



Quarterly Compliance Report based on AAOIFI Shariah Mandate (Q2-2011)

HTC Corporation (2498 TW)



Description

HTC Corporation is principally engaged in the research, development and manufacture of smart handheld devices. The Company provides touch phones, personal digital assistant (PDA) phones, smart phones, Android phones and panel computers, among others. It offers its products under the brand named HTC, including HTC Wildfire, HTC Desire, HTC Flyer, HTC ChaCha, HTC Salsa, HTC Incredible S, HTC Sensation, HTC 7 Mozart, HTC Aria and HTC 7 Trophy, among others. The Company distributes its products in domestic and overseas markets.

Company Status

IdealRatings analysts have issued a new report regarding the company:

Name:	HTC Corporation
Ticker:	2498 TW
Country:	Taiwan
Core Business Activity:	Communications Equipment
Exchange:	Taiwan Stock Exchange
Compliance Status:	Not Shariah-compliant

IdealRatings reviewed the most recent financial statements (Q2-2011) for HTC Corporation. The report has been prepared to determine the Shariah-compliance status of the company based on the AAOIFI Shariah mandate.

Business Screening

Based on the business of the company the core business is manufacturing of smart handheld devices

The income from the core business is compliant. Non-permissible income mainly comes from non-operating income sources such as interest income and is minor compared to the total income of the company and thus does not exceed the 5% threshold as defined by AAOIFI.

Therefore the status of the company from a business activity is as follows:

	Threshold	Company	Compliance
Non-permissible Income	5%	Less than 5%	PASS

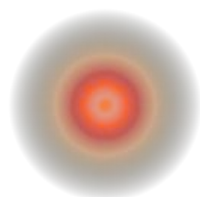
Financial Screening


According to the most recent available financial statement with adequate information (2011-Q2) the financial ratios with respect to the AAOIFI Shariah mandate for the company are as follows:

	Threshold	Company	Compliance
Interest-bearing Investments	30%	15.57%	PASS
Interest-bearing Debts	30%	0.02%	PASS
Liquidity	67%	71.26%	FAIL
Share Type (Preference or Common)	Common	Common	PASS

Compliance Status

Based on the available information and the above figures according to the AAOIFI Shariah mandate for **HTC Corporation** is to be considered **Non-Shariah-compliant**.





Disclosures

This research is for our clients only. This research is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. The research reports are published at irregular intervals based on clients' request or as appropriate in our analysts' judgment.

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