

ABIT Computer Corp.
Meeting Minutes
Of the Board of Directors

(92)Sheng (Tung)No.015

A Meeting of the Board of Directors of ABIT Computer Corporation (the “Company”) was held at the main conference room at 10F, 323 YangGuang Street, Taipei, Taiwan, upon the 24st day of December, 2003, at the hour of 10:00 a.m., pursuant to a written notice issued to all the Directors of the Company.

The following Directors of the Company were present in person or by proxy:

Lu Yi-Tsun, Lin Wen-Chung, Hsu Shaw-Li, Ke Cheng-En

Observers: Lee Chun-Hsiu, Chiang Wei-Yi

Mr. Lu Yi-Tsun, Chairman of the Board, presides over the meeting. Chan Chun-hui acts as the Secretary to minute the meeting.

I. General Report to the Board of Directors: skipped

II. Motions:

Proposal No. 1:

Subject : It is proposed that the CPA be replaced. Please resolve your decision.

Descriptions: I. Where CPA Ma Kuo-chu has audited our accounts for five years in a row, to assure independent CPA performance and to live up to the policy of sound business administration, it is proposed that the CPA be replaced by CPAs Wu Chao-teh and Lee Pei-hsi f KPMG Certified Public Accountants from 2003.

II. Your sound decision shall be appreciated.

Decisions resolved: Duly resolved by the present directors exactly as proposed.

Proposal No. 2:

Subject: It is proposed that the Company purchase stocks of Timerwell Technology (Taiwan) Co., Ltd. through High Infinity International Inc.—a company under holding of our invested subsidiary Timerwell Technology Holdings Ltd.. Please acknowledge it retrospectively.

Descriptions: I. Timerwell Technology Holdings Ltd.—our subsidiary with our 98.13% shareholding has just held 23.81% of stocks of Timerwell Technology (Taiwan) Co., Ltd. through High Infinity International Inc.

II. To live up to the trends of the electronic industry development the world over, broaden marketing channels and streamline shareholding composition, we have purchased a total of 5,000,000 shares of the stocks of Timerwell Technology

(Taiwan) Co., Ltd. through High Infinity International Inc. (The 100% shareholding by Timerwell Technology Holdings Ltd.) at the price of NT\$15 per share, at the net worth as of November 30, 2003, amounting to NT\$75,000,000 in total.

III. We already duly completed the entire transaction in accordance with the ABIT Computer Corp.'s Procedures in Acquiring and Disposing Assets as well as the Regulations for Management over Long- and Short-term Investment" on December 15, 2003. To be on the safe side, you are requested to acknowledge the investment retrospectively.

Decisions resolved: Duly resolved by the present directors exactly as proposed.

Proposal No. 3:

Subject: Our subsidiary Abitnet Technology Inc.. has, in line with business needs, completed liquidation and dissolution procedures. Please acknowledge the issue retrospectively.

Descriptions: I. Whereas Abitnet Technology Inc.. had been in unsatisfactory business performance, its shareholders resolved in the extraordinary meeting that it be liquidated and dissolved. It already completed liquidation in full after it obtained the tax refund certificate from the National Tax Administration, Ministry of Finance in December 2003. Through the liquidation, we obtained property amounting to NT\$7,312,748 in total through the allocation.

II. Please acknowledge the issue retrospectively.

Decisions resolved: Duly resolved by the present directors exactly as proposed.

Proposal No. 4:

Subject: It is proposed that ABIT Computer Corp.'s Procedures in Acquiring and Disposing Assets be amended. Please resolve your decision.

Descriptions: I. To assure even smoother going in acquiring or disposing long-term and short-term investment, it is proposed that the terms and conditions concerned be amended. The articles before and after amendment are enumerated as follows:

Pre-amendment	Post-amendment
<p>Article IV Assessment procedures III. The Company shall acquire or dispose other assets defined in the two preceding paragraphs in any means among inquiry, price competition, price negotiation or open tender and shall determine the prices with reference to the current values promulgated by the government, the current value appraised and the prices actually closed for real estate in the vicinity. The Company shall further refer to the appraisal report conducted by the appraisal expert(s) if a case lives up to the criteria for public announcement and declaration under these Procedures.</p>	<p>Article IV Assessment procedures III. The Company shall acquire or dispose other assets defined in the two preceding paragraphs in any means among inquiry, price competition, price negotiation or open tender and shall determine the prices with reference to the current values promulgated by the government, the current value appraised and the prices actually closed for real estate in the vicinity. In case of real estate or other fixed assets which lives up to the criteria for public announcement and declaration under these Procedures the Company shall further refer to the appraisal report conducted by the</p>

<p>Article VI Authority of approval</p> <p>I. Real estate or other fixed assets: In acquiring or disposing real estate or other assets, the Company shall, other than compliance with the Regulations for Fixed Asset Management, report to the board of directors the background reasons in acquisition or disposal, the transaction counterpart, transfer prices and terms of payment beforehand in a case up to NT\$300 million in transaction value. In line with business need and to beat time, the Company may obtain approval from the chairman first and report to the board of directors for acknowledgement retrospectively afterward.</p> <p>II. Investment in long-term, short-term securities:</p> <p>(I) Long-term investment Investment or disposal in long-term equity shall be resolved by the chairman and acknowledged by the board of directors retrospectively afterward in a case in amount within NT\$100 million in transaction value; and shall be subject to approval by the board of directors beforehand in a case in amount in excess of NT\$100 million,</p> <p>(II) Short-term investment 2. Investment in other sorts of securities shall be resolved by the chairman in a case within NT\$100 million in investment value (or within 5% of the net worth) and shall be subject to approval by the board of directors beforehand in a case with the total amount of investment (including amount accumulated in a same objective case) in excess of NT\$100 million. (or within 5% of the net worth).</p>	<p>appraisal expert(s).</p> <p>Article VI Authority of approval</p> <p>I. Real estate or other fixed assets: In acquiring or disposing real estate or other assets, the Company shall, other than compliance with the Regulations for Fixed Asset Management, report to the board of directors the background reasons in acquisition or disposal, the transaction counterpart, transfer prices and terms of payment beforehand in a case up to NT\$300 million in transaction value. In line with business need and to beat time, the Company may obtain approval from the chairman first in a case in amount ranging from NT\$100 million to NT\$300 million, and obtain approval from the president first in a case in amount below NT\$100 million and report to the board of directors for acknowledgement retrospectively afterward.</p> <p>II. Investment in long-term, short-term securities:</p> <p>(I) Long-term investment Investment or disposal in long-term equity shall be resolved by the chairman and acknowledged by the board of directors retrospectively afterward in a case in amount ranging from NT\$100 million to NT\$300 million in transaction value; shall be resolved by the chairman and acknowledged by the board of directors retrospectively afterward in a case in amount ranging from NT\$100 million to NT\$300 million in transaction value; and shall be subject to approval by the board of directors before investment or disposal in a case in amount in excess of NT\$300 million,</p> <p>(II) Short-term investment 2. Investment in other sorts of securities shall be resolved by the president and acknowledged by the board of directors retrospectively afterward in a case in amount of investment within NT\$100 million; shall be resolved by the chairman and acknowledged by the board of directors retrospectively afterward in a case in amount ranging from NT\$100 million to NT\$300 million in transaction value. Investment or disposal shall not be conducted until approved by the board of directors in a case with the total amount of investment (including amount accumulated in a same objective case) exceeding NT\$300 million.</p>
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II. Please kindly resolve your decisions

Decisions resolved: Duly resolved by the present directors as proposed after due amendment.

Proposal No. 5

Subject: It is proposed that ABIT Computer Corp.’s “Regulations Governing Long- and Short-term Investment” be amended.

Descriptions: I. In line with the amendment of the Company’s “Procedures in Acquiring and Disposing Assets”, certain articles of the Regulations should be amended. The provisions as after amendment are enumerated as follows:

Pre-amendment	Post-amendment
<p>Four. Procedures & enforcement in acquiring or disposing long-, short-term investment:</p> <p>(I) Long-term investment:</p> <p>(1) Investment and disposal in long-term equity shall be resolved by the chairman and acknowledged by the board of directors retrospectively afterward in a case in amount of transaction within NT\$100 million and shall not be conducted until approved by the board of directors in a case with transaction amount exceeding NT\$100 million.</p> <p>(II) Short-term investment:</p> <p>(2) Investment in other sorts of securities shall be resolved by the chairman in a case within NT\$100 million in investment value (or within 5% of the net worth) and shall be subject to approval by the board of directors beforehand in a case with the total amount of investment (including amount accumulated in a same objective case) in excess of NT\$100 million. (or within 5% of the net worth)..</p>	<p>Four. Procedures & enforcement in acquiring or disposing long-, short-term investment:</p> <p>(I) Long-term investment:</p> <p>(1) Investment and disposal in long-term equity shall be resolved by the chairman and acknowledged by the board of directors retrospectively afterward in a case in amount of transaction ranging from NT\$100 million to NT\$300 million; shall be resolved by the president and acknowledged by the board of directors retrospectively afterward in a case in amount of transaction within NT\$100 million; and shall not be conducted until approved by the board of directors in a case with transaction amount exceeding NT\$300 million.</p> <p>(II) Short-term investment:</p> <p>(2) Investment in other sorts of securities shall be resolved by the president and acknowledged by the board of directors retrospectively afterward in a case within NT\$100 million in investment value; shall be resolved by the chairman and acknowledged by the board of directors retrospectively afterward in a case of amount ranging from NT\$100 million to NT\$300 million in investment value; and shall be subject to approval by the board of directors beforehand in a case with the total amount of investment (including amount accumulated in a same objective case) in excess of NT\$300 million.</p>

II. Please kindly resolve your decisions

Decisions resolved: Duly resolved by the present directors as proposed after due amendment.

Three. Occasional motions:

Subject: At the moment the initial issue of unsecured convertible corporate bonds outstanding domestically numbers 257 sheets in number. To economize spending on interest, it is proposed that they be repurchased at market values and be revoked after repurchase.

Descriptions: I. The Company's corporate bonds show the following particulars:

Date of issue: June 28, 2001; date of maturity: June 27, 2006

	Enforcement of Re-sale-back right	Enforcement of retrieval right*	The Company's retrieval in the market**
Corporate bond face value	25,700,000.00	25,700,000.00	29,169,500.00
Interest expense	5,343,030.00	5,343,030.00	0.00
Total	31,043,030.00	31,043,030.00	29,169,500.00
Interest rate	1.21	1.21	0.00

* The bond retrieval profitability rate is 6.5% which yields 120.79% in calculation on the compounding basis.

** Current market price is NT\$113.5 (NT\$257 × 113.5 × 1000=29,169,500)

1. The Company, when enforcing retrieval rate, shall pay interest at 120.79% interest rate × period.
2. The Company, when enforcing retrieval rate, shall complete all procedures 1.5 months prior to two months before the date scheduled for the shareholders' meeting.

The conversion regulations are summarized as follows:

XVIII. The Company's right to retrieve the convertible corporate bonds:

1. Where in the period beginning the date next to expiry of one-year from issuance of the Company's convertible corporate bonds until forty days prior to maturity of the corporate bonds, if the amount of the Company's common shares closed in the Taiwan Stock Exchange for thirty days in a row exceeds 50% of the converting price prevalent that time, the Company may, within the thirty subsequent days, mail in registered mail to creditors the "Notice for Credit Retrieval" which shall be due within one month (beginning the date on which the Company mails the letter.) The date of expiry shall be the basic date of the bond retrieval). Meanwhile, the Company shall inform in writing the R.O.C. Over-The-Counter Securities Exchange Center for public announcement. The Company may calculate the retrieval price upon expiry of the period based on the following bond retrieval profitability (beginning the date of bond issue until the basic date of bond retrieval) and retrieve the bonds in full in cash.
 - (1) Beginning the date next to expiry of one-year period after issuance until expiry of two-year period of issue: Redeem the corporate bonds at the

interest rate of 5.25%.

- (2) Beginning the date next to expiry of two-year period after issuance until expiry of three-year period of issue: Redeem the corporate bonds at the interest rate of 6.5%.
- (3) Beginning the date next to expiry of three-year period after issuance until expiry of four-year period of issue: Redeem the corporate bonds at the interest rate of 7%.
- (4) Beginning the date next to expiry of four-year period after issuance until forty days prior to maturity of the convertible corporate bonds: Redeem the corporate bonds at the face value.

II. Please kindly resolve your decisions

Decisions resolved: Be authorized to push forward with the issue at prices within 117.5%, to complete the entire case within the legally set time limit.

Upon motion duly made and seconded, the meeting is adjourned.

Chairman: Lu Yi-Tsun

Reported by: Chan Chun-hui