

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

In 2016, 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 from 2014 when the Company had higher investment.

2014 – 2015 Consolidated Cash Flow Statement

Unit: NT\$'000, %

	2014	2015	YoY change	
			Amount	%
Cash inflow (outflow) from operating activities	28,338,516	25,805,736	(2,532,780)	(8.94)
Cash inflow (outflow) from investment activities	(19,664,554)	(15,179,543)	4,485,011	(22.81)
Cash inflow (outflow) from financing activities	(8,735,720)	(9,948,924)	(1,213,204)	13.89
Impact from changes in exchange rate	11,241	(1,624)	(12,865)	NM
Net cash increase (decrease)	(50,517)	675,645	726,162	NM

Stand-alone cash flow analysis: No significant changes

2014 – 2015 Stand-alone Cash Flow Statement

Unit: NT\$'000, %

	2014	2015	YoY change	
			Amount	%
Cash inflow (outflow) from operating activities	17,234,402	16,554,741	(679,661)	(3.94)
Cash inflow (outflow) from investment activities	(3,870,819)	(4,547,144)	(676,325)	17.47
Cash inflow (outflow) from financing activities	(12,797,819)	(11,629,231)	1,168,588	(9.13)
Net cash increase (decrease)	565,764	378,366	(187,398)	(33.12)

Plans to improve negative liquidity: Not applicable

Consolidated projected cash flow for 2016

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

2016 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
8,579,422	27,806,786	27,392,069	8,994,139	—	—

Source of funding for negative cash flow in 2016: 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, which therefore has 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 2015, on a consolidated basis, TWM's investment gains from long-term investments under the equity method amounted to NT\$67,562 thousand as the operations of said investments stabilized. For future investments, TWM will continue to make decisions based on prudent strategic assessments.