

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 rose mainly due to a decrease in the gain on disposal of subsidiary.

Consolidated Statements of Comprehensive Income

Unit: NT\$'000, %

	2023	2024	YoY change	
			Amount	%
Operating revenue	183,347,825	199,373,905	16,026,080	8.74
Operating costs	148,585,572	159,678,771	11,093,199	7.47
Gross profit	34,762,253	39,695,134	4,932,881	14.19
Operating expenses	18,086,412	20,647,015	2,560,603	14.16
Operating income	17,544,704	20,250,476	2,705,772	15.42
Non-operating income (expenses)	(73,340)	(718,436)	(645,096)	879.60
Income before tax	17,471,364	19,532,040	2,060,676	11.79
Net income	14,335,004	15,795,545	1,460,541	10.19

Stand-alone statements of comprehensive income  
Explanation of significant changes in the past two years' operating revenue, operating income and income before tax:

Operating income rose mainly due to the merger with Taiwan Star, which led to increases in operating revenue, operating costs, and expenses.

Stand-alone Statements of Comprehensive Income

Unit: NT\$'000, %

	2023 (Note 1)	2024	YoY change	
			Amount	%
Operating revenue	66,412,608	80,290,867	13,878,259	20.90
Operating costs	50,388,426	59,390,803	9,002,377	17.87
Net gross profit	16,024,182	20,900,064	4,875,882	30.43
Operating expenses	10,556,893	12,984,221	2,427,328	22.99
Operating income	6,175,499	8,974,381	2,798,882	45.32
Non-operating income (expenses)	7,036,750	6,273,101	(763,649)	(10.85)
Income before tax	13,212,249	15,247,482	2,035,233	15.40
Net income	12,274,109	13,816,716	1,542,607	12.57

Note 1: TWM merged 100% owned subsidiary TWM Venture Co., Ltd. on December 31, 2024. As the Company fully owned TWM Venture from its founding, the merger was treated as a reorganization and the Company's financial statements have been restated accordingly.

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

As the number of telecom operators has shrunk from five to three, service providers are now focusing on enhancing customer loyalty. Toward this aim, TWM is leveraging its unique 5G services and group resources to improve collaboration synergy and boost revenue.

Cash Flow Analysis



Consolidated cash flow analysis

- 1. Cash inflow from operating activities increased mainly due to the merger with Taiwan Star.
- 2. Cash outflow from investment activities increased mainly due to SYSTEX Corporation share acquisition and higher capital expenditure.

Consolidated Cash Flow Statement

Unit: NT\$'000, %

	2023	2024	YoY change	
			Amount	%
Cash inflow (outflow) from operating activities	29,057,509	36,045,112	6,987,603	24.05
Cash inflow (outflow) from investment activities	(7,072,937)	(14,897,978)	(7,825,041)	110.63
Cash inflow (outflow) from financing activities	(23,673,462)	(22,445,825)	1,227,637	(5.19)
Impact from changes in exchange rate	(1,584)	109	1,693	NM
Net cash decrease	(1,690,474)	(1,298,582)	391,892	(23.18)

Stand-alone cash flow analysis:

- 1. Cash inflow from operating activities increased mainly due to the merger with Taiwan Star.
- 2. Cash outflow from investment activities increased mainly due to SYSTEX Corporation share acquisition and higher capital expenditure.

Stand-alone Cash Flow Statement

Unit: NT\$'000, %

	2023 (Note 1)	2024	YoY change	
			Amount	%
Cash inflow (outflow) from operating activities	17,381,750	21,893,239	4,511,489	25.96
Cash inflow (outflow) from investment activities	2,153,168	(3,178,461)	(5,331,629)	NM
Cash inflow (outflow) from financing activities	(19,498,348)	(18,320,838)	1,177,510	(6.04)
Net cash increase (decrease)	36,570	393,940	357,370	977.22

Note 1: TWM merged 100% owned subsidiary TWM Venture Co., Ltd. on December 31, 2024. As the Company fully owned TWM Venture from its founding, the merger was treated as a reorganization and the Company's financial statements have been restated accordingly.

Plans to improve negative liquidity:

Not applicable.

Projected consolidated cash flow for 2025

- 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.

Projected Consolidated Cash Flow in 2025

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
11,945,684	36,698,579	36,266,026	12,378,237	—	—

Source of Funding for Negative Cash Flow in 2025:

Not applicable.

Analysis of Major Capex and its Impact on Finance and Operations

The Company funds its major capex with internally generated cash flows.

Investment Policies, Reasons for Profit/Loss, Plans for Improvement and Future Investment Plans

Taiwan Mobile focuses on making long-term and strategic investments. The objective is to strengthen and diversify its core business and expand into new fields to create synergies.

In 2024, on a consolidated basis, TWM posted losses of NT\$25.785 million from long-term investments under the equity method as most were still in their development stage. Going forward, TWM will continue to make prudent strategic investments.

Risk Management

Impact of inflation, interest and exchange rate fluctuations, and preventive measures:

1. Impact of interest rate fluctuations

The Company has mid-term loan facilities with financial institutions and mid-to-long-term straight bond issuances on partial current outstanding liabilities to lock in mid-to-long-term interest rates and minimize risks from interest rate fluctuations. Overall, interest rate fluctuations had an insignificant impact on the Company.

2. Impact of exchange rate fluctuations

Only some of the Company’s payments are denominated in euros and US dollars. To minimize the impact from foreign exchange rate fluctuations, the Company hedges risks through foreign exchange spot market transactions. Overall, exchange rate fluctuations had an insignificant impact on the Company.

3. Impact of inflation

Inflation had a minor impact on the Company’s operating performance in 2024 up to February 28, 2025.

Investment policy and reasons for gains & losses for high-risk/high-leverage financial products, derivatives, loans to others and guarantees of debts:

- 1. The Company was not involved in any high-risk, high-leverage financial investment.
- 2. The Company passed the Rules and Procedures on Lending and Making Endorsements/ Guarantees to supervise its financing and endorsement activities. As the counterparties in its loans and guarantees are all its subsidiaries, there is minimal operating risk.
- 3. The Company did not engage in any derivatives transactions.

Future research and development plans

Project name	Objective
Intelligent assistant and post-call summary	Support real-time verbatim transcription of audio calls; automatically identify keywords to search for information and initiate follow-up work; and generate summaries and service classifications upon completion of calls.
AI customer service voicebot	Develop an advanced version of AI voice customer service to offer users high-quality, personalized self-service.
Smart debt collection notifier	Boost collection efficiency and reduce labor costs by using AI technology.
Digital Identity Verification(eKYC)	Enhance identity verification by integrating the Ministry of the Interior's database to support the dual authentication mechanism and expand their service applications.
Anti-fraud Service	Expand app's ability to detect fake social media posts by enhancing image recognition models, caller recognition and high-risk website identification, and encouraging the public to download and use it.
Telecom wisdom maximization (TWMx)	Develop a user-friendly user interface by deploying AI and large language models to facilitate product recommendations. This would help sales personnel better grasp user preferences and deliver accurate personalized recommendations, effectively promoting the company's diverse services and products to users.
GenAlus	Optimize functionalities and develop advanced features to improve response accuracy and address diverse applications.
Brand e-commerce service	Expand the service scope of partners and enhance operational efficiency and quality through AI technology.
MyCharge	Develop an energy management system to improve overall energy efficiency.
Virtual asset management system	Implement a virtual asset management system to achieve asset security control and enhance system compliance design.
OPBiz	Integrate services with Technology Customer Relationship Management platform and build up e-commerce platform.
M+/M+ Meet	Provide M+ desktop with VoIP, M+ PBX, M+ Lite Version; expand EIM / M+ meet function and on-premise product deployment options.