

**POWER WIND HEALTH INDUSTRY INCORPORATED
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT AUDITORS
FOR THE THREE-MONTH PERIODS ENDED
MARCH 31, 2025 AND 2024**

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

Telephone: 886-7-348-8000

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 and its subsidiaries as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2025 and 2024, 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 Power Wind Health Industry Incorporated and its subsidiaries and its subsidiaries as of March 31, 2025 and 2024, and its consolidated financial performance for the three-month periods ended March 31, 2025 and 2024, 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

May 8, 2025

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

March 31, 2025, December 31, 2024 and March 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	March 31, 2025	%	December 31, 2024	%	March 31, 2024	%
Current assets							
Cash and cash equivalents	4,6(1)	\$976,159	9	\$935,776	9	\$776,385	8
Notes receivable, net	4	59	-	11	-	60	-
Accounts receivable, net	4,6(2)	57,443	1	14,959	-	53,498	-
Inventories	4	13,721	-	15,052	-	9,847	-
Prepayments		35,890	-	28,485	1	27,410	-
Other financial assets, current	4,6(3),8	483,269	4	459,821	4	422,062	4
Other current assets	4	87,391	1	96,051	1	75,513	1
Total current assets		1,653,932	15	1,550,155	15	1,364,775	13
Non-current assets							
Financial assets at fair value through other comprehensive income, non-current	4,6(4)	104,964	1	104,964	1	4,844	-
Property, plant and equipment	4,6(5),8	3,276,858	30	3,287,442	31	3,232,715	32
Right-of-use assets	4,6(16)	5,680,799	52	5,470,198	51	5,301,656	52
Intangible assets	4,6(6)	74,590	1	63,033	1	59,265	1
Deferred tax assets	4,6(19)	18,232	-	16,304	-	15,781	-
Refundable deposits	4	149,450	1	146,560	1	141,974	2
Total non-current assets		9,304,893	85	9,088,501	85	8,756,235	87
Total Assets		\$10,958,825	100	\$10,638,656	100	\$10,121,010	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 BALANCE SHEETS — (Continued)
March 31, 2025, December 31, 2024 and March 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	March 31, 2025	%	December 31, 2024	%	March 31, 2024	%
Current liabilities							
Financial liabilities at fair value through profit or loss,current	4,6(8)	\$203	-	\$4,673	-	\$-	-
Contract liabilities	4,6(15)	946,396	9	873,088	8	\$820,671	8
Notes payable		526	-	891	-	699	-
Accounts payable		6,436	-	4,085	-	3,722	-
Payables on equipment		49,611	-	94,999	1	103,171	1
Other payables	6(7)	413,579	4	463,386	4	330,845	3
Current tax liabilities	4,6(19)	124,089	1	91,723	1	22,353	-
Lease liabilities	4,6(16)	686,811	6	644,565	6	635,779	7
Current bonds issued and current portion of non-current bonds issued	4,6(9)	292,761	3	290,979	3	-	-
Current portion of long-term loans	4,6(10),8	146,046	1	157,652	2	186,902	2
Other current liabilities		4,472	-	3,292	-	3,818	-
Total current liabilities		2,670,930	24	2,629,333	25	2,107,960	21
Non-current liabilities							
Financial liabilities at fair value through profit or loss, non-current	4,6(8)(9)	-	-	-	-	5,753	-
Bonds payable	4,6(9)	-	-	-	-	285,697	3
Long-term loans	4,6(10),8	637,253	6	672,204	6	782,768	8
Provisions, non-current	4,6(12)	111,080	1	106,778	1	95,872	1
Lease liabilities	4,6(16)	5,373,511	49	5,191,793	49	4,995,025	49
Other non-current liabilities		4,839	-	4,821	-	6,363	-
Total non-current liabilities		6,126,683	56	5,975,596	56	6,171,478	61
Total liabilities		8,797,613	80	8,604,929	81	8,279,438	82
Equity attributable to the parent company	4,6(13)(14)						
Share capital							
Common stock		793,211	7	793,261	7	793,781	8
Share capital awaiting retirement		(150)	-	(70)	-	(360)	-
Total share capital		793,061	7	793,191	7	793,421	8
Capital surplus		779,616	7	779,876	7	840,336	8
Retained earnings							
Legal reserve		107,118	1	107,118	1	95,290	1
Special reserve		13,156	-	13,156	-	14,268	-
Unappropriated earnings		491,922	5	370,371	4	166,396	2
Total retained earnings		612,196	6	490,645	5	275,954	3
Other equity		(33,116)	-	(38,469)	-	(74,907)	(1)
Treasury shares		(2,801)	-	(2,801)	-	(2,801)	-
Total equity attributable to owners of parent		2,148,956	20	2,022,442	19	1,832,003	18
Non-controlling interests		12,256	-	11,285	-	9,569	-
Total equity		2,161,212	20	2,033,727	19	1,841,572	18
Total liabilities and equity		\$10,958,825	100	\$10,638,656	100	\$10,121,010	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 periods ended March 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Accounting	Notes	For the three-month periods ended March 31			
		2025	%	2024	%
Operating revenues	4,6(15)	\$1,353,807	100	\$1,142,573	100
Operating costs	4,6(11)(14)(16)(17)	(943,911)	(70)	(851,634)	(75)
Gross profit		<u>409,896</u>	<u>30</u>	<u>290,939</u>	<u>25</u>
Operating expenses	4,6(11)(14)(16)(17),7				
Selling expenses		(25,829)	(2)	(17,132)	(1)
Administrative expenses		(213,034)	(16)	(192,287)	(17)
Total operating expenses		<u>(238,863)</u>	<u>(18)</u>	<u>(209,419)</u>	<u>(18)</u>
Operating income		<u>171,033</u>	<u>12</u>	<u>81,520</u>	<u>7</u>
Non-operating income and expenses	4,6(18),7				
Interest income		1,853	-	1,311	-
Other income		8,045	1	8,638	1
Other gains and losses		2,175	-	(1,503)	-
Finance costs		<u>(30,145)</u>	<u>(2)</u>	<u>(28,497)</u>	<u>(3)</u>
Total non-operating income and expenses		<u>(18,072)</u>	<u>(1)</u>	<u>(20,051)</u>	<u>(2)</u>
Profit (Loss) from continuing operations before income tax		152,961	11	61,469	5
Income tax (expense) income	4,6(19)	<u>(30,439)</u>	<u>(2)</u>	<u>(12,805)</u>	<u>(1)</u>
Profit (Loss) from continuing operations		<u>122,522</u>	<u>9</u>	<u>48,664</u>	<u>4</u>
Net income (loss)		<u>122,522</u>	<u>9</u>	<u>48,664</u>	<u>4</u>
Total comprehensive income (loss)		<u>\$122,522</u>	<u>9</u>	<u>\$48,664</u>	<u>4</u>
Net income (loss) attributable to:					
Owners of the parent		\$121,551	9	\$48,113	4
Non-controlling interests		<u>971</u>	<u>-</u>	<u>551</u>	<u>-</u>
		<u>\$122,522</u>	<u>9</u>	<u>\$48,664</u>	<u>4</u>
Comprehensive income (loss) attributable to:					
Owners of the parent		\$121,551	9	\$48,113	4
Non-controlling interests		<u>971</u>	<u>-</u>	<u>551</u>	<u>-</u>
		<u>\$122,522</u>	<u>9</u>	<u>\$48,664</u>	<u>4</u>
Earnings (Loss) per share (NTD)	6(20)				
Earnings (Loss) per share - Basic		<u>\$1.55</u>		<u>\$0.62</u>	
Earnings (Loss) per share - Diluted		<u>\$1.51</u>		<u>\$0.61</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 three-month periods ended March 31, 2025 and 2024
(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 retained 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, 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
Net income for the three-month period ended March 31, 2024	-	-	-	-	-	-	48,113	-	-	-	48,113	551	48,664
Total comprehensive income	-	-	-	-	-	-	48,113	-	-	-	48,113	551	48,664
Conversion of certificate of entitlement to new shares from convertible bonds	7	(7)	-	-	-	-	-	-	-	-	-	-	-
Share-based payment transaction	(180)	-	(180)	(720)	-	-	-	-	15,224	-	14,144	-	14,144
Balance as of March 31, 2024	\$793,781	\$-	(\$360)	\$840,336	\$95,290	\$14,268	\$166,396	(\$13,156)	(\$61,751)	(\$2,801)	\$1,832,003	\$9,569	\$1,841,572
Balance as of January 1, 2025	\$793,261	\$-	(\$70)	\$779,876	\$107,118	\$13,156	\$370,371	(\$13,156)	(\$25,313)	(\$2,801)	\$2,022,442	\$11,285	\$2,033,727
Net income for the three-month period ended March 31, 2025	-	-	-	-	-	-	121,551	-	-	-	121,551	971	122,522
Total comprehensive income	-	-	-	-	-	-	121,551	-	-	-	121,551	971	122,522
Share-based payment transaction	(50)	-	(80)	(260)	-	-	-	-	5,353	-	4,963	-	4,963
Balance as of March 31, 2025	\$793,211	\$-	(\$150)	\$779,616	\$107,118	\$13,156	\$491,922	(\$13,156)	(\$19,960)	(\$2,801)	\$2,148,956	\$12,256	\$2,161,212

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 three-month periods ended March 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

Accounting	For the three-month periods ended March 31	
	2025	2024
Cash flows from operating activities:		
Net income before tax	\$152,961	\$61,469
Adjustments to reconcile profit:		
Depreciation	287,374	278,676
Amortization	2,473	1,923
Net(income)loss on financial assets and liabilities at fair value through profit or loss	(4,470)	1,470
Interest expense	30,145	28,497
Interest income	(1,853)	(1,311)
Share-based payments	5,353	15,224
Loss on disposal and abandonment of property, plant and equipment	2,855	-
Others	(561)	46
Changes in operating assets and liabilities:		
(Increase) in notes receivable	(48)	(60)
(Increase) Decrease in accounts receivable	(42,484)	1,451
Decrease (Increase) in inventories	1,331	(563)
(Increase) in prepayments	(7,405)	(8,740)
Decrease (Increase) in other current assets	8,801	(3,398)
(Increase) in other financial assets	(23,448)	(44,556)
Increase in contract liabilities	73,308	86,887
(Decrease) Increase in notes payable	(365)	154
Increase in accounts payable	2,351	1,206
(Decrease) in other payables	(49,807)	(23,730)
Increase in other current liabilities	1,180	1,473
Cash generated from operations	437,691	396,118
Interest received	1,853	1,311
Income tax paid	(142)	(81)
Net cash provided by operating activities	439,402	397,348
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(169,719)	(157,601)
Proceeds from disposal of property, plant and equipment	(4,350)	-
Increase in refundable deposits	(2,890)	(361)
Acquisition of intangible assets	(1,436)	(5,362)
Net cash (used in) investing activities	(178,395)	(163,324)
Cash flows from financing activities:		
Repayments of bonds issued	-	(96,500)
Repayments of long-term loans	(46,557)	(52,324)
Payments of lease liabilities	(145,578)	(133,834)
Interest paid	(28,099)	(26,539)
Others	(390)	(1,080)
Net cash (used in) financing activities	(220,624)	(310,277)
Net Increase (Decrease) in cash and cash equivalents	40,383	(76,253)
Cash and cash equivalents at beginning of period	935,776	852,638
Cash and cash equivalents at end of period	\$976,159	\$776,385

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 Three-Month Periods Ended March 31, 2025 and 2024

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

1. HISTORY OF ORGANIZATION

POWER WIND HEALTH INDUSTRY INCORPORATED (“the Company”) was established 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 three-month periods ended March 31, 2025 and 2024 were authorized for issue by the Board of Directors on May 8, 2025.

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, 2025. The adoption of these new standards and amendments had no material impact on the Group.

- (2) The Q&A related to the early application of certain amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" issued by the FSC, which has not yet been adopted by the Group as at the date when the Group’s financial statements were authorized for issue.

In the Q&A, only Section 4.1 (Classification of Financial Assets) of the application guidance is allowed to early adopt from 1 January 2025. Additionally, entities must also comply with the requirements of paragraphs 20B, 20C and 20D of IFRS 7 and disclose the fact of early adoption of these amendments in the financial statements. The abovementioned amended standards and interpretations are applicable for annual periods beginning on or after January 1, 2025. These standards and interpretations have no material impact on Group.

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

- (3) Standards or interpretations issued, revised or amended by the IASB which have not been endorsed by the FSC, but not yet adopted by the Group as at the date when the Group's financial statements were authorized for issue 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
G	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	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.

(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.

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

(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.

(2) Amendments to IFRS 7

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

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

(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.

(G) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

This amendment includes:

- (1) Clarify the application of the ‘own-use’ requirements.
- (2) Permit hedge accounting if these contracts are used as hedging instruments.
- (3) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

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 three-month periods ended March 31 2025 and 2024 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.

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

(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 stated.

(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 three-month period ended March 31, 2025 as those applied in the Group’s consolidated financial statements for the year ended December 31, 2024. For the principles of consolidation, please refer to the Group’s consolidated financial statements for the year ended December 31, 2024.

The consolidated entities are listed as follows:

Investor	Subsidiary	Business nature	Percentage of Ownership		
			Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
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 three-month period ended March 31, 2025 as those applied in the Group’s consolidated financial statements for the year ended December 31, 2024. For the summary of significant accounting policies, please refer to the Group’s consolidated financial statements for the year ended December 31, 2024.

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 three-month period ended March 31, 2025 as those applied in the Group’s consolidated financial statements for the year ended December 31, 2024. For significant accounting judgments, estimates and assumptions, please refer to the Group’s consolidated financial statements for the year ended December 31, 2024.

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		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Cash on hand	\$1,961	\$1,925	\$1,858
Bank deposit	974,198	933,851	774,527
Total	<u>\$976,159</u>	<u>\$935,776</u>	<u>\$776,385</u>

(2) Accounts receivable

	As at		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Accounts receivable	\$57,443	\$14,959	\$53,498
Less: loss allowance	—	—	—
Total	<u>\$57,443</u>	<u>\$14,959</u>	<u>\$53,498</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		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Bank deposit	<u>\$483,269</u>	<u>\$459,821</u>	<u>\$422,062</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		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Investments in equity instruments measured at fair value through other comprehensive income, non-current			
Unlisted companies stocks	<u>\$104,964</u>	<u>\$104,964</u>	<u>\$4,844</u>

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

(5) Property, plant and equipment

Note: Provision for decommissioning, restoration and rehabilitation costs.

~ 16 ~

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, 2025	\$80,327	\$6,786	\$87,113
Addition - acquired separately	1,436	—	1,436
Transfers	12,594	—	12,594
As at Mar. 31, 2025	<u>\$94,357</u>	<u>\$6,786</u>	<u>\$101,143</u>
As at Jan. 1, 2024	\$58,269	\$6,786	\$65,055
Addition - acquired separately	5,362	—	5,362
Transfers	6,705	—	6,705
As at Mar. 31, 2024	<u>\$70,336</u>	<u>\$6,786</u>	<u>\$77,122</u>
<u>Amortization and impairment:</u>			
As at Jan. 1, 2025	(\$22,172)	(\$1,908)	(\$24,080)
Amortization	(2,261)	(212)	(2,473)
Transfers	—	—	—
As at Mar. 31, 2025	<u>(\$24,433)</u>	<u>(\$2,120)</u>	<u>(\$26,553)</u>
As at Jan. 1, 2024	(\$14,874)	(\$1,060)	(\$15,934)
Amortization	(1,711)	(212)	(1,923)
Transfers	—	—	—
As at Mar. 31, 2024	<u>(\$16,585)</u>	<u>(\$1,272)</u>	<u>(\$17,857)</u>
<u>Net carrying amount:</u>			
As at Mar. 31, 2025	<u>\$69,924</u>	<u>\$4,666</u>	<u>\$74,590</u>
As at Dec. 31, 2024	<u>\$58,155</u>	<u>\$4,878</u>	<u>\$63,033</u>
As at Mar. 31, 2024	<u>\$53,751</u>	<u>\$5,514</u>	<u>\$59,265</u>

(7) Other payables

	As at		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Accrued salaries and bonuses	\$151,839	\$164,864	\$128,929
Accrued labor and health insurance	34,305	33,655	29,860
Accrued employee compensation	19,234	14,509	6,407
Value added tax payable	24,304	21,300	20,217
Accrued franchises fees, current	900	900	900
Others	182,997	228,158	144,532
Total	<u>\$413,579</u>	<u>\$463,386</u>	<u>\$330,845</u>

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

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

	As at		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Designated financial liabilities at fair value through profit or loss			
Derivatives not designated as hedging relationship			
Embedded derivative			
Convertible bonds	\$203	\$4,673	\$5,753
Current	\$203	\$4,673	\$—
Non-current	\$—	\$—	\$5,753

(9) Bonds payable

	As at		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Domestic 3 rd unsecured convertible bonds payable	\$292,761	\$290,979	\$285,697
Less: current portion	(292,761)	(290,979)	—
Net	\$—	\$—	\$285,697

Domestic 3rd unsecured convertible bonds payable

	As at		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Liability component:			
Principal amount	\$300,000	\$300,000	\$300,000
Discounts on bonds payable	(7,239)	(9,021)	(14,303)
Subtotal	292,761	\$290,979	285,697
Less: current portion	(292,761)	(290,979)	—
Net	\$—	\$—	\$285,697
Embedded derivative	\$203	\$4,673	\$5,753
Equity component	\$13,884	\$13,884	\$13,884

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

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

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 March 31, 2025, December 31, 2024, and March 31, 2024, were NT\$145.9, NT\$145.9, and NT\$148.5 per share, respectively.
- 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 at March 31, 2025, December 31, 2024, and March 31, 2024.

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

(10) Long-term loans

Details of long-term loans as at March 31, 2025, December 31, 2024 and March 31, 2024 were as follows:

Lenders	As at	
	Mar. 31, 2025	Maturity date and terms of repayment
Cathay United Bank - secured	\$114,078	Effective from July 22, 2016 to July 22, 2031, the principal and interest are repaid monthly.
Cathay United Bank - secured	21,779	Effective from October 7, 2019 to October 7, 2026, the principal and interest are repaid monthly.
Cathay United Bank - secured	138,590	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	167,952	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	116,883	Effective from December 29, 2021 to December 29, 2036, the principal and interest are repaid monthly.
E.SUN Commercial Bank - unsecured	91,797	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	36,297	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	95,923	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.
Subtotal	783,299	
Less: current portion	(146,046)	
Total	<u>\$637,253</u>	

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

Lenders	As at Dec. 31, 2024	Maturity date and terms of repayment
Cathay United Bank - secured	\$118,581	Effective from July 22, 2016 to July 22, 2031, the principal and interest are repaid monthly.
Cathay United Bank - secured	10,000	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	22,348	Effective from October 7, 2019 to October 7, 2026, the principal and interest are repaid monthly.
Cathay United Bank - secured	142,205	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	171,526	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	119,052	Effective from December 29, 2021 to December 29, 2036, the principal and interest are repaid monthly.
E.SUN Commercial Bank - unsecured	104,281	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	39,563	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	102,300	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.
Subtotal	829,856	
Less: current portion	(157,652)	
Total	\$672,204	

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

Lenders	As at Mar. 31, 2024	Maturity date and terms of repayment
Cathay United Bank - secured	\$132,091	Effective from July 22, 2016 to July 22, 2031, the principal and interest are repaid monthly.
Cathay United Bank - secured	25,000	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	24,052	Effective from October 7, 2019 to October 7, 2026, the principal and interest are repaid monthly.
Cathay United Bank - secured	153,051	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	182,247	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	125,522	Effective from December 29, 2021 to December 29, 2036, the principal and interest are repaid monthly.
E.SUN Commercial Bank - unsecured	141,734	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	50,883	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	120,657	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	5,078	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	7,046	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	2,309	Effective from October 13, 2021 to October 13, 2024, the principal and interest are repaid monthly.
Subtotal	969,670	
Less: current portion	(186,902)	
Total	\$782,768	

	As at		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Interest rate range	1.375%~2.238%	1.375%~2.065%	1.25%~2.19%

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

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.

(11) 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 periods ended March 31, 2025 and 2024 were NT\$19,905 thousand and NT\$17,124 thousand, respectively.

(12) Provisions, non-current

	Decommissioning, restoration and rehabilitation costs
As at January 1, 2025	\$106,778
Arising during the period	4,867
Using during the period	(811)
Discount rate adjustment and unwinding of discount from the passage of time	246
As at March 31, 2025	\$111,080
As at January 1, 2024	\$86,386
Arising during the period	9,288
Discount rate adjustment and unwinding of discount from the passage of time	198
As at March 31, 2024	\$95,872

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.

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

(13) Equities

A. Common stock

The Company's authorized capital were all NT\$1,000,000 thousand as at March 31, 2025, December 31, 2024 and March 31, 2024, 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\$793,211 thousand, NT\$793,261 thousand and NT\$793,781 thousand, divided into 79,321 thousand shares, 79,326 thousand shares and 79,378 thousand shares as at March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

The Company has redeemed 15 thousand shares of issued restricted stocks for employees for the three months ended March 31, 2025. As at March 31, 2025, 15 thousand shares of the above-mentioned, which were recorded as share capital awaiting retirement in the amount NT\$150 thousand, were not yet registered. The remaining shares have completed the registration of cancellation.

The Company has redeemed 36 thousand shares of issued restricted stocks for employees for the three months ended March 31, 2024. As at March 31, 2024, 36 thousand shares of the above-mentioned, which were recorded as share capital awaiting retirement in the amount NT\$360 thousand, were not yet registered. The remaining shares have completed the registration of cancellation.

B. Capital surplus

	As at		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Employee share option	\$47	\$47	\$47
Restricted stocks for employees	434,330	434,590	435,050
Additional paid-in capital from common stock	775	775	775
Due to recognition of equity component of convertible bonds issued	13,884	13,884	13,884
Additional paid-in capital from convertible bonds	317,449	317,449	377,449
Vested stock option	4,439	4,439	4,439
Others	8,692	8,692	8,692
Total	<u>\$779,616</u>	<u>\$779,876</u>	<u>\$840,336</u>

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

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 March 31, 2025, December 31, 2024 and March 31, 2024.

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.

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

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 2024 and 2023 was proposed by the Board of Directors meeting held on April 11, 2025 and was resolved in the stockholders’ meeting held on May 28, 2024. The details of distribution are as follows:

	Appropriation of earnings		Dividend per share (NT\$)	
	2024	2023	2024(Note 1)	2023(Note 2)
Legal reserve	\$37,037	\$11,828	\$—	\$—
(Reversal of) Special reserve	\$—	(\$1,112)	\$—	\$—
Cash dividend	\$333,334	\$107,567	\$4.20	\$1.36

The Company resolved to distribute cash from capital surplus in the stockholders’ meeting held on May 28, 2024. 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 79,286 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 79,346 thousand shares.

For information on the accrual basis of the employees’ compensation and directors’ remuneration and the actual distributions, please refer to Note 6(17) for details.

E. Non-controlling interests

	For the three-month periods ended March 31	
	2025	2024
Beginning balance	\$11,285	\$9,018
Profit attributable to non-controlling interests	971	551
Ending balance	\$12,256	\$9,569

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

(14) 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.

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.

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

B. For the three-month periods ended March 31, 2025 and 2024, the Company incurred expenses of NT\$5,353 thousand, and NT\$15,224 thousand for the share-based payment transactions, respectively.

(15) Operating revenues

	For the three-month periods ended March 31	
	2025	2024
Revenue of Fitness and recreational sports services	\$849,485	\$703,332
Revenue of Sports health services	459,143	401,844
Revenue of Joining fees	31,654	29,665
Others	13,646	7,841
Total	1,353,928	1,142,682
Less: sales return and sales discounts and allowances	(121)	(109)
Net operating revenues	<u>\$1,353,807</u>	<u>\$1,142,573</u>

Information on revenues from contracts with customers during the three-month periods ended March 31, 2025 and 2024 are as follows:

A. Disaggregation of revenue - Operation department

	For the three-month periods ended March 31	
	2025	2024
Sale of goods	\$8,497	\$5,248
Rendering of services	1,337,275	1,130,281
Others	8,035	7,044
Total	<u>\$1,353,807</u>	<u>\$1,142,573</u>
Timing of revenue recognition		
At a point in time	\$476,530	\$415,542
Over time	877,277	727,031
Total	<u>\$1,353,807</u>	<u>\$1,142,573</u>

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

B. Contract balances

Contract liabilities, current

	As at		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Rendering of services - Fitness	\$135,113	\$122,077	\$122,139
Rendering of services - Sports health etc.	787,932	723,254	678,051
Rendering of services - Joining fees (Initiation and processing fees included)	12,853	13,137	11,148
Rendering of services - Others	10,498	14,620	9,333
Total	<u>\$946,396</u>	<u>\$873,088</u>	<u>\$820,671</u>

The significant changes in the Group's balances of contract liabilities for the three-month periods ended March 31, 2025 and 2024 are as follows:

	For the three-month periods ended March 31	
	2025	2024
Beginning balance	\$873,088	\$733,784
The beginning balance transferred to revenue	(373,359)	(320,713)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	446,667	407,600
Ending balance	<u>\$946,396</u>	<u>\$820,671</u>

C. Transaction price allocated to unsatisfied performance obligations

The Group's transaction price allocated to unsatisfied performance obligations amounted to NT\$946,396 thousand and NT\$820,671 thousand as at March 31, 2025 and 2024, 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.

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

(16) 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		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Land	\$54,110	\$55,032	\$—
Buildings	5,625,953	5,414,066	5,299,593
Transportation equipment	736	1,100	2,063
Total	<u>\$5,680,799</u>	<u>\$5,470,198</u>	<u>\$5,301,656</u>

During the three-month periods ended March 31, 2025 and 2024, the Group's additions to right-of-use assets amounted to NT\$378,198 thousand and NT\$114,240 thousand, respectively.

b. Lease liabilities

	As at		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Lease liabilities	<u>\$6,060,322</u>	<u>\$5,836,358</u>	<u>\$5,630,804</u>
Current	\$686,811	\$644,565	\$635,779
Non-current	\$5,373,511	\$5,191,793	\$4,995,025

Please refer to Note 6(18) finance costs for the interest on lease liabilities recognized during the three-month periods ended March 31, 2025 and 2024 and refer to Note 12(5) liquidity risk management for the maturity analysis for lease liabilities as at March 31, 2025, December 31, 2024 and March 31, 2024.

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

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the three-month periods ended March 31	
	2025	2024
Land	\$922	\$—
Buildings	158,216	148,141
Transportation equipment	364	373
Total	<u>\$159,502</u>	<u>\$148,514</u>

C. Income and costs relating to leasing activities

	For the three-month periods ended March 31	
	2025	2024
The expenses relating to short-term leases	\$2,206	\$2,760
The expenses relating to leases of low-value assets (not including the expenses relating to short-term leases of low-value assets)	\$1,298	\$1,008
(Income) from subleasing right-of-use assets	(\$1,989)	(\$2,884)

D. Cash outflow relating to leasing activities

During the three-month periods ended March 31, 2025 and 2024, the Group's total cash outflows for leases amounted to NT\$171,453 thousand and NT\$156,999 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.

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

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

Function Nature	For the three-month periods ended March 31					
	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	\$518,003	45,208	\$563,211	\$460,185	41,840	\$502,025
Labor and health insurance	\$37,302	2,428	\$39,730	\$31,309	2,182	\$33,491
Pension	\$18,593	1,312	\$19,905	\$15,903	1,221	\$17,124
Directors' remuneration	\$31	2,002	\$2,033	\$17	708	\$725
Other employee benefits expense	\$22,034	107	\$22,141	\$17,191	245	\$17,436
Depreciation	\$283,122	4,252	\$287,374	\$274,212	4,464	\$278,676
Amortization	\$212	2,261	\$2,473	\$212	1,711	\$1,923

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 three-month periods ended March 31, 2025 and 2024 to be 3% and 0.75% of profit, respectively, under the salaries. As such, employees' compensation and remuneration to directors for the three-month periods ended March 31, 2025 and 2024 amounted to NT\$4,694 thousand, NT\$1,889 thousand, NT\$1,174 thousand and NT\$472 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.

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

In the Board of Directors meeting held on March 12, 2025 the Company resolved to distribute NT\$14,400 thousand, NT\$3,600 thousand in cash as employees' compensation and remuneration to directors of 2024, 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 2024.

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.

(18) Non-operating income and expenses

A. Interest income

	For the three-month periods ended March 31	
	2025	2024
Financial assets at amortized cost - bank deposits	\$1,853	\$1,311

B. Other income

	For the three-month periods ended March 31	
	2025	2024
Rental income	\$1,989	\$2,884
Others	6,056	5,754
Total	\$8,045	\$8,638

C. Other gains and losses

	For the three-month periods ended March 31	
	2025	2024
(Loss) on disposal of property, plant and equipment	(\$2,855)	\$—
Gain (Loss) on financial assets at fair value through profit or loss	4,470	(1,470)
Lease modification benefits	561	—
Others	(1)	(33)
Total	\$2,175	(\$1,503)

D. Finance costs

	For the three-month periods ended March 31	
	2025	2024
Interest on loans from bank	(\$3,739)	(\$4,258)
Interest on lease liabilities	(24,360)	(22,281)
Interest on other non-current liabilities	(18)	(21)
Interest on bonds payable	(1,782)	(1,739)
Total interest expenses	(29,899)	(28,299)
Unwinding of discount on provisions	(246)	(198)
Total	(\$30,145)	(\$28,497)

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

(19) Income tax

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

Income tax expense recognized in profit or loss

	For the three-month periods ended March 31	
	2025	2024
Current income tax expense (income):		
Current income tax charge	\$32,367	\$13,239
Deferred tax expense (income):		
Deferred tax (income) relating to origination and reversal of temporary differences	(1,928)	(434)
Total income tax expense (income)	\$30,439	\$12,805

B. The assessment of income tax returns

As of March 31, 2025, 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

(20) Earnings per share

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

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

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

	For the three-month periods ended March 31	
	2025	2024
<u>Basic earnings per share</u>		
Net income	\$121,551	\$48,113
Weighted average number of common stocks outstanding for basic earnings per share (in thousands)	78,322	77,395
Basic earnings per share (NT\$)	\$1.55	\$0.62
<u>Diluted earnings per share</u>		
Net income	\$121,551	\$48,113
Interest expense from convertible bonds	1,426	(Note)
Profit attributable to common stockholders of the Company after dilution	\$122,977	\$48,113
Weighted average number of common stocks outstanding for basic earnings per share (in thousands)	78,322	77,395
Effect of dilution:		
Employee compensation - stock (in thousands)	137	5
Employee stock options (in thousands)	956	1,384
Convertible bonds (in thousands)	2,056	(Note)
Weighted average number of common stocks outstanding after dilution (in thousands)	81,471	78,784
Diluted earnings per share (NT\$)	\$1.51	\$0.61

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

Significant related party transactions

(1) Rental income

	For the three-month periods ended March 31	
	2025	2024
Director	\$57	\$57

The rental price to the above related party 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.

(2) Key management personnel compensation

	For the three-month periods ended March 31	
	2025	2024
Short-term employee benefits	\$6,893	\$5,502
Post-employment benefits	211	211
Share-based payment	1,365	3,943
Total	\$8,469	\$9,656

8. ASSETS PLEDGED AS COLLATERAL

The Group has the following assets as collateral:

Items	As at			Secured liabilities
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024	
Property, plant and equipment - land and buildings	\$1,062,705	\$1,066,685	\$1,078,626	Long-term loans
Other financial assets, current	483,269	459,821	422,062	Performance guarantee of fitness center
Total	\$1,545,974	\$1,526,506	\$1,500,688	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

- (1) As of March 31, 2025, the lease performance guarantee bills drawn by the Group for leasing sports venues amounted to NT\$43,863 thousand.
- (2) As of March 31, 2025, the total amount of the equipment and construction purchased under contracts was approximately NT\$266,159 thousand, including approximately NT\$143,822 thousand unpaid.

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

10. LOSSES DUE TO MAJOR DISASTER

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

12. OTHERS

(1) Categories of financial instruments

Financial Assets

	As at		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Financial assets at fair value through other comprehensive income	\$104,964	\$104,964	\$4,844
Financial assets at amortized cost			
Cash and cash equivalents (cash on hand excluded)	974,198	933,851	774,527
Notes and accounts receivable	57,502	14,970	53,558
Other receivables	3,309	11,523	3,202
Other financial assets, current	483,269	459,821	422,062
Refundable deposits	149,450	146,560	141,974
Subtotal	<u>1,667,728</u>	<u>1,566,725</u>	<u>1,395,323</u>
Total	<u>\$1,772,692</u>	<u>\$1,671,689</u>	<u>\$1,400,167</u>

Financial Liabilities

	As at		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Financial liabilities at amortized cost			
Payables and other payables	\$470,152	\$563,361	\$438,437
Bonds payable (current portion included)	292,761	290,979	285,697
Long-term loans (current portion included)	783,299	829,856	969,670
Lease liabilities (current portion included)	6,060,322	5,836,358	5,630,804
Subtotal	<u>\$7,606,534</u>	<u>7,520,554</u>	<u>\$7,324,608</u>
Financial liabilities at fair value through profit or loss			
Embedded derivatives	203	4,673	5,753
Total	<u>\$7,606,737</u>	<u>\$7,525,227</u>	<u>\$7,330,361</u>

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

(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 three-month periods ended March 31, 2025 and 2024 to increase by NT\$674 thousand and NT\$227 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.

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

(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.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	More than 6 years	Total
As at March 31, 2025					
Payables	\$470,152	—	—	—	\$470,152
Loans	\$155,145	335,117	112,406	218,906	\$821,574
Lease liabilities	\$685,911	1,274,931	1,207,750	3,585,130	\$6,753,722
Convertible bonds	\$300,000	—	—	—	\$300,000
As at December 31, 2024					
Payables	\$563,361	—	—	—	\$563,361
Loans	\$167,546	357,167	116,279	232,479	\$873,471
Lease liabilities	\$644,566	1,245,233	1,113,595	3,523,153	\$6,526,547
Convertible bonds	\$300,000	—	—	—	\$300,000
As at March 31, 2024					
Payables	\$438,437	—	—	—	\$438,437
Loans	\$197,930	393,792	153,500	274,271	\$1,019,493
Lease liabilities	\$635,419	1,174,428	1,071,496	3,364,609	\$6,245,952
Convertible bonds	\$—	300,000	—	—	\$300,000

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

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 March 31, 2025	\$685,911	2,482,681	1,892,382	1,045,081	647,667	\$6,753,722
As at December 31, 2024	\$644,566	2,358,828	1,907,506	1,010,350	605,297	\$6,526,547
As at March 31, 2024	\$635,419	2,245,924	1,878,283	911,763	574,563	\$6,245,952

(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.).
- 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.).

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

- 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		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Financial liabilities:			
Long-term loans (current portion included)	\$783,299	\$829,856	\$969,670
Bonds payable (current portion included)	\$292,761	\$290,979	\$285,697
	Fair value as at		
	Mar. 31, 2025	Dec. 31, 2024	Mar. 31, 2024
Financial liabilities:			
Long-term loans (current portion included)	\$783,299	\$829,856	\$969,670
Bonds payable (current portion included)	\$294,450	\$292,500	\$288,630

C. Fair value hierarchy for financial instruments

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

(7) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the three-month period ended March 31, 2025:

	Bonds payable	Long-term loans	Lease liabilities	Total liabilities arising from financing activities
As at January 1, 2025	\$290,979	\$829,856	\$5,836,358	\$6,957,193
Cash flow	—	(46,557)	(169,938)	(216,495)
Non-cash movement	1,782	—	393,902	395,684
As at March 31, 2025	\$292,761	\$783,299	\$6,060,322	\$7,136,382

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

Reconciliation of liabilities for the three-month period ended March 31, 2024:

	Bonds payable	Long-term loans	Lease liabilities	Total liabilities arising from financing activities
As at January 1, 2024	\$380,458	\$1,021,994	\$5,651,388	\$7,053,840
Cash flow	(96,500)	(52,324)	(156,115)	(304,939)
Non-cash movement	1,739	—	135,531	137,270
As at March 31, 2024	\$285,697	\$969,670	\$5,630,804	\$6,886,171

(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:

As at March 31, 2025:

	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	\$—	\$—	\$104,964	\$104,964
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Embedded derivatives	\$—	\$—	\$203	\$203

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

As at December 31, 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	\$—	\$—	\$104,964	\$104,964
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Embedded derivatives	\$—	\$—	\$4,673	\$4,673

As at March 31, 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	\$—	\$—	\$5,753	\$5,753

Transfers between Level 1 and Level 2

For the three-month periods ended March 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 for assets or liabilities measured at fair value on a recurring basis.

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

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:

	Assets	Liabilities
	At fair value through other comprehensive income	At fair value through profit or loss
	Equity instruments	Derivative
As at January 1, 2025	\$104,964	(\$4,673)
Total gains recognized for the three-month period ended March 31, 2025		
Amount recognized in profit (presented in “Other gains or losses”)	—	4,470
As at March 31, 2025	\$104,964	(\$203)
	Assets	Liabilities
	At fair value through other comprehensive income	At fair value through profit or loss
	Equity instruments	Derivative
As at January 1, 2024	\$4,844	(\$4,283)
Total (losses) recognized for the three-month period ended March 31, 2024		
Amount recognized in (loss) (presented in “Other gains or losses”)	—	(1,470)
As at March 31, 2024	\$4,844	(\$5,753)

Total gains and losses recognized in profit or (loss) for the three-month periods ended March 31, 2025 and 2024 in the table above contain gains related to assets on hand as at March 31, 2025 and 2024 in the amount of NT\$0 thousand.

Total gains and losses recognized in profit or (loss) for the three-month periods ended March 31, 2025 and 2024 in the table above contain gains (losses) related to liabilities on hand as at March 31, 2025 and 2024 in the amount of NT\$4,470 thousand and NT(\$1,470) thousand.

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 March 31, 2025:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through other comprehensive income					
Stock	Income approach	Discount rate	15.37%	The higher the discount rate, the lower the fair value of the stocks	The discount rate increases or decreases by 1%, and the Group's equity will decrease by NT\$21,617 thousand or increase NT\$25,960 thousand, respectively.
Financial liabilities:					
At fair value through profit or loss					
Embedded derivatives in convertible bonds	Binomial tree valuation model	Volatility	27.69%	The higher the volatility, the higher the fair value of the embedded derivatives	The volatility increases or decreases by 5%, and the Group's profit and loss will increase by NT\$70 thousand or decrease NT\$310 thousand, respectively.

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

As at December 31, 2024:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through other comprehensive income					
Stock	Income approach	Discount rate	15.37%	The higher the discount rate, the lower the fair value of the stocks	The discount rate increases or decreases by 1%, and the Group's equity will discrease by NT\$21,343 thousand or increase NT\$25,632 thousand, respectively.
Financial liabilities:					
At fair value through profit or loss					
Embedded derivatives in convertible bonds	Binomial tree valuation model	Volatility	27.67%	The higher the volatility, the higher the fair value of the embedded derivatives	The volatility increases or decreases by 5%, and the Group's profit and loss will increase by NT\$440 thousand or decrease NT\$640 thousand, respectively.

As at March 31, 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	25.86%	The higher the volatility, the higher the fair value of the embedded derivatives	The volatility increases or decreases by 5%, and the Group's profit and loss will increase by NT\$280 thousand or decrease NT\$410 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 three-month period ended March 31, 2025: None.
- B. Endorsement/Guarantee provided to others for the three-month period ended March 31, 2025: None.
- C. Securities held as at March 31, 2025: Please refer to Attachment 1.
- D. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the three-month period ended March 31, 2025: None.
- E. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the three-month period ended March 31, 2025: None.
- F. Other: Intercompany relationships and significant intercompany transactions for the three-month period ended March 31, 2025: None.

(2) Information on investees

Investees over whom the Group exercises significant influence or control directly or indirectly (excluding investment in mainland China): Please refer to Attachment 2.

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

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 three-month periods ended March 31, 2025 and 2024, 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)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

ATTACHMENT 1

Securities held as at March 31, 2025 (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 March 31, 2025				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	
Power Wind Health Industry Incorporated	TAROKO US CORPORATION	-	Financial assets at fair value through other comprehensive income, non-current	28	\$100,120	18.63	\$100,120	

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

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 March 31, 2025			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	\$18,384	\$2,428	\$1,457	Note

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