

(Translation)

## **2005 Important resolutions of the Board Meeting**

The Boards and the Supervisors unanimously approved.

1. Approved the Company treasury stock the Company's 3,000,000 shares from the stock market for the purpose of transferring shares to employees. The treasury stock period is from Jan. 6<sup>th</sup> 2005 to Mar. 5<sup>th</sup> 2005. The price of treasury stocks per share shall be between NTD\$19.95 to 32.78; only when the buyback price is below to the lower limit, the Company will continue to execute the treasury stocks policy.
2. Approved the 2<sup>nd</sup> domestic unsecured convertible debenture published in 2004. From the Oct. 1<sup>st</sup> 2004 to Dec. 31 2004 (Q4), transferred as 213,519 shares in total; the record date to increase capital is on Jan. 10<sup>th</sup> 2005.
3. Approved of convening the General Shareholders' Meeting. Time: May 17<sup>th</sup>, 2005. Location: No.187, Jinhua St., Da-an Dist., Taipei City.
4. Acceptance of 2004 financial report.
5. Approved 2004 distribution of earnings
6. Approved 2004 new share issuance from earning and employee bonus and capital reserve
7. Approved of determining Rules and Procedures of Board Meeting
8. Approved the manager of the Company in accordance with Article 16 of the Article of Incorporation and Article 29 of the Company Law.
9. Approved the "Promotion, Wage Adjustment" "Wage Operation" and "Base Salary Sheet and the list of Manager and Professional Allowance"
10. Acceptance of 2004 consolidated financial statement sheet audited by CPA.
11. Approved the amendment of Article of the Incorporation
12. Approved the 2<sup>nd</sup> domestic unsecured convertible bond published in 2004 from Jan. 1<sup>st</sup> 2005 to Mar. 31<sup>st</sup> 2005 (Q1), transferred as 1,195,722 shares; the record date to increase capital is on Apr. 11<sup>th</sup> 2005.
13. Approved 2004 internal control statement of the Company
14. Approved the amendment of internal control system of the Company
15. Approved Q1 2005 quarterly financial statement audited by CPA
16. Approved 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 resulted in effecting the outstanding shares and the rate of distributing shares and dividend

and proposed to re-adjusted rate of distributing shares and dividend. Set aside cash dividend NTD\$195,534,245, distributing NTD\$ 1,570 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\$ 192,440,000 (Capital increase from shareholders' bonus NTD\$ 152,516,710 and capital increase from employee's bonus NTD\$ 39,923,290), and capital increase from capital reserve NTD\$ 3,910,690, the issuance of new share 19,635,069 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 125.6 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.

17. Approved of determining the register date to distribute the shares and dividend and to increase capital is on July 5<sup>th</sup> 2005. The ex-rights and ex-dividend date is on June 29<sup>th</sup> 2005. Book closure date is on June 30<sup>th</sup> 2005. From July 1<sup>st</sup> to July 5<sup>th</sup> 2005 is book closure period and stopping registering the conversion of convertible bond.
18. Approved the 2<sup>nd</sup> domestic unsecured convertible bond. The transferred price is adjusted as NTD\$24.50(original price is NTD\$28.10) from July 5<sup>th</sup> 2005.
19. Approved that the Company increased 1,300,000 shares to subsidiary, Heyi Technologies Co, Ltd. price per share is NTD\$10.50, NTD\$13,650,000 in total.
20. Approved first half 2005 financial statement audited by CPA
21. Approved first half 2005 consolidated financial statement audited by CPA
22. Approved that the Company invested and established subsidiary in Thailand, the register capital is THB\$ 100,000,000; the paid-in capital is THB\$ 25,000,000.
23. Approved that the Company invested and established the subsidiary in France, the investment amount is EUR\$ 100,000.
24. Approved that the Company lent fund to subsidiary, AVerMedia Technologies (UK) Ltd. The amount is USD\$ 446,000. The term is from Sep 30<sup>th</sup> 2005 to Sep 29<sup>th</sup> 2006, the interest rate is 4%.
25. Approved that the Company lent fund to subsidiary, AVerMedia GmbH. The amount is EUR\$ 140,000. The term is from Aug. 31<sup>st</sup> 2005 to Aug. 30<sup>th</sup> 2006; the interest is 4%.
26. Approved that the Company's address has been changed into 7F., No.137, Jian 1st Rd., Zhonghe City, Taipei County
27. Approved that the Company has conducted the financial derivatives transactions since 2004.

28. Approved that the Company paid the labor pension for the General Manager in accordance with the Company Law.
29. Approved of the establishment the Designated Manager Pension Fund Committee.
30. Approved that the Company repurchased the Company's 2,500,000 shares from the stock market for the purpose of transferring the shares to employees. The buyback period is from Aug. 24 2005 to Oct. 23<sup>rd</sup> 2005. The treasury stocks' price per share shall be between NTD\$17.61 to 30.18; only when the price is below to the lower limit, the Company will continue to execute the treasury stocks policy.
31. Approved the 2<sup>nd</sup> domestic unsecured convertible debenture published in 2004 from July 1<sup>st</sup> 2005 to Sep. 30<sup>th</sup> 2005, transferred as 1,191,829 shares, the record date to increase capital is on Oct. 7<sup>th</sup> 2005.
32. Approved 3Q 2005 quarterly financial statement audited by CPA
33. Approved that the Company increased the capital EUR\$ 150,000 to subsidiary, Sky Coast Enterprise Limited, and invested EUR\$ 150,000 to AVerMedia GmbH (Germany) via Sky Coast Enterprise Limited. The total capital is EUR\$ 300,000 after increased the capital.
34. Approved that AVerMedia Technologies, S.L. current borrowings exchange into investment fund EUR\$ 100,000, the total capital amount is EUR\$ 150,000.
35. Approved that the Company lent fund to subsidiary, AVerMedia Technologies, S.L. The amount is EUR\$ 59,000. The period is from Nov. 1<sup>st</sup> 2005 to Oct. 31 2006; the interest is 4%.
36. Approved that the Company changed the internal audit supervisor on account of the job rotation. Linghui Lai took over this occupation from Andy Hsi.
37. Approved that the Company remained the independence of the CPA. Wencin Lin and Chichang Lu took over the original certificated CPA from Wencin Lin and Yaocin Li since 2005.
38. Approved 2006 audit plan.
39. Approved of purchasing 4F and 5F No.137, Jian 1st Rd., Zhonghe City, Taipei County, and the amount is NTD\$ 75,000,000 in total(tax included.)