

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

	2Q 2004		1Q 2004		QoQ
		% of Sales		% of Sales	
Equipment Revenue and Others	937	6	1,009	6	(7)
Service Revenue	15,243	94	15,157	94	1
Total Operating Revenue	16,180	100	16,166	100	0
Cost of Good Sold	7,605	47	7,829	48	(3)
Gross Profit	8,575	53	8,337	52	3
Operating Expenses					
Selling and Marketing Expenses	2,024	13	2,516	16	(20)
General and administrative	1,852	11	1,696	10	9
Research and development	89	1	96	1	(7)
Operating Income	4,614	29	4,029	25	15
EBITDA	7,717	48	7,138	44	8
Service EBITDA	7,728	48	7,213	45	7
EBITDA Margin (%)	47.7		44.2		8
Service EBITDA Margin (%)	50.7		47.6		
Net Non Operating Income (Loss)	(301)	(2)	(151)	(1)	100
Consolidated Earnings before Income Tax	4,313	27	3,878	24	11
Income Tax Expense	615	4	548	3	12
Net Income	3,699	23	3,331	21	11
EPS (NT\$)	1.09		0.98		
Diluted EPS (NT\$)*	0.99		0.89		

* Diluted EPS based on end of 2004 forecast shares

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

	2Q 2004		1Q 2004		QoQ	
		%		%	Change	%
Assets						
Cash, Cash Equivalents and S-T Investments	8,841	8	2,756	3	6,085	221
Accounts Receivable	6,842	6	6,451	6	391	6
Prepaid Expenses	2,225	2	2,515	2	-290	(12)
Other Current Assets	2,428	2	3,203	3	-775	(24)
Total Current Assets	20,336	18	14,925	14	5,411	36
Long Term Investment	1,734	2	1,755	2	-21	(1)
Properties	102,793	92	100,408	93	2,386	2
Less Accumulated Depreciation	42,096	38	37,459	35	4,637	12
Construction in Progress and Advance Equip.	4,981	4	4,456	4	525	12
Net Properties	65,679	59	67,405	62	-1,726	(3)
Other Assets	23,518	21	23,869	22	-352	(1)
Total Assets	111,266	100	107,954	100	3,313	3
Liabilities						
Short Term Debts and Commercial Paper Payable	619	1	3,009	3	-2,390	(79)
Accounts Payable and Other Payable	8,556	8	4,964	5	3,592	72
Accrued Expenses and Other Current Liabilities	10,103	9	13,500	13	-3,397	(25)
Current Portion of Long Term Liabilities	8,893	8	9,035	8	-142	(2)
Total Current Liabilities	28,172	25	30,508	28	-2,336	(8)
Long Term Bonds Payable	10,020	9	10,350	10	-330	(3)
Other Long Term Liabilities	13,052	12	5,805	5	7,247	125
Total Long Term Liabilities	23,072	21	16,155	15	6,917	43
		0		0		
Other Liabilities	353	0	334	0	19	6
Total Liabilities	51,597	46	46,997	44	4,599	10
Shareholder's Equity						
Capital Stock	33,919	30	26,978	25	6,941	26
Capital Stock to be Issued	3,392	3	6,935	6	-3,543	(51)
Capital Surplus	12,606	11	14,456	13	-1,850	(13)
Legal Reserve	2,697	2	1,878	2	819	44
Retain Earnings	7,056	6	10,706	10	-3,650	(34)
Cumulative Translation Adjustments	0	0	3	0	-3	(104)
Total Shareholder's Equity	59,670	54	60,957	56	-1,287	(2)
Total Liabilities and Shareholder's Equity	111,266	100	107,954	100	3,313	3

FAR EASTONE TELECOMMUNICATIONS CO., LTD.
UNCONSOLIDATED INCOME STATEMENT
As of June 30, and The Three Months Ended June 30, 2004 and 2003
(In Million New Taiwan Dollars)

	Year on Year Comparison			Quarter on Quarter Comparison		
	1H 2004	1H 2003	YoY	2Q 2004	1Q 2004	QoQ
	% of Sales	% of Sales	%	% of Sales	% of Sales	%
Equipment Revenue and Others	1,415	1,155	22	647	768	-16
Service Revenue	18,262	16,567	10	9,217	9,045	2
Total Operating Revenue	19,677	17,722	11	9,864	9,813	1
Cost of Good Sold	9,586	8,889	8	4,749	4,837	-2
Gross Profit	10,091	8,833	14	5,115	4,976	3
Operating Expenses						
Selling and Marketing Expenses	2,946	2,993	(2)	1,330	1,616	-18
General and administrative	1,842	1,788	3	931	911	2
Research and development	150	151	(1)	76	74	3
Operating Income	5,154	3,901	32	2,778	2,376	17
EBITDA	8,691	7,365	18	4537	4153	9
Service EBITDA	8,762	7,412	18	4547	4215	8
EBITDA Margin (%)	44.2	41.6		46.0	42.3	
Service EBITDA Margin (%)	48.0	44.7		49.3	46.6	
Net Non Operating Income (Loss)	2,132	(195)	(1,194)	1,056	1,075	-2
Earnings before Income Tax	7,285	3,707	97	3,834	3,451	11
Income Tax Benefit (Expense)	(256)	106	(342)	(135)	(121)	12
Net Income	7,029	3,812	84	3,699	3,331	11
EPS (NT\$)	2.07	1.12		1.09	0.98	
Diluted EPS (NT\$)*	1.88	1.02		0.99	0.89	

* Diluted EPS based on end of 2004 forecast shares

FAR EASTONE TELECOMMUNICATIONS CO., LTD.
UNCONSOLIDATED BALANCE SHEET
As six months end 2004 and 2003
(In million New Taiwan Dollars)

Assets	1H 2004		1H 2003		YoY	
		%		%	Change	%
Cash, Cash Equivalents, and S-T Investment	3,956	4	5,442	9	-1,486	(27)
Accounts Receivable	3,870	4	3,793	6	77	2
Prepaid Expenses	1,887	2	1,794	3	92	5
Other Current Assets	2,251	2	1,079	2	1,172	109
Total Current Assets	11,963	13	12,108	20	-145	(1)
Long Term Investment	42,287	47	8,086	13	34,201	423
Properties	60,680	67	57,693	93	2,987	5
Less Accumulated Depreciation	27,998	31	20,847	34	7,151	34
Construction in Progress and Advance Equip.	1,976	2	2,573	4	-597	(23)
Net Properties	34,657	38	39,419	64	-4,761	(12)
Other Assets	1,515	2	2,149	3	-635	(30)
Total Assets	90,422	100	61,762	100	28,660	46
Liabilities						
Short Term Debts						
Accounts Payable and Other Payable	6,770	7	5,227	8	1,543	30
Accrued Expenses and Other Current Liabilities	6,759	7	4,726	8	2,033	43
Current Portion of Long Term Liabilities	4,557	5	616	1	3,941	640
Total Current Liabilities	18,086	20	10,569	17	7,517	71
Long Term Bonds Payable	9,000	10	10,632	17	-1,632	(15)
Other Long Term Liabilities	3,420	4	0	0	3,420	N/A
Total Long Term Liabilities	12,420	14	10,632	17	1,788	17
Other Liabilities	246	0	1,906	3	-1,660	(87)
Total Liabilities	30,752	34	23,107	37	7,645	33
Shareholder's Equity						
Capital Stock	33,919	38	23,058	37	10,861	47
Capital Stock to be Issued	3,392	4	3,920	6	-528	(13)
Capital Surplus	12,606	14	5,974	10	6,633	111
Legal Reserve	2,697	3	1,878	3	819	44
Retain Earnings	7,056	8	3,822	6	3,234	85
Cumulative Translation Adjustments	0	0	3	0	-3	(104)
Total Shareholder's Equity	59,670	66	38,655	63	21,015	54
Total Liabilities and Shareholder's Equity	90,422	100	61,762	100	28,660	46