

VIA TECHNOLOGIES, INC.

**Financial Statements for the
Period Ended September 30, 2002 and 2001**

VIA TECHNOLOGIES, INC.

BALANCE SHEETS

SEPTEMBER 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	\$ 3,131,317	\$ 8,204,841	Notes payable	\$ 15,885	\$ 414,290
Short-term investments	7,477,530	1,837,287	Accounts payable	2,529,473	2,816,483
Notes receivable, net	1,337,485	1,431,065	Notes and accounts payable to related parties	706,208	1,600,888
Accounts receivable, net	2,074,821	2,957,577	Income tax payable	107,512	356,844
Notes and accounts receivable from related parties, net	842,847	487,597	Accrued expenses	554,426	1,001,159
Inventories	3,477,049	4,014,781	Current portion of long-term liabilities	10,696	-
Other current assets	700,091	841,951	Other current liabilities	1,935,449	920,903
Total current assets	19,041,140	19,775,099	Total current liabilities	5,859,649	7,110,567
LONG-TERM INVESTMENTS	12,341,071	13,219,921	LONG-TERM LIABILITIES:		
			Corporate bonds payable	4,783,857	4,545,255
			Lease payable	16,312	-
			Total long-term liabilities	4,800,169	4,545,255
PROPERTY, PLANT AND EQUIPMENT:			OTHER LIABILITIES	120,942	83,263
Land	863,132	700,182			
Buildings and improvements	556,999	495,637			
Machinery and equipment	791,573	703,135			
Computer equipment	245,876	165,037			
Research and development equipment	303,317	277,789			
Transportation equipment	8,168	8,168			
Furniture and fixtures	53,055	48,392			
Leasehold assets	43,502	-			
Leasehold improvements	147,075	133,944			
Subtotal	3,012,697	2,532,284	STOCKHOLDERS' EQUITY:		
Less accumulated depreciation	(937,626)	(579,550)	Capital stock	11,918,540	9,468,000
Prepayments on purchase of equipment, land and buildings	190,800	68,043			
			Capital surplus:		
Property, plant and equipment, net	2,265,871	2,020,777	Additional paid-in capital	8,073,500	8,073,500
			Gain on disposal of property, plant and equipment	1,770	1,942
			Long-term equity investment	99,334	72,348
			Retained earnings:		
			Legal reserve	1,663,733	1,131,278
			Unappropriated earnings	4,275,491	5,743,750
			Unrealized valuation losses on long-term equity investments	(459,158)	(494,385)
			Cumulative translation adjustments	1,101,289	720,756
			Treasury stock	(1,634,554)	-
OTHER ASSETS:			Total stockholders' equity	25,039,945	24,717,189
Leased-out assets	467,616	438,053			
Refundable deposits	12,532	11,611			
Deferred charges	1,138,732	645,866			
Deferred tax asset	553,743	344,947			
Total other assets	2,172,623	1,440,477			
TOTAL	\$ 35,820,705	\$ 36,456,274	TOTAL	\$ 35,820,705	\$ 36,456,274

VIA TECHNOLOGIES, INC.

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

	2002	2001
OPERATING REVENUES:		
Sales	\$ 20,587,129	\$ 28,167,213
Less:		
Sales returns	(368,167)	(113,285)
Sales discounts	(1,742,822)	(2,043,496)
Net sales	18,476,140	26,010,432
Other operating revenue	3,243	26,855
Total operating revenues	18,479,383	26,037,287
COST OF OPERATING REVENUES	(12,207,671)	(16,565,391)
GROSS PROFIT	6,271,712	9,471,896
UNREALIZED PROFIT FROM INTERCOMPANY TRANSACTIONS	(4,184)	-
REALIZED GROSS PROFIT	6,267,528	9,471,896
OPERATING EXPENSES	(3,692,324)	(3,523,585)
INCOME FROM OPERATIONS	2,575,204	5,948,311
NON-OPERATING INCOME:		
Interest income	100,480	197,793
Gain on disposal of property, plant and equipment	67	229
Gain on sale of investments	480,013	41,126
Foreign exchange gain	-	257,636
Rental income	21,846	18,441
Recovery on short-term investment devaluation	-	14,431
Other	36,053	28,874
Total non-operating income	638,459	558,530
NON-OPERATING EXPENSES:		
Interest expenses	186,050	170,970
Investment losses	1,686,118	1,722,512
Loss on disposal of property, plant and equipment	-	370
Loss on short-term investment devaluation	13,291	-
Loss on physical inventory	11,239	9,361
Foreign exchange loss	56,826	-
Loss on inventory devaluation	110,627	219,641
Other	2,431	3,496
Total non-operating expenses	2,066,582	2,126,350
INCOME BEFORE INCOME TAX	1,147,081	4,380,491
INCOME TAX BENEFIT (EXPENSE)	17,251	(180,556)
NET INCOME	\$ 1,164,332	\$ 4,199,935
PRIMARY EARNINGS PER SHARE BEFORE INCOME TAX	\$ 0.98	\$ 3.72
PRIMARY EARNINGS PER SHARE AFTER INCOME TAX	\$ 0.99	\$ 3.57

VIA TECHNOLOGIES, INC.

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

	Capital Surplus				Retained Earnings			Unrealized Valuation Losses on Long-Term Equity Investment	Cumulative Translation Adjustments	Treasury Stock	Total
	Capital Stock	Additional Paid-in Capital	Gain on Disposal of Property, Plant and Equipment	Long-Term Equity Investment	Legal Reserve	Special Reserve	Unappropriated Earnings				
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)
Unrealized valuation losses on long-term equity investment								(384,513)			(384,513)
Translation adjustments on long-term investments									333,935		333,935
Net income for the period ended September 30, 2001							4,199,935				4,199,935
Transfer of gain (net of tax) on disposal of property, plant and equipment to capital surplus			172				(172)				-
BALANCE, SEPTEMBER 30, 2001	\$ 9,468,000	\$ 8,073,500	\$ 1,942	\$ 72,348	\$ 1,131,278	\$ -	\$ 5,743,750	(\$494,385)	\$ 720,756	\$ -	\$ 24,717,189
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				24,680			(13,159)				11,521
Unrealized valuation losses on long-term equity investment								(293,920)			(293,920)
Translation adjustments on long-term investments									259,156		259,156
Net income for the period ended September 30, 2002							1,164,332				1,164,332
Transfer of long-term investments to treasury stock										(1,634,554)	(1,634,554)
BALANCE, SEPTEMBER 30, 2002	\$ 11,918,540	\$ 8,073,500	\$ 1,770	\$ 99,334	\$ 1,663,733	\$ -	\$ 4,275,491	(\$459,158)	\$ 1,101,289	(\$1,634,554)	\$ 25,039,945

VIA TECHNOLOGIES, INC.

STATEMENTS OF CASH FLOWS

PERIOD ENDED SEPTEMBER 30, 2002 AND 2001

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

	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 1,164,332	\$ 4,199,935
Adjustments to reconcile net income to net cash provided by(used in) operating activities:		
Depreciation and amortization	725,362	462,906
Provision for redemption of convertible bonds	178,720	169,806
Gain on sale of long-term investment	(317,331)	(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	1,676,118	1,684,012
Equity in cash dividends of affiliates	70,717	-
Loss on long-term investment devaluation	10,000	38,500
Changes in assets and liabilities provided (used) cash:		
Short-term investments	(7,432,302)	(1,788,901)
Notes receivable	456,679	(313,902)
Accounts receivable	300,001	147,922
Notes and accounts receivable from related parties	(442,282)	318,709
Inventories	457,708	(741,999)
Other current assets	(35,301)	(161,598)
Notes payable	14,814	402,273
Accounts payable	(555,063)	386,590
Notes and accounts payable due to related parties	(490,635)	1,201,355
Income tax payable	(359,055)	152,817
Accrued expenses	(714,298)	(158,892)
Other current liabilities	(26,369)	(183,282)
Other liabilities	31,183	39,559
Deferred tax asset - current	31,319	32,573
Deferred tax asset - noncurrent	(151,254)	(232,539)
Total adjustments	(6,571,336)	1,455,154
Net cash provided by(used in) operating activities	(5,407,004)	5,655,089
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property, plant, equipment and leased-out assets	(453,819)	(592,970)
Proceeds from disposal of property, plant and equipment	31,422	7,170
Payment for long-term investments	(2,076,670)	(1,499,141)
Proceeds from sale of long-term investments	450,713	111,952
Decrease (increase) in refundable deposits	1,789	(2,281)
Increase in deferred charges	(458,253)	(228,951)
Net cash used in investing activities	(2,504,818)	(2,204,221)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Bonuses to employees and directors' remuneration	(58,174)	-
Decrease in long-term loans	(12,513)	(66,386)
Cash dividends	-	(576,750)
Increase in guarantee deposits received	940	191
Net cash used in financing activities	(69,747)	(642,945)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(7,981,569)	2,807,923
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	11,112,886	5,396,918
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	\$ 3,131,317	\$ 8,204,841

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VIA TECHNOLOGIES, INC.

STATEMENTS OF CASH FLOWS

PERIOD ENDED SEPTEMBER 30, 2002 AND 2001

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

	2002	2001
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION -		
Cash paid during the period for:		
Interest	\$ 7,330	\$ 1,299
Income tax	\$ 396,496	\$ 227,705
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Current portion of long-term liabilities	\$ 10,696	\$ -
Transfer of long-term investments to treasury stock	\$ 1,634,554	\$ -
Transfer of property, plant and equipment to leased-out assets	\$ 21,769	\$ -
Transfer of unappropriated earnings and employees bonuses to capital stock	\$ 2,450,540	\$ 3,700,500
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT:		
Increase in property, plant, equipment and leased-out assets	\$ 462,859	\$ 622,116
Increase in payable due to acquisition of property, plant and equipment	(9,040)	(29,146)
Cash payment	\$ 453,819	\$ 592,970
PURCHASE OF DEFERRED CHARGES:		
Increase in deferred charges	\$ 490,729	\$ 209,274
(Increase) decrease in payable due to acquisition of deferred charges	(32,476)	19,677
Cash payment	\$ 458,253	\$ 228,951
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	(75,975)	(130,370)
Cash payment	\$ 58,174	\$ -
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)	-
Cash payment	\$ -	\$ 576,750

(Concluded)