,407</u>	<u>100</u>

(Continued)

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CONSOLIDATED BALANCE SHEETS
MARCH 31, 2023, DECEMBER 31, 2022 AND MARCH 31, 2022
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(The balance sheets as of March 31, 2023 and 2022 are reviewed, not audited)

Liabilities and Equity	Notes	March 31, 2023		December 31, 2022		March 31, 2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(9) and 12(2)	\$ 400,000	2	\$ 400,000	2	\$ 400,000	2
2130	Current contract liabilities	6(18)	2,133,378	12	2,097,701	12	2,303,203	13
2150	Notes payable	12(2)	4,978	-	6,030	-	6,702	-
2200	Other payables	6(10) and 12(2)	1,235,973	7	1,442,728	8	1,091,872	6
2230	Current income tax liabilities		122,008	1	96,842	1	248,639	2
2280	Current lease liabilities	6(27) and 12(2)	1,154,499	7	1,185,604	7	1,125,302	6
2320	Long-term borrowings, current portion	6(11)	221,309	1	255,094	1	171,385	1
2399	Other current liabilities	6(12) and 12(2)	157,948	1	165,702	1	200,573	1
21XX	Current Liabilities		<u>5,430,093</u>	<u>31</u>	<u>5,649,701</u>	<u>32</u>	<u>5,547,676</u>	<u>31</u>
Non-current liabilities								
2527	Non-current contract liabilities	6(18)	453,035	3	436,421	2	405,879	2
2540	Long-term borrowings	6(11)	307,500	2	360,000	2	273,809	2
2550	Provisions for liabilities - noncurrent	6(14)	144,000	1	142,000	1	132,000	1
2570	Deferred income tax liabilities		13,086	-	13,406	-	13,497	-
2580	Non-current lease liabilities	6(27) and 12(2)	8,158,983	47	8,316,820	47	8,238,129	46
2600	Other non-current liabilities	6(12) and 12(2)	105,016	-	112,779	1	167,922	1
25XX	Non-current liabilities		<u>9,181,620</u>	<u>53</u>	<u>9,381,426</u>	<u>53</u>	<u>9,231,236</u>	<u>52</u>
2XXX	Total Liabilities		<u>14,611,713</u>	<u>84</u>	<u>15,031,127</u>	<u>85</u>	<u>14,778,912</u>	<u>83</u>
Equity								
	Share capital	6(15)						
3110	Share capital - common stock		500,000	3	500,000	3	500,000	3
	Capital surplus	6(16)						
3200	Capital surplus		1,822,806	11	1,822,806	10	3,646,493	21
	Retained earnings	6(17)						
3350	Unappropriated retained earnings (Accumulated deficit)		364,482	2	267,652	2	(1,152,998)	(7)
3XXX	Total equity		<u>2,687,288</u>	<u>16</u>	<u>2,590,458</u>	<u>15</u>	<u>2,993,495</u>	<u>17</u>
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		<u>\$ 17,299,001</u>	<u>100</u>	<u>\$ 17,621,585</u>	<u>100</u>	<u>\$ 17,772,407</u>	<u>100</u>

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

WORLD FITNESS SERVICES LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS PERIODS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share)
(UNAUDITED)

Items	Notes	Three months ended March 31				
		2023		2022		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(18)	\$ 2,209,500	100	\$ 2,186,639	100
5000	Operating costs	6(23)	(1,841,080)	(84)	(1,805,545)	(83)
5900	Net operating margin		<u>368,420</u>	<u>16</u>	<u>381,094</u>	<u>17</u>
	Operating expenses	6(23)				
6100	Selling expenses		(22,227)	(1)	(16,985)	(1)
6200	General and administrative expenses		(203,388)	(9)	(200,967)	(9)
6000	Total operating expenses		(225,615)	(10)	(217,952)	(10)
6900	Operating profit		<u>142,805</u>	<u>6</u>	<u>163,142</u>	<u>7</u>
	Non-operating income and expenses					
7100	Interest income	6(19)	2,867	-	1,999	-
7010	Other income	6(20)	27,388	1	13,917	1
7020	Other gains and losses	6(21)	4,648	-	(2,882)	-
7050	Finance costs	6(22)	(54,084)	(2)	(54,469)	(3)
7060	Share of loss of associates and joint ventures accounted for under equity method	6(4)	(1,844)	-	(560)	-
7000	Total non-operating income and expenses		(21,025)	(1)	(41,995)	(2)
7900	Profit before income tax		121,780	5	121,147	5
7950	Income tax expense	6(24)	(24,950)	(1)	(24,304)	(1)
8200	Profit for the year		<u>\$ 96,830</u>	<u>4</u>	<u>\$ 96,843</u>	<u>4</u>
8500	Total comprehensive income for the year		<u>\$ 96,830</u>	<u>4</u>	<u>\$ 96,843</u>	<u>4</u>
	Earnings per share	6(25)				
9750	Basic earnings per share		<u>\$ 1.94</u>		<u>\$ 1.94</u>	
9850	Diluted earnings per share		<u>\$ 1.94</u>		<u>\$ 1.94</u>	

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

	Equity attributable to owners of the parent			Total equity	
	Notes	Share capital - common stock	Capital surplus, additional paid-in capital		Total unappropriated retained earnings (accumulated deficit)
<u>Three-month period ended March 31, 2022</u>					
Balance at January 1, 2022		\$ 500,000	\$ 3,646,493	(\$ 1,249,841)	\$ 2,896,652
Profit for the period		-	-	96,843	96,843
Total comprehensive income		-	-	96,843	96,843
Balance at March 31, 2022		<u>\$ 500,000</u>	<u>\$ 3,646,493</u>	<u>(\$ 1,152,998)</u>	<u>\$ 2,993,495</u>
<u>Three-month period ended March 31, 2023</u>					
Balance at January 1, 2023		\$ 500,000	\$ 1,822,806	\$ 267,652	\$ 2,590,458
Profit for the period		-	-	96,830	96,830
Total comprehensive income		-	-	96,830	96,830
Balance at March 31, 2023		<u>\$ 500,000</u>	<u>\$ 1,822,806</u>	<u>\$ 364,482</u>	<u>\$ 2,687,288</u>

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WORLD FITNESS SERVICES LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS PERIODS ENDED MARCH 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(UNAUDITED)

	Notes	Three months period ended March 31	
		2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 121,780	\$ 121,147
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(5)(23)	244,189	239,762
Depreciation for right-of-use assets	6(6)(23)	319,198	306,137
Amortization expense	6(8)(23)	3,584	3,403
Interest expense	6(22)	10,064	10,410
Interest expense for lease liabilities	6(6)(22)	44,020	44,059
Interest income	6(19)	(2,867)	(1,999)
Share of loss of associates and joint ventures accounted for under equity method	6(4)	1,844	560
Loss on disposal of property, plant and equipment	6(21)	143	-
(Gain) loss on lease modification	6(21)	(6,158)	2,746
Unrealised net loss (gain) on foreign currency exchange		6	(121)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		149	(45)
Accounts receivable, net		106,350	114,726
Finance lease receivable, net		4,986	(3,917)
Other receivables		467	157
Other receivables - related parties		60	48
Prepayments		(60,164)	9,022
Other current assets		194	(45)
Changes in operating liabilities			
Contract liabilities		52,291	(6,336)
Notes payable		(3,351)	(16,021)
Other payables		(122,531)	(232,662)
Other current liabilities		(104)	(7,573)
Cash inflow generated from operations		714,150	583,458
Interest received		624	189
Interest paid		(54,045)	(54,427)
Income tax paid		(33)	-
Net cash flows from operating activities		<u>660,696</u>	<u>529,220</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	6(26)	(293,431)	(246,601)
Increase in financial assets at amortised cost		(7,200)	(374,000)
Aquisition of intangible assets	6(8)	(1,524)	(7,619)
Increase in guarantee deposits paid		(4,784)	(7,975)
Decrease in guarantee deposits paid		3,394	1,914
Net cash flows used in investing activities		<u>(303,545)</u>	<u>(634,281)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayments of long-term borrowings		(86,285)	(32,952)
Repayment of the principal portion of lease liabilities		(288,249)	(278,581)
Guarantee deposits recieved		-	(1)
Cash dividends paid	6(17)(26)	(73,344)	-
Net cash flows used in financing activities		<u>(447,878)</u>	<u>(311,534)</u>
Effect of exchange rate changes on cash and cash equivalents		(6)	121
Net decrease in cash and cash equivalents		(90,733)	(416,474)
Cash and cash equivalents at beginning of period		785,029	1,516,650
Cash and cash equivalents at end of period		<u>\$ 694,296</u>	<u>\$ 1,100,176</u>

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