

WORLD FITNESS SERVICES LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Assets	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1) and 12(2)	\$ 1,516,650	8	\$ 1,189,749	7
1136	Current financial assets at amortised cost	6(2) and 12(2)	385,101	2	445,416	3
1150	Notes receivable, net	6(3) and 12(2)	45	-	14	-
1170	Accounts receivable, net	6(3) and 12(2)	138,968	1	31,351	-
1197	Finance lease receivable, net	6(3)(7) and 12(2)	16,842	-	16,466	-
1200	Other receivables	12(2)	2,373	-	717	-
1210	Other receivables - related parties	7(2) and 12(2)	206	-	2,190	-
1410	Prepayments		109,020	1	77,339	-
1470	Other current assets		404	-	1,385	-
11XX	Current Assets		<u>2,169,609</u>	<u>12</u>	<u>1,764,627</u>	<u>10</u>
Non-current assets						
1535	Non-current financial assets at amortised cost	6(2) and 12(2)	24,463	-	24,452	-
1550	Investments accounted for under equity method	6(4)	22,921	-	31,617	-
1600	Property, plant and equipment, net	6(5)	5,836,190	32	5,785,510	34
1755	Right-of-use assets	6(6)	9,061,768	51	8,795,217	51
1780	Intangible assets	6(8)	116,946	1	97,522	1
1840	Deferred income tax assets	6(25)	125,786	1	105,147	1
1920	Guarantee deposits paid	12(2)	420,419	2	347,814	2
194D	Long-term finance lease receivable, net	6(3)(7) and 12(2)	141,265	1	159,627	1
15XX	Non-current assets		<u>15,749,758</u>	<u>88</u>	<u>15,346,906</u>	<u>90</u>
1XXX	Total assets		<u>\$ 17,919,367</u>	<u>100</u>	<u>\$ 17,111,533</u>	<u>100</u>

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WORLD FITNESS SERVICES LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

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

Liabilities and Equity	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(9) and 12(2)	\$ 400,000	2	\$ -	-
2120	Current financial liabilities at fair value through profit or loss	6(10)	-	-	3,821,191	22
2130	Current contract liabilities	6(19)	2,298,225	13	2,495,178	15
2150	Notes payable	12(2)	24,758	-	13,436	-
2200	Other payables	6(11) and 12(2)	1,319,924	8	1,124,950	7
2230	Current income tax liabilities		223,067	1	162,647	1
2280	Current lease liabilities	6(28) and 12(2)	1,105,553	6	1,012,035	6
2320	Long-term borrowings, current portion	6(12)	133,052	1	-	-
2399	Other current liabilities	6(13) and 12(2)	214,950	1	193,087	1
21XX	Current Liabilities		<u>5,719,529</u>	<u>32</u>	<u>8,822,524</u>	<u>52</u>
Non-current liabilities						
2500	Financial liabilities at fair value through profit or loss - noncurrent	6(10)	-	-	-	-
2527	Non-current contract liabilities	6(19)	417,192	2	440,396	3
2540	Long-term borrowings	6(12)	345,094	2	-	-
2550	Provisions for liabilities - noncurrent	6(15)	130,000	1	118,000	1
2570	Deferred income tax liabilities	6(25)	-	-	1,014	-
2580	Non-current lease liabilities	6(28) and 12(2)	8,227,396	46	7,942,475	46
2600	Other non-current liabilities	6(13)	183,504	1	250,294	1
25XX	Non-current liabilities		<u>9,303,186</u>	<u>52</u>	<u>8,752,179</u>	<u>51</u>
2XXX	Total Liabilities		<u>15,022,715</u>	<u>84</u>	<u>17,574,703</u>	<u>103</u>
Equity						
	Share capital	6(16)				
3110	Share capital - common stock		500,000	3	381,446	2
	Capital surplus	6(17)				
3200	Capital surplus		3,646,493	20	36,138	-
	Accumulated deficit	6(18)				
3350	Accumulated deficit		(1,249,841)	(7)	(880,754)	(5)
3XXX	Total equity		<u>2,896,652</u>	<u>16</u>	<u>(463,170)</u>	<u>(3)</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 17,919,367</u>	<u>100</u>	<u>\$ 17,111,533</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
YEARS ENDED DECEMBER 31, 2021 AND 2020

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

	Items	Notes	Year ended December 31			
			2021		2020	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19)	\$ 7,834,358	100	\$ 9,464,735	100
5000	Operating costs	6(24)	(6,803,221)	(87)	(7,247,378)	(77)
5900	Net operating margin		<u>1,031,137</u>	<u>13</u>	<u>2,217,357</u>	<u>23</u>
	Operating expenses	6(24)				
6100	Selling expenses		(53,573)	-	(109,536)	(1)
6200	General and administrative expenses		(841,522)	(11)	(882,114)	(9)
6000	Total operating expenses		(895,095)	(11)	(991,650)	(10)
6900	Operating profit		<u>136,042</u>	<u>2</u>	<u>1,225,707</u>	<u>13</u>
	Non-operating income and expenses					
7100	Interest income	6(20)	8,656	-	11,099	-
7010	Other income	6(21)	148,136	1	48,525	1
7020	Other gains and losses	6(22)	66,653	1	(486,769)	(5)
7050	Finance costs	6(23)	(283,834)	(4)	(531,990)	(6)
7060	Share of (loss) profit of associates and joint ventures accounted for under equity method	6(4)	(3,867)	-	5,367	-
7000	Total non-operating income and expenses		(64,256)	(2)	(953,768)	(10)
7900	Profit before income tax		71,786	-	271,939	3
7950	Income tax expense	6(25)	(39,878)	(1)	(230,351)	(3)
8200	Profit for the year		<u>\$ 31,908</u>	<u>(1)</u>	<u>\$ 41,588</u>	<u>-</u>
8500	Total comprehensive income for the year		<u>\$ 31,908</u>	<u>(1)</u>	<u>\$ 41,588</u>	<u>-</u>
	Earnings per share	6(26)				
9750	Basic earnings per share		<u>\$ 0.67</u>		<u>\$ 1.09</u>	
9850	Diluted earnings per share		<u>\$ 0.67</u>		<u>\$ 1.09</u>	

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WORLD FITNESS SERVICES LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	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>Year ended December 31, 2020</u>					
Balance at January 1, 2020		\$ 381,446	\$ 36,138	(\$ 922,342)	(\$ 504,758)
Profit for the year		-	-	41,588	41,588
Total comprehensive income		-	-	41,588	41,588
Balance at December 31, 2020		<u>\$ 381,446</u>	<u>\$ 36,138</u>	<u>(\$ 880,754)</u>	<u>(\$ 463,170)</u>
<u>Year ended December 31, 2021</u>					
Balance at January 1, 2021		\$ 381,446	\$ 36,138	(\$ 880,754)	(\$ 463,170)
Profit for the year		-	-	31,908	31,908
Total comprehensive income		-	-	31,908	31,908
Appropriations and distribution of 2020 earnings:					
Cash dividends	6(18)	-	-	(400,995)	(400,995)
Convertible preferred shares converted to equity shares	6(16)	118,554	3,610,355	-	3,728,909
Balance at December 31, 2021		<u>\$ 500,000</u>	<u>\$ 3,646,493</u>	<u>(\$ 1,249,841)</u>	<u>\$ 2,896,652</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, 2021 AND 2020

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

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 71,786	\$ 271,939
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(5)(24)	927,192	771,617
Depreciation for right-of-use assets	6(6)(24)	1,172,842	1,091,003
Amortization expense	6(8)(24)	11,071	9,601
Interest expense	6(23)	116,806	370,437
Interest expense for lease liabilities	6(6)(23)	167,028	161,553
Interest income	6(20)	(8,656)	(11,099)
Share of loss (profit) of associates and joint ventures accounted for under equity method	6(4)	3,867	(5,367)
Loss on disposal of property, plant and equipment	6(22)	1,030	99
Gain on lease modification	6(22)	(90,151)	(53,128)
Net loss on financial assets or liabilities at fair value through profit or loss	6(10)	-	665,687
Unrealised net loss (gain) on foreign currency exchange		100	(156,717)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		(31)	(14)
Accounts receivable		(107,617)	(5,642)
Finance lease receivable, net		21,269	21,569
Other receivables		(1,656)	(545)
Other receivables - related parties		1,984	(1,936)
Prepayments		(8,267)	9,660
Other current assets		981	65
Changes in operating liabilities			
Contract liabilities		(220,158)	475,624
Notes payable		(17,748)	(16,594)
Other payables		276,734	8,950
Other current liabilities		23,859	7,591
Cash inflow generated from operations		<u>2,342,265</u>	<u>3,614,353</u>
Interest received		1,083	3,206
Interest paid		(228,097)	(142,572)
Income tax paid		(1,110)	(235,144)
Net cash flows from operating activities		<u>2,114,141</u>	<u>3,239,843</u>

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WORLD FITNESS SERVICES LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Dividends received from investments accounted for under equity method	6(4)	\$ 4,830	\$ 11,878
Acquisition of property, plant and equipment	6(27)	(1,110,995)	(1,706,477)
Proceeds from disposal of property, plant and equipment		-	2,806
Increase in financial assets at amortised cost		60,304	(143,412)
Acquisition of intangible assets		(30,495)	(21,321)
Increase in guarantee deposits paid		(105,642)	(64,422)
Decrease in guarantee deposits paid		34,271	19,291
Net cash flows used in investing activities		(1,147,727)	(1,901,657)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(28)	400,000	-
Proceeds from long-term borrowings	6(28)	500,000	-
Repayments of long-term borrowings	6(28)	(21,854)	-
Increase in guarantee deposits received	6(28)	554	136
Repayment of the principal portion of lease liabilities	6(28)	(1,117,118)	(1,120,127)
Cash dividends paid	6(18)(28)	(400,995)	-
Net cash flows used in financing activities		(639,413)	(1,119,991)
Effect of exchange rate changes on cash and cash equivalents		(100)	(30)
Net increase in cash and cash equivalents		326,901	218,165
Cash and cash equivalents at beginning of year		1,189,749	971,584
Cash and cash equivalents at end of year		\$ 1,516,650	\$ 1,189,749

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