

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

Assets	3Q 2004		2Q 2004		QoQ	
		%		%	Change	%
Cash, Cash Equivalents and S-T Investments	3,891	4	8,841	8	(4,950)	(56)
Accounts Receivable	6,646	6	6,842	6	(196)	(3)
Prepaid Expenses	2,242	2	2,225	2	17	1
Other Current Assets	2,483	2	2,428	2	55	2
Total Current Assets	15,261	15	20,336	18	(5,075)	(25)
Long Term Investment	1,848	2	1,734	2	114	7
Properties	103,373	99	102,793	92	580	1
Less Accumulated Depreciation	44,948	43	42,096	38	2,852	7
Construction in Progress and Advance Equip.	5,997	6	4,981	4	1,016	20
Net Properties	64,422	62	65,679	59	(1,256)	(2)
Other Assets	23,208	22	23,518	21	(309)	(1)
Total Assets	104,740	100	111,266	100	(6,526)	(6)
Short Term Debts	1,200	1	619	1	581	94
Accounts Payable and Other Payables	6,078	6	8,556	8	(2,478)	(29)
Accrued Expenses and Other Current Liabilities	9,369	9	10,103	9	(734)	(7)
Current Portion of Long Term Liabilities	8,226	8	8,893	8	(667)	(8)
Total Current Liabilities	24,873	24	28,172	25	(3,298)	(12)
Long Term Bonds Payable	9,000	9	10,020	9	(1,020)	(10)
Other Long Term Liabilities	6,149	6	13,052	12	(6,903)	(53)
Total Long Term Liabilities	15,149	14	23,072	21	(7,923)	(34)
Other Liabilities	322	0	353	0	(31)	(9)
Total Liabilities	40,344	39	51,597	46	(11,252)	(22)
Capital Stock	37,632	36	33,919	30	3,713	11
Capital Stock to be Issued	0	0	3,392	3	(3,392)	(100)
Capital Surplus	13,177	13	12,606	11	571	5
Legal Reserve	2,697	3	2,697	2	0	0
Retain Earnings	10,884	10	7,056	6	3,828	54
Cumulative Translation Adjustments	6	0	0	0	7	(5095)
Total Shareholder's Equity	64,396	61	59,670	54	4,726	8
Total Liabilities and Shareholder's Equity	104,740	100	111,266	100	(6,526)	(6)

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 June 30, 2004 and September 30, 2004
(In Million New Taiwan Dollars)

	3Q 2004		2Q 2004		QoQ
		% of Sales		% of Sales	
Equipment Revenue and Others	1,104	7	932	6	18
Service Revenue	15,584	93	15,248	94	2
Total Operating Revenue	16,688	100	16,180	100	3
	0				
Cost of Good Sold	8,073	48	7,657	47	5
Gross Profit	8,615	52	8,523	53	1
	0				
Operating Expenses	0				
Selling and Marketing Expenses	1,968	12	2,024	13	(3)
General and administrative	1,650	10	1,852	11	(11)
Research and development	97	1	33	0	193
	0				
Operating Income	4,887	29	4,614	29	6
EBITDA	8,000		7,717		4
Service EBITDA	8,154		7,733		5
EBITDA Margin (%)	47.9		47.7		
Service EBITDA Margin (%)	52.3		50.7		
Net Non Operating Income (Loss)	(473)	(3)	(301)	(2)	57
	0		0		
Consolidated Earnings before Income Tax	4,414	26	4,313	27	2
	0				
Income Tax Expense	586	4	615	4	(5)
	0				
Net Income	3,828	23	3,699	23	4
EPS--3,763 mn shrs (NT\$)	1.02		0.98		
Fully diluted EPS--3,873 mn shrs (NT\$)	0.99		0.96		

Note:

All fully diluted EPS are NOT adjusted by interest expenses difference

The information contented in all financial statements are audited drafts.

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

	3Q 2004		3Q 2003		YoY	
Assets		%		%	Change	%
Cash, Cash Equivalents, and S-T Investment	1,999	2	5,796	9	(3,797)	(66)
Accounts Receivable	3,724	4	3,820	6	(96)	(3)
Prepaid Expenses	1,802	2	1,991	3	(189)	(9)
Other Current Assets	2,280	3	1,686	3	593	35
Total Current Assets	9,805	11	13,293	22	(3,489)	(26)
Long Term Investment	43,534	49	8,072	13	35,463	439
Properties	61,170	69	58,442	95	2,728	5
Less Accumulated Depreciation	29,823	34	22,598	37	7,226	32
Construction in Progress and Advance Equip.	1,921	2	2,294	4	(373)	(16)
Net Properties	33,268	38	38,139	62	(4,871)	(13)
Other Assets	1,499	2	2,139	3	(641)	(30)
Total Assets	88,105	100	61,643	100	26,462	43
Liabilities						
Short Term Debts	1,200	1				
Accounts Payable and Other Payables	3,231	4	2,993	5	237	8
Accrued Expenses and Other Current Liabilities	6,263	7	4,805	8	1,458	30
Current Portion of Long Term Liabilities	3,710	4	616	1	3,094	502
Total Current Liabilities	14,404	16	8,414	14	5,990	71
Long Term Bonds Payable	9,000	10	10,543	17	(1,543)	(15)
Other Long Term Liabilities	44	0	0	0	44	
Total Long Term Liabilities	9,044	10	10,543	17	(1,499)	(14)
Other Liabilities	260	0	1,828	3	(1,568)	(86)
Total Liabilities	23,709	27	20,785	34	2,924	14
Shareholder's Equity						
Capital Stock	37,632	43	26,978	44	10,654	39
Capital Stock to be Issued						
Capital Surplus	13,177	15	5,974	10	7,203	121
Legal Reserve	2,697	3	1,878	3	819	44
Retain Earnings	10,884	12	6,025	10	4,859	81
Cumulative Translation Adjustments	6	0	3	0	3	113
Total Shareholder's Equity	64,396	73	40,858	66	23,539	58
Total Liabilities and Shareholder's Equity	88,105	100	61,643	100	26,462	43

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

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

	Year on Year Comparison			Quarter on Quarter Comparison		
	1~3Q 2004	1~3Q 2003	YoY	3Q 2004	2Q 2004	QoQ
	% of Sales	% of Sales	%	% of Sales	% of Sales	%
Equipment Revenue and Others	2,242	1,589	41	838	641	31
Service Revenue	27,765	25,561	9	9,493	9,222	3
Total Operating Revenue	30,007	27,150	11	10,330	9,864	5
Cost of Good Sold	14,746	13,528	9	5,161	4,749	9
Gross Profit	15,261	13,622	12	5,170	5,115	1
Operating Expenses				0	0	
Selling and Marketing Expenses	4,140	4,526	(9)	1,194	1,330	(10)
General and administrative	2,730	2,703	1	889	931	(5)
Research and development	227	229	(1)	77	76	2
				0	0	
Operating Income	8,163	6,163	32	3,010	2,778	8
EBITDA	13,625	11,434	19	4,843	4,591	5
Service EBITDA	13,811	11,626	19	4,958	4,601	8
EBITDA Margin (%)	45.4	42.1		46.9	46.0	
Service EBITDA Margin (%)	49.7	45.5		52.2	49.3	
Net Non Operating Income (Loss)	3,088	(181)	(1,808)	956	1,056	(9)
Earnings before Income Tax	11,251	5,982	88	3,966	3,834	3
Income Tax Benefit (Expense)	394	(34)	(1,268)	138	135	2
Net Income	10,857	6,016	80	3,828	3,699	4
EPS--3,763 mn shrs (NT\$)	2.89	1.60		1.02	0.98	
Fully diluted EPS--3,873 mn shrs (NT\$)	2.80	1.55		0.99	0.96	

Note:

All fully diluted EPS are NOT adjusted by interest expenses difference
The information contented in all financial statements are audited drafts.