

## Revenue outlook, key assumptions, potential impact on the Company's business and corresponding proposal:

In 2015, the Company will continue to leverage its 4G high-speed mobile internet service to expand its market share. As demand for smart devices increases, the Company will invest in value-added services to tap into this market's full growth potential. It will focus on developing and enhancing top-of-the-line mobile value-added services, including mobile shopping, mobile payment, video/audio services and myBook store (an e-book platform), to satisfy customer demand and boost average revenue per user. The Company will make full use of its potential and competitive edge in handset procurement to raise its cost-efficiency so as to meet its profit target.

## Cash Flow Analysis

### Consolidated cash flow analysis

1. Decrease in cash outflow from investment activities: Cash outflow declined significantly from 2013 when the Company paid the 4G license fees.
2. Increase in cash outflow from financing activities: Cash outflow rose as the Company paid down bank loans.

#### 2013 – 2014 Consolidated Cash Flow Statement

Unit: NT\$'000, %

	2013	2014	YoY change	
			Amount	%
Cash inflow (outflow) from operating activities	24,833,011	28,338,516	3,505,505	14.12
Cash inflow (outflow) from investment activities	(42,370,252)	(19,664,554)	22,705,698	53.59
Cash inflow (outflow) from financing activities	19,291,773	(8,735,720)	(28,027,493)	NM
Impact from changes in exchange rate	8,622	11,241	2,619	30.38
Net cash increase (decrease)	1,763,154	(50,517)	(1,813,671)	NM

### Stand-alone cash flow analysis

1. Increase in cash inflow from operating activities: Cash inflow rose due to higher revenue collection from expanding businesses.
2. Decrease in cash outflow from investment activities: Cash outflow declined significantly from 2013 when the Company paid the 4G license fees.
3. Increase in cash outflow from financing activities: Cash outflow rose as the Company paid down bank borrowings.

#### 2013 – 2014 Stand-alone Cash Flow Statement

Unit: NT\$'000, %

	2013	2014	YoY change	
			Amount	%
Cash inflow (outflow) from operating activities	12,197,463	17,234,402	5,036,939	41.29
Cash inflow (outflow) from investment activities	(32,165,200)	(3,870,819)	28,294,381	(87.97)
Cash inflow (outflow) from financing activities	19,414,105	(12,797,819)	(32,211,924)	NM
Net cash increase (decrease)	(553,632)	565,764	1,119,396	NM

**Plans to improve negative liquidity:** Not applicable

## Consolidated projected cash flow for 2015

1. Projected cash inflow from operating activities: Expected to remain stable
2. Projected cash outflow from investment activities: For capital expenditure
3. Projected cash outflow from financing activities: For cash dividend distribution

### 2015 Consolidated Projected Cash Flow Analysis

Unit: NT\$'000

Cash balance, beginning of the year (1)	Forecast net cash inflow from operations (2)	Forecast cash outflow from investment and financing activities (3)	Cash balance, end of the year (1) + (2) - (3)	Source of funding for negative cash balance	
				Cash inflow from investment activities	Cash inflow from financing activities
7,903,777	30,903,086	30,821,021	7,985,842	—	—

**Source of funding for negative cash flow in 2015:** Not applicable

## Analysis of Major Capex and its Impact on Finance and Operations

Given stable operations and operating cash inflows, the Company funds its major capex with its own working capital, thus, having a minimal impact on its financials.

## Investment Policies, Reasons for Profit/Loss, Plans for Improvement, and Future Investment Plan

All of TWM's long-term holdings are strategic investments. The Company is committed to promoting digital convergence and becoming a leading player in the T.I.M.E (telecommunication, internet, media and entertainment) era. In 2014, on a consolidated basis, TWM's losses from long-term investments under the equity method amounted to NT\$4,639,000, as some of these investments were still in the initial stage. The Company expects return on investment to improve going forward. It will also continue to make prudent strategic investments.