

HTC Corporation
2008 Annual General Shareholders Meeting Minutes
(Translation)

Time and Date: June 13, 2008 (Friday) at 9 a.m.

Location: Chuto Plaza Hotel, Jade Hall (398 Taoying Road, Taoyuan City)

Total common shares outstanding: 573,133,736 shares

Attending shareholders and proxy representing: 467,870,557 shares

Ratio of Attending shareholders and proxy representing to total common shares outstanding: 81.63%

Attendees: Yang Min-Hsien, CPA of Deloitte & Touche

Yang Shiau Pan, Counsel of Lexcel Law Offices

Chair: Cher Wang, Chairperson

Recorder: Clement Lin

1. Call Meeting to Order: The aggregate shareholding of the presenting shareholders constituted a quorum.

2. Opening Remarks by the Chair: Omitted.

3. Matters for Report:

Item 1: Fiscal 2007 Business Report (Please refer to supplement 1)

Item 2: Supervisors Audit Report (Please refer to supplement 2)

Item 3: Report on the amendments to the company's Rules of Procedure for Board of Directors Meetings (Please refer to supplement 3)

4. Adoption and Discussion Matters:

Item 1

Topic: Adoption of the Fiscal 2007 Business Report and Financial Statement.
(Proposed by the board of directors)

Background:

(1) Compilation of the Corporation's Fiscal 2007 Business Report and Financial Statement is complete, and the Financial Statement has been audited and certified by Yang, Min-Hsien, CPA, and Lai Guan-Jhong, CPA, of Deloitte &

Touche. Both documents have been passed by the board of directors and audited by the supervisors, and are hereby submitted for adoption by this Annual General Shareholders Meeting.

(2) Please refer to the Fiscal 2007 Business Report in Supplement 1, the CPA Audit Report from Deloitte & Touche and the Financial Statement in Supplement 4 and Supplement 5 of this handbook.

(3) Adoption requested.

Resolution: This proposal has been approved unanimously by the shareholders present.

Item 2

Topic: Adoption of the Fiscal 2007 Earnings Distribution Proposal. (Proposed by the board of directors)

Background:

(1) The final earnings for fiscal 2007 are calculated at NT\$28,938,861,391. Please refer to the proposed Fiscal 2007 Earnings Distribution Table in Supplement 6 of this handbook. The Board of Directors may make the required adjustments to the actual earnings distribution ratio on the basis of the number of issued and outstanding stocks registered in the Common Stockholders' Roster as at the record date.

(2) Employee bonuses are calculated at NT\$1,313,200,000 of which it is proposed that NT\$103,200,000 be allocated to a capital increase and new share issue, and the remaining portion, calculated at NT\$1,210,000,000 be distributed as cash.

(3) For the distribution of cash and stock dividends, after passage by this Annual General Shareholders Meeting and submission to and approval by the competent authority, the board of directors is hereby authorized to adopt a record date for the distribution of dividends and carry out the relevant cash and stock dividend distribution matters.

(4) Adoption requested.

Resolution: This proposal has been approved unanimously by the shareholders present.

Item 3

Topic: Proposal to allocate earnings and employee bonuses to fund a capital increase and issuance of new shares, submitted for discussion. (Proposed by the board of directors)

Background:

- (1) The distribution from fiscal 2007 earnings of a shareholders bonus of NT\$1,719,401,200 and an employee bonus of NT\$103,200,000 for a total allocation of NT\$1,822,601,200 to fund a capital increase and issuance of 182,260,120 new shares, each share having a par value of NT\$10, is proposed in response to industry growth and to facilitate continued expansion of the Corporation.
- (2) The current proposed allocation of earnings for a capital increase and issuance of new shares proposes to issue a bonus stock dividend of 300 shares per each 1,000 shares pro rata to the holding percentage of each shareholder in the common stock shareholders register on the dividend date of record. However, the board of directors may adjust the actual distribution ratio and number of shares based on the number of the Company's issued and outstanding shares entered in the common stock shareholders register on the dividend date of record. The board of directors will separately set the distribution method for the portion of the capital increase from employee bonuses. Fractional shares of less than a single full share from the current capital increase and new share distribution shall be combined at the discretion of the shareholders themselves, who shall carry out such combining into single full shares through the Company's stock registration and transfer agent within five days beginning from the dividend date of record. Fractional shares that are not combined, or after being combined still do not constitute one full share, shall be distributed in the form of cash, and the chairperson of the board is authorized to arrange for a specified person(s) to purchase such fractional shares at par value.
- (3) The rights and obligations of the new shares proposed for issuance are identical to those of previously issued common shares.
- (4) After the proposed capital increase from earnings and issuance of new shares has been passed by the annual general shareholders meeting and

submitted to and approved by the competent authority, the board of directors shall be authorized to separately set a record date for the share distribution.

(5) Resolution requested.

Resolution: This proposal has been approved unanimously by the shareholders present.

Item 4

Topic: Proposal to partially amend the Articles of Incorporation, submitted for discussion. (Proposed by the board of directors)

Background:

(1) Partial amendment of the Articles of Incorporation is proposed in response to business needs.

(2) Please refer to the Articles of Incorporation: Pre- and Post-Amendment Comparison Chart in Supplement 7 of this handbook.

(3) Resolution requested.

Resolution: This proposal has been approved unanimously by the shareholders present.

5. Extraordinary Motions: None.

6. Closure of the Meeting: June 13, 2008 (Friday) at 9:17 a.m.

Please note that the above is an English translation version. If there is any discrepancy between the original Chinese version and this English translation, the Chinese version shall prevail.

Supplement 1

Fiscal 2007 Business Report

Your support and confidence in HTC (High Tech Computer Corp.) over the past year has been essential to our continued growth and success. I am confident the new records for sales and operations set in 2007 have set the stage for even better yet to come.

HTC sales growth last year reflected strong global demand for converged devices. This demand is fueled by new advances in wireless communications and related technologies that are delivering mobile phones with thinner profiles and increasingly user-friendly interfaces at prices well within reach of mass market consumers. Conditions are right for wireless customers in all major markets to begin migrating away from traditional mobile phones and toward new generation converged devices. The steady rollout by telecom service providers of new and innovative services to address intense competition for revenues has also played an important part in demand growth for progressively more powerful and sophisticated converged devices.

Long-term commitment to technological innovation and product development helped HTC secure new business and break sales and operations records last year. Our analysis sees continued strong growth in demand for smartphones through this year despite poor overall global economic conditions. Not only should growth in Europe and other markets continue, growth rates for smartphone products should exceed that for traditional mobile phones.

2007 marked HTC's 10th year in business *and* the global launch mid-year of HTC's own brand. We look to the HTC brand, tailored to establish a single, universal value and image for the company worldwide, to grow into a leading global brand and become a rallying point for consumer confidence and identification. The HTC brand will extend the value of ongoing product innovation efforts and set the stage for enhanced competitiveness into the future. The power of HTC branding was driven home with the company's **HTC Touch** line of products, which sold its 3 millionth units just 11 months after it was launched. The success of **HTC Touch** also showed the company's leap into the global consumer market was beginning to bear fruit and that its global brand strategy was working. During 4Q 2007, original device manufacturer (ODM) orders accounted for less than one-tenth of products shipped.

A sharpened competitive edge, honed through 2007, gives us confidence for the future. We will continue our strong R&D programs, dedication to exceptional quality and service, commitment to reinforcing and deepening expertise in core business areas, and drive to enhance competitiveness in order to see HTC products sold successfully throughout the world. We look forward to a second decade of innovative research and brand development, to continuing valued partnerships with partners around the world and to creating for HTC products a secure and valued role in consumers' lives.

Financial Overview

Consolidated revenue in 2007 of NT\$118.218 billion represented an NT\$12.86 billion (12.2%) increase over 2006 revenue of NT\$105.358 billion. Of the 9,918,000 units shipped in 2007, more than half were 3G wireless devices (the first time such exceeded 50% of sales volume). Non-ODM growth topped 30%. Quarterly profitability for the company showed robust growth that reflected the steadily decreasing importance of ODM sales. HTC's consolidated profit margin in 2007 of 37.9% represented growth of 6.3 percentage

points over the 31.6% achieved in 2006. Increased investment in global brand administration, sales and after sales service operations held net profit from operations in 2007 to about the same as in 2006. Net profits for the year before and after taxes totaled NT\$32.151 billion and NT\$28.939 billion, respectively. The 2007 after tax profit margin of 24.4% was 0.3 percentage point higher than the previous year. EPS was NT\$56.08 before tax and NT\$50.48 after tax. *(Note: 2007 financial forecast numbers were not disclosed and thus cannot be compared to actual achievements)*

Key Accomplishments

HTC made impressive progress along other fronts as well during 2007:

8 May 2007

The board of directors approved, pending shareholder concurrence, the purchase of the principal subsidiary operations (located in Taiwan, Hong Kong, Singapore and Australia) of Dopod International, a leading retailer of smartphone in East Asia. HTC took the occasion also to announce the launch of its strategy to take the HTC brand global.

5 June 2007

HTC sponsored the global launch of **HTC Touch™** in London. This revolutionary product, integrating touch screen browsing onto a powerful smartphone platform, draws wireless telecom devices closer to the user and signals the arrival of a new “age of touch”. **HTC Touch** gives users a simple yet powerful interface that succeeds on an exceptionally human level.

6 November 2007

HTC joined an alliance with innovative search engine leader Google and other leaders in the high tech and wireless communications sectors to develop “Android”, the first truly open, truly comprehensive platform for mobile communications devices. The Open Handset Alliance, comprised of Google, T-Mobile, HTC and Qualcomm, is currently working toward developing the first Android-based mobile phone – an exceptional product sure to deliver an entirely new mobile communications experience.

Corporate Governance and Social Responsibility

The election of an entirely new board of directors on 20 June 2007 brought two new independent directors, Chen-Kuo Lin and Josef Felder, to the board. Additionally, Po-Cheng Ko agreed to serve as one of HTC’s supervisors. Both developments moved the firm significantly forward toward achieving comprehensive corporate governance.

The board of directors donates annually to the HTC Social Welfare Foundation, which for many years has funded leadership and character training for elementary, junior high and senior high students. Over 13,000 students have benefited from Foundation-supported training through the years. Particularly strong support from local leaders in Yuli Township in Hualien and Longtan Township in Taoyuan led to their joint signing of a “Townships of Character” plan. Under the plan, monthly activities are held to highlight personal examples of exceptional character, with training provided to township office employees, police, public hospital staff, fire departments, local governments and so on.

The Foundation also sponsors scholarships for needy students, stipends for needy children and after school programs. More than 2,000 needy children and

disadvantaged youth, both in Taiwan and overseas, benefit from program funding.

The Future

Since its inception, HTC has positioned itself as a designer of innovative, easy-to-use wireless telecommunications devices that deliver to consumers an experience that beats all competitors in terms of simplicity and satisfaction. Looking forward, we see room for significant further growth in wireless handheld device demand. Taking an optimistic approach to economic prospects on the horizon, we will continue to leverage an outstanding track record for innovation and quality to continue to improve HTC products based on consumer preferences and user-driven perceptions and function needs. Maintaining and expanding customer loyalty, HTC is on track to developing a global brand that is emotive and inspiring – a brand set to create a new wave of competitive advantages that will benefit shareholders, HTC customers and employees alike.

High Tech Computer Corp.

Chairperson : Cher Wang

President : Peter Chou

Chief Accountant : Clement Lin

Supplement 2

High Tech Computer Corp.

Supervisors Audit Report

The Board of Directors has prepared the Company's 2007 Business Report, Financial Statement and Earnings Distribution Proposal. High Tech Computer Corporation's Financial Statements have been audited and certified by Yang, Min-Hsien, CPA, and Lai Guan-Jhong, CPA, of Deloitte & Touche and an audit report relating to the Financial Statements has been issued. The Business Report, Financial Statement and Earnings Distribution Proposal have been reviewed and considered to be complied with relevant rules by the undersigned, the supervisor of High Tech Computer Corporation. According to Article 219 of the Company Law, I hereby submit this report.

High Tech Computer Corp.

Supervisor:

Po-Cheng Ko

Way-Chih Investment Co., Ltd.

Representative: Shao-Lun Lee

April 25, 2008

Supplement 3

High Tech Computer Corp. Rules of Procedure for Board of Directors Meetings

Article 1 (Basis for the adoption of these rules)

To establish a strong governance system and sound supervisory capabilities for the directors meetings of this corporation and strengthen management functions, these rules are adopted pursuant to the provisions of Article 26-3, paragraph 8 of the Securities and Exchange Act and Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies issued by the Financial Supervisory Commission.

Article 2 (Scope of these rules)

The procedural rules for this corporation's board of directors meeting, its main agenda items, operational procedures, required content of meeting minutes, public announcements, and other compliance requirements, shall be handled in accordance with the provisions in these rules.

Article 3 (Convening of a board of directors meeting and meeting notification)

The board of directors shall meet at least quarterly.

Each director and supervisor shall be given at least seven days advance notice of the reasons for convening a board of directors meeting. In emergency circumstances, however, a meeting may be called on shorter notice.

All matters set forth in Article 7, paragraph 1, subparagraphs 1 through 7 shall be specified in the notice of the reasons for convening a board of directors meeting; none of those matters may be raised by an extraordinary motion except in the case of an emergency or for legitimate reason.

Article 4 (Meeting place and time)

A board of directors meeting shall be held at the location and during the business hours of the corporation, or at a place and time convenient for all directors to attend and suitable for holding such a meeting.

Article 5 (Meeting notification and pre-meeting materials)

The agenda working group of this Corporation shall be the Finance and Accounting Department.

The agenda working group shall prepare agenda items for board of directors meetings and fully provide sufficient pre-meeting materials, to be sent together with the notice of the meeting.

A director of the opinion that the pre-meeting materials provided are insufficient may request the agenda working group to supplement them. If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.

Article 6 (Reports)

Agenda items for regular board of directors meetings shall include at least the following:

1. Matters to be reported:

(1) Minutes of the last meeting and action taken.

- (2) Report on important financial and business matters.
- (3) Report on internal audit activities.
- (4) Other important matters to be reported.
2. Matters for discussion:
 - (1) Items for continued discussion from the last meeting.
 - (2) Items for discussion at this meeting.
3. Extraordinary motions.

Article 7 (Matters for discussion)

The matters listed below as they relate to this corporation shall be raised for discussion at the board of directors meeting:

1. Corporate business plan.
2. Annual and semi-annual financial reports.
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any procedure for handling financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. The appointment or discharge of a financial, accounting, or internal audit officer.
7. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or to be resolved by to a meeting of the board of directors, or any material matter as may be prescribed by the competent authority.
8. Long-term corporate business strategy.
9. Screening and approval of the corporate budget.
10. Screening and approval of major capital expenditures of the corporation.

With respect to a matter required by Article 14-3 of the Securities and Exchange Act to be resolved by a meeting of the board of directors, any and all independent directors of the corporation shall attend the meeting in person, or shall authorize other independent directors to attend by proxy, and may not give a proxy to a non-independent director. If an independent director objects to or expresses reservations about such matter, it shall be recorded in the board meeting minutes; an independent director intending to express objection or reservations but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the board meeting minutes.

Article 8 (Delegation of authority to the board chairman when the board of directors is in recess)

Except where otherwise provided by laws and regulations or articles of incorporation, and pursuant to the provisions of this corporation's articles of incorporation, when the board of directors is in recess, the exercise of the powers of the board of directors listed below are delegated to the board chairman:

1. Approval of any major contract or business activity.
2. Approval of real estate mortgage loans and other loans.
3. Approval of the purchase and disposal of general assets and real estate.
4. Appointment and dismissal of key managerial officers, and the screening and approval of their salary and compensation.

5. Appointment and approval of the directors, supervisors, and key managerial officers of an investee company.

Article 9 (Preparation of documents such as the attendance book, and attendance by proxy of a director)

When a board of directors meeting is held, an attendance book shall be provided for the directors who attend to sign-in, and be available for future reference.

Directors shall attend board meetings in person. If a director is unable to attend in person, the director may, in accordance with the company's articles of incorporation, appoint another director to attend in their place. Attendance via telecommunications is deemed as attendance in person; however such attendance shall first be clearly noted in the attendance book, and supplementary sign-in procedures subsequently carried out.

A director who appoints another director to attend a board meeting in their place shall in each instance give the appointed director a written proxy stating the scope of authorization with respect to the reasons for convening the meeting.

A person appointed under the second paragraph of this Article may accept a proxy from one person only.

Article 10 (Meeting chair and acting chair)

Meetings of the board of directors shall be convened and chaired by the chairman of the board. However, the first meeting of each newly elected board of directors shall be called and chaired by the director who received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if there are two or more directors so entitled to convene the meeting, they shall choose one person by and from among themselves to do so.

When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman is also on leave or for any reason unable to exercise those powers, the chairman shall designate one of the directors to do so. Where the chairman does not make such a designation, a director shall be elected by and from among the directors to serve as chair.

Article 11 (Non-voting participants)

When the corporation convenes a board of directors meeting, the agenda working group shall provide relevant materials to the directors attending the meeting for their reference as necessary.

As merited by the content of a proposal to be put forward at the meeting, the convener of the board of directors meeting may notify a non-director who is a managerial officer of a relevant department to attend, and when necessary, may also invite certified public accountants, attorneys, or other professionals to attend the meeting as non-voting participants.

Article 12 (Convening of board of directors meetings)

If one-half of all the directors are not in attendance at the appointed meeting time, the meeting chair may announce postponement of the meeting time, provided that the meeting may be postponed two times only. If the quorum is still not met after two postponements, the chair may reconvene the meeting following the procedures

provided in Article 3, paragraph 2.

The term "all directors" as used in the preceding paragraph and in Article 18, paragraph 2, subparagraph 2 shall be calculated as the number of directors then actually in office.

Article 13 (Discussion of proposals)

A board of directors meeting shall be conducted according to the order of the agenda procedure as stated in the meeting notice. However, that order may be changed with the approval of a majority of directors in attendance at the meeting.

The meeting chair may not declare the meeting closed without the approval of a majority of directors in attendance at the meeting.

If at any time during the course of a board of directors meeting the number of directors sitting at the meeting does not constitute a majority of the directors in attendance at the meeting, then upon a motion by the directors sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Section 1 of the preceding article shall apply mutatis mutandis.

Article 14 (Voting-I)

When the chair at a board of directors meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.

When a proposal comes to a vote at a board of directors meeting, if upon inquiry by the chair all directors in attendance voices no objection, that proposal is deemed approved. If upon inquiry by the chair there is an objection, the proposal shall be brought to a vote.

One voting method for proposals at a board of directors meeting shall be selected by the chair from among the provisions below, provided that when one of those in attendance has an objection, the chair shall solicit multiple opinions upon which to make a decision:

1. Show of hands.
2. Roll call vote.
3. Vote by ballot.
4. Vote by a method selected at the corporation's discretion.

The previous two sections concerning the full body of directors do not apply to the directors who are precluded from the use of voting rights according to Article 16-1.

Article 15 (Voting-II and vote monitoring and counting methods)

When there is any amendment or alternative to a proposal, the chair shall place such amended proposal or alternative proposal together with the original proposal and determine their voting order. If any one among them is passed, the other proposals shall thereupon be deemed rejected, and no further voting on them shall be required.

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, however, all monitoring personnel shall be directors.

Voting results shall be made known immediately and recorded in writing.

If matters put to a resolution constitute material information under law or regulation or the provisions of the Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, this corporation shall input the content of such resolution into the Market Observation Post System (MOPS) within the prescribed time period.

Article 16 (Voting-III)

Except as otherwise provided in the Securities and Exchange Act, the Company Act, or the Article of Incorporation, a resolution on a proposal at a board of directors meeting requires the approval of a majority of the directors in attendance at a meeting attended by a majority of all directors.

Article 17 (Recusal system for directors)

Where an interested party relationship exists for a director, or the juristic person he/she represents, regarding an agenda item and such relationship is likely to prejudice the interests of the corporation, may make declaration remarks and response, that director may not participate in the discussion and voting on that item, and shall appropriately recuse himself/herself during the discussion and voting on the resolution, and also may not exercise voting rights as proxy on behalf of another director.

With respect to a resolution at a board of directors meeting, the provisions of Article 180, paragraph 2, of the Company Act, as applied mutatis mutandis under Article 206, paragraph 2, of that Act, shall apply in cases where a director is prohibited by the preceding paragraph from exercising voting rights.

Article 18 (Meeting minutes and sign-in matters)

Minutes shall be prepared of the discussions at a board of directors meeting, and the minutes shall record the matters listed below in a detailed and accurate manner:

1. Session (or year), time, and place of meeting.
2. Name of the meeting chair.
3. Attendance of directors at the meeting, specifying the names and number of directors in attendance, excused, and absent.
4. Names and titles of those attending the meeting as nonvoting participants.
5. Name of minutes taker.
6. Matters reported on.
7. Discussion items: specify the resolution method and result for each proposal, and summarize the comments made by, and specify any objections or reservations expressed by, or any other statement recorded or in writing of any director, supervisor, expert, or other person, and any opinion issued in writing by an independent director under Article 7, paragraph 2.
8. Extraordinary motions: specify the name of the mover, the resolution method and result for each motion, and summarize the comments made by, and specify any objections or reservations expressed by, or any other statement recorded or in writing of any director, supervisor, expert, or other person.
9. Other matters required to be recorded.

Any of the following matters in relation to a resolution passed at a meeting of the board of directors shall be stated in the meeting minutes, and within two days from the date of the meeting be published on an information reporting website designated by the competent authority:

1. Any matter about which an independent director expresses an objection or reservation of which there is a record or written statement.
2. If the corporation has established an audit committee, what is adopted with the

approval of two-thirds or more of all directors without having been passed by the audit committee.

The attendance book forms a part of the minutes for each board of directors meeting and shall be kept appropriately within the corporation during the existence of company.

The minutes of a board of directors meeting shall bear the signature or seal of both the meeting chair and the minutes taker; a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting and kept appropriately as important company records during the existence of the company.

The production and distribution of the meeting minutes referred to in paragraph 1 may be done in electronic form.

Article 19 (Documentation by audio or video tape)

The Corporation shall document proceedings of a board of directors meeting in their entirety via audio or video and keep such documentation for a minimum of 5 years; such documentation may be kept in electronic form.

If before the end of the period for keeping documentation under the preceding paragraph any litigation arises with respect to a resolution of a board of directors meeting, the relevant audio or video documentation shall continue to be kept until the litigation has concluded.

Where a board of directors meeting is held via telecommunications, the video-conferencing of the meeting forms a part of the meeting minutes and shall be retained during the existence of the company.

Article 20 (Supplementary provisions)

These rules of procedure, and any amendments hereto, shall be adopted by approval of a board of directors meeting, and shall be reported to the shareholders meeting.

28 December 2006 Edition
27 February 2008 Approval

Supplement 4

2007 INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
High Tech Computer Corp.

We have audited the accompanying balance sheets of High Tech Computer Corp. (the "Company") as of December 31, 2005, 2006 and 2007, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, all expressed in New Taiwan dollars. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of High Tech Computer Corp. as of December 31, 2005, 2006 and 2007, and the results of its operations and its cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, requirements of the Business Accounting Law and Guidelines Governing Business Accounting relevant to financial accounting standards, and accounting principles generally accepted in the Republic of China.

We have also audited the consolidated financial statements of High Tech Computer Corp. as of and for the years ended December 31, 2005, 2006 and 2007 and have expressed an unqualified opinion on those financial statements in our report dated January 18, 2008 (not presented herewith).

Our audits also comprehended the translation of the 2007 New Taiwan dollar amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 3. Such U.S. dollar amounts are presented solely for the convenience of readers.

January 18, 2008

Notice to Readers

The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying financial statements were originally presented in more than one set of Chinese reports. For the convenience of readers, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail. Also, as stated in Note 2 to the financial statements, the additional footnote disclosures that are not required under generally accepted accounting principles were not translated into English.

HIGH TECH COMPUTER CORP.

BALANCE SHEETS

DECEMBER 31, 2005, 2006 AND 2007

(In Thousands, Except Par Value)

ASSETS	2005 NT\$	2006 NT\$	2007 NT\$	US\$ (Note 3)	LIABILITIES AND STOCKHOLDERS' EQUITY	2005 NT\$	2006 NT\$	2007 NT\$	US\$ (Note 3)
CURRENT ASSETS					CURRENT LIABILITIES				
Cash (Note 5)	\$ 16,196,448	\$ 34,397,388	\$ 55,036,232	\$ 1,697,078	Financial liabilities at fair value through profit or loss (Notes 2, 4, 6 and 25)	\$ -	\$ 76,470	\$ 96,256	\$ 2,968
Financial assets at fair value through profit or loss (Notes 2, 4, 6 and 25)	60,085	-	-	-	Notes and accounts payable (Note 26)	13,796,693	16,847,039	22,020,118	679,005
Bond investments with no active market (Notes 2 and 13)	-	-	33,030	1,019	Income tax payable (Notes 2 and 23)	616,863	1,758,717	2,514,394	77,533
Notes receivable, net (Notes 2 and 8)	99,087	58,930	3,058	94	Accrued expenses (Notes 16 and 26)	1,204,807	2,340,129	5,269,829	162,498
Accounts receivable, net (Notes 2 and 8)	14,212,815	18,317,979	18,943,867	584,146	Payable for purchase of equipment	14,039	35,342	170,184	5,248
Accounts receivable from related parties, net (Notes 2 and 26)	420,780	1,311,790	536,875	16,555	Other current liabilities (Notes 17 and 26)	<u>1,302,768</u>	<u>2,363,622</u>	<u>4,297,358</u>	<u>132,512</u>
Other current financial assets (Notes 9 and 26)	54,994	368,497	284,051	8,759	Total current liabilities	<u>16,935,170</u>	<u>23,421,319</u>	<u>34,368,139</u>	<u>1,059,764</u>
Inventories (Notes 2 and 10)	4,837,553	4,983,891	6,119,413	188,696					
Prepayments (Notes 11 and 26)	474,261	1,881,119	1,537,327	47,405	OTHER LIABILITIES				
Deferred income tax assets (Notes 2 and 23)	229,826	428,077	562,025	17,330	Guarantee deposits received	<u>561</u>	<u>640</u>	<u>628</u>	<u>19</u>
Other current assets	<u>30,325</u>	<u>63,101</u>	<u>116,841</u>	<u>3,603</u>	Total liabilities	<u>16,935,731</u>	<u>23,421,959</u>	<u>34,368,767</u>	<u>1,059,783</u>
Total current assets	<u>36,616,174</u>	<u>61,810,772</u>	<u>83,172,719</u>	<u>2,564,685</u>					
LONG-TERM INVESTMENTS					STOCKHOLDERS' EQUITY (Note 20)				
Available-for-sale financial assets - noncurrent (Notes 2 and 7)	836	1,733	784	24	Capital stock - NT\$10.00 par value				
Financial assets carried at cost (Notes 2 and 12)	1,192	1,192	501,192	15,455	Authorized: 650,000 thousand shares				
Investments accounted for by the equity method (Notes 2 and 14)	323,505	559,877	2,397,133	73,917	Issued and outstanding: 357,016 thousand shares in 2005, 436,419 thousand shares in 2006 and 573,134 thousand shares in 2007				
Prepayments for long-term investments (Notes 2 and 14)	<u>-</u>	<u>261,679</u>	<u>-</u>	<u>-</u>	Common stock	3,570,160	4,364,192	5,731,337	176,729
Total long-term investments	<u>325,533</u>	<u>824,481</u>	<u>2,899,109</u>	<u>89,396</u>	Capital surplus				
					Additional paid-in capital - common stock	4,410,871	4,410,871	4,374,244	134,883
					Long-term equity investments	-	15,845	15,845	489
					From merger	25,972	25,972	25,756	794
					Retained earnings				
					Legal reserve	813,326	1,991,520	4,516,253	139,262
					Special reserve	19,133	6,175	-	-
					Unappropriated earnings	14,152,255	31,991,090	41,403,867	1,276,715
					Cumulative translation adjustments (Note 2)	(5,041)	10,786	9,664	298
					Unrealized loss on financial instruments (Notes 2, 4 and 7)	(1,135)	(238)	(1,187)	(37)
					Treasury stock (Notes 2 and 21)	<u>-</u>	<u>(243,995)</u>	<u>-</u>	<u>-</u>
					Total stockholders' equity	<u>22,985,541</u>	<u>42,572,218</u>	<u>56,075,779</u>	<u>1,729,133</u>
PROPERTYIES (Notes 2, 15 and 26)									
Cost									
Land	610,293	610,293	610,293	18,819					
Buildings and structures	1,073,560	1,083,065	2,239,919	69,069					
Machinery and equipment	2,543,396	2,913,495	3,336,489	102,883					
Molding equipment	201,567	201,247	201,247	6,206					
Computer equipment	161,459	180,855	212,623	6,556					
Transportation equipment	1,628	1,938	1,335	41					
Furniture and fixtures	107,505	105,016	115,696	3,568					
Leased assets	-	4,712	4,712	145					
Leasehold improvements	<u>22,816</u>	<u>22,816</u>	<u>44,487</u>	<u>1,372</u>					
Total cost	4,722,224	5,123,437	6,766,801	208,659					
Less accumulated depreciation	(2,254,435)	(2,684,143)	(3,196,844)	(98,577)					
Prepayments for construction-in-progress and equipment-in-transit	<u>27,467</u>	<u>470,330</u>	<u>145,944</u>	<u>4,500</u>					
Properties, net	<u>2,495,256</u>	<u>2,909,624</u>	<u>3,715,901</u>	<u>114,582</u>					
OTHER ASSETS									
Refundable deposits	35,278	36,991	93,437	2,881					
Deferred charges (Note 2)	150,237	119,059	88,108	2,717					
Deferred tax assets (Notes 2 and 23)	249,034	219,230	380,085	11,720					
Prepaid pension cost (Notes 2 and 19)	<u>49,760</u>	<u>74,020</u>	<u>95,187</u>	<u>2,935</u>					
Total other assets	<u>484,309</u>	<u>449,300</u>	<u>656,817</u>	<u>20,253</u>					
TOTAL	<u>\$ 39,921,272</u>	<u>\$ 65,994,177</u>	<u>\$ 90,444,546</u>	<u>\$ 2,788,916</u>	TOTAL	<u>\$ 39,921,272</u>	<u>\$ 65,994,177</u>	<u>\$ 90,444,546</u>	<u>\$ 2,788,916</u>

The accompanying notes are an integral part of the financial statements.

HIGH TECH COMPUTER CORP.

STATEMENTS OF INCOME YEARS ENDED DECEMBER 31, 2005, 2006 AND 2007 (In Thousands, Except Earnings Per Share)

	2005	2006	2007	
	NT\$	NT\$	NT\$	US\$ (Note 3)
REVENUES (Notes 2 and 26)	\$ 72,768,522	\$ 104,816,548	\$ 118,579,958	\$ 3,656,490
COST OF REVENUES (Notes 22 and 26)	<u>54,758,040</u>	<u>70,779,066</u>	<u>72,880,172</u>	<u>2,247,307</u>
GROSS PROFIT	18,010,482	34,037,482	45,699,786	1,409,183
UNREALIZED PROFIT FROM INTERCOMPANY TRANSACTIONS	(15,077)	(164,011)	(175,075)	(5,399)
REALIZED PROFIT FROM INTERCOMPANY TRANSACTIONS	<u>6,289</u>	<u>15,077</u>	<u>164,011</u>	<u>5,057</u>
REALIZED GROSS PROFIT	<u>18,001,694</u>	<u>33,888,548</u>	<u>45,688,722</u>	<u>1,408,841</u>
OPERATING EXPENSES (Notes 22 and 26)				
Selling ad marketing	2,111,023	3,721,640	9,871,469	304,393
General and administrative	650,877	660,515	927,680	28,606
Research and development	<u>2,399,315</u>	<u>2,954,427</u>	<u>3,866,148</u>	<u>119,215</u>
Total operating expenses	<u>5,161,215</u>	<u>7,336,582</u>	<u>14,665,297</u>	<u>452,214</u>
OPERATING INCOME	<u>12,840,479</u>	<u>26,551,966</u>	<u>31,023,425</u>	<u>956,627</u>
NONOPERATING INCOME AND GAINS				
Interest income	145,042	438,982	816,136	25,166
Gain on equity-method investments	-	-	103,997	3,207
Gain on sale of properties	5,372	41,361	2,120	65
Gain on physical inventory	2,074	-	-	-
Foreign exchange gain (Note 2)	-	603,127	658,247	20,298
Valuation gain on financial assets (Notes 2, 4 and 6)	60,085	-	-	-
Other	<u>65,487</u>	<u>150,866</u>	<u>230,408</u>	<u>7,105</u>
Total nonoperating income and gains	<u>278,060</u>	<u>1,234,336</u>	<u>1,810,908</u>	<u>55,841</u>
NONOPERATING EXPENSES AND LOSSES				
Interest expense	19,821	298	241	7
Losses on equity-method investments (Notes 2 and 14)	35,112	12,554	-	-
Losses on disposal of properties	2,521	3,377	662	20
Loss on physical inventory	-	2,032	409	13
Foreign exchange loss (Note 2)	299,005	-	-	-
Provision for loss on inventories	584,174	729,310	487,479	15,032
Valuation loss on financial liabilities (Notes 2, 4 and 6)	-	76,470	96,256	2,968
Other	<u>21,967</u>	<u>4,383</u>	<u>97,989</u>	<u>3,022</u>
Total nonoperating expenses and losses	<u>962,600</u>	<u>828,424</u>	<u>683,036</u>	<u>21,062</u>
INCOME BEFORE INCOME TAX	12,155,939	26,957,878	32,151,297	991,406
INCOME TAX (Notes 2 and 23)	<u>(373,995)</u>	<u>(1,710,551)</u>	<u>(3,212,435)</u>	<u>(99,058)</u>
NET INCOME	<u>\$ 11,781,944</u>	<u>\$ 25,247,327</u>	<u>\$ 28,938,862</u>	<u>\$ 892,348</u>

(Continued)

HIGH TECH COMPUTER CORP.

STATEMENTS OF INCOME YEARS ENDED DECEMBER 31, 2004, 2005 AND 2006 (In Thousands, Except Earnings Per Share)

	2005		2006		2007			
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax	Before Income Tax		After Income Tax	
	NT\$	NT\$	NT\$	NT\$	NT\$	US\$ (Note 3)	NT\$	US\$ (Note 3)
BASIC EARNINGS PER SHARE (Note 24)	<u>\$ 21.20</u>	<u>\$ 20.55</u>	<u>\$ 46.65</u>	<u>\$ 43.69</u>	<u>\$ 56.08</u>	<u>\$ 1.73</u>	<u>\$ 50.48</u>	<u>\$ 1.56</u>
DILUTED EARNINGS PER SHARE (Note 24)	<u>\$ 21.02</u>	<u>\$ 20.37</u>	<u>\$ 46.11</u>	<u>\$ 43.18</u>	<u>\$ 56.08</u>	<u>\$ 1.73</u>	<u>\$ 50.48</u>	<u>\$ 1.56</u>

(Concluded)

The accompanying notes are an integral part of the financial statements.

HIGH TECH COMPUTER CORP.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY YEARS ENDED DECEMBER 31, 2005, 2006 AND 2007 (In Thousands)

New Taiwan Dollars	Capital Stock		Capital Surplus			Retained Earnings			Cumulative Translation Adjustments	Unrealized Loss on Financial Instruments	Treasury Stock	Total
	Issued and Outstanding Common Stock	Share Subscriptions Received in Advance	Additional Paid-in Capital - Common Stock	Long-Term Equity Investments	From Merger	Legal Reserve	Special Reserve	Unappropriated Earnings				
BALANCE, JANUARY 1, 2005	\$ 2,714,276	\$ 48,838	\$ 3,064,356	\$ -	\$ 25,972	\$ 427,791	\$ 1,983	\$ 5,105,339	\$ (17,865)	\$ (1,268)	\$ -	\$ 11,369,422
Appropriation of the 2004 net earnings												
Legal reserve	-	-	-	-	-	385,535	-	(385,535)	-	-	-	-
Special reserve	-	-	-	-	-	-	17,150	(17,150)	-	-	-	-
Stock dividends	577,527	-	-	-	-	-	-	(577,527)	-	-	-	-
Transfer of employee bonuses to common stock	105,000	-	-	-	-	-	-	(105,000)	-	-	-	-
Employee bonuses	-	-	-	-	-	-	-	(206,000)	-	-	-	(206,000)
Cash dividends	-	-	-	-	-	-	-	(1,443,816)	-	-	-	(1,443,816)
Net income in 2005	-	-	-	-	-	-	-	11,781,944	-	-	-	11,781,944
Translation adjustments on long-term equity investments	-	-	-	-	-	-	-	-	12,824	-	-	12,824
Unrealized gain on financial instruments	-	-	-	-	-	-	-	-	-	133	-	133
Share subscriptions received in advance and transferred to common stocks	48,838	(48,838)	-	-	-	-	-	-	-	-	-	-
Convertible bonds converted to common stocks	<u>124,519</u>	<u>-</u>	<u>1,346,515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,471,034</u>
BALANCE, DECEMBER 31, 2005	3,570,160	-	4,410,871	-	25,972	813,326	19,133	14,152,255	(5,041)	(1,135)	-	22,985,541
Adjustments due to accounting changes (Note 4)	-	-	-	-	-	-	-	-	-	48	-	48
Appropriation of the 2005 net earnings												
Legal reserve	-	-	-	-	-	1,178,194	-	(1,178,194)	-	-	-	-
Special reserve	-	-	-	-	-	-	(12,958)	12,958	-	-	-	-
Stock dividends	714,032	-	-	-	-	-	-	(714,032)	-	-	-	-
Transfer of employee bonuses to common stock	80,000	-	-	-	-	-	-	(80,000)	-	-	-	-
Employee bonuses	-	-	-	-	-	-	-	(451,000)	-	-	-	(451,000)
Cash dividends	-	-	-	-	-	-	-	(4,998,224)	-	-	-	(4,998,224)
Net income in 2006	-	-	-	-	-	-	-	25,247,327	-	-	-	25,247,327
Translation adjustments on long-term equity investments	-	-	-	-	-	-	-	-	15,827	-	-	15,827
Unrealized gain on financial instruments	-	-	-	-	-	-	-	-	-	849	-	849
Adjustment due to changes in ownership percentage in investees	-	-	-	15,845	-	-	-	-	-	-	-	15,845
Purchase of treasury stock	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(243,995)</u>	<u>(243,995)</u>
BALANCE, DECEMBER 31, 2006	4,364,192	-	4,410,871	15,845	25,972	1,991,520	6,175	31,991,090	10,786	(238)	(243,995)	42,572,218
Appropriation of the 2006 net earnings												
Legal reserve	-	-	-	-	-	2,524,733	-	(2,524,733)	-	-	-	-
Special reserve	-	-	-	-	-	-	(6,175)	6,175	-	-	-	-
Stock dividends	1,298,385	-	-	-	-	-	-	(1,298,385)	-	-	-	-
Transfer of employee bonuses to common stock	105,000	-	-	-	-	-	-	(105,000)	-	-	-	-
Employee bonuses	-	-	-	-	-	-	-	(2,000,000)	-	-	-	(2,000,000)
Cash dividends	-	-	-	-	-	-	-	(11,685,470)	-	-	-	(11,685,470)
Net income in 2007	-	-	-	-	-	-	-	28,938,862	-	-	-	28,938,862
Translation adjustments on long-term equity investments	-	-	-	-	-	-	-	-	(1,122)	-	-	(1,122)
Unrealized loss on financial instruments	-	-	-	-	-	-	-	-	-	(949)	-	(949)
Purchase of treasury stock	-	-	-	-	-	-	-	-	-	-	(1,747,760)	(1,747,760)
Retirement of treasury stock	<u>(36,240)</u>	<u>-</u>	<u>(36,627)</u>	<u>-</u>	<u>(216)</u>	<u>-</u>	<u>-</u>	<u>(1,918,672)</u>	<u>-</u>	<u>-</u>	<u>1,991,755</u>	<u>-</u>
BALANCE, DECEMBER 31, 2007	<u>\$ 5,731,337</u>	<u>\$ -</u>	<u>\$ 4,374,244</u>	<u>\$ 15,845</u>	<u>\$ 25,756</u>	<u>\$ 4,516,253</u>	<u>\$ -</u>	<u>\$41,403,867</u>	<u>\$ 9,664</u>	<u>\$ (1,187)</u>	<u>\$ -</u>	<u>\$56,075,779</u>

(Continued)

HIGH TECH COMPUTER CORP.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2005, 2006 AND 2007
(In Thousands)

U.S. Dollars	Capital Stock		Capital Surplus			Retained Earnings			Cumulative Translation Adjustments	Unrealized Loss on Financial Instruments	Treasury Stock	Total
	Issued and Outstanding Common Stock	Share Subscriptions Received in Advance	Additional Paid-in Capital - Common Stock	Long-Term Equity Investments	From Merger	Legal Reserve	Special Reserve	Unappropriated Earnings				
BALANCE, JANUARY 1, 2007	\$ 134,573	\$ -	\$ 136,012	\$ 489	\$ 801	\$ 61,410	\$ 190	\$ 986,466	\$ 333	\$ (7)	\$ (7,524)	\$ 1,312,743
Appropriation of the 2005 net earnings												
Legal reserve	-	-	-	-	-	77,852	-	(77,852)	-	-	-	-
Special reserve	-	-	-	-	-	-	(190)	190	-	-	-	-
Stock dividends	40,036	-	-	-	-	-	-	(40,036)	-	-	-	-
Transfer of employee bonuses to common stock	3,238	-	-	-	-	-	-	(3,238)	-	-	-	-
Employee bonuses	-	-	-	-	-	-	-	(61,671)	-	-	-	(61,671)
Cash dividends	-	-	-	-	-	-	-	(360,329)	-	-	-	(360,329)
Net income in 2006	-	-	-	-	-	-	-	892,348	-	-	-	892,348
Translation adjustments on long-term equity investments	-	-	-	-	-	-	-	-	(35)	-	-	(35)
Unrealized loss on financial instruments	-	-	-	-	-	-	-	-	-	(30)	-	(30)
Purchase of treasury stock	-	-	-	-	-	-	-	-	-	-	(53,893)	(53,893)
Retirement of treasury stock	(1,118)	-	(1,129)	-	(7)	-	-	(59,163)	-	-	61,417	-
BALANCE, DECEMBER 31, 2007	<u>\$ 176,729</u>	<u>\$ -</u>	<u>\$ 134,883</u>	<u>\$ 489</u>	<u>\$ 794</u>	<u>\$ 139,262</u>	<u>\$ -</u>	<u>\$ 1,276,715</u>	<u>\$ 298</u>	<u>\$ (37)</u>	<u>\$ -</u>	<u>\$ 1,729,133</u>

(Concluded)

The accompanying notes are an integral part of the financial statements.

HIGH TECH COMPUTER CORP.

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2005, 2006 AND 2007 (In Thousands)

	2005	2006	2007	
	NT\$	NT\$	NT\$	US\$ (Note 3)
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	\$ 11,781,944	\$ 25,247,327	\$ 28,938,862	\$ 892,348
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation	582,367	601,382	525,055	16,190
Amortization	35,974	31,178	30,951	954
Gain on disposal of properties, net	(2,851)	(37,984)	(1,458)	(45)
Losses (gains) on equity-method investments	35,112	12,554	(103,997)	(3,207)
Provision for redemption of convertible bonds	2,042	-	-	-
Foreign exchange gains on convertible bonds	(8,179)	-	-	-
Amortization of bond issue costs	17,675	-	-	-
Deferred income tax assets	(256,170)	(168,447)	(294,803)	(9,090)
Prepaid pension costs	(42,097)	(24,260)	(21,167)	(653)
Net changes in operating assets and liabilities				
Financial instruments at fair value through profit or loss	(58,991)	136,555	19,786	610
Notes receivable	(27,331)	40,157	55,872	1,723
Accounts receivable	(5,826,625)	(4,105,164)	(625,888)	(19,299)
Accounts receivable from related parties	(342,567)	(891,010)	774,915	23,895
Other current financial assets	(6,667)	(313,503)	84,446	2,604
Inventories	(633,904)	(146,338)	(1,135,522)	(35,014)
Prepayments	(229,433)	(1,406,858)	343,792	10,601
Other current assets	17,390	(32,776)	(53,740)	(1,657)
Notes and accounts payable	5,854,811	3,050,346	5,173,079	159,515
Income tax payable	522,709	1,141,854	755,677	23,302
Accrued expenses	342,540	1,135,322	2,929,700	90,339
Other current liabilities	<u>838,408</u>	<u>605,960</u>	<u>2,385,612</u>	<u>73,562</u>
Net cash provided by operating activities	<u>12,596,157</u>	<u>24,876,295</u>	<u>39,781,172</u>	<u>1,226,678</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of properties	(601,915)	(997,233)	(1,201,063)	(37,035)
Proceeds of the sales of properties	5,882	44,664	5,155	159
Acquisition of investments accounted for by the equity method	-	(478,933)	(1,472,702)	(45,412)
Acquisition of financial assets carried at cost	-	-	(500,000)	(15,418)
Acquisition of bond investments with no active market	-	-	(33,030)	(1,019)
Proceeds of the disposal of long-term investments	4,312	-	-	-
Increase in refundable deposits	<u>(29,356)</u>	<u>(1,713)</u>	<u>(56,446)</u>	<u>(1,741)</u>
Net cash used in investing activities	<u>(621,077)</u>	<u>(1,433,215)</u>	<u>(3,258,086)</u>	<u>(100,466)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
(Decrease) increase in guarantee deposits received	(272,517)	79	(12)	-
Cash dividends	(1,443,816)	(4,998,224)	(11,685,470)	(360,329)
Bonus to employees	(210,500)	-	(2,451,000)	(75,578)
Purchase of treasury stock	<u>-</u>	<u>(243,995)</u>	<u>(1,747,760)</u>	<u>(53,893)</u>
Net cash used in financing activities	<u>(1,926,833)</u>	<u>(5,242,140)</u>	<u>(15,884,242)</u>	<u>(489,800)</u>
NET INCREASE IN CASH	10,048,247	18,200,940	20,638,844	636,412
CASH, BEGINNING OF YEAR	<u>6,148,201</u>	<u>16,196,448</u>	<u>34,397,388</u>	<u>1,060,666</u>
CASH, END OF YEAR	<u>\$ 16,196,448</u>	<u>\$ 34,397,388</u>	<u>\$ 55,036,232</u>	<u>\$ 1,697,078</u>

(Continued)

HIGH TECH COMPUTER CORP.

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2005, 2006 AND 2007 (In Thousands)

	2005 NT\$	2006 NT\$	2007 NT\$	US\$ (Note 3)
SUPPLEMENTAL CASH FLOW INFORMATION				
Cash paid during the year				
Interest (net of amounts capitalized)	\$ -	\$ 298	\$ 241	\$ 7
Income tax	\$ 107,456	\$ 737,145	\$ 2,751,561	\$ 84,846
NONCASH INVESTING AND FINANCING ACTIVITIES				
Transfer of convertible bonds to common stock and additional paid-in capital	\$ 1,471,034	\$ -	\$ -	-
Transfer of retained earnings and employee bonuses to common stock	\$ 682,527	\$ 794,032	\$ 1,403,385	43,274
Retirement of treasury stock	\$ -	\$ -	\$ 1,991,755	61,417
PURCHASE OF PROPERTIES				
Cost of properties purchased	\$ 561,712	\$ 1,022,430	\$ 1,335,029	\$ 41,166
Decrease (increase) in payable for purchase of equipment	40,203	(21,303)	(134,842)	(4,158)
Increase in lease payable	-	(3,894)	876	27
Cash paid for purchase of properties	\$ 601,915	\$ 997,233	\$ 1,201,063	\$ 37,035
BONUS TO EMPLOYEES				
Appropriation of bonus to employees	\$ 206,000	\$ 451,000	\$ 2,000,000	\$ 61,671
Decrease (increase) in payable for employee bonus	4,500	(451,000)	451,000	13,907
Cash paid	\$ 210,500	\$ -	\$ 2,451,000	\$ 75,578

(Concluded)

The accompanying notes are an integral part of the financial statements.

Supplement 5

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
High Tech Computer Corp.

We have audited the accompanying consolidated balance sheets of High Tech Computer Corp. and subsidiaries (the "Company") as of December 31, 2005, 2006 and 2007, and the related consolidated statements of income, changes in stockholders' equity and cash flows for the years then ended, all expressed in New Taiwan dollars. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of High Tech Computer Corp. and subsidiaries as of December 31, 2005, 2006 and 2007, and the results of their operations and their cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, requirements of the Business Accounting Law and Guidelines Governing Business Accounting relevant to financial accounting standards, and accounting principles generally accepted in the Republic of China.

Our audits also comprehended the translation of the 2007 New Taiwan dollar amounts into U.S. dollar amounts and, in our opinion; such translation has been made in conformity with the basis stated in Note 3. Such U.S. dollar amounts are presented solely for the convenience of readers.

January 18, 2008

Notice to Readers

The accompanying consolidated financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying financial statements were originally presented in more than one set of Chinese reports. For the convenience of readers, the auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and consolidated financial statements shall prevail. Also, as stated in Note 2 to the consolidated financial statements, the additional footnote disclosures that are not required under generally accepted accounting principles were not translated into English.

HIGH TECH COMPUTER CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2005, 2006 AND 2007 (In Thousands, Except Par Value)

ASSETS	2005 NT\$	2006 NT\$	2007 NT\$	US\$ (Note 3)	LIABILITIES AND STOCKHOLDERS' EQUITY	2005 NT\$	2006 NT\$	2007 NT\$	US\$ (Note 3)
CURRENT ASSETS					CURRENT LIABILITIES				
Cash (Note 5)	\$ 16,425,226	\$ 34,969,818	\$ 56,490,185	\$ 1,741,911	Financial liabilities at fair value through profit or loss (Notes 2, 4, 6 and 25)	\$ -	\$ 76,470	\$ 96,256	2,968
Financial assets at fair value through profit or loss (Notes 2, 4, 6 and 25)	60,085	-	529	16	Notes and accounts payable (Note 26)	14,076,881	17,276,571	23,201,620	715,437
Bond investments with no active market (Notes 2 and 13)	-	-	33,030	1,019	Income tax payable (Notes 2 and 23)	616,863	1,758,717	2,558,703	78,899
Notes receivable, net (Notes 2 and 8)	99,087	58,930	3,532	109	Accrued expenses (Notes 15 and 26)	1,242,262	2,484,078	5,126,409	158,076
Accounts receivable, net (Notes 2, 8 and 26)	14,388,823	19,148,301	19,470,185	600,376	Payable for purchase of equipment	20,045	49,058	179,280	5,528
Other current financial assets (Notes 9, 26 and 27)	67,701	260,228	210,828	6,501	Long-term liabilities - current portion (Note 18)	-	-	20,625	636
Inventories (Notes 2 and 10)	5,318,031	5,963,513	7,236,702	223,148	Other current liabilities (Notes 16 and 26)	<u>1,198,353</u>	<u>2,113,003</u>	<u>3,970,032</u>	<u>122,419</u>
Prepayments (Note 11)	417,964	1,867,820	1,567,761	48,343					
Deferred tax assets (Notes 2 and 23)	229,826	428,077	570,992	17,607	Total current liabilities	<u>17,154,404</u>	<u>23,757,897</u>	<u>35,152,925</u>	<u>1,083,963</u>
Other current assets	<u>30,325</u>	<u>115,936</u>	<u>179,267</u>	<u>5,528</u>					
Total current assets	<u>37,037,068</u>	<u>62,812,623</u>	<u>85,763,011</u>	<u>2,644,558</u>	LONG-TERM LIABILITIES				
					Long-term bank loans, net of current portion (Note 18)	<u>-</u>	<u>-</u>	<u>75,625</u>	<u>2,332</u>
LONG-TERM INVESTMENTS					OTHER LIABILITIES				
Available-for-sale financial assets - noncurrent (Notes 2 and 7)	836	1,733	784	24	Guarantee deposits received	<u>561</u>	<u>640</u>	<u>633</u>	<u>20</u>
Financial assets carried at cost (Notes 2 and 12)	<u>1,192</u>	<u>1,192</u>	<u>501,192</u>	<u>15,455</u>					
Total long-term investments	<u>2,028</u>	<u>2,925</u>	<u>501,976</u>	<u>15,479</u>	Total liabilities	<u>17,154,965</u>	<u>23,758,537</u>	<u>35,229,183</u>	<u>1,086,315</u>
PROPERTIES (Notes 2, 14 and 26)					STOCKHOLDERS' EQUITY (Note 20)				
Cost					Capital stock - NT\$10.00 par value				
Land	610,293	610,293	610,293	18,819	Authorized: 650,000 thousand shares				
Buildings and structures	1,073,560	1,083,065	2,254,855	69,530	Issued and outstanding: 357,016 thousand shares in 2005, 436,419 thousand shares in 2006 and 573,134 thousand shares in 2007				
Machinery and equipment	2,634,274	3,103,327	3,966,723	122,317	Common stock	3,570,160	4,364,192	5,731,337	176,729
Molding equipment	201,567	201,247	212,360	6,548	Capital surplus				
Computer equipment	181,852	226,903	284,260	8,765	Additional paid-in capital - common stock	4,410,871	4,410,871	4,374,244	134,883
Transportation equipment	2,841	3,141	3,195	99	Long-term equity investments	-	15,845	15,845	489
Furniture and fixtures	127,195	139,647	213,934	6,597	From merger	25,972	25,972	25,756	794
Leased assets	-	4,712	4,712	145	Retained earnings				
Leasehold improvements	<u>34,202</u>	<u>76,772</u>	<u>119,672</u>	<u>3,690</u>	Legal reserve	813,326	1,991,520	4,516,253	139,262
Total cost	4,865,784	5,449,107	7,670,004	236,510	Special reserve	19,133	6,175	-	-
Less accumulated depreciation	(2,283,042)	(2,752,680)	(3,598,267)	(110,955)	Unappropriated earnings	14,152,255	31,991,090	41,403,867	1,276,715
Prepayments for construction-in-progress and equipment-in-transit	<u>27,467</u>	<u>473,971</u>	<u>149,225</u>	<u>4,601</u>	Cumulative translation adjustments (Note 2)	(5,041)	10,786	9,664	298
Properties, net	<u>2,610,209</u>	<u>3,170,398</u>	<u>4,220,962</u>	<u>130,156</u>	Unrealized loss on financial instruments (Notes 2, 4 and 7)	(1,135)	(238)	(1,187)	(37)
					Treasury stock (Notes 2 and 21)	<u>-</u>	<u>(243,995)</u>	<u>-</u>	<u>-</u>
INTANGIBLE ASSETS					Equity attributable to stockholders of the parent	22,985,541	42,572,218	56,075,779	1,729,133
Goodwill	-	-	174,253	5,373	MINORITY INTEREST	<u>-</u>	<u>132,669</u>	<u>111,519</u>	<u>3,439</u>
Deferred pension cost	<u>-</u>	<u>-</u>	<u>953</u>	<u>30</u>					
Total intangible assets	<u>-</u>	<u>-</u>	<u>175,206</u>	<u>5,403</u>	Total Stockholders' equity	<u>22,985,541</u>	<u>42,704,887</u>	<u>56,187,298</u>	<u>1,732,572</u>
OTHER ASSETS									
Refundable deposits	36,592	45,234	132,619	4,089					
Deferred charges (Note 2)	155,815	135,060	136,273	4,202					
Deferred tax assets (Notes 2 and 23)	249,034	223,164	392,174	12,093					
Prepaid pension cost (Notes 2 and 19)	<u>49,760</u>	<u>74,020</u>	<u>94,260</u>	<u>2,907</u>					
Total other assets	<u>491,201</u>	<u>477,478</u>	<u>755,326</u>	<u>23,291</u>					
TOTAL	<u>\$ 40,140,506</u>	<u>\$ 66,463,424</u>	<u>\$ 91,416,481</u>	<u>\$ 2,818,887</u>	TOTAL	<u>\$ 40,140,506</u>	<u>\$ 66,463,424</u>	<u>\$ 91,416,481</u>	<u>2,818,887</u>

The accompanying notes are an integral part of the consolidated financial statements.

HIGH TECH COMPUTER CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME YEARS ENDED DECEMBER 31, 2005, 2006 AND 2007 (In Thousands, Except Earnings Per Share)

	2005	2006	2007	
	NT\$	NT\$	NT\$	US\$ (Note 3)
REVENUES (Notes 2 and 26)	\$ 73,144,654	\$ 105,358,397	\$ 118,217,545	\$ 3,645,314
COST OF REVENUES (Notes 22 and 26)	<u>55,238,941</u>	<u>72,066,150</u>	<u>73,393,757</u>	<u>2,263,144</u>
GROSS PROFIT	<u>17,905,713</u>	<u>33,292,247</u>	<u>44,823,788</u>	<u>1,382,170</u>
OPERATING EXPENSES (Notes 22 and 26)				
Selling and marketing	2,110,805	3,025,640	8,488,466	261,747
General and administrative	590,592	770,545	1,310,650	40,415
Research and development	<u>2,399,315</u>	<u>2,974,003</u>	<u>3,705,261</u>	<u>114,254</u>
Total operating expenses	<u>5,100,712</u>	<u>6,770,188</u>	<u>13,504,377</u>	<u>416,416</u>
OPERATING INCOME	<u>12,805,001</u>	<u>26,522,059</u>	<u>31,319,411</u>	<u>965,754</u>
NONOPERATING INCOME AND GAINS				
Interest income	147,820	445,121	828,012	25,532
Gain on sale of properties	5,372	39,111	77	2
Gain on physical inventory	3,474	-	25,538	787
Foreign exchange gain (Note 2)	-	626,464	707,642	21,821
Valuation gains on financial instruments (Notes 2, 4 and 6)	60,085	-	-	-
Other	<u>80,788</u>	<u>173,356</u>	<u>236,115</u>	<u>7,281</u>
Total nonoperating income and gains	<u>297,539</u>	<u>1,284,052</u>	<u>1,797,384</u>	<u>55,423</u>
NONOPERATING EXPENSES AND LOSSES				
Interest expense	19,821	298	1,212	37
Losses on disposal of properties	2,576	3,412	1,396	43
Loss on physical inventory	-	1,121	-	-
Foreign exchange loss (Note 2)	301,437	-	-	-
Provision for loss on inventories	598,549	774,944	684,694	21,113
Valuation loss on financial instruments (Notes 2, 4 and 6)	-	76,470	96,256	2,968
Other	<u>22,012</u>	<u>7,149</u>	<u>101,301</u>	<u>3,124</u>
Total nonoperating expenses and losses	<u>944,395</u>	<u>863,394</u>	<u>884,859</u>	<u>27,285</u>
INCOME BEFORE INCOME TAX	12,158,145	26,942,717	32,231,936	993,892
INCOME TAX (Notes 2 and 23)	<u>(376,201)</u>	<u>(1,708,375)</u>	<u>(3,314,224)</u>	<u>(102,196)</u>
NET INCOME	<u>\$ 11,781,944</u>	<u>\$ 25,234,342</u>	<u>\$ 28,917,712</u>	<u>\$ 891,696</u>
ATTRIBUTABLE TO				
Stockholders of the parent	\$ 11,781,944	\$ 25,247,327	\$ 28,938,862	\$ 892,348
Minority interest	<u>-</u>	<u>(12,985)</u>	<u>(21,150)</u>	<u>(652)</u>
	<u>\$ 11,781,944</u>	<u>\$ 25,234,342</u>	<u>\$ 28,917,712</u>	<u>\$ 891,696</u>

(Continued)

HIGH TECH COMPUTER CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME YEARS ENDED DECEMBER 31, 2005, 2006 AND 2007 (In Thousands, Except Earnings Per Share)

	2005		2006		2007			
	Before Income Tax	After Income Tax	Before Income Tax	After Income Tax	Before Income Tax		After Income Tax	
	NT\$	NT\$	NT\$	NT\$	NT\$	US\$	NT\$	US\$
						(Note 3)		(Note 3)
BASIC EARNINGS PER SHARE (Note 24)	<u>\$ 21.20</u>	<u>\$ 20.55</u>	<u>\$ 46.65</u>	<u>\$ 43.69</u>	<u>\$ 56.08</u>	<u>\$ 1.73</u>	<u>\$ 50.48</u>	<u>\$ 1.56</u>
DILUTED EARNINGS PER SHARE (Note 24)	<u>\$ 21.02</u>	<u>\$ 20.37</u>	<u>\$ 46.11</u>	<u>\$ 43.18</u>	<u>\$ 56.08</u>	<u>\$ 1.73</u>	<u>\$ 50.48</u>	<u>\$ 1.56</u>

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.

HIGH TECH COMPUTER CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY YEARS ENDED DECEMBER 31, 2005, 2006 AND 2007 (In Thousands)

New Taiwan Dollars	Capital Stock		Capital Surplus			Retained Earnings			Cumulative Translation Adjustments	Unrealized Loss on Financial Instruments	Treasury Stock	Minority Interest	Total
	Issued and Outstanding Common Stock	Share Subscriptions Received in Advance	Additional Paid-in Capital - Common Stock	Long-Term Equity Investments	From Merger	Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE, JANUARY 1, 2005	\$ 2,714,276	\$ 48,838	\$ 3,064,356	\$ -	\$ 25,972	\$ 427,791	\$ 1,983	\$ 5,105,339	\$ (17,865)	\$ (1,268)	\$ -	\$ -	\$ 11,369,422
Appropriation of the 2004 net earnings													
Legal reserve	-	-	-	-	-	385,535	-	(385,535)	-	-	-	-	-
Special reserve	-	-	-	-	-	-	17,150	(17,150)	-	-	-	-	-
Stock dividends	577,527	-	-	-	-	-	-	(577,527)	-	-	-	-	-
Transfer of employee bonuses to common stock	105,000	-	-	-	-	-	-	(105,000)	-	-	-	-	-
Employee bonuses	-	-	-	-	-	-	-	(206,000)	-	-	-	-	(206,000)
Cash dividends	-	-	-	-	-	-	-	(1,443,816)	-	-	-	-	(1,443,816)
Net income in 2005	-	-	-	-	-	-	-	11,781,944	-	-	-	-	11,781,944
Translation adjustments on long-term equity investments	-	-	-	-	-	-	-	-	12,824	-	-	-	12,824
Unrealized gain on financial instruments	-	-	-	-	-	-	-	-	-	133	-	-	133
Share subscriptions received in advance and transferred to common stocks	48,838	(48,838)	-	-	-	-	-	-	-	-	-	-	-
Convertible bonds converted to common stocks	<u>124,519</u>	<u>-</u>	<u>1,346,515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,471,034</u>
BALANCE, DECEMBER 31, 2005	3,570,160	-	4,410,871	-	25,972	813,326	19,133	14,152,255	(5,041)	(1,135)	-	-	22,985,541
Adjustments due to accounting changes (Note 4)	-	-	-	-	-	-	-	-	-	48	-	-	48
Appropriation of the 2005 net earnings													
Legal reserve	-	-	-	-	-	1,178,194	-	(1,178,194)	-	-	-	-	-
Special reserve	-	-	-	-	-	-	(12,958)	12,958	-	-	-	-	-
Stock dividends	714,032	-	-	-	-	-	-	(714,032)	-	-	-	-	-
Transfer of employee bonuses to common stock	80,000	-	-	-	-	-	-	(80,000)	-	-	-	-	-
Employee bonuses	-	-	-	-	-	-	-	(451,000)	-	-	-	-	(451,000)
Cash dividends	-	-	-	-	-	-	-	(4,998,224)	-	-	-	-	(4,998,224)
Net income in 2006	-	-	-	-	-	-	-	25,247,327	-	-	-	(12,985)	25,234,342
Translation adjustments on long-term equity investments	-	-	-	-	-	-	-	-	15,827	-	-	-	15,827
Unrealized gain on financial instruments	-	-	-	-	-	-	-	-	-	849	-	-	849
Adjustment due to changes in ownership percentage in investees	-	-	-	15,845	-	-	-	-	-	-	-	-	15,845
Purchase of treasury stock	-	-	-	-	-	-	-	-	-	-	(243,995)	-	(243,995)
Increase in minority interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,654</u>	<u>145,654</u>
BALANCE, DECEMBER 31, 2006	4,364,192	-	4,410,871	15,845	25,972	1,991,520	6,175	31,991,090	10,786	(238)	(243,995)	132,669	42,704,887
Appropriation of the 2006 net earnings													
Legal reserve	-	-	-	-	-	2,524,733	-	(2,524,733)	-	-	-	-	-
Special reserve	-	-	-	-	-	-	(6,175)	6,175	-	-	-	-	-
Stock dividends	1,298,385	-	-	-	-	-	-	(1,298,385)	-	-	-	-	-
Transfer of employee bonuses to common stock	105,000	-	-	-	-	-	-	(105,000)	-	-	-	-	-
Employee bonuses	-	-	-	-	-	-	-	(2,000,000)	-	-	-	-	(2,000,000)
Cash dividends	-	-	-	-	-	-	-	(11,685,470)	-	-	-	-	(11,685,470)
Net income in 2007	-	-	-	-	-	-	-	28,938,862	-	-	-	(21,150)	28,917,712
Translation adjustments on long-term equity investments	-	-	-	-	-	-	-	-	(1,122)	-	-	-	(1,122)
Unrealized loss on financial instruments	-	-	-	-	-	-	-	-	-	(949)	-	-	(949)
Purchase of treasury stock	-	-	-	-	-	-	-	-	-	-	(1,747,760)	-	(1,747,760)
Retirement of treasury stock	<u>(36,240)</u>	<u>-</u>	<u>(36,627)</u>	<u>-</u>	<u>(216)</u>	<u>-</u>	<u>-</u>	<u>(1,918,672)</u>	<u>-</u>	<u>-</u>	<u>1,991,755</u>	<u>-</u>	<u>-</u>
BALANCE, DECEMBER 31, 2007	<u>\$ 5,731,337</u>	<u>\$ -</u>	<u>\$ 4,374,244</u>	<u>\$ 15,845</u>	<u>\$ 25,756</u>	<u>\$ 4,516,253</u>	<u>\$ -</u>	<u>\$ 41,403,867</u>	<u>\$ 9,664</u>	<u>\$ (1,187)</u>	<u>\$ -</u>	<u>\$ 111,519</u>	<u>\$ 56,187,298</u>

(Continued)

HIGH TECH COMPUTER CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2005, 2006 AND 2007
(In Thousands)

U.S. Dollars	Capital Stock		Capital Surplus			Retained Earnings			Cumulative Translation Adjustments	Unrealized Loss on Financial Instruments	Treasury Stock	Minority Interest	Total
	Issued and Outstanding Common Stock	Share Subscriptions Received in Advance	Additional Paid-in Capital - Common Stock	Long-Term Equity Investments	From Merger	Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE, JANUARY 1, 2007	\$ 134,573	\$ -	\$ 136,012	\$ 489	\$ 801	\$ 61,410	\$ 190	\$ 986,466	\$ 333	\$ (7)	\$ (7,524)	\$ 4,091	\$ 1,316,834
Appropriation of the 2006 net earnings													
Legal reserve	-	-	-	-	-	77,852	-	(77,852)	-	-	-	-	-
Special reserve	-	-	-	-	-	-	(190)	190	-	-	-	-	-
Stock dividends	40,036	-	-	-	-	-	-	(40,036)	-	-	-	-	-
Transfer of employee bonuses to common stock	3,238	-	-	-	-	-	-	(3,238)	-	-	-	-	-
Employee bonuses	-	-	-	-	-	-	-	(61,671)	-	-	-	-	(61,671)
Cash dividends	-	-	-	-	-	-	-	(360,329)	-	-	-	-	(360,329)
Net income in 2007	-	-	-	-	-	-	-	892,348	-	-	-	(652)	891,696
Translation adjustments on long-term equity investments	-	-	-	-	-	-	-	-	(35)	-	-	-	(35)
Unrealized loss on financial instruments	-	-	-	-	-	-	-	-	-	(30)	-	-	(30)
Purchase of treasury stock	-	-	-	-	-	-	-	-	-	-	(53,893)	-	(53,893)
Retirement of treasury stock	<u>(1,118)</u>	<u>-</u>	<u>(1,129)</u>	<u>-</u>	<u>(7)</u>	<u>-</u>	<u>-</u>	<u>(59,163)</u>	<u>-</u>	<u>-</u>	<u>61,417</u>	<u>-</u>	<u>-</u>
BALANCE, DECEMBER 31, 2007	<u>\$ 176,729</u>	<u>\$ -</u>	<u>\$ 134,883</u>	<u>\$ 489</u>	<u>\$ 794</u>	<u>\$ 139,262</u>	<u>\$ -</u>	<u>\$ 1,276,715</u>	<u>\$ 298</u>	<u>\$ (37)</u>	<u>\$ -</u>	<u>\$ 3,439</u>	<u>\$ 1,732,572</u>

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.

HIGH TECH COMPUTER CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2005, 2006 AND 2007 (In Thousands)

	2005 NT\$	2006 NT\$	2007 NT\$	US\$ (Note 3)
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	\$ 11,781,944	\$ 25,234,342	\$ 28,917,712	\$ 891,696
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation	600,476	638,353	681,257	21,007
Amortization	44,098	40,516	51,862	1,599
(Gain) loss on disposal of properties, net	(2,796)	(35,699)	1,319	41
Provision for redemption of convertible bonds	2,042	-	-	-
Foreign exchange gains on convertible bonds	(8,179)	-	-	-
Amortization of bond issue costs	17,675	-	-	-
Deferred income tax assets	(254,088)	(172,381)	(309,485)	(9,543)
Prepaid pension cost	(42,097)	(24,260)	(20,252)	(624)
Net changes in operating assets and liabilities				
Financial instruments at fair value through profit or loss	(58,991)	136,555	19,257	594
Notes receivable	(27,331)	40,157	55,398	1,708
Accounts receivable	(5,942,099)	(4,759,478)	(285,922)	(8,817)
Other current financial assets	(24,306)	(85,611)	83,900	2,587
Inventories	(1,048,757)	(645,482)	(1,273,189)	(39,260)
Prepayments	(171,451)	(1,449,856)	304,116	9,378
Other current assets	17,390	(192,527)	(63,149)	(1,947)
Notes and accounts payable	6,123,406	3,199,690	5,918,175	182,491
Income tax payable	522,709	1,141,854	799,986	24,668
Accrued expenses	371,546	1,241,816	2,636,439	81,296
Other current liabilities	743,836	459,756	2,280,787	70,330
Net cash provided by operating activities	<u>12,645,027</u>	<u>24,767,745</u>	<u>39,798,211</u>	<u>1,227,204</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of properties	(672,602)	(1,166,408)	(1,424,307)	(43,920)
Proceeds of the sales of properties	5,918	44,701	6,552	202
Increase in restricted assets	-	-	(34,500)	(1,064)
Acquisition of financial assets carried at cost	-	-	(500,000)	(15,418)
Acquisition of bond investments with no active market	-	-	(33,030)	(1,019)
Acquisition of a subsidiary	-	-	(240,039)	(7,402)
Proceeds of the disposal of long-term investments	4,312	-	-	-
Increase in refundable deposits	(29,922)	(8,642)	(86,803)	(2,677)
Increase in deferred charges	(477)	(19,401)	(52,019)	(1,604)
Net cash used in investing activities	<u>(692,771)</u>	<u>(1,149,750)</u>	<u>(2,364,146)</u>	<u>(72,902)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Decrease in long-term bank loans	-	-	(16,231)	(500)
(Decrease) increase in guarantee deposits received	(272,517)	79	(7)	-
Cash dividends	(1,443,816)	(4,998,224)	(11,685,470)	(360,329)
Bonus to employees	(210,500)	-	(2,451,000)	(75,578)
Purchase of treasury stock	-	(243,995)	(1,747,760)	(53,893)
Increase in minority interest	-	161,499	-	-
Net cash used in financing activities	<u>(1,926,833)</u>	<u>(5,080,641)</u>	<u>(15,900,468)</u>	<u>(490,300)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>9,261</u>	<u>7,238</u>	<u>(13,230)</u>	<u>(408)</u>

(Continued)

HIGH TECH COMPUTER CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2005, 2006 AND 2007 (In Thousands)

	2005 NT\$	2006 NT\$	2007	
			NT\$	US\$ (Note 3)
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 10,034,684	\$ 18,544,592	\$ 21,520,367	\$ 663,594
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>6,390,542</u>	<u>16,425,226</u>	<u>34,969,818</u>	<u>1,078,317</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 16,425,226</u>	<u>\$ 34,969,818</u>	<u>\$ 56,490,185</u>	<u>\$ 1,741,911</u>
SUPPLEMENTAL CASH FLOW INFORMATION				
Cash paid during the year				
Interest	\$ -	\$ 298	\$ 1,212	\$ 37
Income tax	<u>\$ 107,580</u>	<u>\$ 738,902</u>	<u>\$ 2,823,723</u>	<u>\$ 87,071</u>
NONCASH INVESTING AND FINANCING ACTIVITIES				
Transfer of convertible bonds to common stock and additional paid-in capital	<u>\$ 1,471,034</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Transfer of retained earnings and employee bonuses to common stock	<u>\$ 682,527</u>	<u>\$ 794,032</u>	<u>\$ 1,403,385</u>	<u>43,274</u>
Retirement of treasury stock	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,991,755</u>	<u>61,417</u>
PURCHASE OF PROPERTIES				
Cost of properties purchased	\$ 635,592	\$ 1,199,315	\$ 1,553,653	\$ 47,908
Decrease (increase) in payable for purchase of equipment	37,010	(29,013)	(130,222)	(4,015)
(Increase) decrease in lease payable	<u>-</u>	<u>(3,894)</u>	<u>876</u>	<u>27</u>
Cash paid for purchase of properties	<u>\$ 672,602</u>	<u>\$ 1,166,408</u>	<u>\$ 1,424,307</u>	<u>\$ 43,920</u>
BONUS TO EMPLOYEES				
Appropriation of bonus to employees	\$ 206,000	\$ 451,000	\$ 2,000,000	\$ 61,671
Decrease (increase) in payable for employee bonus	<u>4,500</u>	<u>(451,000)</u>	<u>451,000</u>	<u>13,907</u>
Cash paid	<u>\$ 210,500</u>	<u>\$ -</u>	<u>\$ 2,451,000</u>	<u>\$ 75,578</u>

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.

Supplement 6

High Tech Computer Corp. Fiscal 2007 Earnings Distribution Table

UNIT : NT\$

Item	Amount	
	Subtotal	Total
Accumulated earnings at beginning of 2007		12,465,005,746
Plus : Net income of 2007	28,938,861,391	
Less : Legal reserve	(2,893,886,139)	
Add : To Reverse Special reserve (Note 1)	0	
Appropriation of earnings for 2007	26,044,975,252	
Appropriation of earnings as of Dec 31, 2007		38,509,980,998
Items of appropriation and distribution of 2007 earnings :		
Directors and Supervisors' remuneration(0%)	0	
Employees bonuses (5.0420%) (Note2)	(1,313,200,000)	
Stock dividend (NT\$3 / per share) (Note3)	(1,719,401,200)	
Cash dividend (NT\$34 / per share) (Note3)	(19,486,547,032)	
Total appropriation and distribution of 2007		(22,519,148,232)
Accumulated earnings at end of 2007		15,990,832,766

(Note 1) : Calculation : UNIT : NT\$

Other adjustments of Stockholders' Equity:

As of Dec 31, 2007 :

Unrealized losses on financial instruments (1,187,073)

Cumulative transaction adjustments 9,664,433

Other adjustments of Stockholders' Equity as of Dec 31, 2007 8,477,360

Accumulated Special reserve for debit of Stockholders' Equity as of Dec 31, 2007 : 0

Less : Accumulated Special reserve for debit of Stockholders' Equity as of Dec 31, 2007 0

To appropriate the Special reserve for debit of Stockholders' Equity 0

(Note2) :Employee bonus regulation limit

UNIT : NT\$

calculation :

Employee cash bonus 1,210,000,000

The market value of employee stock bonus (based on 2007.12 average closing price NT\$576) 10,320,000 shares x NTD576 5,944,320,000

Total market value of employee cash and stock bonus 7,154,320,000

Total market value of employee cash and stock bonus is NT\$ 7,154,320,000 , (1) that is less than NT\$14,469,430,696 (such as 50% of 2007 NPAT) or (2) that is less than NT\$19,254,990,499 (such as 50% of appropriation of earnings as of Dec 31, 2007 minus legal reserve, special reserve and the amount used to cover the loss) 。

(Note3) :

The Board of Directors may make the required adjustments to the actual earnings distribution ratio on the basis of the number of issued and outstanding stocks registered in the Common Stockholders' Roster as at the record date.

High Tech Computer Corp.

Chairperson: Cher Wang

President: Peter Chou

Chief Accountant: Clement Lin

Supplement 7

High Tech Computer Corp. Articles of Incorporation

Pre- and Post-Amendment Comparison Chart

Article no.	Original article	Amended article	Notes
Art. 1	This Company, organized under the Company Act as a company limited by shares, shall be named <u>High Tech Computer Corp.</u> (hereinafter, "the Company").	This Company, organized under the Company Act as a company limited by shares, shall be named High Tech Computer Corp. <u>HTC Corporation</u> . (hereinafter, "the Company").	Amended as necessary for business and HTC brand promotion.
Art. 5	The authorized capital of the Company is NT\$6.5 billion, consisting of 650 million shares, all of common stock, with a par value of NT\$10 per share. The Board of directors is authorized to issue the shares in separate installments as required. Among these shares, 16 million shares are reserved for the holders of stock warrants, preferred shares with warrants, or corporate bonds with warrants to exercise their stock warrants.	The authorized capital of the Company is NT\$ 6.5 billion <u>10 billion</u> consisting of 650 million <u>1 billion</u> shares, all of common stock, with a par value of NT\$10 per share. The Board of directors is authorized to issue the shares in separate installments as required. Among these shares, 16 million shares are reserved for the holders of stock warrants, preferred shares with warrants, or corporate bonds with warrants to exercise their stock warrants.	Amended as necessary for business.
Art 20	If the Company has earnings after the annual final accounting, it shall be allocated in the following order: <ol style="list-style-type: none"> 1. To pay taxes. 2. To cover accumulated losses, if any. 3. To appropriate 10% legal reserve unless the total legal reserve accumulated has already reached the amount of the Company's authorized capital. 4. To pay remuneration to directors and supervisors at 0.3% maximum of the balance after withholding the amounts under subparagraphs 1 to 3. 5. To pay bonus to employees at 5% minimum of the balance after withholding the amounts under subparagraphs 1 to 3, or such balance plus the unappropriated retained earnings of previous years. However, the bonus may not exceed the limits on employee bonus distributions as set out in the Regulations Governing the Offering and Issuance of Securities by Issuers. Where bonus to employees is allocated by means 	If the Company has earnings after the annual final accounting, it shall be allocated in the following order: <ol style="list-style-type: none"> 1. To pay taxes. 2. To cover accumulated losses, if any. 3. To appropriate 10% legal reserve unless the total legal reserve accumulated has already reached the amount of the Company's authorized capital. 4. To pay remuneration to directors and supervisors at 0.3% maximum of the balance after withholding the amounts under subparagraphs 1 to 3. 5. To pay bonus to employees at 5% minimum of the balance after withholding the amounts under subparagraphs 1 to 3, or such balance plus the unappropriated retained earnings of previous years. However, the bonus may not exceed the limits on employee bonus distributions as set out in the Regulations Governing the Offering and Issuance of Securities by Issuers. Where bonus to employees is allocated by means 	Amended as necessary for company's dividends distribution plan in the future.

High Tech Computer Corp.
Articles of Incorporation
Pre- and Post-Amendment Comparison Chart

Article no.	Original article	Amended article	Notes
	<p>of new share issuance, the employees to receive bonus may include employees serving with affiliates who meet specific requirements. Such specific requirements shall be prescribed by the board of directors.</p> <p>6. For any remainder, the board of directors shall propose allocation ratios based on the dividend policy set forth in paragraph 2 of this Article and propose them at the shareholders' meeting.</p> <p>Because the Company is a technology and capital-intensive enterprise in its growing phase, the Company sets a policy to allocate dividends with consideration to factors such as the Company's current and future investment climate, demand for working capital, competitive environment at home and globally, capital budget, as well as the interests of the shareholders, balanced dividends, and long-term financial planning of the Company. Every year, the board of directors shall propose the allocation ratio and propose it at the shareholders' meeting. The earnings may be allocated in cash dividends or stock dividends, provided that the ratio of cash dividends may not exceed 95% of the total dividends.</p>	<p>of new share issuance, the employees to receive bonus may include employees serving with affiliates who meet specific requirements. Such specific requirements shall be prescribed by the board of directors.</p> <p>6. For any remainder, the board of directors shall propose allocation ratios based on the dividend policy set forth in paragraph 2 of this Article and propose them at the shareholders' meeting.</p> <p>Because the Company is a technology and capital-intensive enterprise in its growing phase, the Company sets a policy to allocate dividends with consideration to factors such as the Company's current and future investment climate, demand for working capital, competitive environment at home and globally, capital budget, as well as the interests of the shareholders, balanced dividends, and long-term financial planning of the Company. Every year, the board of directors shall propose the allocation ratio and propose it at the shareholders' meeting. The earnings may be allocated in cash dividends or stock dividends, provided that the ratio of cash dividends may not exceed 95% <u>be less than 50%</u> of the total dividends.</p>	
Art. 22	<p>These Articles of Incorporation were adopted on 10 May 1997.</p> <p>The first amendment was made on 1 July 1997.</p> <p>The second amendment was made on 26 February 1998.</p> <p>The third amendment was made on 8 May 1998.</p> <p>The fourth amendment was made on 22 October 1998.</p> <p>The fifth amendment was made on 24 April 2000.</p> <p>The sixth amendment was made on 23 April 2001.</p> <p>The seventh amendment was made on 13 July 2001.</p> <p>The eighth amendment was made on</p>	<p>These Articles of Incorporation were adopted on 10 May 1997.</p> <p>The first amendment was made on 1 July 1997.</p> <p>The second amendment was made on 26 February 1998.</p> <p>The third amendment was made on 8 May 1998.</p> <p>The fourth amendment was made on 22 October 1998.</p> <p>The fifth amendment was made on 24 April 2000.</p> <p>The sixth amendment was made on 23 April 2001.</p> <p>The seventh amendment was made on 13 July 2001.</p> <p>The eighth amendment was made on</p>	The date of the amendment is added.

**High Tech Computer Corp.
Articles of Incorporation
Pre- and Post-Amendment Comparison Chart**

Article no.	Original article	Amended article	Notes
	<p>14 March 2002.</p> <p>The ninth amendment was made on 26 June 2003.</p> <p>The 10th amendment was made on 16 June 2004.</p> <p>The 11th amendment was made on 13 June 2005.</p> <p>The 12th amendment was made on 2 May 2006.</p> <p>The 13th amendment was made on 20 June 2007.</p>	<p>14 March 2002.</p> <p>The ninth amendment was made on 26 June 2003.</p> <p>The 10th amendment was made on 16 June 2004.</p> <p>The 11th amendment was made on 13 June 2005.</p> <p>The 12th amendment was made on 2 May 2006.</p> <p>The 13th amendment was made on 20 June 2007.</p> <p><u>The 14th amendment was made on 13 June 2008.</u></p>	