

**FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**  
As of December 31, 2004 and September 30, 2004  
(In million New Taiwan Dollars)

Assets	4Q 2004		3Q 2004		QoQ	
		%		%	Change	%
Cash, Cash Equivalents and S-T Investments	8,793	8	3,891	4	4,902	126
Accounts Receivable	6,135	6	6,646	6	(511)	(8)
Prepaid Expenses	1,612	1	2,242	2	(630)	(28)
Other Current Assets	2,892	3	2,483	2	409	15
<b>Total Current Assets</b>	<b>19,432</b>	<b>18</b>	<b>15,261</b>	<b>15</b>	<b>4,171</b>	<b>27</b>
Long Term Investment	1,800	2	1,848	2	(49)	(3)
Properties	102,244	94	103,373	99	(1,130)	(1)
Less Accumulated Depreciation	46,506	43	44,948	43	1,558	3
Construction in Progress and Advance Equip.	8,774	8	5,997	6	2,777	48
Net Properties	64,511	59	64,422	62	89	0
Other Assets	22,966	21	23,208	22	(242)	(1)
<b>Total Assets</b>	<b>108,709</b>	<b>100</b>	<b>104,740</b>	<b>100</b>	<b>3,969</b>	<b>4</b>
Short Term Debts	2,250	2	1,200	1	1,050	88
Accounts Payable and Other Payables	7,212	7	6,078	6	1,134	19
Accrued Expenses and Other Current Liabilities	9,575	9	9,369	9	206	2
Current Portion of Long Term Liabilities	4,804	4	8,226	8	(3,422)	(42)
<b>Total Current Liabilities</b>	<b>23,841</b>	<b>22</b>	<b>24,873</b>	<b>24</b>	<b>(1,033)</b>	<b>(4)</b>
Long Term Bonds Payable	8,670	8	9,000	9	(330)	(4)
Other Long Term Liabilities	6,163	6	6,149	6	14	0
<b>Total Long Term Liabilities</b>	<b>14,833</b>	<b>14</b>	<b>15,149</b>	<b>14</b>	<b>(316)</b>	<b>(2)</b>
Other Liabilities	324	0	322	0	2	0
<b>Total Liabilities</b>	<b>38,997</b>	<b>36</b>	<b>40,344</b>	<b>39</b>	<b>(1,347)</b>	<b>(3)</b>
Capital Stock	38,423	35	37,632	36	792	2
Capital Stock to be Issued	0	0	0	0	0	0
Capital Surplus	14,506	13	13,177	13	1,329	10
Legal Reserve	2,697	2	2,697	3	0	0
Retain Earnings	14,070	13	10,884	10	3,186	29
Cumulative Translation Adjustments	16	0	6	0	9	141
<b>Total Shareholder's Equity</b>	<b>69,712</b>	<b>64</b>	<b>64,396</b>	<b>61</b>	<b>5,316</b>	<b>8</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>108,709</b>	<b>100</b>	<b>104,740</b>	<b>100</b>	<b>3,969</b>	<b>4</b>

Note: The information contained in all financial statements are audited drafts.

**FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENT**  
For The Three Months Ended December 31, 2004, September 30, 2004 and Year Ended December 31, 2004  
(In Million New Taiwan Dollars)

	4Q 2004		3Q 2004		QoQ	FY2004	
		% of Sales		% of Sales			% of Sales
Equipment Revenue	1,184	7	1,104	7	7	4,224	6
Service Revenue	15,298	93	15,584	93	(2)	61,292	94
<b>Total Operating Revenue</b>	<b>16,482</b>	<b>100</b>	<b>16,688</b>	<b>100</b>	<b>(1)</b>	<b>65,516</b>	<b>100</b>
Cost of Good Sold	7,729	47	8,086	48	(4)	31,246	48
<b>Gross Profit</b>	<b>8,753</b>	<b>53</b>	<b>8,602</b>	<b>52</b>	<b>2</b>	<b>34,270</b>	<b>52</b>
<b>Operating Expenses</b>							
Selling and Marketing Expenses	1,938	12	1,968	12	(2)	8,446	13
General and administrative	1,883	11	1,650	10	14	7,081	11
Research and development	93	1	97	1	(5)	375	1
<b>Operating Income</b>	<b>4,838</b>	<b>29</b>	<b>4,887</b>	<b>29</b>	<b>(1)</b>	<b>18,368</b>	<b>28</b>
EBITDA	7,899		8,000		(1)	30,754	
Service EBITDA	8,067		8,154		(1)	31,172	
EBITDA Margin (%)	47.9		47.9			46.9	
Service EBITDA Margin (%)	52.7		52.3			50.9	
<b>Net Non Operating Income (Loss)</b>	<b>(1,241)</b>	<b>(8)</b>	<b>(473)</b>	<b>(3)</b>	<b>162</b>	<b>(2,165)</b>	<b>(3)</b>
<b>Consolidated Earnings before Income Tax</b>	<b>3,598</b>	<b>22</b>	<b>4,414</b>	<b>26</b>	<b>(18)</b>	<b>16,203</b>	<b>25</b>
Income Tax Expense	412	3	586	4	(30)	2,160	3
<b>Net Income</b>	<b>3,186</b>	<b>19</b>	<b>3,828</b>	<b>23</b>	<b>(17)</b>	<b>14,043</b>	<b>21</b>
EPS--3,842 mn shrs (NT\$)	0.83		1.00			3.65	
Fully diluted EPS--3,873 mn shrs (NT\$)	0.82		0.99			3.63	

Note:

All fully diluted EPS are NOT adjusted by interest expenses difference

The information contented in all financial statements are audited drafts.