

**ABIT Computer Corp.
Meeting Minutes
Of the Board of Directors**

(93)Sheng (Tung)No.002

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 23st day of March, 2004, at the hour of 14:00 p.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, Ke Cheng-En, Hsu Shaw-Li, Meng Chih-Pin

Observers: Lee Chun-Hsiu, Tseng Der-Han, Hsieh, Jui-Chieh

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:

Subject I:

Proposal: The Company already completed the raising for the second issue of unsecured convertible bonds in 2003. Your endorsement shall be appreciated.

Descriptions:

- I. The Company completed the second issuance of the unsecured convertible bonds in 2003. The key facts of the issue:
 - (I) Name: The Second Issue of Unsecured Convertible Bonds in 2003
 - (II) Total amount of the issue: US\$75 million, at US\$1,000 per bond.
 - (III) Bond interest rate: 0% in face interest rate
 - (IV) Duration: Five years, beginning November 28, 2003 until November 27, 2008
 - (V) Target of conversion: The Company's common shares
 - (VI) Approved by:
 1. Unit: Securities and Futures Commission, Ministry of Finance
 2. Date: October 7, 2003
 3. File No.: Tai-Tsai-Cheng-I-Tze 0920140863
 - (VII) Reasons for the raising: To invest in the subsidiary (ies) and to support the purchase of materials from overseas sources
 - (VIII) Remarks: The target amount was successfully raised in full on November 28, 2003.
- II. All these facts are duly reported in accordance with Article 246 of the Company Law.
- III. Your endorsement shall be appreciated.

Final decisions: The Proposal is unanimously adopted by all present directors, and will be further reported to the Shareholders' Regular Meeting 2004.

Subject II

Proposal: It is proposed that the Company’s Regulations for Employee Warrant be partially amended. Your review and decision shall be appreciated.

Descriptions:

- I. It is proposed that the Regulations for Employee Warrant be partially amended in line with the current subscription operation.
- II. The contents before and after amendment in comparison.

Contents before amendment	Contents after amendment
<p>7.4 A warrant subscriber who resigns for any reason (excluding being dismissed) shall take the following actions during the duration while the warrant is existent:</p> <p>7.4.6 Death by an ordinary cause: The warrant certificates which are already exercisable or not yet exercisable during the duration shall be exercised by the heir(s) within six months from completion of tax payment by the heir(s) who shall be deemed as having waived the rights otherwise. The heir(s) who shall be deemed as having waived the rights as well if the succession and tax payment procedures are not completed within one year from the date on which the cause for succession occurred. Under such situations, the warrant certificates which are not yet exercisable may be exercised by the heir(s) forthwith free of the restriction under 7.2.3. If the closed period of the warrants is not yet due, such rights may be exercised within six months from the date due, or may be exercised within six months from completion of succession procedures and tax payment or within one year from the date on which the cause for succession occurred (whichever is the later). Physical handicap, death of occupational calamity: The warrant certificates which are already exercisable or not yet exercisable during the duration shall be exercised beginning that day (severance of employment or death) or beginning expiry of the closed period, or within six months from completion of tax payment or within one year from the date on which the cause for succession occurred (whichever is the later).</p>	<p>7.4 A warrant subscriber who resigns for any reason (excluding being dismissed) shall take the following actions during the duration while the warrant is existent:</p> <p>7.4.6 Death by an ordinary cause: The warrant certificates which are already exercisable or not yet exercisable during the duration shall be exercised by the heir(s) within six months from completion of tax payment by the heir(s), free of the restriction under 7.2.3. who shall be deemed as having waived the rights otherwise. The heir(s) who shall be deemed as having waived the rights as well if the succession and tax payment procedures are not completed within one year from the date on which the cause for succession occurred. If the closed period of the warrants is not yet due, such rights may be exercised within six months from the date due, or may be exercised within six months from completion of succession procedures and tax payment or within one year from the date on which the cause for succession occurred (whichever is the later). Physical handicap, death by occupational calamity: The warrant certificates which are already exercisable or not yet exercisable during the duration shall be exercised beginning that day (severance of employment or death) or beginning expiry of the closed period, or within six months from completion of tax payment or within one year from the date on which the cause for succession occurred (whichever is the later).</p>
<p>9.3 Adjustment of subscribed shares:</p> <p>9.3.1 In the event of capital augment with earnings or capital reserve to be converted into capital augment after the warrant certificates are issued, the number of warrant certificates each employee may subscribe to shall be adjusted based on the following formula (to be rounded to the nearest figure of the second decimal).</p>	<p>9.3 Adjustment of subscribed shares:</p> <p>9.3.1 In the event of capital augment with earning or capital reserve to be converted into capital augment after the warrant certificates are issued, the number of warrant certificates each employee may subscribe to shall be adjusted based on the following formula (to be rounded to the nearest whole number figure , all decimals shall be discarded in full).</p>
<p>10 Procedures to exercise warrant:</p> <p>10.2 The Company’s Financial Department shall, after entertaining “Employee’s Application for Exercise of Warrants”, inform the subscriber to pay the subscribed warrants to the designated bank and serve a duplicate copy to the equity agent.</p>	<p>10 Procedures to exercise warrant:</p> <p>10.2 The Company’s Human Resources Department shall, after entertaining “Employee’s Application for Exercise of Warrants”, inform the subscriber to pay the subscribed warrants to the designated bank and serve a duplicate copy to the equity agent.</p>

III. Your final decisions shall be much appreciated.

Final decisions: The Proposal is unanimously adopted by all present directors, and will be urther reported to the Shareholders’ Regular Meeting 2004.

Subject III

Proposal: Please find herewith and proceed with the Company's Declaration on Internal Control, 2003.

Descriptions:

- I. The Company's Declaration on Internal Control, 2003 is submitted in accordance with the "Internal Control System Handling Rules for Public Companies" promulgated by the Securities and Futures Commission, Ministry of Finance with Letter Tai-Tsai-Cheng-Chi-Tze 0910005800 dated November 18, 2002.
- II. The Company's Internal Control System has been duly designed and enforced effectively based on the results of their own assessment. The Company's Declaration on Internal Control, 2003 is submitted as per Appendix hereto.
- III. As required, after the aforementioned results of own assessment were duly resolved by the board of directors, the chairman and general manager are required to duly sign and issue the Internal Control Declaration and submit it to the Securities and Futures Commission, Ministry of Finance for information and publish it in the Company's yearbook.
- IV. Your final decisions shall be much appreciated.

Final decisions: The Proposal is unanimously adopted by all present directors.

Subject IV

Proposal: It is proposed that the Company's Articles of Incorporation be partially amended. Your discussion and decision shall be much appreciated.

Descriptions:

- I. In line with the needs in sales growth, conversion of earnings into capital augment and issuance of convertible corporate bonds, it is proposed that Article VI of the Company's Articles of Incorporation, regarding the capital, be amended, to have the authorized capital increase to Fifteen Billion New Taiwan Dollars.
- II. Please find herewith the Company's Articles of Incorporation before and after amendment in comparison:

Current contents	Contents after amendment	Reasons of amendment
<p>Article VI: The Company has authorized capital amounting to Ten Billion New Taiwan Dollars, divided into one billion shares at Ten New Taiwan Dollars par value. The aforementioned capital includes Five Hundred Million New Taiwan Dollars to be used to issue warrants. For the unissued shares, the board of directors is authorized to issue in installments in line with business needs.</p>	<p>Article VI: The Company has authorized capital amounting to Fifteen Billion New Taiwan Dollars, divided into one billion five hundred million shares at Ten New Taiwan Dollars par value. The aforementioned capital includes One Billion New Taiwan Dollars to be used to issue warrants. For the unissued shares, the board of directors is authorized to issue in installments in line with business needs.</p>	<p>The Company increases capital in line with the needs of sales growth.</p>
<p>Article XXVI~I: The Company operates high-technology right in the growing phase of life span. In line with the needs for business development, sound financial planning for sustained development, the Company holds a dividend policy to assure sound working capital and capital expenditures to allocate the dividend based on the provision set forth in the preceding article. Out of the earnings allocable in the year, a minimum of 80% shall be taken for dividend. Within the limit of 5%~20% of dividend allocable in the year, the Company will allocate in cash dividend and allocate the remainder in stock dividend.</p>	<p>Article XXVI~I: The Company will allocate a dividend in a policy in line with the needs for investment capital and the dilution of EPS in both stock dividend and cash dividend as appropriate. The cash dividend shall not be less than 5% of the total dividend.</p>	<p>To assure flexible allocation of dividend. This part is deleted.</p>
<p>Article XXIX: These Articles were duly established on September 20, 1989 and amended on June 27, 2003 as the 18th amendment.</p>	<p>Article XXIX: These Articles were duly established on September 20, 1989 and amended on June 15, 2004 as the 19th amendment.</p>	<p>Date of the latest amendment.</p>

- III. Your final decisions shall be much appreciated.

Final decisions: The Proposal is unanimously adopted by all present directors, and will be further referred to in the Shareholders' Regular Meeting 2004 for further decision.

Subject V

Proposal: It is proposed that the Company's "Regulations for Long- and Short-term Investment Management" be amended. Your discussion and decision shall be much appreciated.

Descriptions:

I. It is proposed that the contents concerned be duly amended to assure more successful capital utilization in the outward investment. Please find herewith the contents before and after amendment below in comparison:

Before amendment	After amendment
<p>Five. The Company sets the ceiling of long-, short-term equity as follows:</p> <p>(I) The aggregate of investment by the Company and company(ies) over 50% in comprehensive shareholding to a single TSE/OTC company shall not exceed 20% of the net worth of the respective company.</p> <p>(II) The aggregate of investment by the Company and company(ies) over 50% in comprehensive shareholding to a single TSE/OTC company shall not exceed 20% of the total amount of the single TSE/OTC company .</p> <p>(III) The aggregate of outward investment by the Company shall not exceed 100% of the Company's net worth.</p>	<p>Five. The Company sets the ceiling of long-, short-term equity as follows:</p> <p>(I) The long-, short-term equity investment shall not exceed 150% of the Company's net worth; of which, the mid-, short-term investment shall not exceed 50% of the Company's net worth .</p> <p>(II) The ceiling of individual case of long-term investment shall not exceed 150% of the Company's net worth. The ceiling of individual case of short-term investment shall not exceed 50% of the Company's net worth.</p>

II. Your discussion and decision shall be much appreciated.

Final decisions: The Proposal is unanimously adopted by all present directors.

Subject VI

Proposal: It is proposed that the Company’s “Procedures to Acquire or Dispose Assets” be amended. Your discussion and decision shall be much appreciated.

Descriptions:

I. In line with the amendment of the “Regulations for Long- and Short-term Investment Management”, it is proposed that the relevant provisions be amended. Please find herewith the provisions before and after the proposed amendment as follows:

Before amendment	After amendment
<p>Article VII Credit line of investment: The maximum ceiling of the aforementioned assets the Company and subsidiary (ies) may individually obtain is set as follows:</p> <p>II. The long-term and short-term equity investment shall not exceed 100% of the Company’s net worth.</p> <p>III. The maximum ceiling of investment in individual marketable securities shall not exceed 100% of the Company’s net worth.</p>	<p>Article VII Credit line of investment: The maximum ceiling of the aforementioned assets the Company and subsidiary (ies) may individually obtain is set as follows:</p> <p>II. The long-term and short-term equity investment shall not exceed 150% of the Company’s net worth; of which, the mid-term and short-term investment shall not exceed 50% of the Company’s net worth .</p> <p>III. The maximum ceiling of investment in long-term individual marketable securities shall not exceed 150% of the Company’s net worth. The maximum ceiling of investment in short-term individual marketable securities shall not exceed 50% of the Company’s net worth</p>

II. Your discussion and decision shall be much appreciated.

Final decisions: The Proposal is unanimously adopted by all present directors, and will be further referred to in the Shareholders’ Regular Meeting 2004 for further decision.

Subject VII

Proposal: It is proposed that the Company issue common shares through private raising. Your final decision shall be much appreciated.

Descriptions:

- I. The Company, amidst the growing business operation, is in heavy need of funds. To improve the financial standing and to facilitate raising of the funds required for the Company's growth, it is proposed that the Company issue common shares through private raising to raise up to US\$100 million maximum under the following principles of issue:
 - (I) The prices of the marketable securities in the private raising shall be determined at a certain ratio of the market prices at the time of issuance. The board of directors is authorized to set the reasonable ratio based on the market status at the time of issue.
 - (II) Methods to select specified people:
 1. Banks, bill firms, trust houses, insurance companies, securities firms and such judicial persons.
 2. The natural persons, judicial persons or funds living up to the requirements defined by the competent authorities.
 3. Directors, supervisors and managerial officers of the Company or its affiliates.
 4. The board of directors is authorized to determine the method to select the specified people out of the aforementioned candidates.
 - (III) Reasons for private raising of the funds:

In coordination with the corporate management systems, to bring in judicial persons in domestic and foreign strategic alliance to provide adequate funds to enhance the financial structure, it is proposed that the Company issue common shares through private raising of the funds to live up to the needs of the working capital.
- II. The private raising shall be handled within one year from the date on which the shareholders' meeting resolves the decision. The board of directors is authorized with full powers to manage matters not sufficiently provided.
- III. Your final decisions shall be much appreciated.

Final decisions: The Proposal is unanimously adopted by all present directors, and will be further referred to in the Shareholders' Regular Meeting 2004 for further decision.

Subject VIII

Proposal: It is proposed that the supervisor be elected supplementarily in the shareholders' meeting 2004.

Descriptions:

- I. The Company's supervisor Li Chiang Investment Co., Ltd. resigned on March 22, 2004, leaving one vacancy of the Company's supervisor.
- II. The supervisor should be elected supplementarily in accordance with the Company's Articles of Incorporation.

Final decisions: The Proposal is unanimously adopted by all present directors. The supervisor will be elected supplementarily in the shareholders' meeting 2004

Subject IX

Proposal: It is proposed that the shareholders' regular meeting of the Company 2004 be duly called.

Descriptions:

- I. The shareholders' regular meeting is scheduled to be held at the Emerald Hall on 3F of Peerage Hotel, 300 Chuangching Road, Sec. 1, Taoyuan City, at 9:00 a.m., June 15, 2004. Meanwhile, transfer of share certificates will be suspended during the period beginning April 17 until June 15, 2004.
- II. Subjects to be discussed during the meeting:
 - (I) Report of the Company's business performance 2003.
 - (II) The supervisors' audit report of the account closing 2003.
 - (III) Report of the Company's issue of the second unsecured convertible corporate bonds, 2003.
 - (IV) Report on amendment of the Company's Regulations for Employee Warrant Certificates.
 - (V) Submittal of the account closing 2003 for acknowledgement.
 - (VI) Submittal of the Company's allocation of earnings 2003 for final decision.
 - (VII) Submittal of the proposed amendment of the Company's "Articles of Incorporation" for final decision.
 - (VIII) Submittal of the proposed amendment of the Company's "Procedures for Acquirement or Disposal of Assets".
 - (IX) Submittal of the proposed issue of common shares through private raising.
 - (X) Supplementary election of the supervisor.
 - (XI) Occasional motion.
- III. Your final decisions shall be much appreciated.

Final decisions: The Proposal is unanimously adopted by all present directors. The notices will be issued through public announcement to call the meeting.

Subject X

Proposal: It is proposed that the capital augment base day be set for the unsecured negotiable overseas corporate bonds of the second issue, 2003, first quarter, for conversion of the common shares. Your discussion and decision will be much appreciated.

Descriptions:

- I. As required under Letter Suo-(91)-Tai-Tsai-Cheng- (I)-Tze 106134 of the Securities and Futures Commission, Ministry of Finance, conversion of the common shares for the unsecured negotiable overseas corporate bonds of the second issue shall be conducted at least once per quarter. It is, therefore, proposed that the Company's capital augment base day be set on March 23, 2004 for the unsecured negotiable overseas corporate bonds of the second issue, 2003, first quarter, for conversion of the common shares.
- II. In the present issue, the common shares applied by the bondholders for conversion number 59,590,030 shares.
- III. The board of directors is authorized with full powers to take charge of other matters concerned.

Final decisions: The Proposal is unanimously adopted by all present directors.

Subject XI

Proposal: It is proposed that the Company retain an amount of NT\$3,176,803,440 to be converted for the corporate bonds.

Descriptions:

- I. To activate utilization of funds and proceed with matters related to capital alteration registration, March 23, 2004 be set the base day for conversion of corporate bonds within the ceiling of NT\$3,176,803,440.

- II. The credit lines retained for the corporate bonds will come from:

Authorized capital	NT\$10,000,000,000
Ceiling of employee warrants	(NT\$500,000,000)
Current paid-in capital	(NT\$5,727,296,260)
Capital converted this time	<u>(NT\$595,900,300)</u>
Limit retained for corporate bonds	NT\$3,176,803,440

- III. Your final decisions shall be much appreciated.

Final decisions: The Proposal is unanimously adopted by all present directors.

Subject XII

Proposal: Election of the vice chairman.

Descriptions:

It is proposed that Director Lin Wen-chung be elected the vice chairman in accordance with the Company's Articles of Incorporation.

Final decisions: The Proposal is unanimously adopted by all present directors.

Subject XIII

Proposal: Given the growing business operation and sound financial standing of the Company, it is proposed that the funds required for the unsecured negotiable overseas corporate bonds of the first issue, 2004, will be used to build high level servers, network communications equipment, peripherals and such production lines as well as to invest abroad. Please come to your final decisions.

Descriptions:

- I. To raise funds to build high-level servers, network communications equipment, the peripherals and such production lines as well as to invest abroad, it is proposed that unsecured overseas corporate bonds be issued within the ceiling of US\$60 million. For the amount of actual issue, the chairman is authorized with full power to resolve within the limit permitted by the law.
- II. The utilization plan for the fund raised from the negotiable corporate bonds has been drawn up. The schedule and anticipated benefit are detailed in Appendix I. The provisional regulations for negotiable overseas corporate bonds, in both Chinese and English, are detailed in Appendix II.
- III. For the regulations for actual issuance of the aforementioned negotiable overseas corporate bonds, the terms and conditions of issuance and other details concerned, the chairman or the chairman's appointee is authorized with full power to make amendment in line with laws and regulations concerned or in response to the market status.
- IV. In line with the issuance of negotiable overseas corporate bonds, it is proposed that the chairman or the chairman's appointee is authorized with full power to make decisions and sign all papers as related to the negotiable overseas corporate bonds.
- V. Your final decisions shall be much appreciated.

Final decisions: The proposal is unanimously adopted by the present directors with further proposals that the terms and conditions of the issue shall be fair and reasonable, and that the directors, supervisors, leading shareholders and the management shall not subscribe.

Subject XIV

Proposal: It is proposed that the Company apply for NT\$1.5 billion syndicated loan. Your discussion and decision shall be much appreciated.

Descriptions:

- I. To improve the financial structure and raise the mid-term working capital, it is proposed that the Company apply for a NT\$1.5 billion syndicated loan.
- II. Your final decisions shall be much appreciated.

Final decisions: The proposal is unanimously adopted by the present directors with reminding to be watchful of the interest rate risk and that the Company should take IRS interest rate.

Three. Occasional motion: In line with market changes, it is proposed that the Company study the necessity of treasury stocks and such issues concerned.

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

Chairman: Lu Yi-Tsun

Reported by: Chan Chun-hui