



## **Announcement: HTC America Holding, Inc. adjusts remaining shareholdings in Beats Electronics, LLC through the restructuring of investment framework.**

October 25, 2012

1. Name and nature of the subject matter (if preferred shares, the terms and conditions of issuance shall also be indicated, e.g. dividend yield): Beats Electronics, LLC
2. Date of occurrence of the event: 2012/10/26
3. Volume, unit price, and total monetary amount of the transaction:
  - Original volume:  
HTC America Holding, Inc. holds 26,100 Class B Units (which represents 25.14% interest right, 25.57% voting right).
  - Volume sold:  
26,100 Class B Units (which represents 25.14% interest right, 25.57% voting right)
  - Unit price: USD 5,778.34
  - Total monetary amount of the transaction: USD 150,815,000.
  - After the sale:  
HTC America Holding, Inc. will not hold any shares of Beats Electronics, LLC and its parent company, HTC Europe Co., Ltd., will hold 26,100 Class B Units in Beats Electronics, LLC (which represents 25.14% interest right, 25.57% voting right)
4. Counterpart to the trade and its relationship to the Company (if the trading counterpart is a natural person and furthermore is not an actual related party of the Company, the name of the trading counterpart is not required to be disclosed):

The transaction is for the adjustment of the remaining shareholdings in Beats Electronics, LLC through the restructuring of the investment framework.

Relationship to the Company:  
Parties to the transaction, HTC America Holding, Inc. and HTC Europe Co., Ltd., are HTC Corporation's overseas subsidiaries.
5. Where the counterpart to the trade is an actual related party, a public announcement shall also be made of the reason for choosing the related party as trading counterpart and the identity of the previous owner (including its relationship with the company and the trading counterpart), price of transfer, and date of acquisition:  
Restructuring of overseas investment framework within HTC group.
6. Where a person who owned the property within the past five years has been an actual related person of the company, a public announcement shall also include the dates and prices of acquisition and disposal by the related person and the person's relationship to the company at those times: N/A
7. Matters related to the creditor's rights currently being disposed of (including types of collateral of the disposed creditor's rights; if the creditor's rights are creditor's rights toward a related person, the name of the related person and the book amount of the creditor's rights toward such related person currently being disposed of must also be announced): N/A
8. Anticipated profit or loss from the disposal (not applicable in cases of acquisition of securities) (where originally deferred, the status or recognition shall be stated and explained):  
The transaction is a shareholding adjustment within HTC group; no profit or loss will occur.
9. Terms of delivery or payment (including payment period and monetary amount), restrictive covenants in the contract, and other important stipulations:
  1. Terms of delivery or payment:  
Payment will be made in accordance with an agreement. A capital reduction of the amount of the transaction in HTC America Holding, Inc. will be made

to return the capital along with dividends distribution to HTC Europe Co., Ltd. for the restructuring of the overseas investment framework.

2.Restrictive covenants in the contract, and other important stipulations:  
None.

10.The manner in which the current transaction was decided, the reference basis for the decision on price, and the decision-making department:

(1)The transaction amount was based on the unit price of the previous disposal of the shareholdings to the founding members of Beats and a fairness opinion on the transaction price was obtained by the Company which was prepared by Ernst & Young.

(2)The transaction was approved in a meeting of the Company's Board of Directors.

11.Current cumulative volume, amount, and shareholding percentage of holdings of the security being traded (including the current trade) and status of any restriction of rights (e.g.pledges):  
No shareholdings in Beats Electronics, LLC is held by HTC America Holding, Inc. The cumulative shareholdings of Beats Electronics, LLC held by HTC Europe Co., Ltd. is 26,100 Class B Units which is valued at USD 150,815,000 and represents 25.14% interest right and 25.57% voting right. There are no restrictions on the rights of the shares.

12.Current ratio of long or short term securities investment (including the current trade) to the total assets and shareholder's equity as shown in the most recent financial statement and the operating capital as shown in the most recent financial statement:

(1)Ratio of the total amount of long or short term securities investment (including the current trade) to the total assets on the financial tatement for the most recent period:  
HTC America Holding Inc.: 47.65%

(2)Ratio of the total amount of long or short term securities investment (including the current trade) to the shareholder's equity on the financial statement for the most recent period:  
HTC America Holding Inc.: 50.97%

(3)Operating capital as shown in the most recent financial statement:  
HTC America Holding Inc.: USD -11,782,000

13.Broker and broker's fee:None

14.Concrete purpose or use of the acquisition or disposition:  
Restructuring of overseas investment framework within HTC group.

15.Net worth per share of company underlying securities acquired or disposed of:USD 435.89

16.Do the directors have any objection to the present transaction?:No

17.Has the CPA issued an opinion on the unreasonableness of the price of the current transaction?:No

18.Any other matters that need to be specified:None