

Via Technologies, Inc.

**Financial Statements for the
Nine Months Ended September 30, 2009 and 2008**

VIA TECHNOLOGIES, INC.

BALANCE SHEETS
SEPTEMBER 30, 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	\$ 1,147,744	12	\$ 3,034,646	22	Financial liabilities at fair value through profit or loss	\$ 2,975	-	\$ -	-
Financial assets at fair value through profit or loss	1,692,107	18	1,254,036	9	Notes payable	1,118	-	64	-
Available-for-sale financial assets, current	48,142	1	2,512	-	Accounts payable	787,029	8	1,348,074	10
Notes receivable, net	3,047	-	5,773	-	Notes and accounts payable to related parties	71,295	1	71,229	1
Accounts receivable, net	436,505	5	730,035	5	Income tax payable	231,188	3	450,629	3
Notes and accounts receivable from related parties, net	200,667	2	286,689	2	Accrued expenses	416,002	4	393,897	3
Other receivables	36,991	-	61,975	-	Current portion of long-term liabilities	160,000	2	1,175,000	9
Inventories	749,134	8	1,642,482	12	Other current liabilities	263,591	3	481,377	3
Deferred income tax asset, current	312,147	3	391,352	3					
Other current assets	47,177	1	64,506	1	Total current liabilities	1,933,198	21	3,920,270	29
Total current assets	4,673,661	50	7,474,006	54	LONG-TERM LIABILITIES				
LONG-TERM INVESTMENTS					Long-term bank loans	3,115,000	33	1,400,000	10
Financial assets carried at cost	76,321	1	86,234	-	OTHER LIABILITIES				
Long-term investments under equity method	2,176,748	23	2,729,529	20		197,292	2	729,495	5
Total long-term investments	2,253,069	24	2,815,763	20	Total liabilities	5,245,490	56	6,049,765	44
PROPERTY, PLANT AND EQUIPMENT					STOCKHOLDERS' EQUITY				
Land	1,009,082	11	983,643	7	Common stock	5,166,069	55	13,089,732	95
Buildings and improvements	595,185	6	618,079	4	Capital surplus				
Machinery and equipment	65,745	1	71,999	1	Long-term equity investments	252,293	3	239,714	2
Computer equipment	78,206	1	108,873	1	Retained earnings				
Instrument equipment	251,855	3	353,933	3	Accumulated deficit	(1,920,510)	(21)	(4,496,138)	(33)
Furniture and fixtures	2,872	-	5,349	-	Cumulative translation adjustments	610,409	7	594,029	4
Leasehold improvements	10,189	-	11,097	-	Unrealized gains (losses) on financial instruments	14,803	-	(17,492)	-
	2,013,134	22	2,152,973	16	Treasury stock	-	-	(1,633,176)	(12)
Less accumulated depreciation	(464,189)	(5)	(519,959)	(4)	Total stockholders' equity	4,123,064	44	7,776,669	56
Prepayments for business facilities	-	-	2,397	-					
Property, plant and equipment, net	1,548,945	17	1,635,411	12					
INTANGIBLE ASSETS									
Patents	25,213	-	46,051	-					
OTHER ASSETS									
Leased-out assets	194,684	2	196,163	2					
Refundable deposits	7,911	-	8,953	-					
Deferred bonds issuance costs	-	-	1,403	-					
Deferred charges	117,746	1	185,509	1					
Deferred income tax assets, noncurrent	547,325	6	551,375	4					
Restricted assets, noncurrent	-	-	911,800	7					
Total other assets	867,666	9	1,855,203	14					
TOTAL	\$ 9,368,554	100	\$ 13,826,434	100	TOTAL	\$ 9,368,554	100	\$ 13,826,434	100

VIA TECHNOLOGIES, INC.

STATEMENTS OF INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008
(In Thousands of New Taiwan Dollars, Except Loss Per Share)
(Reviewed, Not Audited)

	2009		2008	
	Amount	%	Amount	%
OPERATING REVENUES				
Sales	\$ 3,939,584	107	\$ 6,835,505	106
Less				
Sales returns	(7,830)	-	(54,072)	(1)
Sales allowance	<u>(262,284)</u>	<u>(7)</u>	<u>(324,345)</u>	<u>(5)</u>
Net sales	3,669,470	100	6,457,088	100
Other operating revenues	<u>2,685</u>	<u>-</u>	<u>5,032</u>	<u>-</u>
Total operating revenues	3,672,155	100	6,462,120	100
COST OF OPERATING REVENUES				
	<u>2,227,717</u>	<u>61</u>	<u>4,508,845</u>	<u>70</u>
GROSS PROFIT				
	1,444,438	39	1,953,275	30
UNREALIZED PROFIT FROM INTERCOMPANY TRANSACTIONS				
	(2,598)	-	(6,561)	-
REALIZED PROFIT FROM INTERCOMPANY TRANSACTIONS				
	<u>4,752</u>	<u>-</u>	<u>24,677</u>	<u>-</u>
REALIZED GROSS PROFIT				
	<u>1,446,592</u>	<u>39</u>	<u>1,971,391</u>	<u>30</u>
OPERATING EXPENSES				
General and administrative expenses	641,378	17	870,248	13
Research and development expenses	<u>1,053,983</u>	<u>29</u>	<u>1,354,118</u>	<u>21</u>
Total operating expenses	<u>1,695,361</u>	<u>46</u>	<u>2,224,366</u>	<u>34</u>
LOSS FROM OPERATIONS				
	<u>(248,769)</u>	<u>(7)</u>	<u>(252,975)</u>	<u>(4)</u>
NON-OPERATING INCOME				
Interest income	3,419	-	53,037	1
Dividend income	119,430	3	114,257	2
Gain on disposal of property, plant and equipment	2,769	-	64,625	1
Gain on sale of investments, net	457	-	1,145	-
Foreign exchange gain, net	27,847	1	24,389	-
Rental income	11,604	-	10,150	-
Valuation gain on financial assets, net	220,032	6	106,263	2
Other	<u>62,962</u>	<u>2</u>	<u>127,800</u>	<u>2</u>
Total non-operating income	<u>448,520</u>	<u>12</u>	<u>501,666</u>	<u>8</u>

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VIA TECHNOLOGIES, INC.

STATEMENTS OF INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008
(In Thousands of New Taiwan Dollars, Except Loss Per Share)
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	2009		2008	
	Amount	%	Amount	%
NON-OPERATING EXPENSES				
Interest expenses	\$ 36,457	1	\$ 43,120	1
Investment losses under equity method	1,806,464	49	2,196,280	34
Loss on disposal of property, plant and equipment	-	-	51	-
Impairment loss	26,608	1	-	-
Valuation loss on financial liabilities, net	2,975	-	-	-
Other	<u>15,297</u>	<u>-</u>	<u>11,945</u>	<u>-</u>
Total non-operating expenses	<u>1,887,801</u>	<u>51</u>	<u>2,251,396</u>	<u>35</u>
LOSS BEFORE INCOME TAX	(1,688,050)	(46)	(2,002,705)	(31)
INCOME TAX EXPENSE	<u>(72,266)</u>	<u>(2)</u>	<u>(58,834)</u>	<u>(1)</u>
NET LOSS	<u>\$ (1,760,316)</u>	<u>(48)</u>	<u>\$ (2,061,539)</u>	<u>(32)</u>
	2009		2008	
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax
BASIC LOSS PER SHARE	<u>\$ (3.27)</u>	<u>\$ (3.41)</u>	<u>\$ (3.88)</u>	<u>\$ (3.99)</u>
If the Company's stock held by subsidiaries is not considered as treasury stock:				
NET LOSS			<u>\$ (2,061,539)</u>	
BASIC LOSS PER SHARE			<u>\$ (3.93)</u>	

(Concluded)

VIA TECHNOLOGIES, INC.

STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (1,760,316)	\$ (2,061,539)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation and amortization (including depreciation of leased-out assets)	185,651	269,548
Investment losses on equity-method investees	1,806,464	2,196,280
Valuation loss on financial instruments, net	-	3
Gain sale of investments, net	(36)	(1,145)
Gain on disposal of property, plant and equipment	(2,769)	(64,625)
Impairment loss	26,608	-
Loss on disposal of property, plant and equipment	-	51
Amortization of bond issuance costs	748	656
Cash dividends from equity-method investees	7,889	-
Deferred income tax assets	71,854	58,909
Accrued pension cost	(1,399)	940
Net changes in operating assets and liabilities		
Financial assets held for trading	(220,032)	(106,266)
Financial liabilities held for trading	1,851	-
Notes receivable, net	662	(3,187)
Accounts receivable, net	(122,556)	(430,504)
Notes and accounts receivable from related parties, net	36,953	(88,980)
Other receivables	9,664	82,994
Inventories	282,353	960,597
Other current assets	10,853	72,249
Notes payable	(63,684)	38
Accounts payable	36,937	(624,549)
Notes and accounts payable to related parties	713	15,534
Income tax payable	(219,441)	(413,974)
Accrued expenses	(35,767)	(404,681)
Other current liabilities	317	57,705
Net cash provided by (used in) operating activities	<u>53,517</u>	<u>(483,946)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in financial assets at fair value through profit or loss	(60,000)	(230,000)
Proceeds from disposal of financial assets at fair value through profit or loss	60,035	225,924
Payment for available-for-sale financial assets	-	(796,000)
Proceeds from sale of available-for-sale financial assets	2,446	796,825
Payment for long-term investments under equity method	(2,684,730)	(2,217,256)
Proceeds from sale of long-term investments under equity method	-	5,201
Proceeds from capital reduction of investees	270,200	-
Acquisition of property, plant and equipment	(22,624)	(46,339)

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VIA TECHNOLOGIES, INC.

STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008
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	2009	2008
Proceeds from disposal of property, plant and equipment	\$ 10,648	\$ 218,818
Decrease in due from the subsidiary	690,000	599,900
Decrease in refundable deposits	527	3,290
Increase in deferred charges	<u>(93,076)</u>	<u>(146,575)</u>
Net cash used in investing activities	<u>(1,826,574)</u>	<u>(1,586,212)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in long-term bank loans	1,875,000	900,000
Repayments of corporate bonds payable	(1,175,000)	(362,500)
Decrease in guarantee deposits received	<u>(778)</u>	<u>(484)</u>
Net cash provided by financing activities	<u>699,222</u>	<u>537,016</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,073,835)	(1,533,142)
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>\$ 1,147,744</u>	<u>\$ 3,034,646</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION		
Cash paid during the period		
Interest	<u>\$ 48,913</u>	<u>\$ 54,022</u>
Income tax	<u>\$ 220,503</u>	<u>\$ 418,039</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
Transfer of financial assets held for trading to restricted assets	<u>\$ -</u>	<u>\$ 911,800</u>
Current portion of long-term liabilities	<u>\$ 160,000</u>	<u>\$ 1,175,000</u>
Transfer of Long-term investments under equity method to other liabilities	<u>\$ (653,427)</u>	<u>\$ 124</u>
Transfer of deferred credits to gain on disposal of property, plant and equipment	<u>\$ (1,690)</u>	<u>\$ 18,275</u>
Capital reduction to make up accumulated deficit	<u>\$ 7,749,103</u>	<u>\$ -</u>
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT		
Increase in property, plant and equipment	\$ 22,605	\$ 35,700
Decrease in payable due to acquisition of property, plant and equipment	<u>19</u>	<u>10,639</u>
Cash payment	<u>\$ 22,624</u>	<u>\$ 46,339</u>

(Continued)

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STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008
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	2009	2008
PURCHASE OF DEFERRED CHARGES		
Increase in deferred charges	\$ 64,920	\$ 92,329
Decrease in payable due to acquisition of deferred charges	<u>28,156</u>	<u>54,246</u>
Cash payment	<u>\$ 93,076</u>	<u>\$ 146,575</u>

(Concluded)