

**POWER WIND HEALTH INDUSTRY INCORPORATED
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT AUDITORS
FOR THE SIX-MONTH PERIODS ENDED
JUNE 30, 2024 AND 2023**

Address: No. 238, Bo-ai 4th Rd., Zuoying Dist., Kaohsiung City, Taiwan (R.O.C.)

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The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Independent Auditors' Review Report

To Power Wind Health Industry Incorporated

Introduction

We have reviewed the accompanying consolidated balance sheets of Power Wind Health Industry Incorporated (the “Company”) and its subsidiaries as of June 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2024 and 2023, changes in equity and cash flows for the six-month periods ended June 30, 2024 and 2023, and notes to the consolidated financial statements, including the summary of significant accounting policies (collectively “the consolidated financial statements”). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of June 30, 2024 and 2023, and its consolidated financial performance for the three-month and six-month periods ended June 30, 2024 and 2023, and its consolidated cash flow for the six-month periods ended June 30, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by the Financial Supervisory Commission of the Republic of China.

/s/ Lee, Fang-Wen

/s/ Hung, Kuo-Sen

Ernst & Young, Taiwan

August 8, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

June 30, 2024, December 31, 2023 and June 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	June 30, 2024	%	December 31, 2023	%	June 30, 2023	%
Current assets							
Cash and cash equivalents	4,6(1)	\$776,806	8	\$852,638	8	\$767,095	8
Notes receivable, net	4	44	-	-	-	113	-
Accounts receivable, net	4,6(2)	74,269	1	54,949	1	21,022	-
Inventories	4	11,642	-	9,284	-	8,823	-
Prepayments		17,179	-	18,670	-	17,159	-
Other financial assets, current	4,6(3),8	428,846	4	377,506	4	384,456	4
Other current assets	4,7	91,652	1	71,956	1	61,959	1
Total current assets		1,400,438	14	1,385,003	14	1,260,627	13
Non-current assets							
Financial assets at fair value through other comprehensive income, non-current	4,6(4)	4,844	-	4,844	-	20,389	-
Property, plant and equipment	4,6(5),8	3,282,327	32	3,157,619	31	3,186,646	34
Right-of-use assets	4,6(17),7	5,208,999	51	5,336,920	53	4,823,311	51
Intangible assets	4,6(6)	59,643	1	49,121	1	49,160	1
Deferred tax assets	4	16,015	-	15,347	-	34,575	-
Refundable deposits	4,6(7)	144,593	2	141,613	1	137,264	1
Total non-current assets		8,716,421	86	8,705,464	86	8,251,345	87
Total assets		\$10,116,859	100	\$10,090,467	100	\$9,511,972	100

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

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS – (Continued)

June 30, 2024, December 31, 2023 and June 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	June 30, 2024	%	December 31, 2023	%	June 30, 2023	%
Current liabilities							
Short-term loans		\$-	-	\$-	-	\$10,000	-
Financial liabilities at fair value through profit or loss, current	4,6(9)	5,633	-	-	-	-	-
Contract liabilities	4,6(16)	853,829	9	733,784	7	726,500	8
Notes payable		969	-	545	-	1,297	-
Accounts payable		6,704	-	2,516	-	4,451	-
Payables on equipment		34,048	-	58,051	1	59,926	1
Other payables	6(8)	531,400	5	354,575	3	415,318	4
Other payables - related parties	7	999	-	-	-	1,800	-
Current tax liabilities	4,6(20)	36,335	-	9,036	-	277	-
Lease liabilities	4,6(17)	631,278	6	623,770	6	592,110	6
Current bonds issued and current portion of non-current bonds issued	4,6(10)	287,447	3	96,500	1	95,793	1
Current portion of long-term loans	4,6(11),8	170,378	2	186,110	2	160,669	2
Other current liabilities		6,402	-	2,345	-	3,487	-
Total current liabilities		2,565,422	25	2,067,232	20	2,071,628	22
Non-current liabilities							
Financial liabilities at fair value through profit or loss, non-current	4,6(9)	-	-	4,283	-	1,913	-
Bonds payable	4,6(10)	-	-	283,958	3	280,511	3
Long-term loans	4,6(11),8	746,918	7	835,884	8	923,312	10
Provisions, non-current	4,6(13)	100,005	1	86,386	1	79,287	1
Lease liabilities	4,6(17)	4,919,645	49	5,027,618	50	4,513,412	47
Other non-current liabilities		5,744	-	6,342	-	5,936	-
Total non-current liabilities		5,772,312	57	6,244,471	62	5,804,371	61
Total liabilities		8,337,734	82	8,311,703	82	7,875,999	83
Equity attributable to the parent company	4,6(14&15)						
Share capital							
Common stock		793,661	8	793,954	8	794,434	8
Certificate of entitlement to new shares from convertible bond		-	-	7	-	-	-
Share capital awaiting retirement		(240)	-	(180)	-	(380)	-
Total share capital		793,421	8	793,781	8	794,054	8
Capital surplus		780,336	8	841,056	9	841,523	9
Retained earnings							
Legal reserve		107,118	1	95,290	1	95,290	1
Special reserve		13,156	-	14,268	-	14,268	-
Unappropriated earnings		138,608	2	118,283	1	6,191	-
Total retained earnings		258,882	3	227,841	2	115,749	1
Other equity		(59,683)	(1)	(90,131)	(1)	(120,579)	(1)
Treasury shares		(2,801)	-	(2,801)	-	(2,801)	-
Total equity attributable to owners of parent		1,770,155	18	1,769,746	18	1,627,946	17
Non-controlling interests		8,970	-	9,018	-	8,027	-
Total equity		1,779,125	18	1,778,764	18	1,635,973	17
Total liabilities and equity		\$10,116,859	100	\$10,090,467	100	\$9,511,972	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three-month and six-month periods ended June 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per share)

Accounting	Notes	For the three-month periods ended June 30				For the six-month periods ended June 30			
		2024	%	2023	%	2024	%	2023	%
Operating revenues	4,6(16)	\$1,276,641	100	\$1,064,040	100	\$2,419,214	100	\$2,014,368	100
Operating costs	4,6(12&15&17&18),7	(916,847)	(72)	(803,805)	(76)	(1,768,481)	(73)	(1,567,053)	(78)
Gross profit		<u>359,794</u>	<u>28</u>	<u>260,235</u>	<u>24</u>	<u>650,733</u>	<u>27</u>	<u>447,315</u>	<u>22</u>
Operating expenses	4,6(12&15&17&18),7								
Selling expenses		(25,241)	(2)	(25,895)	(2)	(42,373)	(2)	(41,164)	(2)
Administrative expenses		(207,768)	(16)	(186,347)	(17)	(400,055)	(16)	(354,607)	(17)
Total operating expenses		<u>(233,009)</u>	<u>(18)</u>	<u>(212,242)</u>	<u>(19)</u>	<u>(442,428)</u>	<u>(18)</u>	<u>(395,771)</u>	<u>(19)</u>
Operating income		<u>126,785</u>	<u>10</u>	<u>47,993</u>	<u>5</u>	<u>208,305</u>	<u>9</u>	<u>51,544</u>	<u>3</u>
Non-operating income and expenses	4,6(19),7								
Interest income		3,738	-	2,641	-	5,049	-	3,060	-
Other income		11,473	1	11,886	1	20,111	1	20,130	2
Other gains and losses		(2,220)	-	(617)	-	(3,723)	-	(10,875)	(1)
Finance costs		(28,335)	(2)	(27,369)	(3)	(56,832)	(3)	(52,554)	(3)
Total non-operating income and expenses		<u>(15,344)</u>	<u>(1)</u>	<u>(13,459)</u>	<u>(2)</u>	<u>(35,395)</u>	<u>(2)</u>	<u>(40,239)</u>	<u>(2)</u>
Profit from continuing operations before income tax		<u>111,441</u>	<u>9</u>	<u>34,534</u>	<u>3</u>	<u>172,910</u>	<u>7</u>	<u>11,305</u>	<u>1</u>
Income tax (expense)	4,6(20)	(20,213)	(2)	(4,945)	-	(33,018)	(1)	(4,625)	(1)
Profit from continuing operations		<u>91,228</u>	<u>7</u>	<u>29,589</u>	<u>3</u>	<u>139,892</u>	<u>6</u>	<u>6,680</u>	-
Net income		<u>91,228</u>	<u>7</u>	<u>29,589</u>	<u>3</u>	<u>139,892</u>	<u>6</u>	<u>6,680</u>	-
Total comprehensive income		<u>\$91,228</u>	<u>7</u>	<u>\$29,589</u>	<u>3</u>	<u>\$139,892</u>	<u>6</u>	<u>\$6,680</u>	-
Net income attributable to:									
Owners of the parent		\$90,495	7	\$29,180	3	\$138,608	6	\$6,191	-
Non-controlling interests		733	-	409	-	1,284	-	489	-
		<u>\$91,228</u>	<u>7</u>	<u>\$29,589</u>	<u>3</u>	<u>\$139,892</u>	<u>6</u>	<u>\$6,680</u>	-
Comprehensive income attributable to:									
Owners of the parent		\$90,495	7	\$29,180	3	\$138,608	6	\$6,191	-
Non-controlling interests		733	-	409	-	1,284	-	489	-
		<u>\$91,228</u>	<u>7</u>	<u>\$29,589</u>	<u>3</u>	<u>\$139,892</u>	<u>6</u>	<u>\$6,680</u>	-
Earnings per share (NTD)	6(21)								
Earnings per share - Basic		<u>\$1.17</u>		<u>\$0.39</u>		<u>\$1.79</u>		<u>\$0.08</u>	
Earnings per share - Diluted		<u>\$1.14</u>		<u>\$0.38</u>		<u>\$1.75</u>		<u>\$0.08</u>	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the six-month periods ended June 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

Accounting	Equity attributable to the parent company											Non-controlling interests	Total equity
	Common stock	Certificate of entitlement to new shares from convertible bond	Share capital awaiting retirement	Capital surplus	Retained earnings			Other components of equity		Treasury shares	Total		
					Legal reserve	Special reserve	Unappropriated earnings	Unrealised (losses) from investments in equity instruments measured at fair value through other comprehensive income	Unearned rewards for employees				
Balance as of January 1, 2023	\$794,484	\$-	(\$50)	\$888,399	\$88,189	\$13,623	\$71,010	(\$13,156)	(\$138,984)	(\$2,801)	\$1,700,714	\$9,937	\$1,710,651
Appropriation and distribution of 2022 retained earnings:													
Legal reserve	-	-	-	-	7,101	-	(7,101)	-	-	-	-	-	-
Special reserve	-	-	-	-	-	645	(645)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(63,264)	-	-	-	(63,264)	-	(63,264)
Other changes in capital surplus													
Due to recognition of equity component of convertible bonds issued	-	-	-	13,884	-	-	-	-	-	-	13,884	-	13,884
Cash dividends from capital surplus	-	-	-	(60,000)	-	-	-	-	-	-	(60,000)	-	(60,000)
Net income for the six-month period ended June 30, 2023	-	-	-	-	-	-	6,191	-	-	-	6,191	489	6,680
Total comprehensive income	-	-	-	-	-	-	6,191	-	-	-	6,191	489	6,680
Share-based payment transaction	(50)	-	(330)	(760)	-	-	-	-	31,561	-	30,421	-	30,421
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(2,399)	(2,399)
Balance as of June 30, 2023	\$794,434	\$-	(\$380)	\$841,523	\$95,290	\$14,268	\$6,191	(\$13,156)	(\$107,423)	(\$2,801)	\$1,627,946	\$8,027	\$1,635,973
Balance as of January 1, 2024	\$793,954	\$7	(\$180)	\$841,056	\$95,290	\$14,268	\$118,283	(\$13,156)	(\$76,975)	(\$2,801)	\$1,769,746	\$9,018	\$1,778,764
Appropriation and distribution of 2023 retained earnings:													
Legal reserve	-	-	-	-	11,828	-	(11,828)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(107,567)	-	-	-	(107,567)	-	(107,567)
Reversal of special reserve	-	-	-	-	-	(1,112)	1,112	-	-	-	-	-	-
Other changes in capital surplus													
Cash dividends from capital surplus	-	-	-	(60,000)	-	-	-	-	-	-	(60,000)	-	(60,000)
Net income for the six-month period ended June 30, 2024	-	-	-	-	-	-	138,608	-	-	-	138,608	1,284	139,892
Total comprehensive income	-	-	-	-	-	-	138,608	-	-	-	138,608	1,284	139,892
Conversion of certificate of entitlement to new shares from convertible bonds	7	7	-	-	-	-	-	-	-	-	-	-	-
Share-based payment transaction	(300)	-	(60)	(720)	-	-	-	-	30,448	-	29,368	-	29,368
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,332)	(1,332)
Balance as of June 30, 2024	\$793,661	\$-	(\$240)	\$780,336	\$107,118	\$13,156	\$138,608	(\$13,156)	(\$46,527)	(\$2,801)	\$1,770,155	\$8,970	\$1,779,125

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six-month periods ended June 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

Accounting	For the six-month periods ended June 30	
	2024	2023
Cash flows from operating activities:		
Net income before tax	\$172,910	\$11,305
Adjustments to reconcile profit (loss):		
Depreciation	561,493	533,966
Amortization	3,889	3,413
Net loss on financial assets and liabilities at fair value through profit or loss	1,350	10,088
Interest expense	56,832	52,554
Interest income	(5,049)	(3,060)
Share-based payments	30,448	31,561
Loss on disposal and abandonment of property, plant and equipment	-	787
Others	182	186
Changes in operating assets and liabilities:		
(Increase) Decrease in notes receivable	(44)	131
(Increase) in accounts receivable	(19,320)	(8,387)
(Increase) Decrease in inventories	(2,358)	1,631
Decrease in prepayments	1,491	415
(Increase) Decrease in other current assets	(19,696)	7,764
(Increase) in other financial assets	(51,340)	(8,216)
Increase in contract liabilities	120,045	40,668
Increase in notes payable	424	657
(Decrease) in notes payable - related parties	-	(437)
Increase in accounts payable	4,188	2,751
Increase (Decrease) in other payables	8,925	(17,576)
(Decrease) in other payables - related parties	-	(1,114)
Increase in other current liabilities	4,057	945
Cash generated from operations	<u>868,427</u>	<u>660,032</u>
Interest received	5,049	3,060
Income tax paid	<u>(6,387)</u>	<u>(160)</u>
Net cash provided by operating activities	<u>867,089</u>	<u>662,932</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(405,878)	(370,755)
Proceeds from disposal of property, plant and equipment	-	16
Increase in refundable deposits	(2,980)	(11,954)
Acquisition of intangible assets	<u>(7,706)</u>	<u>(3,394)</u>
Net cash (used in) investing activities	<u>(416,564)</u>	<u>(386,087)</u>
Cash flows from financing activities:		
Increase in short-term loans	-	10,000
Proceeds from issuing bonds	-	300,000
Repayments from bonds issued	(96,500)	(299,399)
Repayments of long-term loans	(104,698)	(55,748)
Payments of lease liabilities	(270,553)	(248,567)
Decrease in other non-current liabilities	(641)	(825)
Interest paid	(52,885)	(49,615)
Others	<u>(1,080)</u>	<u>(1,140)</u>
Net cash (used in) financing activities	<u>(526,357)</u>	<u>(345,294)</u>
Net (Decrease) in cash and cash equivalents	(75,832)	(68,449)
Cash and cash equivalents at beginning of period	<u>852,638</u>	<u>835,544</u>
Cash and cash equivalents at end of period	<u><u>\$776,806</u></u>	<u><u>\$767,095</u></u>

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

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Six-Month Periods Ended June 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. HISTORY OF ORGANIZATION

POWER WIND HEALTH INDUSTRY INCORPORATED (“the Company”) was incorporated in Republic of China (R.O.C.) on October 4, 2005. The main activities are the business of membership-based fitness center chains, recreational sports venues and other sports services. The Company’s common stocks were publicly listed on the Taipei Exchange (TPEX) on March 10, 2016 and started to list on the Taiwan Stock Exchange Corporation (TWSE) on March 15, 2019. The Company’s registered office and the main administration departments are at No.238, Bo-ai 4th Rd., Zuoying Dist., Kaohsiung City, Taiwan (R.O.C.).

2. DATE AND PROCEDURES OF AUTHORIZATION OF FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements of the Company and subsidiaries (“the Group”) for the six-month periods ended June 30, 2024 and 2023 were authorized for issue by the Board of Directors on August 8, 2024.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Group applied International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and Interpretations issued, revised or amended which are endorsed by Financial Supervisory Commission (FSC) and become effective for annual periods beginning on or after January 1, 2024. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (IASB) which are endorsed by the FSC, and not yet adopted by the Group as at the date of issuance of the Group’s financial statements are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by the IASB
A	Lack of Exchangeability (Amendments to IAS 21)	January 1, 2025

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(A) Lack of Exchangeability (Amendments to IAS 21)

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determine the exchange rate to use and the disclosures to provide.

The abovementioned new, revised and amended standards and interpretations were issued by the IASB and endorsed by the FSC so that they are applicable for annual periods beginning on or after January 1, 2025. These standards and interpretations have no material impact on the Group.

- (3) Standards or interpretations issued, revised or amended by the IASB which are not endorsed by the FSC, and not yet adopted by the Group as at the date of issuance of the Group's financial statements are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by the IASB
A	<i>IFRS 10 "Consolidated Financial Statements"</i> and <i>IAS 28 "Investments in Associates and Joint Ventures"</i> - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by the IASB
B	<i>IFRS 17 "Insurance Contracts"</i>	January 1, 2023
C	<i>IFRS 18 "Presentation and Disclosure in Financial Statements"</i>	January 1, 2027
D	Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
E	Amendments to the Classification and Measurement of Financial Instruments – (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
F	Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

- (A) *IFRS 10 "Consolidated Financial Statements"* and *IAS 28 "Investments in Associates and Joint Ventures"* - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in *IFRS 10 "Consolidated Financial Statements"* and *IAS 28 "Investments in Associates and Joint Ventures"*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. *IAS 28* restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. *IFRS 10* requires full profit or loss recognition on the loss of control of the subsidiary. *IAS 28* was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in *IFRS 3* between an investor and its associate or joint venture is

recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(B) *IFRS 17 “Insurance Contracts”*

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard - *IFRS 4 “Insurance Contracts”* - from annual reporting periods beginning on or after 1 January 2023.

(C) *IFRS 18 “Presentation and Disclosure in Financial Statements”*

IFRS 18 replaces *IAS 1 “Presentation of Financial Statements”*. The main changes are as below:

(1) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities' performance and make it easier to compare entities.

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(3) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(D) Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(E) Amendments to the Classification and Measurement of Financial Instruments – (Amendments to IFRS 9 and IFRS 7)

The amendments include:

- (1) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (3) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(F) Annual Improvements to IFRS Accounting Standards - Volume 11

(1) Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(3) Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(4) Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(5) Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(6) Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

The abovementioned standards and interpretations issued by the IASB have not yet endorsed by the FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by the FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (A) and (C) to (F), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(1) Statement of compliance

The consolidated financial statements of the Group for the six-month periods ended June 30, 2024 and 2023 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and *IAS 34 “Interim Financial Reporting”* as endorsed and became effective by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (“NT\$”) unless otherwise specified.

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
 (Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Basis of consolidation

Preparation principle of consolidated financial statements

The same principles of consolidation have been applied in the Group's consolidated financial statements for the six-month period ended June 30, 2024 as those applied in the Group's consolidated financial statements for the year ended December 31, 2023. For the principles of consolidation, please refer to the Group's consolidated financial statements for the year ended December 31, 2023.

The consolidated entities are listed as follows:

Investor	Subsidiary	Business nature	Percentage of Ownership		
			Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
The Company	Bo Xin Health Industry Incorporated	Engaged in the business of recreational sports and fitness center and other sports services	60.00%	60.00%	60.00%

(4) Other Significant Accounting Policies

The same accounting policies of consolidation have been applied in the Group's consolidated financial statements for the six-month period ended June 30, 2024 as those applied in the Group's consolidated financial statements for the year ended December 31, 2023. For the summary of significant accounting policies, please refer to the Group's consolidated financial statements for the year ended December 31, 2023.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The same significant accounting judgments, estimates and assumptions have been applied in the Group's consolidated financial statements for the six-month period ended June 30, 2024 as those applied in the Group's consolidated financial statements for the year ended December 31, 2023. For significant accounting judgments, estimates and assumptions, please refer to the Group's consolidated financial statements for the year ended December 31, 2023.

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
 (Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	As at		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Cash on hand	\$1,902	\$1,860	\$1,762
Bank deposit	774,904	850,778	765,333
Total	<u>\$776,806</u>	<u>\$852,638</u>	<u>\$767,095</u>

(2) Accounts receivable

	As at		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Accounts receivable	\$74,269	\$54,949	\$21,022
Less: loss allowance	—	—	—
Total	<u>\$74,269</u>	<u>\$54,949</u>	<u>\$21,022</u>

Accounts receivable were not pledged.

Accounts receivable mainly from transactions with customers using credit cards as the payment method were not past due and not impairment based on collection from domestically well-known financial institutions with high-level credit ratings.

(3) Other financial assets, current

	As at		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Bank deposit	<u>\$428,846</u>	<u>\$377,506</u>	<u>\$384,456</u>

The use of other financial assets are mainly restricted because they serve as contract performance guarantee for fitness center members. For the pledge, please refer to Note 8.

(4) Financial assets at fair value through other comprehensive income, non-current

	As at		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Investments in equity instruments measured at fair value through other comprehensive income			
Unlisted companies stocks	<u>\$4,844</u>	<u>\$4,844</u>	<u>\$20,389</u>

Financial assets at fair value through other comprehensive income were not pledged.

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(5) Property, plant and equipment

	As at						
			Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023		
	Owner occupied property, plant and equipment		\$3,282,327	\$3,157,619	\$3,186,646		
	Land	Buildings	Business facilities	Leasehold improvements	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:							
As at Jan. 1, 2024	\$690,600	\$494,969	\$2,943,414	\$2,251,497	\$204,511	\$29,605	\$6,614,596
Additions	—	—	174,896	185,310	14,312	7,357	381,875
Disposals	—	—	(21,012)	(41)	(81)	—	(21,134)
Other (Note)	—	—	—	13,204	—	—	13,204
Transfers	—	—	10,678	1,575	2,925	(22,065)	(6,887)
As at Jun. 30, 2024	\$690,600	\$494,969	\$3,107,976	\$2,451,545	\$221,667	\$14,897	\$6,981,654
As at Jan. 1, 2023	\$690,600	\$494,969	\$2,724,934	\$2,044,570	\$179,972	\$15,207	\$6,150,252
Additions	—	—	151,189	115,595	12,879	21,510	301,173
Disposals	—	—	(7,672)	—	—	—	(7,672)
Other (Note)	—	—	—	7,010	—	—	7,010
Transfers	—	—	2,866	2,800	—	(6,326)	(660)
As at Jun. 30, 2023	\$690,600	\$494,969	\$2,871,317	\$2,169,975	\$192,851	\$30,391	\$6,450,103
Depreciation and impairment:							
As at Jan. 1, 2024	\$—	(\$99,215)	(\$2,105,585)	(\$1,106,446)	(\$145,731)	\$—	(\$3,456,977)
Depreciation	—	(8,391)	(149,132)	(93,636)	(12,325)	—	(263,484)
Disposals	—	—	21,012	41	81	—	21,134
Transfers	—	—	—	—	—	—	—
As at Jun. 30, 2024	\$—	(\$107,606)	(\$2,233,705)	(\$1,200,041)	(\$157,975)	\$—	(\$3,699,327)
As at Jan. 1, 2023	\$—	(\$80,616)	(\$1,850,500)	(\$959,042)	(\$123,214)	\$—	(\$3,013,372)
Depreciation	—	(9,603)	(147,468)	(88,798)	(11,085)	—	(256,954)
Disposals	—	—	6,869	—	—	—	6,869
Transfers	—	—	—	—	—	—	—
As at Jun. 30, 2023	\$—	(\$90,219)	(\$1,991,099)	(\$1,047,840)	(\$134,299)	\$—	(\$3,263,457)
Net carrying amount:							
As at Jun. 30, 2024	\$690,600	\$387,363	\$874,271	\$1,251,504	\$63,692	\$14,897	\$3,282,327
As at Dec. 31, 2023	\$690,600	\$395,754	\$837,829	\$1,145,051	\$58,780	\$29,605	\$3,157,619
As at Jun. 30, 2023	\$690,600	\$404,750	\$880,218	\$1,122,135	\$58,552	\$30,391	\$3,186,646

Note: Provision for decommissioning, restoration and rehabilitation costs.

Please refer to Note 8 for more details on property, plant and equipment under pledge.

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(6) Intangible assets

	Computer software	Franchise	Total
<u>Cost:</u>			
As at Jan. 1, 2024	\$58,269	\$6,786	\$65,055
Addition - acquired separately	7,706	—	7,706
Transfers	6,705	—	6,705
As at Jun. 30, 2024	<u>\$72,680</u>	<u>\$6,786</u>	<u>\$79,466</u>
As at Jan. 1, 2023	\$50,980	\$6,786	\$57,766
Addition - acquired separately	3,394	—	3,394
Derecognition	—	—	—
Transfers	660	—	660
As at Jun. 30, 2023	<u>\$55,034</u>	<u>\$6,786</u>	<u>\$61,820</u>
<u>Amortization and impairment:</u>			
As at Jan. 1, 2024	(\$14,874)	(\$1,060)	(\$15,934)
Amortization	(3,465)	(424)	(3,889)
Transfers	—	—	—
As at Jun. 30, 2024	<u>(\$18,339)</u>	<u>(\$1,484)</u>	<u>(\$19,823)</u>
As at Jan. 1, 2023	(\$9,035)	(\$212)	(\$9,247)
Amortization	(2,989)	(424)	(3,413)
Transfers	—	—	—
As at Jun. 30, 2023	<u>(\$12,024)</u>	<u>(\$636)</u>	<u>(\$12,660)</u>
<u>Net carrying amount:</u>			
As at Jun. 30, 2024	<u>\$54,341</u>	<u>\$5,302</u>	<u>\$59,643</u>
As at Dec. 31, 2023	<u>\$43,395</u>	<u>\$5,726</u>	<u>\$49,121</u>
As at Jun. 30, 2023	<u>\$43,010</u>	<u>\$6,150</u>	<u>\$49,160</u>

(7) Refundable deposits

	As at		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Refundable deposits	<u>\$144,593</u>	<u>\$141,613</u>	<u>\$137,264</u>

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(8) Other payables

	As at		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Accrued salaries and bonuses	\$137,437	\$120,839	\$120,008
Accrued labor and health insurance	31,169	29,699	32,056
Accrued employee compensation	9,864	4,501	1,285
Dividends payable	167,900	—	123,863
Value added tax payable	21,026	35,372	12,988
Accrued franchises fees, current	900	900	900
Others	163,104	163,264	124,218
Total	\$531,400	\$354,575	\$415,318

(9) Financial liabilities at fair value through profit or loss

	As at		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Designated financial liabilities at fair value through profit or loss			
Derivatives not designated as hedging relationship			
Embedded derivative			
Convertible bonds	\$5,633	\$4,283	\$1,913
Current	\$5,633	\$—	\$—
Non-current	\$—	\$4,283	\$1,913

(10) Bonds payable

	As at		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Domestic 2 nd unsecured convertible bonds payable	\$—	\$96,500	\$95,793
Domestic 3 rd unsecured convertible bonds payable	287,447	283,958	280,511
Subtotal	\$287,447	\$380,458	\$376,304
Less: current portion	(287,447)	(96,500)	(95,793)
Net	\$—	\$283,958	\$280,511

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

A. Domestic 2nd unsecured convertible bonds payable

	As at		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Liability component:			
Principal amount	\$—	\$96,500	\$96,600
Discounts on bonds payable	—	—	(807)
Subtotal	—	\$96,500	95,793
Less: current portion	—	(96,500)	(95,793)
Net	\$—	\$—	\$—
Embedded derivative	\$—	\$—	\$—
Equity component	\$—	\$2,858	\$2,860

On January 6, 2021, the Company issued zero coupon domestic unsecured convertible bonds. The terms of the convertible bonds were evaluated to include a liability component, embedded derivatives (a call option and a put option) and an equity component (an option for conversion into issuer's common stocks). The terms of the bonds are as follows:

Issue Amount: NT\$400,000 thousand

Period: January 6, 2021 ~ January 6, 2024

Redemption Clauses and Terms of Put Option:

- a. The Company may redeem the bonds, from the day following the issuance of the full three months (April 7, 2021) to the forty days before the expiry of the issuance period (November 27, 2023), at the principal amount of the bonds by cash if the closing price of the Company's common stocks on TWSE for a period of 30 consecutive trading days, is at least 130% of the conversion price.
- b. The Company may redeem the bonds, in whole, at the principal amount if at least 90% in principal amount of the bonds has already been exchanged, redeemed, purchased or cancelled.
- c. The bondholders may request the Company to redeem all of or part of convertible bonds held by the bondholders at 102.01% of the par value of the bonds by November 27, 2022, which is 40 days before the put option date, January 6, 2023.

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
 (Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Terms of Exchange:

- a. Underlying Securities: Common stocks of the Company.
- b. Exchange Period: The bonds are exchangeable at any time on or after April 7, 2021 and prior to January 6, 2024 into common stocks of the Company.
- c. Conversion Price and Adjustment: The conversion price was originally NT\$155.8 per share. The conversion price will be subject to adjustments upon the occurrence of certain events set out in the indenture.
- d. Redemption on the Maturity Date: On the maturity date, the Company will redeem the bonds that remain outstanding at the principal amount.

The bonds already converted amounted to NT\$10,000 thousand, NT\$10,000 thousand and NT\$9,900 thousand as at June 30, 2024, December 31, 2023 and June 30, 2023.

As of the put option date January 6, 2023 for the convertible corporate bonds, the bondholders of the convertible corporate bonds exercised their put option, resulting in an amount of NT\$293,500 thousand.

As of the maturity date January 6, 2024 for the convertible corporate bonds, the Company redeemed in full at par value, resulting in an amount of NT\$96,500 thousand.

B. Domestic 3rd unsecured convertible bonds payable

	As at		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Liability component:			
Principal amount	\$300,000	\$300,000	\$300,000
Discounts on bonds payable	(12,553)	(16,042)	(19,489)
Subtotal	287,447	283,958	280,511
Less: current portion	(287,447)	—	—
Net	\$—	\$283,958	\$280,511
Embedded derivative	\$5,633	\$4,283	\$1,913
Equity component	\$13,884	\$13,884	\$13,884

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
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On April 14, 2023, the Company issued zero coupon domestic unsecured convertible bonds. The terms of the convertible bonds were evaluated to include a liability component, embedded derivatives (a call option and a put option) and an equity component (an option for conversion into issuer's common stocks). The terms of the bonds are as follows:

Issue Amount: NT\$300,000 thousand

Period: April 14, 2023~April 14, 2026

Redemption Clauses and Terms of Put Option:

- a. The Company may redeem the bonds, from the day following the issuance of the full three months (July 15, 2023) to the forty days before the expiry of the issuance period (March 5, 2026), at the principal amount of the bonds by cash if the closing price of the Company's common stocks on TWSE for a period of 30 consecutive trading days, is at least 130% of the conversion price.
- b. The Company may redeem the bonds, in whole, at the principal amount if at least 90% in principal amount of the bonds has already been exchanged, redeemed, purchased or cancelled.
- c. The bondholders may request the Company to redeem all of or part of convertible bonds held by the bondholders at 102.01% of the par value of the bonds by March 5, 2025, which is 40 days before the put option date, April 14, 2025.

Terms of Exchange:

- a. Underlying Securities: Common stocks of the Company.
- b. Exchange Period: The bonds are exchangeable at any time on or after July 15, 2023 and prior to April 14, 2026 into common stocks of the Company.
- c. Conversion Price and Adjustment: The conversion price was originally NT\$150 per share. The conversion price will be subject to adjustments upon the occurrence of certain events set out in the indenture. The conversion price as of June 30, 2024 was NT\$148.50 per share.
- d. Redemption on the Maturity Date: On the maturity date, the Company will redeem the bonds that remain outstanding at the principal amount.

The bonds were not converted as at June 30, 2024.

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(11) Long-term loans

Details of long-term loans as at June 30, 2024, December 31, 2023 and June 30, 2023 were as follows:

Lenders	As at	
	Jun. 30, 2024	Maturity date and terms of repayment
Cathay United Bank - secured	\$127,588	Effective from July 22, 2016 to July 22, 2031, the principal and interest are repaid monthly.
Cathay United Bank - secured	20,000	Effective from June 1, 2022 to February 7, 2025, interest only payment for the first half year, and then the principal and interest are repaid monthly.
Cathay United Bank - secured	23,484	Effective from October 7, 2019 to October 7, 2026, the principal and interest are repaid monthly.
Cathay United Bank - secured	149,436	Effective from October 7, 2019 to October 7, 2026, interest only payment for the first two years, and then the principal and interest are repaid monthly.
E.SUN Commercial Bank - secured	178,673	Effective from December 27, 2021 to December 27, 2036, interest only payment for the first two years, and then the principal and interest are repaid monthly.
Shin Kong Bank - secured	124,085	Effective from December 29, 2021 to December 29, 2036, the principal and interest are repaid monthly.
E.SUN Commercial Bank - unsecured	129,250	Effective from November 3, 2020 to October 15, 2027, interest only payment for the first three years, and then the principal and interest are repaid monthly.
CTBC Bank - unsecured	45,583	Effective from November 3, 2020 to August 15, 2028, interest only payment for the first three years, and then the principal and interest are repaid monthly.
First Commercial Bank - unsecured	115,055	Effective from November 3, 2020 to October 15, 2030, interest only payment for the first three years, and then the principal and interest are repaid monthly.
Bank of Taiwan - unsecured	2,819	Effective from August 25, 2021 to August 25, 2024, interest only payment for the first half year, and then the principal and interest are repaid monthly.
Taichung Commercial Bank - unsecured	1,323	Effective from October 13, 2021 to October 13, 2024, the principal and interest are repaid monthly.
Subtotal	917,296	
Less: current portion	(170,378)	
Total	<u>\$746,918</u>	

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Lenders	As at Dec. 31, 2023	Maturity date and terms of repayment
Cathay United Bank - secured	\$136,594	Effective from July 22, 2016 to July 22, 2031, the principal and interest are repaid monthly.
Cathay United Bank - secured	30,000	Effective from June 1, 2022 to February 7, 2025, interest only payment for the first half year, and then the principal and interest are repaid monthly.
Cathay United Bank - secured	24,620	Effective from October 7, 2019 to October 7, 2026, the principal and interest are repaid monthly.
Cathay United Bank - secured	156,667	Effective from October 7, 2019 to October 7, 2026, interest only payment for the first two years, and then the principal and interest are repaid monthly.
E.SUN Commercial Bank - secured	185,820	Effective from December 27, 2021 to December 27, 2036, interest only payment for the first two years, and then the principal and interest are repaid monthly.
Shin Kong Bank - secured	127,668	Effective from December 29, 2021 to December 29, 2036, the principal and interest are repaid monthly.
Shin Kong Bank - secured	7,964	Effective from June 15, 2022 to June 15, 2029, the principal and interest are repaid monthly.
E.SUN Commercial Bank - unsecured	148,344	Effective from November 3, 2020 to October 15, 2027, interest only payment for the first three years, and then the principal and interest are repaid monthly.
CTBC Bank - unsecured	56,183	Effective from November 3, 2020 to August 15, 2028, interest only payment for the first three years, and then the principal and interest are repaid monthly.
First Commercial Bank - unsecured	124,707	Effective from November 3, 2020 to October 15, 2030, interest only payment for the first three years, and then the principal and interest are repaid monthly.
Land Bank of Taiwan - unsecured	8,864	Effective from June 30, 2021 to June 30, 2024, interest only payment for the first year, and then the principal and interest are repaid monthly.
Bank of Taiwan - unsecured	11,274	Effective from August 25, 2021 to August 25, 2024, interest only payment for the first half year, and then the principal and interest are repaid monthly.
Taichung Commercial Bank - unsecured	3,289	Effective from October 13, 2021 to October 13, 2024, the principal and interest are repaid monthly.
Subtotal	1,021,994	
Less: current portion	<u>(186,110)</u>	
Total	<u>\$835,884</u>	

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Lenders	As at	
	Jun. 30, 2023	Maturity date and terms of repayment
Cathay United Bank - secured	\$145,600	Effective from July 22, 2016 to July 22, 2031, the principal and interest are repaid monthly.
Cathay United Bank - secured	40,000	Effective from June 1, 2022 to February 7, 2025, the principal and interest are repaid monthly.
Cathay United Bank - secured	25,757	Effective from October 7, 2019 to October 7, 2026, the principal and interest are repaid monthly.
Cathay United Bank - secured	163,897	Effective from October 7, 2019 to October 7, 2026, interest only payment for the first two years, and then the principal and interest are repaid monthly.
E.SUN Commercial Bank - secured	185,820	Effective from December 27, 2021 to December 27, 2036, interest only payment for the first two years, and then the principal and interest are repaid monthly.
Shin Kong Bank - secured	131,928	Effective from December 29, 2021 to December 29, 2036, the principal and interest are repaid monthly.
Shin Kong Bank - secured	8,642	Effective from June 15, 2022 to June 15, 2029, the principal and interest are repaid monthly.
E.SUN Commercial Bank - unsecured	152,750	Effective from November 3, 2020 to October 15, 2027, interest only payment for the first three years, and then the principal and interest are repaid monthly.
CTBC Bank - unsecured	63,450	Effective from November 3, 2020 to August 15, 2028, interest only payment for the first three years, and then the principal and interest are repaid monthly.
First Commercial Bank - unsecured	126,040	Effective from November 3, 2020 to October 15, 2030, interest only payment for the first three years, and then the principal and interest are repaid monthly.
Land Bank of Taiwan - unsecured	15,134	Effective from June 30, 2021 to June 30, 2024, interest only payment for the first year, and then the principal and interest are repaid monthly.
Bank of Taiwan - unsecured	19,729	Effective from August 25, 2021 to August 25, 2024, interest only payment for the first half year, and then the principal and interest are repaid monthly.
Taichung Commercial Bank - unsecured	5,234	Effective from October 13, 2021 to October 13, 2024, the principal and interest are repaid monthly.
Subtotal	1,083,981	
Less: current portion	(160,669)	
Total	<u>\$923,312</u>	

	As at		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Interest rate range	1.375%~2.19%	1.25%~2.19%	1.25%~2.19%

Certain land and buildings are pledged as first priority security for secured bank loans with Cathay United Bank, E.SUN Commercial Bank and Shin Kong Bank, please refer to Note 8 for more details.

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
 (Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(12) Post-employment benefits plan

The employee pension plan under the Labor Pension Act of the R.O.C. (“the Act”) is a defined contribution plan. For the defined contribution plan, the Group will make monthly contributions of no less than 6% of the monthly wages of the employees. The Group has made monthly contributions of 6% based on each individual employee’s salary or wage to employees’ pension accounts subject to the plan.

Expenses under the defined contribution plan for the three-month and six-month periods ended June 30, 2024 and 2023 were NT\$17,550 thousand and NT\$14,425 thousand, NT\$34,674 thousand and NT\$30,249 thousand, respectively.

(13) Provisions, non-current

	<u>Decommissioning, restoration and rehabilitation costs</u>
As at January 1, 2024	\$86,386
Arising during the period	13,204
Discount rate adjustment and unwinding of discount from the passage of time	415
As at June 30, 2024	<u>\$100,005</u>
As at January 1, 2023	\$71,972
Arising during the period	7,010
Discount rate adjustment and unwinding of discount from the passage of time	305
As at June 30, 2023	<u>\$79,287</u>

Decommissioning, restoration and rehabilitation costs

A provision has been recognized for decommissioning costs associated with the Group leasing the building for operating sports venues from the owner. The Group is committed to decommissioning the site as a result of the construction of the beginning of the lease.

(14) Equities

A. Common stock

The Company’s authorized capital were all NT\$1,000,000 thousand as at June 30, 2024, December 31, 2023 and June 30, 2023, divided into all 100,000 thousand shares (each authorized capital included 5,000 thousand shares reserved for employee stock options), each at a par value of NT\$10. The Company has issued NT\$793,661 thousand, NT\$793,954 thousand and NT\$794,434 thousand, divided into 79,366 thousand shares, 79,395 thousand shares and 79,443 thousand shares as at June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
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The Company has redeemed 36 thousand shares of issued restricted stocks for employees for the six months ended June 30, 2024. As at June 30, 2024, 24 thousand shares of the above-mentioned, which were recorded as share capital pending retirement in the amount NT\$240 thousand, were not yet registered. The remaining shares have completed the registration of cancellation.

B. Capital surplus

	As at		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Employee stock option	\$47	\$47	\$47
Restricted stocks for employees	435,050	435,770	436,330
Additional paid-in capital from common stock	775	775	775
Due to recognition of equity component of convertible bonds issued	13,884	16,742	16,744
Additional paid-in capital from convertible bonds	317,449	377,449	377,354
Vested stock option	4,439	1,581	1,581
Others	8,692	8,692	8,692
Total	<u>\$780,336</u>	<u>\$841,056</u>	<u>\$841,523</u>

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its stockholders in proportion to the number of shares being held by each of them.

C. Treasury shares

The Company reacquired 2,000 thousand shares of its share for selling to employees, which was resolved by the Board of Directors on May 16, 2021. At the end of the repurchased period, the Company reacquired 20 thousand treasury shares, whose average price was NT\$140.06 per share, in total NT\$2,801 thousand. The treasury shares held by the Company were NT\$2,801 thousand and the number of shares were 20 thousand as at June 30, 2024, December 31, 2023 and June 30, 2023.

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
 (Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

D. Retained earnings and dividend policy

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- a. Reserve for tax payments.
- b. Offset accumulated losses in previous years, if any.
- c. Legal reserve, which is 10% of leftover profits.
- d. Allocation or reverse of special reserves as required by other regulations or competent authorities.
- e. The remaining net profits and the retained earnings from previous years will be allocated as stockholders' dividend. The Board of Directors will prepare a distribution proposal and submit it to the stockholders' meeting for review and approval by a resolution.

To consider the Company's future capital requirements and interest of the stockholders' demand for cash inflows, after the annual accounts, if the Company has surpluses, the annual cash dividend will not be less than 10% of the total cash and stock dividends in the current year.

According to the Company Act, the company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the company. When a company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the stockholders.

When the Company distributes distributable earnings, it shall set aside to special reserve, an amount equal to "other net deductions from stockholders' equity" for the current fiscal year, provided that if the Company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from stockholders' equity. For any subsequent reversal of other net deductions from stockholders' equity, the amount reversed may be distributed from the special reserve.

The distribution of earnings and dividends for 2023 and 2022 was resolved in the stockholders' meetings held on May 28, 2024 and May 31, 2023. The details of distribution are as follows:

	Appropriation of earnings		Dividend per share (NT\$)	
	2023	2022	2023(Note 1)	2022(Note 2)
Legal reserve	\$11,828	\$7,101	\$—	\$—
(Reversal of) Special reserve	(\$1,112)	\$645	\$—	\$—
Cash dividend	\$107,567	\$63,264	\$1.36	\$0.80

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Company resolved to distribute cash from capital surplus in the stockholders' meetings held on May 28, 2024 and May 31, 2023. The total amounts are both NT\$60,000 thousand, NT\$0.76 per share.

Note 1: The Company bought back restricted stocks for employee departure and treasury shares, resulting in a decrease in the outstanding shares to 79,346 thousand shares.

Note 2: The Company bought back restricted stocks for employee departure and treasury shares, resulting in a decrease in the outstanding shares to 79,375 thousand shares.

For information on the accrual basis of the employees' compensation and directors' remuneration and the actual distributions, please refer to Note 6(18) for details.

E. Non-controlling interests

	For the six-month periods ended June 30	
	2024	2023
Beginning balance	\$9,018	\$9,937
Profit attributable to non-controlling interests	1,284	489
Change in non-controlling interests	(1,332)	(2,399)
Ending balance	\$8,970	\$8,027

(15) Share-based payment plans

A. Restricted stocks plan for employees

The Company issued restricted stocks for employees on October 7, 2016 at NT\$25 per share in the amount of NT\$15,670 thousand, totalling 1,567 thousand shares. The share price at grant date was NT\$101.50 per share. On January 25, 2017, the Company issued restricted stocks for employees at NT\$25 per share in the amount of NT\$880 thousand, totalling 88 thousand shares. The share price at grant date was NT\$81.80 per share. On January 2, 2018, the Company issued restricted stocks for employees at NT\$25 per share in the amount of NT\$3,900 thousand, totalling 390 thousand shares. The share price at grant date was NT\$161.00 per share. On April 30, 2019, the Company issued restricted stocks for employees at NT\$25 per share in the amount of NT\$3,800 thousand, totalling 380 thousand shares. The share price at grant date was NT\$199.00 per share. On October 7, 2022, the Company issued restricted stocks for employees at NT\$30 per share in the amount of NT\$20,000 thousand, totalling 2,000 thousand shares. The share price at grant date was NT\$117.50 per share.

Employees are entitled to 50%, 25%, and 25% of vested shares, respectively, upon reaching two, three, and four full years from being vested the restricted stocks for employees, provided they remain employed, their performance assessments have reached 3 points (included) or above, and during that period, they have not violated any laws, company service agreements and commitments, company work rules, code of conduct and business ethics, and other relevant regulations and agreements.

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Restrictions on the rights and vesting conditions of restricted stocks for employees are as follows:

- a. Employees who deliver the restricted stocks to the Trust Depository during the vesting period may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, the restricted employee shares, excluding inheritance.
 - b. Stockholders' voting rights: They are executed by the Trust Depository according to relevant laws and regulations.
 - c. During the vesting period, the rights of dividends and bonuses, but the dividends of 1,567 thousand shares issued on October 7, 2016 and 88 thousand shares issued on January 25, 2017 must be deposited in a security trust account. For those who do not conform to the vesting conditions, the cash dividends, stock dividends, and cash (stocks) allocated from the capital surplus are allocated to the Company, and the Company redeems the cash according to relevant regulations and cancels the shares according to law.
- B. For the three-month and six-month periods ended June 30, 2024 and 2023, the Company incurred expenses of NT\$15,224 thousand, NT\$15,496 thousand, NT\$30,448 thousand, and NT\$31,561 thousand for the share-based payment transactions, respectively.

(16) Operating revenues

	For the three-month periods ended June 30	
	2024	2023
Revenue of Fitness and recreational sports services	\$758,585	\$614,366
Revenue of Sports health services	476,677	413,809
Revenue of Joining fees	29,888	27,415
Others	11,632	8,608
Total	1,276,782	1,064,198
Less: sales return and sales discounts and allowances	(141)	(158)
Net operating revenues	\$1,276,641	\$1,064,040

	For the six-month periods ended June 30	
	2024	2023
Revenue of Fitness and recreational sports services	\$1,461,917	\$1,167,531
Revenue of Sports health services	878,521	772,457
Revenue of Joining fees	59,553	59,019
Others	19,473	15,692
Total	2,419,464	2,014,699
Less: sales return and sales discounts and allowances	(250)	(331)
Net operating revenues	\$2,419,214	\$2,014,368

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Information on revenues from contracts with customers during the six-month periods ended June 30, 2024 and 2023 are as follows:

A. Disaggregation of revenue - Operation department

	For the three-month periods ended June 30	
	2024	2023
Sale of goods	\$6,048	\$5,937
Rendering of services	1,260,906	1,049,147
Others	9,687	8,956
Total	<u>\$1,276,641</u>	<u>\$1,064,040</u>
Timing of revenue recognition		
At a point in time	\$492,899	\$430,318
Over time	783,742	633,722
Total	<u>\$1,276,641</u>	<u>\$1,064,040</u>
	For the six-month periods ended June 30	
	2024	2023
Sale of goods	\$11,296	\$10,901
Rendering of services	2,391,187	1,986,914
Others	16,731	16,553
Total	<u>\$2,419,214</u>	<u>\$2,014,368</u>
Timing of revenue recognition		
At a point in time	\$908,441	\$802,812
Over time	1,510,773	1,211,556
Total	<u>\$2,419,214</u>	<u>\$2,014,368</u>

B. Contract balances

Contract liabilities, current

	As at		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Rendering of services - Fitness	\$115,260	\$114,923	\$136,361
Rendering of services - Sports health etc.	718,277	596,544	571,140
Rendering of services - Joining fees (Initiation and processing fees included)	10,931	12,624	11,925
Rendering of services - Others	9,361	9,693	7,074
Total	<u>\$853,829</u>	<u>\$733,784</u>	<u>\$726,500</u>

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
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The significant changes in the Group's balances of contract liabilities for the six-month periods ended June 30, 2024 and 2023 are as follows:

	For the six-month periods ended June 30	
	2024	2023
Beginning balance	\$733,784	\$685,832
The beginning balance transferred to revenue	(476,947)	(442,820)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	596,992	483,488
Ending balance	<u>\$853,829</u>	<u>\$726,500</u>

C. Transaction price allocated to unsatisfied performance obligations

The Group's transaction price allocated to unsatisfied performance obligations amounted to NT\$853,829 thousand and NT\$726,500 thousand as at June 30, 2024 and 2023, respectively. The Group will recognize revenue as the Group satisfies its performance obligations over time that aligns with progress toward completion of a contract in the future. The estimate of the transaction price does not include any estimated amounts of variable consideration that are constrained.

D. Assets recognized from costs to obtain or fulfil a contract

None.

(17) Leases

Group as a lessee

The Group leases various properties, including buildings and transportation equipment. The lease terms range from 2 to 24 years.

The Group's leases effect on the financial performance and cash flows are as follow:

A. Amounts recognized in the balance sheet

a. Right-of-use assets

The carrying amount of right-of-use assets

	As at		
	June. 30, 2024	Dec. 31, 2023	June. 30, 2023
Buildings	\$5,207,172	\$5,334,483	\$4,820,128
Transportation equipment	1,827	2,437	3,183
Total	<u>\$5,208,999</u>	<u>\$5,336,920</u>	<u>\$4,823,311</u>

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
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During the six-month periods ended June 30, 2024 and 2023, the Group's additions to right-of-use assets amounted to NT\$114,240 thousand and NT\$306,110 thousand, respectively.

b. Lease liabilities

	As at		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Lease liabilities	<u>\$5,550,923</u>	<u>\$5,651,388</u>	<u>\$5,105,522</u>
Current	\$631,278	\$623,770	\$592,110
Non-current	\$4,919,645	\$5,027,618	\$4,513,412

Please refer to Note 6(19) finance costs for the interest on lease liabilities recognized during the six-month periods ended June 30, 2024 and 2023 and refer to Note 12(5) liquidity risk management for the maturity analysis for lease liabilities as at June 30, 2024, December 31, 2023 and June 30, 2023.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the three-month periods ended June 30	
	2024	2023
Buildings	\$149,128	\$138,534
Transportation equipment	367	373
Total	<u>\$149,495</u>	<u>\$138,907</u>

	For the six-month periods ended June 30	
	2023	2022
Buildings	\$297,269	\$276,346
Transportation equipment	740	666
Total	<u>\$298,009</u>	<u>\$277,012</u>

C. Income and costs relating to leasing activities

	For the three-month periods ended June 30	
	2024	2023
The expenses relating to short-term leases	\$470	\$1,633
The expenses relating to leases of low-value assets (not including the expenses relating to short-term leases of low-value assets)	\$1,125	\$2,803
(Income) from subleasing right-of-use assets	(\$2,949)	(\$3,012)

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	For the six-month periods ended June 30	
	2024	2023
The expenses relating to short-term leases	\$3,222	\$2,859
The expenses relating to leases of low-value assets (not including the expenses relating to short-term leases of low-value assets)	\$2,141	\$5,503
(Income) from subleasing right-of-use assets	(\$5,833)	(\$5,370)

D. Cash outflow relating to leasing activities

During the six-month periods ended June 30, 2024 and 2023, the Group's total cash outflows for leases amounted to NT\$314,691 thousand and NT\$292,267 thousand, respectively.

E. Other information relating to leasing activities

Extension and termination options

Some of the Group's property rental agreements contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group. After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

(18) Summary statement of employee benefits, depreciation and amortization expenses by function is as follows:

Nature \ Function	For the three-month periods ended June 30					
	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	\$518,841	42,287	\$561,128	\$442,459	39,339	\$481,798
Labor and health insurance	\$33,044	2,200	\$35,244	\$28,260	2,095	\$30,355
Pension	\$16,341	1,209	\$17,550	\$13,303	1,122	\$14,425
Directors' remuneration	\$25	1,307	\$1,332	\$—	395	\$395
Other employee benefits expense	\$1,899	234	\$2,133	\$2,023	142	\$2,165
Depreciation	\$278,591	4,226	\$282,817	\$263,607	4,326	\$267,933
Amortization	\$212	1,754	\$1,966	\$212	1,328	\$1,540

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
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Function Nature	For the six-month periods ended June 30					
	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	\$979,026	84,127	\$1,063,153	\$845,078	76,804	\$921,882
Labor and health insurance	\$64,353	4,382	\$68,735	\$56,584	4,162	\$60,746
Pension	\$32,244	2,430	\$34,674	\$27,993	2,256	\$30,249
Directors' remuneration	\$42	2,015	\$2,057	\$—	711	\$711
Other employee benefits expense	\$19,090	479	\$19,569	\$15,760	222	\$15,982
Depreciation	\$552,803	8,690	\$561,493	\$525,364	8,602	\$533,966
Amortization	\$424	3,465	\$3,889	\$424	2,989	\$3,413

According to the Articles of Incorporation, no less than 1% of profit of the current year is distributable as employees' compensation and no more than 3% of profit of the current year is distributable as remuneration to directors. However, the Company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the stockholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors can be obtained from the "Market Observation Post System (MOPS)" on the website of the TWSE.

The Company estimated the amounts of the employees' compensation and remuneration to directors for the six-month period ended June 30, 2024 and 2023 to be 3% and 0.75% of profit, respectively, under the salaries. As such, employees' compensation and remuneration to directors for the six-month period ended June 30, 2024 and 2023 amounted to NT\$5,321 thousand, NT\$1,330 thousand, NT\$1,226 thousand and NT\$82 thousand, respectively. If the Board of Directors resolves to distribute employees' compensation in the form of stocks, the number of stock distributed is calculated based on total employee compensation divided by the closing price of the day before the Board of Directors' meeting. If there is a difference between the estimated distribution and the actual distribution the Board of Directors resolved, the Group will recognize the change as an adjustment in the profit or loss in the subsequent year.

In the Board of Directors meeting held on March 12, 2024 and February 21, 2023, the Company resolved to distribute NT\$4,455 thousand, NT\$1,114 thousand and NT\$902 thousand and NT\$0 thousand in cash as employees' compensation and remuneration to directors of 2023 and 2022, respectively. No material differences existed between the estimated amount and the actual distribution of the employee compensation and remuneration to directors for the year of 2023 and 2022.

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(19) Non-operating income and expenses

A. Interest income

	For the three-month periods ended June 30	
	2024	2023
Financial assets at amortized cost - bank deposits	\$3,738	\$2,641

	For the six-month periods ended June 30	
	2024	2023
Financial assets at amortized cost - bank deposits	\$5,049	\$3,060

B. Other income

	For the three-month periods ended June 30	
	2024	2023
Rental income	\$2,949	\$3,012
Others	8,524	8,874
Total	\$11,473	\$11,886

	For the six-month periods ended June 30	
	2024	2023
Rental income	\$5,833	\$5,370
Others	14,278	14,760
Total	\$20,111	\$20,130

C. Other gains and losses

	For the three-month periods ended June 30	
	2024	2023
(Loss) on disposal of property, plant and equipment	\$—	(\$797)
Gain on financial assets at fair value through profit or loss	120	180
Others	(2,340)	—
Total	(\$2,220)	(\$617)

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
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	For the six-month periods ended June 30	
	2024	2023
(Loss) on disposal of property, plant and equipment	\$—	(\$787)
(Loss) on financial assets at fair value through profit or loss	(1,350)	(10,088)
Others	(2,373)	—
Total	<u>(\$3,723)</u>	<u>(\$10,875)</u>

D. Finance costs

	For the three-month periods ended June 30	
	2024	2023
Interest on loans from bank	(\$4,019)	(\$4,558)
Interest on lease liabilities	(22,327)	(20,517)
Interest on other non-current liabilities	(22)	(24)
Interest on bonds payable	(1,750)	(2,109)
Total interest expenses	(28,118)	(27,208)
Unwinding of discount on provisions	(217)	(161)
Total	<u>(\$28,335)</u>	<u>(\$27,369)</u>

	For the six-month periods ended June 30	
	2024	2023
Interest on loans from bank	(\$8,277)	(\$8,907)
Interest on lease liabilities	(44,608)	(40,708)
Interest on other non-current liabilities	(43)	(48)
Interest on bonds payable	(3,489)	(2,586)
Total interest expenses	(56,417)	(52,249)
Unwinding of discount on provisions	(415)	(305)
Total	<u>(\$56,832)</u>	<u>(\$52,554)</u>

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
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(20) Income tax

A. The major components of income tax expense (income) are as follows:

Income tax expense (income) recognized in profit or loss

	For the three-month periods ended June 30	
	2024	2023
Current income tax expense (income):		
Current income tax charge	\$23,038	\$246
Adjustment of current income tax from prior years in the current period	(2,592)	—
Deferred tax (income) expense:		
Deferred tax (income) relating to origination and reversal of temporary differences	(233)	(872)
Carry-back of losses	—	5,571
Total income tax expense	<u>\$20,213</u>	<u>\$4,945</u>

	For the six-month periods ended June 30	
	2024	2023
Current income tax expense (income):		
Current income tax charge	\$36,277	\$297
Adjustment of current income tax from prior years in the current period	(2,592)	—
Deferred tax (income) expense:		
Deferred tax (income) relating to origination and reversal of temporary differences	(667)	(1,243)
Carry-back of losses	—	5,571
Total income tax expense	<u>\$33,018</u>	<u>\$4,625</u>

B. The assessment of income tax returns

As of June 30, 2024, the assessment of the income tax returns of the Company and subsidiaries is as follows:

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2022
Subsidiary - Bo Xin Health Industry Incorporated	Assessed and approved up to 2022

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
 (Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(21) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the six-month period attributable to common stockholders of the parent company by the weighted average number of common stocks outstanding during the six-month period.

Diluted earnings per share amounts are calculated by dividing the net profit for the six-month period attributable to common stockholders of the parent company by the weighted average number of common stocks outstanding during the six-month period plus the weighted average number of common stocks that would be issued on conversion of all the dilutive potential common stocks into common stocks.

	For the three-month periods ended June 30	
	2024	2023
<u>Basic earnings per share</u>		
Net income	\$90,495	\$29,180
Weighted average number of common stocks outstanding for basic earnings per share (in thousands)	77,396	74,485
Basic earnings per share (NT\$)	\$1.17	\$0.39
<u>Diluted earnings per share</u>		
Net income	\$90,495	\$29,180
Interest expense from convertible bonds	1,400	(Note)
Profit attributable to common stockholders of the Company after dilution	\$91,895	\$29,180
Weighted average number of common stocks outstanding for basic earnings per share (in thousands)	77,396	74,485
Effect of dilution:		
Employee compensation - stock (in thousands)	29	2
Employee stock options (in thousands)	1,453	1,510
Convertible bonds (in thousands)	2,020	(Note)
Weighted average number of common stocks outstanding after dilution (in thousands)	80,898	75,997
Diluted earnings per share (NT\$)	\$1.14	\$0.38

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
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	For the six-month periods ended June 30	
	2024	2023
<u>Basic earnings per share</u>		
Net income	\$138,608	\$6,191
Weighted average number of common stocks outstanding for basic earnings per share (in thousands)	77,395	74,485
Basic earnings per share (NT\$)	\$1.79	\$0.08
<u>Diluted earnings per share</u>		
Net income	\$138,608	\$6,191
Interest expense from convertible bonds	2,792	(Note)
Profit attributable to common stockholders of the Company after dilution	\$141,400	\$6,191
Weighted average number of common stocks outstanding for basic earnings per share (in thousands)	77,395	74,485
Effect of dilution:		
Employee compensation - stock (in thousands)	45	8
Employee stock options (in thousands)	1,451	1,510
Convertible bonds (in thousands)	2,020	(Note)
Weighted average number of common stocks outstanding after dilution (in thousands)	80,911	76,003
Diluted earnings per share (NT\$)	\$1.75	\$0.08

Note: Employee stock options and convertible bonds were anti-dilutive and excluded from the computation of diluted earnings per share.

There have been no other transactions involving common stocks or potential common stocks between the reporting date and the date of completion of the financial statements.

7. RELATED PARTY TRANSACTIONS

Information on the related parties that had transactions with the Group during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Giant Development Co., Ltd. (Giant)	Substantive related party
Jiayong Investment Development Co., Ltd. (Jiayong Inv.)	Director
All directors and vice presidents or above	Key management personnel

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
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Significant related party transactions

(1) Other Payables - Related Parties

	As at		
	June. 30, 2024	Dec. 31, 2023	June. 30, 2023
Other related party Giant	\$999	\$—	\$1,800

(2) Rental income

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
	Director	\$57	\$57	\$114

The rental price to the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party are comparable with third party, with monthly payments.

(3) Key management personnel compensation

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2024	2023	2024	2023
	Short-term employee benefits	\$6,001	\$6,260	\$11,503
Post-employment benefits	203	224	414	440
Share-based payment	3,882	4,125	7,825	8,376
Total	\$10,086	\$10,609	\$19,742	\$21,242

8. ASSETS PLEDGED AS COLLATERAL

The Group has the following assets as collateral:

Items	As at			Secured liabilities
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023	
Property, plant and equipment - land and buildings	\$1,074,646	\$1,082,607	\$1,090,568	Long-term loans
Other financial assets, current	428,846	377,506	384,456	Performance guarantee of fitness center
Total	\$1,503,492	\$1,460,113	\$1,475,024	

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
 (Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

- (1) As of June 30, 2024, the lease performance guarantee bills drawn by the Group for leasing sports venues amounted to NT\$41,958 thousand.
- (2) As of June 30, 2024, the total amount of the equipment and construction purchased under contracts was approximately NT\$433,974 thousand, including approximately NT\$135,800 thousand unpaid.

10. LOSSES DUE TO MAJOR DISASTER

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

12. OTHERS

- (1) Categories of financial instruments

Financial Assets

	As at		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Financial assets at fair value through other comprehensive income	\$4,844	\$4,844	\$20,389
Financial assets at amortized cost			
Cash and cash equivalents (cash on hand excluded)	774,904	850,778	765,333
Notes and accounts receivable	74,313	54,949	21,135
Other receivables	5,635	6,165	4,819
Other financial assets, current	428,846	377,506	384,456
Refundable deposits	144,593	141,613	137,264
Subtotal	1,428,291	1,431,011	1,313,007
Total	<u>\$1,433,135</u>	<u>\$1,435,855</u>	<u>\$1,333,396</u>

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Financial Liabilities

	As at		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Financial liabilities at amortized cost			
Short-term loans	\$—	\$—	\$10,000
Payables and other payables	574,120	415,687	492,792
Bonds payable (current portion included)	287,447	380,458	376,304
Long-term loans (current portion included)	917,296	1,021,994	1,083,981
Lease liabilities	<u>5,550,923</u>	<u>5,651,388</u>	<u>5,105,522</u>
Subtotal	<u>\$7,329,786</u>	<u>7,469,527</u>	<u>\$7,068,599</u>
Financial liabilities at fair value through profit or loss			
Embedded derivatives	<u>5,633</u>	<u>4,283</u>	<u>1,913</u>
Total	<u>\$7,335,419</u>	<u>\$7,473,810</u>	<u>\$7,070,512</u>

(2) Financial risk management objectives and policies

The Group's risk management objectives are to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies, measures and manages the aforementioned risks based on policy and risk preference.

The Group has followed the relevant regulations and established appropriate policies, procedures, and internal controls policies regarding financial risk management. According to the related rules and internal control policies, before the management team executes the significant financial activities, the proposal must be reviewed and resolved by the Board of Directors. When conducting financial management activities, the management team must comply with its financial risk management policies.

(3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprise interest rate risk and other price risk (such as equity instruments).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Interest rate risk

Interest rate risk is the risk that the fair value of future will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to its bank loans with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including loans with variable interest rates. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the six-month periods ended June 30, 2024 and 2023 to increase by NT\$286 thousand and NT\$56 thousand, respectively.

Equity price risk

The fair value of the Group's unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The equity securities held by the Group are unlisted equity securities, so they are measured at fair value through other comprehensive income.

The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors must review and approve all equity investment decisions.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivable) and from its financing activities (primarily for bank deposits and other financial instruments).

The accounts receivable of the Group are mainly from transactions with customers using credit cards as the payment method. These receivables are mainly paid by domestically famous financial institutions, and the probability of occurrence of credit risk is extremely low, and the maximum amount of credit risk is its book value.

Credit risk from balances with banks and other financial instruments is managed by the Group's financial department in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and companies with good credit rating. Consequently, there is no significant credit risk for these counterparties.

(5) Liquidity risk management

The Group's objective is to maintain flexibility through the use of cash and cash equivalents and bank loans. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to loans with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
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Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	More than 6 years	Total
As at June 30, 2024					
Payables	\$574,120	—	—	—	\$574,120
Loans	\$180,840	383,427	138,846	260,890	\$964,003
Lease liabilities	\$631,401	1,181,627	1,065,974	3,271,363	\$6,150,365
Convertible bonds	\$300,000	—	—	—	\$300,000
As at December 31, 2023					
Payables	\$415,687	—	—	—	\$415,687
Loans	\$198,222	416,494	171,718	292,001	\$1,078,435
Lease liabilities	\$623,770	1,170,826	1,074,514	3,395,577	\$6,264,687
Convertible bonds	\$96,500	300,000	—	—	\$396,500
As at June 30, 2023					
Payables	\$482,792	—	—	—	\$482,792
Loans	\$187,373	332,640	326,648	315,998	\$1,162,659
Lease liabilities	\$592,110	1,098,548	996,654	2,958,241	\$5,645,553
Convertible bonds	\$96,600	300,000	—	—	\$396,600

Notes:

1. Including cash flows resulting from short-term leases or leases of low-value assets.
2. Information on the maturities of lease liabilities is provided in the table below:

	Maturities					Total
	Less than 1 year	2 to 5 years	6 to 10 years	11 to 15 years	More than 16 years	
As at June 30, 2024	\$631,401	2,247,601	1,841,698	890,153	539,512	\$6,160,365
As at December 31, 2023	\$623,770	2,245,340	1,931,568	908,581	555,428	\$6,264,687
As at June 30, 2023	\$592,110	2,095,202	1,735,340	771,654	451,247	\$5,645,553

(6) Fair value of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair value of financial assets and financial liabilities:

- a. The carrying amounts of cash and cash equivalents, accounts receivable, refundable deposits, other current assets, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- b. For financial assets and financial liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (for example, listed equity securities, beneficiary certificates, bonds and futures, etc.).

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- c. Fair value of equity instruments without market quotations (for example, private placement of listed equity securities, unquoted public company and private company equity securities) is estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- d. Fair value of debt instruments, bank loans, bonds payable and other non-current liabilities without market quotations is determined based on the counterparty prices or valuation method. The valuation method uses Discounted Cash Flow (DCF) method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (for example, yield curves published by the TPEx, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.).
- e. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. The fair value of option-based derivative financial instruments is obtained using the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

Other than cash and cash equivalents, accounts receivables, accounts payable and other current liabilities whose carrying amount approximate their fair value, the fair value of the Group's financial assets and financial liabilities measured at amortized cost is listed in the table below:

	Carrying amounts as at		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Financial liabilities:			
Long-term loans (current portion included)	\$917,296	\$1,021,994	\$1,083,981
Bonds payable (current portion included)	\$287,447	\$380,458	\$376,304
	Fair value as at		
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2023
Financial liabilities:			
Long-term loans (current portion included)	\$917,296	\$1,021,994	\$1,083,981
Bonds payable (current portion included)	\$287,460	\$383,800	\$381,139

C. Fair value hierarchy for financial instruments

Please refer to Note 12(8) for fair value hierarchy for financial instruments of the Group.

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(7) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the six-month period ended June 30, 2024:

	<u>Bonds payable</u>	<u>Long-term loans</u>	<u>Lease liabilities</u>	<u>Total liabilities arising from financing activities</u>
As at January 1, 2024	\$380,458	\$1,021,994	\$5,651,388	\$7,053,840
Cash flow	(96,500)	(104,698)	(315,161)	(516,359)
Non-cash movement	3,489	—	214,696	218,185
As at June 30, 2024	<u>\$287,447</u>	<u>\$917,296</u>	<u>\$5,550,923</u>	<u>\$6,755,666</u>

Reconciliation of liabilities for the six-month period ended June 30, 2023:

	<u>Short-term loans</u>	<u>Bonds payables</u>	<u>Long-term loans</u>	<u>Lease liabilities</u>	<u>Total liabilities arising from financing activities</u>
As at January 1, 2023	\$—	\$383,611	\$1,139,729	\$4,905,276	\$6,428,616
Cash flow	10,000	601	(55,748)	(248,567)	(293,714)
Non-cash movement	—	(7,908)	—	448,813	440,905
As at June 30, 2023	<u>\$10,000</u>	<u>\$376,304</u>	<u>\$1,083,981</u>	<u>\$5,105,522</u>	<u>\$6,575,807</u>

(8) Fair value hierarchy

A. The definition of fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

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

Level 3: Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As at June 30, 2024:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value: Measured at fair value through other comprehensive income				
Investments in equity instruments measured at fair value through other comprehensive income	\$—	\$—	\$4,844	\$4,844
Liabilities measured at fair value: Financial liabilities at fair value through profit or loss				
Embedded derivatives	\$—	\$—	\$5,633	\$5,633

As at December 31, 2023:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value: Measured at fair value through other comprehensive income				
Investments in equity instruments measured at fair value through other comprehensive income	\$—	\$—	\$4,844	\$4,844
Liabilities measured at fair value: Financial liabilities at fair value through profit or loss				
Embedded derivatives	\$—	\$—	\$4,283	\$4,283

As at June 30, 2023:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value: Measured at fair value through other comprehensive income				
Investments in equity instruments measured at fair value through other comprehensive income	\$—	\$—	\$20,389	\$20,389
Liabilities measured at fair value: Financial liabilities at fair value through profit or loss				
Embedded derivatives	\$—	\$—	\$1,913	\$1,913

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
 (Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Transfers between Level 1 and Level 2

For the six-month periods ended June 30, 2024 and 2023, there were no transfers between Level 1 and Level 2 for assets or liabilities measured at fair value on a recurring basis.

The details of changes in Level 3 of the repeatability fair value hierarchy

The reconciliation of the assets and liabilities at fair value, which are measured in Level 3 of the repeatability fair value hierarchy, from the beginning to the end of the period, is as follows:

	<u>Assets</u>	<u>Liabilities</u>
	At fair value through other comprehensive income	At fair value through profit or loss
	<u>Equity instruments</u>	<u>Derivative</u>
As at January 1, 2024	\$4,844	(\$4,283)
Total gains (losses) recognized for the six-month period ended June 30, 2024:		
Amount recognized in (loss) (presented in “Other gains or losses”)	—	(1,350)
As at June 30, 2024	<u>\$4,844</u>	<u>(\$5,633)</u>
	<u>Assets</u>	<u>Liabilities</u>
	At fair value through other comprehensive income	At fair value through profit or loss
	<u>Equity instruments</u>	<u>Derivative</u>
As at January 1, 2023	\$20,389	(\$435)
Total gains (losses) recognized for the six-month period ended June 30, 2023:		
Amount recognized in profit (presented in “Other gains or losses”)	—	(10,088)
Acquisition and issue of 2023	—	(2,093)
Depreciation and pay off of 2023	—	10,703
As at June 30, 2023	<u>\$20,389</u>	<u>\$1,913</u>

Total gains and losses recognized in profit or (loss) for the six-month periods ended June 30, 2024 and 2023 in the table above contain loss related to liabilities on hand as at June 30, 2024 and 2023 in the amount of NT\$1,350 thousand and NT\$10,088 thousand, respectively.

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As at June 30, 2024:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial liabilities: At fair value through profit or loss					
Embedded derivatives in convertible bonds	Binomial tree valuation model	Volatility	25.05%	The higher the volatility, the higher the fair value of the embedded derivatives	The volatility increases or decreases by 5%, and the Company's profit and loss will increase by NT\$320 thousand or decrease NT\$470 thousand, respectively.

As at December 31, 2023:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial liabilities: At fair value through profit or loss					
Embedded derivatives in convertible bonds	Binomial tree valuation model	Volatility	26.16%	The higher the volatility, the higher the fair value of the embedded derivatives	The volatility increases or decreases by 5%, and the Company's profit and loss will increase by NT\$160 thousand or decrease NT\$240 thousand, respectively.

As at June 30, 2023:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial liabilities: At fair value through profit or loss					
Embedded derivatives in convertible bonds	Binomial tree valuation model	Volatility	30.13%	The higher the volatility, the higher the fair value of the embedded derivatives	The volatility increases or decreases by 5%, and the Company's profit and loss will increase by NT\$10 thousand or decrease NT\$20 thousand, respectively.

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(9) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximize the stockholders' value. The Group manages its capital structure and makes adjustment to it. In light of changes in economic conditions, the Group may adjust the dividend payment to stockholders, return capital to stockholders or issue new shares.

13. ADDITIONAL DISCLOSURES

(1) Information on significant transactions and reinvestments

- A. Financing provided to others for the six-month period ended June 30, 2024: None.
- B. Endorsement/Guarantee provided to others for the six-month period ended June 30, 2024: None.
- C. Securities held as at June 30, 2024: Please refer to Attachment 1.
- D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the six-month period ended June 30, 2024: None.
- E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the six-month period ended June 30, 2024: None.
- F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the six-month period ended June 30, 2024: None.
- G. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the six-month period ended June 30, 2024: None.
- H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the six-month period ended June 30, 2024: None.
- I. Investees over whom the Group exercises significant influence or control directly or indirectly (excluding investment in mainland China): Please refer to Attachment 2.
- J. Financial instruments and derivative transactions: None.
- K. Other: Intercompany relationships and significant intercompany transactions for the six-month period ended June 30, 2024: None.

(2) Information on investments in mainland China: Not applicable.

(3) Information on major stockholders: Please refer to Attachment 3.

14. SEGMENT INFORMATION

The Group is engaged in the business of recreational sports and fitness centers. The services it provides are all related to recreational sports and fitness. Therefore, it is considered as a single operating department.

Regional information

The Group operates mainly in Taiwan.

Important customer information

For the six-month periods ended June 30, 2024 and 2023, there was no income from a single customer that exceeded 10% of the Group's total revenue.

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
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ATTACHMENT 1

Securities held as at June 30, 2024 (Excluding subsidiaries, associates and joint ventures):

(in Thousands of New Taiwan Dollars)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer	General ledger account	As at June 30, 2024				Note
				Number of shares (in thousands)	Carrying amount (Note 2)	Percentage of ownership (%)	Fair value	
Power Wind Health Industry Incorporated	Taroko Development Corporation	-	Financial assets at fair value through other comprehensive income, non-current	900	\$4,844	0.55	\$4,844	

Note 1: Marketable securities refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of *IFRS 9 “Financial Instruments.”*

Note 2: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value.

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
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ATTACHMENT 2

Names, locations and related information of investee companies (Excluding investment in mainland China):

(in Thousands of New Taiwan Dollars)

Investor company	Investee company	Location	Main businesses and products	Initial investment		Investment as at June 30, 2024			Net income of investee company	Investment income recognized	Note
				Ending balance	Beginning balance	Number of shares (in thousands)	Percentage of ownership (%)	Carrying amount			
Power Wind Health Industry Incorporated	Bo Xin Health Industry Incorporated	Taipei City	Engaged in the business of recreational sports, fitness center and other sports services	\$9,000	\$9,000	900	60.00	\$13,455	\$3,210	\$1,926	Note

Note: Aforementioned investment has been written off when preparing the consolidated financial statements.

POWER WIND HEALTH INDUSTRY INCORPORATED AND SUBSIDIARIES -(Continued)
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ATTACHMENT 3

Information on major stockholders :

Name (Note)	Shares	
	Number of shares (shares)	Percentage of ownership (%)
Jiayong Investment Development Co., Ltd.	21,751,989	27.40
Yu, Zong-Jing	5,000,839	6.30
Chen, Shang-Yih	4,220,895	5.31

Note: Major stockholders refer to stockholders' percentage of ownership of 5% or above.