

## Statements of Comprehensive Income Analysis

### Consolidated statements of comprehensive income

Explanation of significant changes in the past two years' operating revenue, operating income and income before tax:  
Non-operating expenses decreased in 2018 mainly due to the recognition of an estimated litigation provision in 2017.

#### 2017 – 2018 Consolidated Statements of Comprehensive Income

Unit: NT\$'000, %

	2017	2018	YoY change	
			Amount	%
Operating revenue	117,171,107	118,732,328	1,561,221	1.33
Operating costs	81,445,116	84,315,734	2,870,618	3.52
Gross profit	35,725,991	34,416,594	(1,309,397)	(3.67)
Operating expenses	17,502,915	16,885,497	(617,418)	(3.53)
Operating income	19,092,412	18,162,042	(930,370)	(4.87)
Non-operating income (expenses)	(1,461,129)	(472,825)	988,304	(67.64)
Income before tax	17,631,283	17,689,217	57,934	0.33
Net income	14,948,787	14,485,768	(463,019)	(3.10)

### Stand-alone statements of comprehensive income

Explanation of significant changes in the past two years' operating revenue, operating income and income before tax:  
Non-operating expenses decreased in 2018 mainly due to the recognition of an estimated litigation provision in 2017.

#### 2017 – 2018 Stand-alone Statements of Comprehensive Income

Unit: NT\$'000, %

	2017	2018	YoY change	
			Amount	%
Operating revenue	73,612,276	65,545,627	(8,066,649)	(10.96)
Operating costs	48,473,355	43,017,205	(5,456,150)	(11.26)
Gross profit	25,138,921	22,528,422	(2,610,499)	(10.38)
Operating expenses	13,886,610	12,699,653	(1,186,957)	(8.55)
Operating income	12,094,034	10,465,707	(1,628,327)	(13.46)
Non-operating income (expenses)	3,672,554	5,071,356	1,398,802	38.09
Income before tax	15,766,588	15,537,063	(229,525)	(1.46)
Net income	14,192,176	13,642,172	(550,004)	(3.88)

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

Given the longer life cycle of mobile phones, increasing demand for SIM-only subscriptions, and the rising popularity of wearable devices and video/audio service content, the Company will focus on developing top-of-the-line value-added services, including mobile shopping, mobile payment, video/audio services and myBook store (an e-book platform) to increase revenue and ARPU. By leveraging Fubon Group resources, the Company will provide diversified mobile bundle services to acquire new customers and develop new roaming products. Furthermore, the Company aims to lower its churn rate by employing big data analysis and reduce subsidies and commissions to enhance profitability.