Projected Consolidated Cash Flow in 2026

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
8,565,239	38,299,246	38,245,042	8,619,443	–	–

Source of Funding for Negative Cash Flow in 2026:

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 adopts a long-term, strategic investment approach to strengthen and diversify its core business, while selectively expanding into new areas with synergistic potential.

In 2025, on a consolidated basis, TWM recorded NT$127.558 million in gains from long-term investments accounted for under the equity method, backed by improved performance of certain portfolio companies. Going forward, TWM will maintain a prudent and disciplined approach to 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 2025 up to January 31, 2026.

Investment policy and reasons for gains & losses from 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 were all its subsidiaries, there was minimal operating risk.**
3. **The Company did not engage in any derivatives transactions.**

Future research and development plans

Project name	Objective
AI-based 6G next-generation video traffic modeling and base station resource allocation algorithm design	To address the transmission demands of next-generation 6G video services, this project focuses on establishing representative video traffic models and designing an AI-driven resource allocation algorithm for base stations. By dynamically adjusting spectrum and power allocation, the system enhances video transmission efficiency and network stability. The project also utilizes unmanned aerial vehicles (UAVs) as relay nodes to conduct real-world 6G video transmission tests, evaluating performance across various video formats and channel environments. The ultimate goal is to integrate traffic modeling with AI algorithms to provide a robust resource management solution for 6G mobile networks that effectively supports immersive video transmission.
AI voice quality inspection	Utilize self-developed AI voice recognition to enable full-scale call quality auditing and elevate service quality.
AI smart telesales	Drive telesales conversion through AI outbound bots and realistic voice technology.
TAI PBX (Taiwan AI private branch exchange)	Develop intelligent PBX systems to provide enterprise switchboards and contact centers with rapid AI integration capabilities.
Intelligent store voice quality inspection	Develop proprietary in-store recording systems integrated with AI voice recognition to enable comprehensive service quality inspections.
Anti-fraud service	Continue to develop AI fraud identification capabilities to counter emerging threats and build a comprehensive digital security net.
Telecom wisdom maximization (TWMax)	Implement smart recommendation systems combined with data analytics to enhance operational efficiency and optimize service workflows.
GenAIus	Construct a next-generation Agentic AI framework to deepen AI understanding and learning capabilities, enhancing the execution of complex, multilayered tasks.
Intelligent network anomaly detection	Use AI to develop network monitoring systems capable of precisely identifying early signs of equipment anomalies, strengthening telecom network resilience.
OPPay BNPL (Buy Now Pay Later)	Develop cross-border installment systems that integrate multifactor authentication and security protocols to build a more trusted digital finance environment.