

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:
No significant changes.

2019 - 2020 Consolidated Statements of Comprehensive Income

Unit: NT\$'000, %

	2019	2020	YoY change	
			Amount	%
Operating revenue	124,420,913	132,860,984	8,440,071	6.78
Operating costs	91,612,178	101,415,248	9,803,070	10.70
Gross profit	32,808,735	31,445,736	(1,362,999)	(4.15)
Operating expenses	16,115,167	15,722,141	(393,026)	(2.44)
Operating income	17,193,335	16,056,160	(1,137,175)	(6.61)
Non-operating income (expenses)	(611,525)	(598,369)	13,156	(2.15)
Income before tax	16,581,810	15,457,791	(1,124,019)	(6.78)
Net income	13,291,867	12,393,778	(898,089)	(6.76)

Stand-alone statements of comprehensive income

Explanation of significant changes in the past two years' operating revenue, operating income and income before tax:
No significant changes.

2019 - 2020 Stand-alone Statements of Comprehensive Income

Unit: NT\$'000, %

	2019	2020	YoY change	
			Amount	%
Operating revenue	62,426,270	56,890,204	(5,536,066)	(8.87)
Operating costs	42,140,467	39,229,257	(2,911,210)	(6.91)
Net gross profit	20,285,294	17,661,456	(2,623,838)	(12.93)
Operating expenses	11,315,316	10,286,702	(1,028,614)	(9.09)
Operating income	9,198,843	7,598,398	(1,600,445)	(17.40)
Non-operating income (expenses)	4,963,642	5,043,606	79,964	1.61
Income before tax	14,162,485	12,642,004	(1,520,481)	(10.74)
Net income	12,481,167	11,286,553	(1,194,614)	(9.57)

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

In the early stages of 5G construction, TWM's financial performance will inevitably be affected by higher amortization costs for 5G spectrum and network construction, along with expenses for business promotions. The Company will continuously work on enriching content offerings, developing 5G-exclusive value-added applications, and providing various types of collaborative services with international groups. This will boost our revenue and profit by enhancing 5G penetration rate as well as value-added services.