

VIA Technologies, Inc.

**Financial Statements for the
Three Months Ended March 31, 2009 and 2008**

VIA TECHNOLOGIES, INC.

BALANCE SHEETS

MARCH 31, 2009 AND 2008

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

ASSETS	2009		2008		LIABILITIES AND STOCKHOLDERS' EQUITY	2009		2008	
	Amount	%	Amount	%		Amount	%	Amount	%
CURRENT ASSETS					CURRENT LIABILITIES				
Cash and cash equivalents	\$ 1,284,981	13	\$ 3,494,567	23	Notes payable	\$ 1,211	-	\$ 46	-
Financial assets at fair value through profit or loss	1,881,973	19	2,333,249	15	Accounts payable	681,628	7	1,454,952	10
Available-for-sale financial assets, current	40,172	-	2,363	-	Notes and accounts payable to related parties	75,025	1	65,958	-
Notes receivable, net	3,525	-	15,912	-	Income tax payable	231,188	2	864,603	6
Accounts receivable, net	368,199	4	729,295	5	Accrued expenses	381,765	4	381,332	2
Notes and accounts receivable from related parties, net	309,641	3	250,631	1	Current portion of long-term liabilities	1,255,000	12	362,500	2
Other receivables	50,057	1	724,428	5	Other current liabilities	299,524	3	398,172	3
Inventories	860,881	8	1,667,854	11					
Deferred income tax asset, current	335,274	3	706,841	5	Total current liabilities	2,925,341	29	3,527,563	23
Other current assets	47,918	-	108,156	1					
Total current assets	5,182,621	51	10,033,296	66	LONG-TERM LIABILITIES				
LONG-TERM INVESTMENTS					Corporate bonds payable	-	-	1,175,000	8
Financial assets carried at cost	76,321	1	86,234	1	Long-term bank loans	1,320,000	13	500,000	3
Long-term investment under equity method	2,317,164	23	2,499,626	16	Total long-term liabilities	1,320,000	13	1,675,000	11
Total long-term investments	2,393,485	24	2,585,860	17	OTHER LIABILITIES				
PROPERTY, PLANT AND EQUIPMENT						205,817	2	741,287	5
Land	983,643	10	1,074,878	7	Total liabilities	4,451,158	44	5,943,850	39
Buildings and improvements	584,660	6	666,838	4	STOCKHOLDERS' EQUITY				
Machinery and equipment	64,006	1	64,558	1	Common stock	12,915,172	127	13,092,369	86
Computer equipment	77,356	1	106,869	1	Capital surplus				
Research and development equipment	261,917	2	342,997	2	Additional paid-in capital	-	-	2,845,335	19
Furniture and fixtures	2,947	-	5,347	-	Long-term equity investments	240,134	2	237,140	2
Leasehold improvements	10,189	-	9,744	-	Retained earnings				
Total cost	1,984,718	20	2,271,231	15	Accumulated deficit	(8,136,780)	(80)	(5,755,134)	(38)
Less accumulated depreciation	(410,204)	(4)	(464,729)	(3)	Cumulative translation adjustments	665,048	7	467,229	3
Prepayments for business facilities	18,000	-	30,761	-	Unrealized (losses) gains on financial instruments	6,831	-	(3,602)	-
Property, Plant and equipment, net	1,592,514	16	1,837,263	12	Treasury stock	-	-	(1,641,241)	(11)
INTANGIBLE ASSETS					Total stockholders' equity	5,690,405	56	9,242,096	61
Patents	33,042	-	26,754	-					
OTHER ASSETS									
Leased-out assets	195,423	2	196,902	1					
Refundable deposits	8,079	-	11,820	-					
Deferred bonds insurance costs	420	-	1,731	-					
Deferred charges	159,940	1	215,254	2					
Deferred income tax assets, noncurrent	576,039	6	277,066	2					
Total other assets	939,901	9	702,773	5					
TOTAL	\$ 10,141,563	100	\$ 15,185,946	100	TOTAL	\$ 10,141,563	100	\$ 15,185,946	100

VIA TECHNOLOGIES, INC.

STATEMENTS OF INCOME

THREE MONTHS ENDED MARCH 31, 2009 AND 2008

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

(Reviewed, Not Audited)

	2009		2008	
	Amount	%	Amount	%
OPERATING REVENUES				
Sales	\$ 1,384,254	108	\$ 2,865,749	107
Less sales returns	(4,624)	-	(37,239)	(1)
Less sales allowance	<u>(97,618)</u>	<u>(8)</u>	<u>(148,865)</u>	<u>(6)</u>
Net sales	1,282,012	100	2,679,645	100
Other operating revenues	<u>85</u>	<u>-</u>	<u>3,403</u>	<u>-</u>
Total operating revenues	1,282,097	100	2,683,048	100
COST OF OPERATING REVENUES				
	<u>763,094</u>	<u>60</u>	<u>2,070,142</u>	<u>77</u>
GROSS PROFIT				
	519,003	40	612,906	23
UNREALIZED PROFIT FROM INTERCOMPANY TRANSACTIONS				
	(6,559)	-	(15,972)	(1)
REALIZED PROFIT FROM INTERCOMPANY TRANSACTIONS				
	<u>4,752</u>	<u>-</u>	<u>24,677</u>	<u>1</u>
REALIZED GROSS PROFIT				
	<u>517,196</u>	<u>40</u>	<u>621,611</u>	<u>23</u>
OPERATING EXPENSES				
General and administrative expenses	198,626	15	305,214	11
Research and development expenses	<u>424,930</u>	<u>33</u>	<u>449,610</u>	<u>17</u>
Total operating expenses	<u>623,556</u>	<u>48</u>	<u>754,824</u>	<u>28</u>
LOSS FROM OPERATIONS				
	<u>(106,360)</u>	<u>(8)</u>	<u>(133,213)</u>	<u>(5)</u>
NON-OPERATING INCOME				
Interest income	1,960	-	18,734	1
Gain on disposal of property, plant and equipment	773	-	3,658	-
Gain on sale of investments	328	-	402	-
Foreign currency exchange gain, net	21,904	2	3,605	-
Rental income	3,095	-	3,290	-
Valuation gain on financial assets, net	409,898	32	288,676	11
Other	<u>20,028</u>	<u>2</u>	<u>24,938</u>	<u>1</u>
Total non-operating income	<u>457,986</u>	<u>36</u>	<u>343,303</u>	<u>13</u>

(Continued)

VIA TECHNOLOGIES, INC.

STATEMENTS OF INCOME

THREE MONTHS ENDED MARCH 31, 2009 AND 2008

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

(Reviewed, Not Audited)

	2009		2008	
	Amount	%	Amount	%
NON-OPERATING EXPENSES				
Interest expenses	\$ 14,582	1	\$ 15,150	1
Investment losses under equity method	529,832	42	647,744	24
Loss on disposal of property, plant and equipment	-	-	51	-
Other	<u>14,209</u>	<u>1</u>	<u>10,044</u>	<u>-</u>
Total non-operating expenses	<u>558,623</u>	<u>44</u>	<u>672,989</u>	<u>25</u>
LOSS BEFORE INCOME TAX	(206,997)	(16)	(462,899)	(17)
INCOME TAX EXPENSE	<u>(20,486)</u>	<u>(2)</u>	<u>(17,729)</u>	<u>(1)</u>
NET LOSS	<u>\$ (227,483)</u>	<u>(18)</u>	<u>\$ (480,628)</u>	<u>(18)</u>
	2009		2008	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
BASIC LOSS PER SHARE	<u>\$ (0.16)</u>	<u>\$ (0.18)</u>	<u>\$ (0.36)</u>	<u>\$ (0.37)</u>

If the Company's stock held by subsidiaries is not considered as treasury stock:

NET LOSS	<u>\$ (227,483)</u>	<u>\$ (480,628)</u>
BASIC LOSS PER SHARE	<u>\$ (0.18)</u>	<u>\$ (0.37)</u>

(Concluded)

VIA TECHNOLOGIES, INC.

STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2009 AND 2008 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (227,483)	\$ (480,628)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization (including depreciation of leased-out assets)	63,415	94,311
Investment losses under equity method	529,832	647,744
Loss on disposal of property, plant and equipment	-	51
Gain on disposal of property, plant and equipment, intangible assets and deferred charges	(773)	(3,658)
Valuation loss on financial instruments, net	-	46
Gain on sale of investments	-	(402)
Amortization of bond issuance costs	328	328
Accrued pension cost	(739)	(236)
Deferred income tax assets	20,013	17,729
Net changes in operating assets and liabilities		
Financial assets held for trading	(409,898)	(288,722)
Financial liabilities held for trading	(1,124)	-
Notes receivable, net	184	(13,326)
Accounts receivable, net	(54,250)	(429,764)
Notes and accounts receivable from related parties, net	(72,021)	(52,922)
Other receivables	(3,402)	54,885
Inventories	170,606	935,225
Other current assets	10,112	28,599
Notes payable	(63,591)	20
Accounts payable	(68,464)	(517,671)
Notes and accounts payable to related parties	4,443	10,263
Income tax payable	(219,441)	-
Accrued expenses	(70,004)	(417,246)
Other current liabilities	<u>16,806</u>	<u>(36,235)</u>
Net cash used in operating activities	<u>(375,451)</u>	<u>(451,609)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in financial assets at fair value through profit and loss	-	(40,000)
Proceeds from disposal of financial assets at fair value through profit or loss	-	50,310
Payment for available-for-sale financial assets	-	(73,998)
Proceeds from sale of available-for-sale financial assets	2,443	74,092
Payment for long-term investments	(1,490,701)	(566,624)
Proceeds from capital reduction	270,200	-

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VIA TECHNOLOGIES, INC.

STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2009 AND 2008 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2009	2008
Decrease in other receivables from related parties, net	\$ 690,000	\$ -
Acquisition of property, plant and equipment	(685)	(9,873)
Proceeds from disposal of property, plant, equipment, intangible assets and deferred charges	3,808	160
Decrease (increase) in refundable deposits	359	423
Increase in deferred charges	<u>(36,571)</u>	<u>(56,102)</u>
Net cash used in investing activities	<u>(561,147)</u>	<u>(621,612)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(936,598)	(1,073,221)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>2,221,579</u>	<u>4,567,788</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 1,284,981</u>	<u>\$ 3,494,567</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION		
Cash paid during the period		
Interest	<u>\$ 23,048</u>	<u>\$ 24,356</u>
Income tax	<u>\$ 220,260</u>	<u>\$ 1,864</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Current portion of long-term liabilities	<u>\$ 1,255,000</u>	<u>\$ 362,500</u>
Transfer of long-term investment under equity method to other liabilities	<u>\$ (645,983)</u>	<u>\$ (18,151)</u>
Transfer of deferred credits to gain on disposal of property, plant and equipment	<u>\$ 1,333</u>	<u>\$ 651</u>
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT		
Increase in property, plant, equipment	\$ 224	\$ 7,624
Decrease in payable due to acquisition of property, plant and equipment	<u>461</u>	<u>2,249</u>
Cash payment	<u>\$ 685</u>	<u>\$ 9,873</u>
PURCHASE OF DEFERRED CHARGES		
Increase in deferred charges	\$ 28,301	\$ 4,201
Decrease in payable due to acquisition of deferred charges	<u>8,270</u>	<u>51,901</u>
Cash payment	<u>\$ 36,571</u>	<u>\$ 56,102</u>

(Continued)

VIA TECHNOLOGIES, INC.

STATEMENTS OF CASH FLOWS THREE MONTHS ENDED MARCH 31, 2009 AND 2008 (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	2009	2008
PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND DEFERRED CHARGES		
Proceeds from sale of property, plant and equipment, intangible assets and deferred charges	\$ 3,808	\$ 34,604
Increase in other receivable	<u>-</u>	<u>(34,444)</u>
Cash received	<u>\$ 3,808</u>	<u>\$ 160</u>

(Concluded)