

FAR EASTONE TELECOMMUNICATIONS CO., LTD.  
 CONSOLIDATED BALANCE SHEET  
 3Q and 4Q 2005  
 (In million New Taiwan Dollars)

| Assets  | 3Q 2005       |            | 4Q 2005       |            | QoQ           |           |
|---|---------------|------------|---------------|------------|---------------|-----------|
|   |               | %          |               | %          | Change        | %         |
| Cash, Cash Equivalents, and S-T Investment        | 1,297         | 1          | 5,050         | 5          | 3753          | 289       |
| Accounts Receivable                               | 7,571         | 8          | 6,514         | 7          | (1056)        | -14       |
| Prepaid Expenses                                  | 1,165         | 1          | 721           | 1          | (444)         | -38       |
| Other Current Assets                              | 2,496         | 3          | 2,801         | 3          | 305           | 12        |
| <b>Total Current Assets</b>                       | <b>12,528</b> | <b>13</b>  | <b>15,086</b> | <b>15</b>  | <b>2558</b>   | <b>20</b> |
| Long Term Investment                              | 1,116         | 1          | 921           | 1          | (195)         | -18       |
| Properties  | 113,298       | 116        | 114,965       | 117        | 1666          | 1         |
| Less Accumulated Depreciation                     | 55,480        | 57         | 58,427        | 60         | 2947          | 5         |
| Construction in Progress and Advance Equip.       | 4,020         | 4          | 4,955         | 5          | 935           | 23        |
| Net Properties                                    | 61,838        | 63         | 61,493        | 63         | (345)         | -1        |
| Other Assets                                      | 22,374        | 23         | 21,924        | 22         | (450)         | -2        |
| <b>Total Assets</b>                               | <b>97,856</b> | <b>100</b> | <b>99,424</b> | <b>102</b> | <b>1568</b>   | <b>2</b>  |
| <b>Liabilities</b>                                |               |            |               |            |               |           |
| Short Term Debts                                  | 2,667         | 3          | 296           | 0          | (2371)        | -89       |
| Accounts Payable and Other Payables               | 5,589         | 6          | 6,271         | 6          | 682           | 12        |
| Accrued Expenses and Other Current Liabilities    | 8,811         | 9          | 8,952         | 9          | 141           | 2         |
| Current Portion of Long Term Liabilities          | 2,538         | 3          | 3,117         | 3          | 579           | 23        |
| Total Current Liabilities                         | 19,604        | 20         | 18,635        | 19         | (969)         | -5        |
| Long Term Liabilities                             | 143           | 0          | 433           | 0          | 290           | 203       |
| Other Long Term payable                           | 6,589         | 7          | 5,725         | 6          | (864)         | -13       |
| Total Long Term Liabilities                       | 6,732         | 7          | 6,159         | 6          | (573)         | -9        |
| Other Liabilities                                 | 410           | 0          | 407           | 0          | (2)           | -1        |
| <b>Total Liabilities</b>                          | <b>26,746</b> | <b>27</b>  | <b>25,201</b> | <b>26</b>  | <b>(1545)</b> | <b>-6</b> |
| <b>Shareholder's Equity</b>                       |               |            |               |            |               |           |
| Capital Stock                                     | 38,727        | 40         | 38,727        | 40         | 0             | 0         |
| Capital Stock to be Issued                        | 0             | 0          | 0             | 0          | 0             | 0         |
| Capital Surplus                                   | 15,000        | 15         | 15,004        | 15         | 4             | 0         |
| Legal Reserve                                     | 4,102         | 4          | 4,102         | 4          | 0             | 0         |
| Retain Earnings                                   | 12,263        | 13         | 15,386        | 16         | 3122          | 25        |
| Cumulative Translation Adjustments                | -11           | 0          | 2             | 0          | 13            | -120      |
| Minority Interest                                 | 1,030         | 1          | 1,003         | 1          | (27)          | -3        |
| <b>Total Shareholder's Equity</b>                 | <b>71,110</b> | <b>73</b>  | <b>74,223</b> | <b>76</b>  | <b>3112</b>   | <b>4</b>  |
| <b>Total Liabilities and Shareholder's Equity</b> | <b>97,856</b> | <b>100</b> | <b>99,424</b> | <b>102</b> | <b>1568</b>   | <b>2</b>  |

Note: (1) 2005 figures are based on audited report.

(2) Based on the new regulation, starting from 2005, the consolidated entities add Arcoa, KGEx.com, KGT International Holdings, E. Word (Holdings) Ltd, Far Eastern Info Service (Holding) Ltd... etc.

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES  
**CONSOLIDATED INCOME STATEMENT**  
3Q, 4Q, and Full Year 2005  
(In Million New Taiwan Dollars)

|  | 3Q 2005 |            | 4Q 2005 |            | QoQ %  |      | 1-4Q 2005 |
|--|---------|------------|---------|------------|--------|------|-----------|
|  |         | % of Sales |         | % of Sales | Change | %    |           |
| Equipment Revenue                            | 2,158   | 12         | 1,954   | 11         | (204)  | (9)  | 8,381     |
| Service Revenue                              | 16,436  | 88         | 15,791  | 89         | (645)  | (4)  | 63,531    |
| Total Operating Revenue                      | 18,594  | 100        | 17,745  | 100        | (849)  | (5)  | 71,912    |
| Cost of Good Sold                            | 9,464   | 51         | 9,544   | 54         | 80     | 1    | 36,831    |
| Gross Profit                                 | 9,130   | 49         | 8,201   | 46         | (929)  | (10) | 35,081    |
| Operating Expenses                           |         |            |         |            |        |      |           |
| Selling and Marketing Expenses               | 2,379   | 13         | 2,516   | 14         | 138    | 6    | 9,318     |
| General and administrative                   | 1,808   | 10         | 1,598   | 9          | (209)  | (12) | 6,878     |
| Research and development                     | 85      | 0          | 93      | 1          | 8      | 9    | 358       |
| Operating Income                             | 4,858   | 26         | 3,994   | 23         | (865)  | (18) | 18,526    |
| EBITDA                                       | 8,200   |            | 7,400   | 42         | (800)  | (10) | 31,604    |
| Service EBITDA                               | 8,399   |            | 7,711   | 43         | (688)  | (8)  | 32,328    |
| EBITDA Margin (%)                            | 44.1    |            | 41.7    |            |        |      | 43.9      |
| Service EBITDA Margin (%)                    | 51.1    |            | 48.8    |            |        |      | 50.9      |
| Net Non Operating Income (Loss)              | (259)   | (1)        | (263)   | (1)        | (6)    | 2    | (670)     |
| Consolidated Earnings before Income Tax      | 4,601   | 25         | 3,730   | 21         | (870)  | (19) | 17,857    |
| Income Tax Expense                           | 834     | 4          | 621     | 4          | (213)  | (26) | 3,207     |
| Consolidated Income before Minority Interest | 3,766   | 20         | 3,109   | 18         | (657)  | (17) | 14,649    |
| Minority Interest                            | 25      | 0          | 13      | 0          | (12)   | (47) | 68        |
| Net Income                                   | 3,792   | 20         | 3,122   | 18         | (669)  | (18) | 14,717    |
| EPS--3,873 mn shrs (NT\$)                    | 0.98    |            | 0.81    |            |        |      | 3.80      |

Note: (1) 2005 figures are based on audited report.

(2) Based on the new regulation, starting from 2005, the consolidated entities add Arcoa, KGEx.com, KGT International Holdings, E. Word (Holdings) Ltd, Far Eastern Info Service (Holding) Ltd... etc.



**FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOW**  
**End 3Q and 4Q, 2005**  
**(In Million New Taiwan Dollars)**

|  | End 3Q 2005   | End 4Q 2005   | QoQ          |           |
|--|---------------|---------------|--------------|-----------|
|  |               |               | Change       | %         |
| Consolidated net income                                      | 11,540        | 14,649        | 3,109        | 27        |
| Depreciation and amortization (excluding 3G concession)      | 9,185         | 12,408        | 3,223        | 35        |
| Amortization of 3G concession                                | 487           | 670           | 183          | 37        |
| Other cash provided by / (used in) operation                 | (449)         | 1,779         | 2,229        | (496)     |
| <b>Net cash provided by / (used in) operating activities</b> | <b>20,763</b> | <b>29,507</b> | <b>8,744</b> | <b>42</b> |
| Capex  | 4,444         | 6,168         | 1,724        | 39        |
| % of service revenue   | 9.5%          | 9.7%          |              |           |
| <b>Free Cash Flow</b>  | <b>16,319</b> | <b>23,339</b> | <b>7,020</b> | <b>43</b> |

Note: (1) 2005 figures are based on audited report.

(2) Based on the new regulation, starting from 2005, the consolidated entities add Arcoa, KGEx.com, KGT International Holdings, E. Word (Holdings) Ltd, Far Eastern Info Service (Holding) Ltd...etc.

(3) Free Cash Flow = Operation Cash Flow - Capex