

WORLD FITNESS SERVICES LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2023, DECEMBER 31, 2022 AND JUNE 30, 2022
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	June 30, 2023		December 31, 2022		June 30, 2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1) and 12(2)	\$ 402,946	2	\$ 785,029	4	\$ 836,697	5
1136	Current financial assets at amortised cost	6(2) and 12(2)	911,545	6	868,559	5	803,132	5
1150	Notes receivable, net	6(3) and 12(2)	1	-	149	-	-	-
1170	Accounts receivable, net	6(3) and 12(2)	32,658	-	133,068	1	24,436	-
1197	Finance lease receivable, net	6(3)(7) and 12(2)	17,712	-	17,483	-	17,129	-
1200	Other receivables	12(2)	3,711	-	3,384	-	2,493	-
1210	Other receivables - related parties	7(2) and 12(2)	249	-	192	-	249	-
130X	Inventories		463	-	-	-	-	-
1410	Prepayments		153,947	1	89,119	1	94,660	-
1470	Other current assets		1,241	-	2,336	-	631	-
11XX	Current Assets		<u>1,524,473</u>	<u>9</u>	<u>1,899,319</u>	<u>11</u>	<u>1,779,427</u>	<u>10</u>
Non-current assets								
1535	Non-current financial assets at amortised cost	6(2) and 12(2)	14,175	-	24,963	-	24,463	-
1550	Investments accounted for under equity method	6(4)	16,032	-	19,766	-	21,666	-
1600	Property, plant and equipment, net	6(5)	5,719,791	34	5,748,859	32	5,808,741	34
1755	Right-of-use assets	6(6)	8,758,887	52	9,131,560	52	8,866,032	51
1780	Intangible assets	6(8)	117,433	1	117,552	1	124,760	1
1840	Deferred income tax assets		172,157	1	116,155	1	160,996	1
1920	Guarantee deposits paid	12(2)	397,825	2	430,758	2	418,978	2
194D	Long-term finance lease receivable, net	6(3)(7) and 12(2)	123,755	1	132,653	1	141,467	1
15XX	Non-current assets		<u>15,320,055</u>	<u>91</u>	<u>15,722,266</u>	<u>89</u>	<u>15,567,103</u>	<u>90</u>
1XXX	Total assets		<u>\$ 16,844,528</u>	<u>100</u>	<u>\$ 17,621,585</u>	<u>100</u>	<u>\$ 17,346,530</u>	<u>100</u>

(Continued)

WORLD FITNESS SERVICES LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2023, DECEMBER 31, 2022 AND JUNE 30, 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	June 30, 2023		December 31, 2022		June 30, 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)	2,153,064	13	2,097,701	12	2,181,760	12
2150	Notes payable	12(2)	6,637	-	6,030	-	5,161	-
2170	Accounts payable		1	-	-	-	-	-
2200	Other payables	6(10) and 12(2)	1,511,609	9	1,442,728	8	1,152,823	7
2230	Current income tax liabilities		140,717	1	96,842	1	114,278	1
2280	Current lease liabilities	6(27) and 12(2)	1,135,957	7	1,185,604	7	1,151,961	7
2320	Long-term borrowings, current portion	6(11)	210,000	1	255,094	1	247,035	1
2399	Other current liabilities	6(12) and 12(2)	151,822	1	165,702	1	189,885	1
21XX	Current Liabilities		<u>5,709,807</u>	<u>34</u>	<u>5,649,701</u>	<u>32</u>	<u>5,442,903</u>	<u>31</u>
Non-current liabilities								
2527	Non-current contract liabilities	6(18)	474,841	3	436,421	2	408,355	2
2540	Long-term borrowings	6(11)	255,000	1	360,000	2	465,000	3
2550	Provisions for liabilities - noncurrent	6(14)	150,000	1	142,000	1	140,000	1
2570	Deferred income tax liabilities		13,550	-	13,406	-	14,410	-
2580	Non-current lease liabilities	6(27) and 12(2)	8,001,757	47	8,316,820	47	8,032,345	46
2600	Other non-current liabilities	6(12) and 12(2)	98,043	1	112,779	1	139,491	1
25XX	Non-current liabilities		<u>8,993,191</u>	<u>53</u>	<u>9,381,426</u>	<u>53</u>	<u>9,199,601</u>	<u>53</u>
2XXX	Total Liabilities		<u>14,702,998</u>	<u>87</u>	<u>15,031,127</u>	<u>85</u>	<u>14,642,504</u>	<u>84</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		1,520,331	9	1,822,806	10	3,646,493	21
	Retained earnings	6(17)						
3350	Unappropriated retained earnings (Accumulated deficit)		121,199	1	267,652	2	(1,442,467)	(8)
3XXX	Total equity		<u>2,141,530</u>	<u>13</u>	<u>2,590,458</u>	<u>15</u>	<u>2,704,026</u>	<u>16</u>
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		<u>\$ 16,844,528</u>	<u>100</u>	<u>\$ 17,621,585</u>	<u>100</u>	<u>\$ 17,346,530</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
SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

Items	Notes	Three months ended June 30				Six months ended June 30				
		2023		2022		2023		2022		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(18)	\$ 2,359,511	100	\$ 2,180,332	100	\$ 4,569,011	100	\$ 4,366,971	100
5000	Operating costs	6(23)	(1,992,625)	(84)	(1,799,957)	(83)	(3,833,705)	(84)	(3,605,502)	(82)
5900	Net operating margin		366,886	16	380,375	17	735,306	16	761,469	18
	Operating expenses	6(23)								
6100	Selling expenses		(31,677)	(1)	(14,806)	(1)	(53,904)	(1)	(31,791)	(1)
6200	General and administrative expenses		(230,861)	(10)	(210,514)	(9)	(434,249)	(9)	(411,481)	(9)
6000	Total operating expenses		(262,538)	(11)	(225,320)	(10)	(488,153)	(10)	(443,272)	(10)
6900	Operating profit		104,348	5	155,055	7	247,153	6	318,197	8
	Non-operating income and expenses									
7100	Interest income	6(19)	5,223	-	2,082	-	8,090	-	4,081	-
7010	Other income	6(20) and 7(2)	26,302	1	14,312	1	53,690	1	28,229	1
7020	Other gains and losses	6(21)	449	-	1,402	-	5,097	-	(1,480)	-
7050	Finance costs	6(22)	(52,710)	(2)	(52,778)	(3)	(106,794)	(2)	(107,247)	(3)
7060	Share of loss of associates and joint ventures accounted for under equity method	6(4)	(1,890)	-	(695)	-	(3,734)	-	(1,255)	-
7000	Total non-operating income and expenses		(22,626)	(1)	(35,677)	(2)	(43,651)	(1)	(77,672)	(2)
7900	Profit before income tax		81,722	4	119,378	5	203,502	5	240,525	6
7950	Income tax expense	6(24)	(17,480)	(1)	(8,847)	-	(42,430)	(1)	(33,151)	(1)
8200	Profit for the year		\$ 64,242	3	\$ 110,531	5	\$ 161,072	4	\$ 207,374	5
8500	Total comprehensive income for the year		\$ 64,242	3	\$ 110,531	5	\$ 161,072	4	\$ 207,374	5
	Earnings per share	6(25)								
9750	Basic earnings per share		\$ 0.64		\$ 1.11		\$ 1.61		\$ 2.07	
9850	Diluted earnings per share		\$ 0.64		\$ 1.11		\$ 1.61		\$ 2.07	

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

WORLD FITNESS SERVICES LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(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	Total unappropriated retained earnings (accumulated deficit)	
<u>Six-month period ended June 30, 2022</u>					
Balance at January 1, 2022		\$ 500,000	\$ 3,646,493	(\$ 1,249,841)	\$ 2,896,652
Profit for the period		-	-	207,374	207,374
Total comprehensive income		-	-	207,374	207,374
Appropriations and distribution of 2021 earnings:					
Cash dividends	6(17)	-	-	(400,000)	(400,000)
Balance at June 30, 2022		<u>\$ 500,000</u>	<u>\$ 3,646,493</u>	<u>(\$ 1,442,467)</u>	<u>\$ 2,704,026</u>
<u>Six-month period ended June 30, 2023</u>					
Balance at January 1, 2023		\$ 500,000	\$ 1,822,806	\$ 267,652	\$ 2,590,458
Profit for the period		-	-	161,072	161,072
Total comprehensive income		-	-	161,072	161,072
Appropriations and distribution of 2022 earnings:					
Cash dividends	6(16)(17)	-	(302,475)	(307,525)	(610,000)
Balance at June 30, 2023		<u>\$ 500,000</u>	<u>\$ 1,520,331</u>	<u>\$ 121,199</u>	<u>\$ 2,141,530</u>

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

WORLD FITNESS SERVICES LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Six months ended June 30		
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 203,502	\$ 240,525
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(5)(23)	493,403	480,476
Depreciation for right-of-use assets	6(6)(23)	642,155	613,977
Amortization expense	6(8)(23)	7,357	6,948
Interest expense	6(22)	19,511	20,367
Interest expense for lease liabilities	6(6)(22)	87,283	86,880
Interest income	6(19)	(8,090)	(4,081)
Share of loss of associates and joint ventures accounted for under equity method	6(4)	3,734	1,255
Loss on disposal of property, plant and equipment	6(21)	143	1,193
(Gain) loss on lease modification	6(21)	(6,461)	719
Unrealised net gain on foreign currency exchange		(11)	(262)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		148	45
Accounts receivable, net		100,410	114,532
Finance lease receivable, net		10,033	1,035
Other receivables		(327)	(120)
Other receivables - related parties		(57)	(43)
Inventories		(463)	-
Prepayments		(64,828)	14,360
Other current assets		1,096	(227)
Changes in operating liabilities			
Contract liabilities		93,783	(125,302)
Notes payable		607	(19,597)
Accounts payable		1	-
Other payables		(148,520)	(389,060)
Other current liabilities		2,375	(7,046)
Cash inflow generated from operations		1,436,784	1,036,574
Interest received		4,081	573
Interest paid		(106,717)	(107,190)
Income tax paid		(54,412)	(162,740)
Net cash flows from operating activities		1,279,736	767,217
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	6(26)	(542,263)	(527,416)
Increase in financial assets at amortised cost		(32,198)	(418,031)
Acquisition of intangible assets	6(8)	(7,238)	(14,762)
Increase in guarantee deposits paid		(8,472)	(24,444)
Decrease in guarantee deposits paid		43,764	27,513
Net cash flows used in investing activities		(546,407)	(957,140)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from long-term borrowings		-	300,000
Repayments of long-term borrowings		(150,094)	(66,111)
Repayment of the principal portion of lease liabilities		(588,546)	(558,865)
Guarantee deposits received		-	559
Cash dividends paid	6(17)(26)	(376,783)	(165,875)
Net cash flows used in financing activities		(1,115,423)	(490,292)
Effect of exchange rate changes on cash and cash equivalents		11	262
Net decrease in cash and cash equivalents		(382,083)	(679,953)
Cash and cash equivalents at beginning of period		785,029	1,516,650
Cash and cash equivalents at end of period		\$ 402,946	\$ 836,697

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