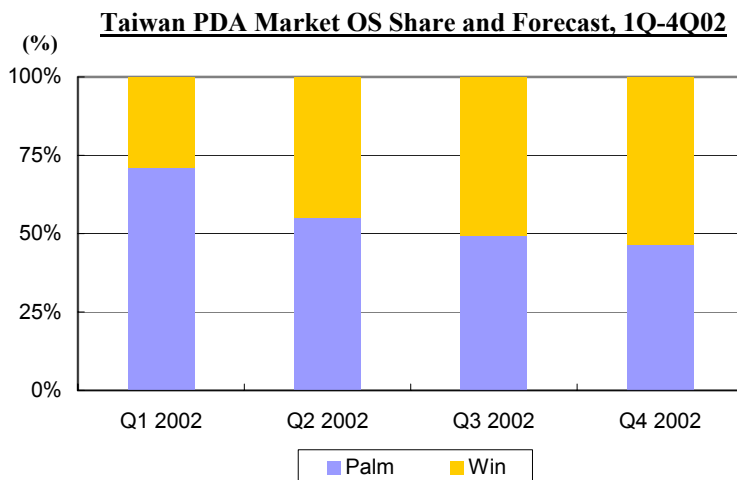


Taiwan PDA Market, 3Q02

**Key Finding: Win camp took the lead in OS battle for the first time:
50.7% shipment share over Palm camp's 49.3% in 3Q02.**

The long-lasting battle over Taiwan's PDA OS market finally turned in 3Q02. For the first time, Win camp finally took the lead by taking up 50.7% share in market shipment over Palm camp's 49.3% in 3Q02, according to TechInsight's latest research finding.

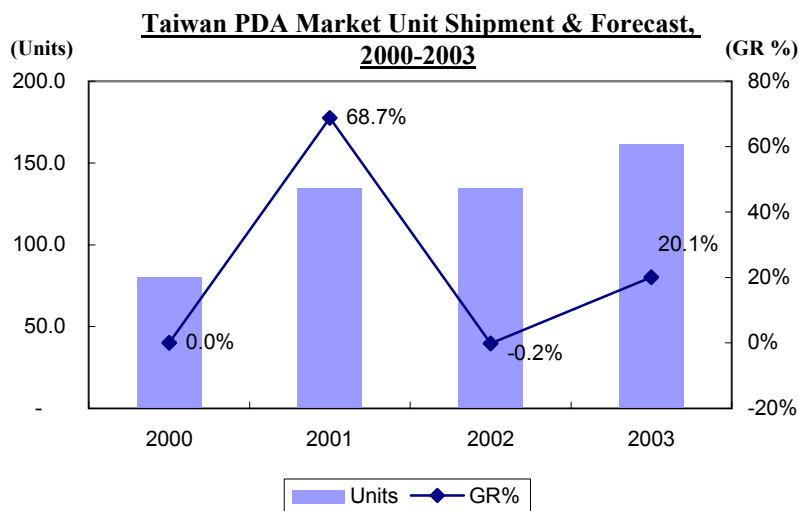


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Despite of the 3rd consecutive market downsizing, the mushrooming of Win camp's advocators and Palm's poorly-schemed product succession resulted in Palm camp's shipment share plunged from 55.1% in 2Q02 to 49.3% in 3Q02. Although the Japanese household electronic giant - Sony has formally entered the race with great potential to turn the game around, however, TechInsight believes that the newly formed Win army namely acer, ASUS, HPQ, NEC, Mitac, Toshiba and ViewSonic will fortify Win camp's leading position until new, completed product portfolios are created by both Palm and Sony in 2003.

Key Finding: 20.1% YoY Shipment Growth into 2003: Taiwan PDA market is expected to ship 161.1K units by 2003.

In 2002, Taiwan PDA market totaled to 134.6K¹ units with a market size of NT\$1,843M. TechInsight expects the market will rebound in 4Q02 with 11.7% QoQ growth, and continue to progress by 20.1% to 161.1K² units by the yearend 2003.



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As a result of the sluggish economic performance and gloomy outlook, the demand in commercial market has fallen into a new low level to under 10K units in 3Q02, representing merely 31.9% of the total market shipment, with approximately 20% decrement compared to previous quarter. However, demand in consumer market seemed to ride along with the increase in competing vendors during 3Q02. Research shows a quarterly growth of 24.1% has pushed the market back to previous healthy 20K-unit level. TechInsight believes the consumer market shipment will remain at the same level in 4Q02, and total the market to 134.6K units for 2002.

¹ Preliminary 2002 shipment number including estimated 4Q02 shipment

² Forecast number based on preliminary 2002 shipment