

(Translation)

## **2004 Important Resolutions of the Board Meeting**

1. Submitted for revision of “Measures of the 2<sup>nd</sup> transfer of treasury stocks to employees”, “Measures of the 3<sup>rd</sup> transfer of treasury stocks to employees”, “Measures of the 4<sup>th</sup> transfer of treasury stocks to employees”, and “Measures of the 5<sup>th</sup> transfer of treasury stocks to employees”  
Resolution: The Boards and the Supervisors unanimously approved the proposal.
2. To convene 2004 General Shareholders’ Meeting. Time: May 18<sup>th</sup> 2004. Location: No.187, Jinhua St., Da-an Dist., Taipei City  
Resolution: The Boards and the Supervisors unanimously approved the proposal.
3. Submitted 2003 financial report to Boards Meeting and Supervisors for approval.  
Resolution: The Boards and the Supervisors unanimously approved the proposal.
4. Submitted 2003 Distribution of earnings for discussion.
5. Resolution: The Boards and the Supervisors unanimously approved the proposal.  
Discussed the new issuance of shares from earnings, the employee bonus and capital reserve  
Resolution: The Boards and the Supervisors unanimously approved the proposal.
6. The amendment of the Article of the Incorporation.  
Resolution: The Boards and the Supervisors unanimously approved the proposal.
7. Submitted for approval that lending fund to the invested company AVerMedia GmbH (the amount is EUR\$ 160,000).  
Resolution: The Boards and the Supervisors unanimously approved the proposal
8. Submitted for approval the increase capital USD\$ 2,100,000 to subsidiary, Sky Coast Enterprise Limited (British Virgin Island), and invested USD\$ 2,100,000 to AVerMedia Technologies (KunShan), Inc via Sky Coast Enterprise Limited. The total capital is USD\$ 4,620,000 after increasing the capital.  
Resolution: The Boards and the Supervisors unanimously approved the proposal.
9. Submitted for approval that the Company repurchases the Company’s 3,000,000 shares from stock market for the purpose of transferring the shares to employees. The buyback period is from Mar. 23<sup>rd</sup> 2004 to May 22<sup>nd</sup> 2004. The buyback price per share shall be between NTD\$ 25.90 to NTD\$40.33. Only when the buyback price is below the lower limit, the Company will continue to execute the buyback policy.  
Resolution: The Board and the Supervisors unanimously approved the proposal.
10. Submitted revision of the Company’s internal control system for approval. Resolution: The Board and the Supervisors unanimously

approved.

11. Submitted the Company's 2003 internal control statement for approval.

Resolution: The Boards and the Supervisors unanimously approved the proposal.

12. Submitted for discussion that the Company proposed to issue the NTD\$ 400,000,000 domestic unsecured convertible bond for meeting the long-term capital need in the future.

Resolution: The Boards and the Supervisors unanimously approved the proposal.

13. Submitted for discussion that the Company applied for issuing 2004 2<sup>nd</sup> unsecured convertible bond (NTD\$ 400,000,000) and trading at OTC.

Resolution: The Boards and the Supervisors unanimously approved the proposal.

14. Submitted that the Company repurchased the Company's share on account of the record date to distribute shares and dividend in accordance with Article 28-2 of Securities and Exchange Act resulting in effecting the outstanding shares and the rate of distributing shares and dividend and proposed to re-adjusted rate of distributing shares and dividend.

Resolution: The Boards and the Supervisors unanimously approved the proposal. Set aside cash dividend NTD\$167,094,983, distributing NTD\$ 1,524 per thousand shares (under dollar rounding), the distribution dividend is calculated on the proportion of the holding share ratio of shareholders roster on the ex-dividend date, the fractional dividend (under NTD\$1) shall turn to AVerMedia Employee Welfare Committee. Capital increase from earnings NTD\$ 124,323,640 (Capital increase from shareholder's bonus 94,687,150 and capital increase from employee's bonus NTD\$29,636,49) and capital increase from capital reserve NTD\$ 16,709,490, the issuance of new share 14,103,313 shares, NTD\$ 10 per share. According to holding shares of the shareholders roster on the ex-dividend date, the shareholders of every thousand shares will be distributed in 101.6 shares.

To distribute the fractional share shall be consolidated by shareholders. Shareholders shall register to the service agency of the Company within 5 days from record date to distribute shares. If after expired date, all fractional shares will be cashed out instead of shares. The purchasing right of them will belong to Chairman by authorization.

15. Submitted that the Company increase capital to issue new 14,103,313 shares, according to the resolution of General Shareholders' Meeting on May 18<sup>th</sup> 2004, and propose to determine the record date to distribute shares and dividend and relevant matters, for approval.

Resolution: The Boards and the Supervisors unanimously approved the proposal.

July 5<sup>th</sup> 2004 is the record date to distribute shares and dividend and to increase capital.

June 29<sup>th</sup> 2004 is the ex-right and ex-dividend date.

June 30<sup>th</sup> 2004 is the book closure date.

In accordance with the regulation, the book closure period is from July 1<sup>st</sup> 2004 to July 5<sup>th</sup> 2004.

16. The transfer price adjustment of the 2<sup>nd</sup> domestic unsecured convertible bond.

Resolution: The Boards and the Supervisors unanimously approved the proposal. Since July 5<sup>th</sup> 2004, the transfer price is adjusted from NT\$ 31.40 to NT\$ 28.10.

17. Submitted for approval that the Company proposes to lend fund USD\$470,000 to invested subsidiary AVerMedia (UK) Technologies, Inc.

Resolution: The Boards and the Supervisors unanimously approved the proposal.

The term is from Sep. 30<sup>th</sup> 2004 to Sep. 29<sup>th</sup> 2005, the interest rate is 4%.

18. Submitted for approval that the Company proposed to lend fund EUR\$ 269,357.13 to invested subsidiary AVerMedia Technologies, S.L.

Resolution: The Boards and the Supervisors unanimously approved the proposal.

The term is from Nov. 1<sup>st</sup> 2004 to Oct. 31<sup>st</sup> 2005, the interest rate is 4%.

19. Submitted for discussion the disposal of the Company's factories located on 5F, No. 442, 446, 448, 450, Chungshen Rd.

Resolution: The Boards and the Supervisors unanimously approved the proposal.

Estimation sale price is NT\$ 86,000 per square meter (tax excluded), the total price is NT\$ 30,000,000 (tax excluded).

20. Submitted for approval that the factory on Sec2. Chungshen Rd. will change to be the collateral of Taipei Bank.

Resolution: The Boards and the Supervisors unanimously approved the proposal.

21. Submitted removing the proposal which is approved by the Boards Meeting on March 16<sup>th</sup> 2004: "Increasing capital USD\$ 2,100,000 to SKY COAST ENTERPRISE LIMITED and investing USD\$ 2,100,000 to AVerMedia Technologies (KUNSHAN), Inc. via SKY COAST ENTERPRISE LIMITED, the capital amount is USD\$4,260,000 after increased capital"

Resolution: The Boards and the Supervisors unanimously approved the proposal.

22. On account of the change of operation strategies, submitting for selling 30 acres land in AVerMedia KunShan is to be approved.

Resolution: The Boards and the Supervisors unanimously approved the proposal.

23. Approved of the personnel change of internal auditor. Ally Hsu will take over this occupation from Linda Hsu, the original internal auditor.

Resolution: The Boards and the Supervisors unanimously approved the proposal.

24. Approved of the personnel change of chief accountant Jesse Lin will take over this occupation from Savina Yeh, the original chief accountant-

Resolution: The Boards and the Supervisors unanimously approved the proposal.