

VIA TECHNOLOGIES, INC.

**Financial Statements for the
Six Months Ended June 30, 2002 and 2001**

VIA TECHNOLOGIES, INC.

BALANCE SHEET

JUNE 30, 2002 AND 2001

(In Thousands of New Taiwanese Dollars)

ASSETS	2002	2001	LIABILITIES AND STOCKHOLDERS' EQUITY	2002	2001
CURRENT ASSETS:			CURRENT LIABILITIES:		
Cash and cash equivalents	\$ 9,783,967	\$ 8,601,755	Notes payable	\$ 17,048	\$ 2,637
Short-term investments	248,353	18,633	Accounts payable	1,763,681	2,635,314
Notes receivable, net	1,278,742	907,770	Notes and accounts payable to related parties	882,418	1,273,049
Accounts receivable, net	1,868,505	2,042,253	Income tax payable	135,051	309,532
Notes and accounts receivable from related parties, net	594,299	936,940	Accrued expenses	561,327	978,839
Inventories	3,888,749	4,623,976	Current portion of long-term liabilities	12,935	-
Other current assets	673,504	746,515	Other current liabilities	1,645,866	1,489,876
Total current assets	18,336,119	17,877,842	Total current liabilities	5,018,326	6,689,247
LONG-TERM INVESTMENTS	11,708,349	14,280,078	LONG-TERM LIABILITIES:		
			Corporate bonds payable	4,722,950	4,487,385
			Lease payable	19,217	-
			Total long-term liabilities	4,742,167	4,487,385
PROPERTY, PLANT AND EQUIPMENT:					
Land	842,977	624,855	OTHER LIABILITIES	106,794	86,065
Buildings and improvements	534,598	451,860			
Machinery and equipment	786,825	692,242			
Computer equipment	237,713	130,275	Total liabilities	9,867,287	11,262,697
Research and development equipment	296,459	237,419			
Transportation equipment	8,168	8,168			
Furniture and fixtures	52,176	47,864			
Leasehold assets	43,502	-			
Leasehold improvements	146,456	124,907			
			STOCKHOLDERS' EQUITY:		
Subtotal	2,948,874	2,317,590	Capital stock	9,468,000	5,767,500
Less accumulated depreciation	(842,186)	(493,855)	Stock dividend to be distributed	2,450,540	3,700,500
Prepayments on purchase of equipment, land and buildings	82,460	123,809	Capital surplus:		
			Additional paid-in capital	8,073,500	8,073,500
Property, plant and equipment, net	2,189,148	1,947,544	Gain on disposal of property, plant and equipment	1,770	1,942
			Long-term equity investment	90,071	72,348
			Retained earnings:		
OTHER ASSETS:			Legal reserve	1,663,733	1,131,278
Leased-out assets	469,179	462,154	Unappropriated earnings	4,231,408	4,861,778
Refundable deposits	12,054	9,611	Unrealized valuation losses on long-term equity investments	(370,704)	(66,650)
Deferred charges	1,144,625	537,848	Cumulative translation adjustments	536,952	699,799
Deferred tax asset	518,529	389,615	Treasury stock	(1,634,554)	-
Total other assets	2,144,387	1,399,228	Total stockholders' equity	24,510,716	24,241,995
TOTAL	\$ 34,378,003	\$ 35,504,692	TOTAL	\$ 34,378,003	\$ 35,504,692

VIA TECHNOLOGIES, INC.

STATEMENTS OF INCOME
SIX MONTHS ENDED JUNE 30, 2002 AND 2001
(In Thousands of New Taiwanese Dollars, Except Per Share Data)

	2002	2001
OPERATING REVENUES:		
Sales	\$ 14,025,044	\$ 19,365,251
Less:		
Sales returns	(98,162)	(89,191)
Sales discounts	(1,453,362)	(1,140,184)
Net sales	12,473,520	18,135,876
Other operating revenue	2,236	26,506
Total operating revenues	12,475,756	18,162,382
COST OF OPERATING REVENUES	(7,786,953)	(11,675,808)
GROSS PROFIT	4,688,803	6,486,574
OPERATING EXPENSES	(2,567,608)	(2,196,362)
INCOME FROM OPERATIONS	2,121,195	4,290,212
NON-OPERATING INCOME:		
Interest income	71,362	130,527
Gain on disposal of property, plant and equipment	67	229
Gain on sale of investments	365,590	30,231
Foreign exchange gain	-	177,408
Rental income	13,250	12,422
Recovery from loss on short-term investment devaluation	-	18,577
Gain on bad debt recovery	-	2,241
Other	20,785	20,589
Total non-operating income	471,054	392,224
NON-OPERATING EXPENSES:		
Interest expenses	122,649	112,537
Investment losses	1,077,508	916,680
Loss on disposal of property, plant and equipment	-	370
Loss on short-term investment devaluation	20,643	-
Loss on physical inventory	13,164	7,268
Foreign exchange loss	87,170	-
Loss on inventory devaluation	126,506	178,379
Other	1,574	2,097
Total non-operating expenses	1,449,214	1,217,331
INCOME BEFORE INCOME TAX	1,143,035	3,465,105
PROVISION FOR INCOME TAX	(22,786)	(147,142)
NET INCOME	\$ 1,120,249	\$ 3,317,963
PRIMARY EARNINGS PER SHARE BEFORE INCOME TAX	\$ 1.22	\$ 3.71
PRIMARY EARNINGS PER SHARE AFTER INCOME TAX	\$ 1.20	\$ 3.55

VIA TECHNOLOGIES, INC.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
SIX MONTHS ENDED JUNE 30, 2002 AND 2001
(In Thousands of New Taiwanese Dollars)

	Capital Surplus					Retained Earnings					Treasury Stock	Total
	Capital Stock	Stock Dividend to be Distributed	Additional Paid-in Capital	Gain on Disposal of Property, Plant and Equipment	Long-Term Equity Investment	Legal Reserve	Special Reserve	Unappropriated Earnings	Unrealized Valuation Losses on Long-Term Equity Investment	Cumulative Translation Adjustments		
BALANCE, JANUARY 1, 2001	\$ 5,767,500	\$ -	\$ 8,073,500	\$ 1,770	\$ 2	\$ 477,013	\$ 41,552	\$ 6,683,297	(\$109,872)	\$ 386,821	\$ -	\$ 21,321,583
Appropriation and distribution of 2000 net income:												
Legal reserve						654,265		(654,265)				-
Recovery from special reserve							(41,552)	41,552				-
Cash dividends								(576,750)				(576,750)
Stock dividends and transfer of employees bonuses to capital stock		3,700,500						(3,700,500)				-
Directors' remuneration								(42,824)				(42,824)
Employees bonuses								(56,426)				(56,426)
Effect of changes of ownership interest in equity method investees					72,346			(150,097)				(77,751)
Recovery from unrealized valuation losses on long-term equity investment									43,222			43,222
Translation adjustments on long-term investments										312,978		312,978
Net income for the six months ended June 30, 2001								3,317,963				3,317,963
Transfer of gain (net of tax) on disposal of property, plant and equipment to capital surplus				172				(172)				-
BALANCE, JUNE 30, 2001	\$ 5,767,500	\$ 3,700,500	\$ 8,073,500	\$ 1,942	\$ 72,348	\$ 1,131,278	\$ -	\$ 4,861,778	(\$66,650)	\$ 699,799	\$ -	\$ 24,241,995
BALANCE, JANUARY 1, 2002	\$ 9,468,000	\$ -	\$ 8,073,500	\$ 1,770	\$ 74,654	\$ 1,131,279	\$ -	\$ 6,868,531	(\$165,238)	\$ 842,133	\$ -	\$ 26,294,629
Appropriation and distribution of 2001 net income:												
Legal reserve						532,454		(532,454)				-
Cash dividends								(757,440)				(757,440)
Stock dividends and transfer of employees bonuses to capital stock		2,450,540						(2,450,540)				-
Employees bonuses								(3,779)				(3,779)
Effect of changes of ownership interest in equity method investees					15,417			(13,159)				2,258
Unrealized valuation losses on long-term equity investment									(205,466)			(205,466)
Translation adjustments on long-term investments										(305,181)		(305,181)
Net income for the six months ended June 30, 2002								1,120,249				1,120,249
Transfer of long-term investments to treasury stock											(1,634,554)	(1,634,554)
BALANCE, JUNE 30, 2002	\$ 9,468,000	\$ 2,450,540	\$ 8,073,500	\$ 1,770	\$ 90,071	\$ 1,663,733	\$ -	\$ 4,231,408	(\$370,704)	\$ 536,952	(\$1,634,554)	\$ 24,510,716

VIA TECHNOLOGIES, INC.

STATEMENTS OF CASH FLOWS

SIX MONTHS ENDED JUNE 30, 2002 AND 2001

(In Thousands of New Taiwanese Dollars, Except Per Share Data)

	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 1,120,249	\$ 3,317,963
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	466,164	285,101
Provision for redemption of convertible bonds	117,813	111,936
Gain on sale of long-term investment	(247,147)	(896)
Loss on disposal of property, plant and equipment	-	370
Gain on disposal of property, plant and equipment	(67)	(229)
Equity in net loss of affiliates	1,067,508	878,180
Equity in cash dividends of affiliates	8,721	-
Loss on long-term investment devaluation	10,000	38,500
Changes in assets and liabilities provided (used) cash:		
Short-term investments	(203,125)	29,753
Notes receivable	515,422	209,393
Accounts receivable	506,317	1,063,246
Notes and accounts receivable from related parties	(193,734)	(130,634)
Inventories	46,008	(1,351,194)
Other current assets	12,024	(128,356)
Notes payable	15,977	(9,380)
Accounts payable	(1,320,855)	205,421
Notes and accounts payable due to related parties	(314,425)	873,516
Income tax payable	(331,516)	105,505
Accrued expenses	(707,397)	(181,212)
Other current liabilities	(96,907)	(52,958)
Other liabilities	25,847	36,763
Deferred tax asset - current	10,581	94,767
Deferred tax asset - noncurrent	(116,040)	(277,207)
Total adjustments	(728,831)	1,800,385
Net cash provided by operating activities	391,418	5,118,348
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property, plant, equipment and leased-out assets	(409,763)	(431,423)
Proceeds from disposal of property, plant and equipment	31,422	2,824
Payment for long-term investments	(1,238,633)	(1,341,263)
Proceeds from sale of long-term investments	351,362	111,952
Decrease (increase) in refundable deposits	2,267	(281)
Increase in deferred charges	(451,063)	(189,298)
Net cash used in investing activities	(1,714,408)	(1,847,489)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in long-term loans	(7,369)	(66,386)
Increase in guarantee deposits received	1,440	364
Net cash provided by(used in) financing activities	(5,929)	(66,022)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,328,919)	3,204,837
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	11,112,886	5,396,918
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	\$ 9,783,967	\$ 8,601,755

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VIA TECHNOLOGIES, INC.

STATEMENTS OF CASH FLOWS

SIX MONTHS ENDED JUNE 30, 2002 AND 2001

(In Thousands of New Taiwanese Dollars, Except Per Share Data)

	2002	2001
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION -		
Cash paid during the period for:		
Interest	\$ 4,836	\$ 736
Income tax	\$ 394,518	\$ 224,077
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Current portion of long-term liabilities	\$ 12,935	\$ -
Transfer of long-term investments to treasury stock	\$ 1,634,554	\$ -
Transfer of property, plant and equipment to leased-out assets	\$ 20,540	\$ 23,383
Transfer of unappropriated earnings and bonuses to employees to capital stock	\$ 2,450,540	\$ 3,700,500
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT:		
Increase in property, plant, equipment and leased-out assets	\$ 290,697	\$ 481,643
Decrease (increase) in payable due to acquisition of property, plant and equipment	119,066	(50,220)
Cash payment	\$ 409,763	\$ 431,423
PURCHASE OF DEFERRED CHARGES:		
Increase in deferred charges	\$ 334,426	\$ 10,446
Decrease in payable due to acquisition of deferred charges	116,637	178,852
Cash payment	\$ 451,063	\$ 189,298
Bonuses to employees and directors' remuneration	\$ 3,779	\$ 99,250
Add payable due to employees bonuses and directors' remuneration, beginning of the period	130,370	31,120
Minus payable due to employees bonuses and directors' remuneration, end of the period	(134,149)	(130,370)
Cash payment	\$ -	\$ -
Cash dividends	\$ 757,440	\$ 576,750
Add payable due to cash dividends, beginning of the period	-	-
Minus payable due to cash dividends, end of the period	(757,440)	(576,750)
Cash payment	\$ -	\$ -

(Concluded)