

FAR EASTONE TELECOMMUNICATIONS CO., LTD.
CONSOLIDATED BALANCE SHEET
As of March 31, 2005 and 2004
(In million New Taiwan Dollars)

Assets	1Q 2005		1Q 2004		YoY	
		%		%	Change	%
Cash, Cash Equivalents, and S-T Investment	10,805	10	2,756	3	8,049	292
Accounts Receivable	5,924	5	6,427	6	(503)	(8)
Prepaid Expenses	1,654	2	2,515	2	(861)	(34)
Other Current Assets	2,924	3	3,227	3	(303)	(9)
Total Current Assets	21,307	19	14,925	14	6,382	43
Long Term Investment	670	1	1,755	2	(1,085)	(62)
Properties	106,035	96	100,408	93	5,627	6
Less Accumulated Depreciation	50,012	45	37,459	35	12,553	34
Construction in Progress and Advance Equip.	8,780	8	4,456	4	4,324	97
Net Properties	64,803	59	67,405	62	(2,602)	(4)
Other Assets	23,294	21	23,869	22	(575)	(2)
Total Assets	110,074	100	107,954	100	2,120	2
Liabilities						
Short Term Debts	2,741	2	1,300		1,441	111
Accounts Payable and Other Payables	7,731	7	6,673	6	1,058	16
Accrued Expenses and Other Current Liabilities	9,281	8	13,500	13	(4,219)	(31)
Current Portion of Long Term Liabilities	4,370	4	9,035	8	(4,665)	(52)
Total Current Liabilities	24,123	22	30,508	28	(6,385)	(21)
Long Term Bonds Payable	6,530	6	10,350	10	(3,820)	(37)
Other Long Term Liabilities	3,638	3	5,805	5	(2,167)	(37)
Total Long Term Liabilities	10,168	9	16,155	15	(5,987)	(37)
Other Liabilities	361	0	334	0	27	8
Total Liabilities	34,652	31	46,997	44	(12,345)	(26)
Shareholder's Equity						
Capital Stock	38,727	35	26,978	25	11,749	44
Capital Stock to be Issued	-		6,935	6	(6,935)	-
Capital Surplus	14,993	14	14,456	13	537	4
Legal Reserve	2,697	2	1,879	2	818	44
Retain Earnings	17,865	16	10,706	10	7,159	67
Cumulative Translation Adjustments	1	0	3	0	(2)	(73)
Minority Interest	1,139		-		1,139	-
Total Shareholder's Equity	75,422	69	60,957	56	14,465	24
Total Liabilities and Shareholder's Equity	110,074	100	107,954	100	2,120	2

Note: (1) 1Q 2005 figures are based on audited draft

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

FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
For The Three Months Ended March 31, 2005 and 2004
(In Million New Taiwan Dollars)

	1Q 2005		1Q 2004		YoY	
		% of Sales		% of Sales	Change	%
Equipment Revenue	2,056	12	1,004	6	1,052	105
Service Revenue	15,370	88	15,162	94	208	1
Total Operating Revenue	17,426	100	16,166	100	1,260	8
Cost of Good Sold	8,716	50	7,829	48	887	11
Gross Profit	8,710	50	8,337	52	373	4
Operating Expenses						
Selling and Marketing Expenses	2,209	13	2,516	16	(307)	(12)
General and administrative	1,687	10	1,696	10	(9)	(1)
Research and development	84	0	96	1	(12)	(12)
Operating Income	4,730	27	4,029	25	701	17
EBITDA	7,872		7,138		734	10
Service EBITDA	7,997		7,218		779	11
EBITDA Margin (%)	45.2		44.2			
Service EBITDA Margin (%)	52.0		47.6			
Net Non Operating Income (Loss)	(101)	(1)	(151)	(1)	50	(33)
Consolidated Earnings before Income Tax	4,629	27	3,878	24	751	19
Income Tax Expense	845	5	547	3	298	55
Consolidated Income before Minority Interest	3,784	22	3,331	21	453	14
Minority Interest	11	0	-	-	-	-
Net Income	3,795	22	3,331	21	464	14
EPS--3,873 mn shrs (NT\$)	0.98		0.86			

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

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FAR EASTONE TELECOMMUNICATIONS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW
 For The Three Months Ended March 31, 2005 and 2004
 (In Million New Taiwan Dollars)

	1Q 2005	1Q 2004	YoY	
			Change	%
Consolidated net income	3,795	3,331	464	14
Depreciation and amortization (excluding 3G concession)	3,020	3,109	(89)	(3)
Amortization of 3G concession	121	-	121	-
Other cash provided by / (used in) operation	1,540	573	967	169
<u>Net cash provided by / (used in) operating activities</u>	<u>8,476</u>	<u>7,013</u>	<u>1,463</u>	<u>21</u>
Increase in properties	(837)	(992)	155	(16)
% of service revenue	-5.5%	-6.5%		
Decrease in payable related to acquisition of properties	(801)	(833)	32	(4)
<u>Free Cash Flow</u>	<u>6,838</u>	<u>5,188</u>	<u>1,650</u>	<u>32</u>

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

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

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