High Tech Computer Corp.

2nd Q BUSINESS REVIEW

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smart mobility

DISCLAIMER STATEMENT

This presentation and release contains “forward-looking statements” which may include our future results of operations, financial condition or business prospects, are based on our own information and from other sources.

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OUTLINES

- 2nd Q PERFORMANCE
- MANAGEMENT INITIATIVES
- KEY FINACIALS
- 3rd Q BUSINESS GUIDANCE

2nd Q PERFORMANCE

- 2ndQ Revenue reached NT$26.86B, in line with guidance.
- 2ndQ NPAT was NT$5.9B. NPBT margin and GPM exceed guidance. Better GPM was due to effective cost control and an extra-ordinary gain in royalty.
- Higher SGA expenses were due to a one-time NTD$ 399M adjustment in warranty expenses and an increase in warranty service provision by 0.25 percentage points to revenue to reflect the higher non ODM business. Excluding these adjustments SG&A expenses ratio came in line with guidance.

MANAGEMENT INITIATIVES

- Launched HTC Touch in Europe and Asia.
- HTC Touch delivered our business objectives in
  - Addressing consumer market
  - Lower cost structure
  - HTC differentiation in creating friendly user interface and touch flow
  - Co-brand with one of the major operator
  - Effective marketing product launch across countries
- Invited two independent directors into board.
- Established compensation committee under the board.
- Ex-dividend dated is Aug. 14,2007.
- Bought land near Shanghai area to expand manufacture capacity.

KEY FINANCIALS

(NT$B)	2Q 07	2Q 06	YOY	1Q 07	QOQ
REVENUES	26.86	25.99	3.3%	23.60	13.8%
GROSS PROFIT	9.95	8.48	17.4%	8.23	20.9%
RSGA	2.93	1.91	53.7%	2.12	38.1%
NPBT	7.24	6.28	15.3%	6.02	20.2%
NPAT	5.98	5.74	4.2%	5.54	7.9%
Gross Margin(%)	37.1%	32.6%	13.6%	34.9%	6.2%
RSGA Ratio(%)	10.9%	7.3%	48.7%	9.0%	21.5%
EPS	10.42*	13.14		9.66*	7.9%

***Before the adjustment in warrant services, the RSG&A expenses ratio was in line with guidance.**

***Based on fully dilution of stock dividend from Y06 earnings**

KEY FINANCIALS

(NT$ B)	2Q 07	2Q 06	1Q 07
CASH	45.09	27.58	38.91
AR	17.80	16.43	16.69
INVENTORY	4.81	4.97	4.31
EQUITY	38.66	28.68	46.38

3rd Q BUSINESS GUILDANCE

- **Quarterly revenue YoY growth rate is likely to be high single digit due to stronger non ODM business. Sales momentum picks up month by month beginning from August.**
- **GPM is likely to slide down to reflect the one-time gain in 2nd Q. SG&A expenses ratio will be slightly higher than the guidance given before to reflect the consolidation of Dopod Int'l and increase in warranty provision. NPBT margin is expected to sustain.**
- **CDMA products begin shipment in the US.**
- **Qualcomm and Broadcom event impact manageable.**

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