

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

In 2018, the Company will continue to leverage its 4G high-speed mobile internet service and 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). Meanwhile, the Company will make full use of its potential and competitive edge in handset procurement to effectively contain subscriber acquisition costs so as to meet its profit target.

Cash Flow Analysis

1. Increase in cash outflow from investment activities: Cash outflow rose due to the payment of 4G concession fee.
2. Decrease in cash outflow from financing activities: Cash outflow declined due to an increase in bank borrowings.

Consolidated cash flow analysis

2016 – 2017 Consolidated Cash Flow Statement

Unit: NT\$'000, %

	2016	2017	YoY change	
			Amount	%
Cash inflow (outflow) from operating activities	31,830,164	30,320,285	(1,509,879)	(4.74)
Cash inflow (outflow) from investment activities	(11,527,956)	(17,672,308)	(6,144,352)	53.30
Cash inflow (outflow) from financing activities	(21,170,963)	(13,717,494)	7,453,469	(35.21)
Impact from changes in exchange rate	(6,150)	(3,456)	2,694	(43.80)
Net cash decrease	(874,905)	(1,072,973)	(198,068)	22.64

Stand-alone cash flow analysis:

2016 – 2017 Stand-alone Cash Flow Statement

Unit: NT\$'000, %

	2016	2017	YoY change	
			Amount	%
Cash inflow (outflow) from operating activities	22,475,739	21,031,267	(1,444,472)	(6.43)
Cash inflow (outflow) from investment activities	(2,471,192)	(9,316,367)	(6,845,175)	277.00
Cash inflow (outflow) from financing activities	(20,065,912)	(12,252,034)	7,813,878	(38.94)
Net cash decrease	(61,365)	(537,134)	(475,769)	775.31

Plans to improve negative liquidity: Not applicable

Projected Consolidated cash flow for 2018

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

2018 Consolidated Projected Cash Flow

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
6,631,544	31,238,803	31,022,952	6,847,395	—	—

Source of funding for negative cash flow in 2018: Not applicable

Analysis of Major Capex and its Impact on Finance and Operations

With operating cash inflows, the Company funds its major capex with its internally generated cash flows.

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 focusing on areas which can solidify it as a leading player in the T.I.M.E. (Telecom, Internet, Media & Entertainment and E-commerce) space.

In 2017, on a consolidated basis, TWM's investment income from long-term investments under the equity method amounted to NT\$28,942 thousand as the operations of said investments stabilized. For future investments, TWM will continue to make decisions based on prudent strategic assessments.