

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:

Increase in non-operating expenses: Mainly due to increased losses from disposal of property, plant and equipment.

2021 - 2022 Consolidated Statements of Comprehensive Income

Unit: NT\$'000, %

	2021	2022	YoY change	
			Amount	%
Operating revenue	156,109,533	172,206,112	16,096,579	10.31
Operating costs	124,734,936	138,980,890	14,245,954	11.42
Gross profit	31,374,597	33,225,222	1,850,625	5.90
Operating expenses	16,005,557	17,143,477	1,137,920	7.11
Operating income	16,053,041	16,892,739	839,698	5.23
Non-operating income (expenses)	(471,466)	(701,497)	(230,031)	48.79
Income before tax	15,581,575	16,191,242	609,667	3.91
Net income	12,825,209	12,971,412	146,203	1.14

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.

2021 - 2022 Stand-alone Statements of Comprehensive Income

Unit: NT\$'000, %

	2021	2022	YoY change	
			Amount	%
Operating revenue	59,844,804	61,027,806	1,183,002	1.98
Operating costs	44,797,460	46,231,648	1,434,188	3.20
Net gross profit	15,047,344	14,796,158	(251,186)	(1.67)
Operating expenses	9,812,496	9,771,507	(40,989)	(0.42)
Operating income	5,820,790	5,636,740	(184,050)	(3.16)
Non-operating income (expenses)	5,849,627	6,296,129	446,502	7.63
Income before tax	11,670,417	11,932,869	262,452	2.25
Net income	10,988,165	11,025,551	37,386	0.34

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

In terms of 5G unique bundle plans, the Company expects OP Life to drive customers to choose higher rate plans and enhance customer stickiness. Once the regulators approve the merger of Taiwan Mobile and Taiwan Star, the Company should benefit from better economies of scale, merger synergies, as well as increased revenue and EBITDA.

Cash Flow Analysis

Consolidated cash flow analysis

Increase in cash outflow from investment activities: Cash outflow rose mainly due to strategic investments and alliances for new growth avenues.

2021 - 2022 Consolidated Cash Flow Statement

Unit: NT\$'000, %

	2021	2022	YoY change	
			Amount	%
Cash inflow (outflow) from operating activities	30,195,542	29,576,551	(618,991)	(2.05)
Cash inflow (outflow) from investment activities	(9,638,497)	(11,631,753)	(1,993,256)	20.68
Cash inflow (outflow) from financing activities	(15,932,014)	(18,413,364)	(2,481,350)	15.57
Impact from changes in exchange rate	(797)	1,281	2,078	NM
Net cash increase (decrease)	4,624,234	(467,285)	(5,091,519)	NM

Stand-alone cash flow analysis:

Increase in cash outflow from investment activities: Cash outflow rose mainly due to subsidiaries' capital increase.

2021 - 2022 Stand-alone Cash Flow Statement

Unit: NT\$'000, %

	2021	2022	YoY change	
			Amount	%
Cash inflow (outflow) from operating activities	16,451,660	15,771,527	(680,133)	(4.13)
Cash inflow (outflow) from investment activities	783,540	(978,543)	(1,762,083)	NM
Cash inflow (outflow) from financing activities	(17,151,183)	(14,241,722)	2,909,461	(16.96)
Net cash increase (decrease)	84,017	551,262	467,245	556.13

Plans to improve negative liquidity: Not applicable.

Projected consolidated cash flow for 2023

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