



Announcement: Disposal of 24.84% of Shares in Beats Electronics, LLC (“Beats”) by Company's Subsidiary, HTC Europe Co., Ltd., to Beats

September 27, 2013

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): Class B Units issued by Beats Electronics, LLC

2. Date of occurrence of the event: 2013/09/27

3. Volume, unit price, and total monetary amount of the transaction:

Original volume: 26,100 Class B Units (which represents 24.84% interest right)

Volume sold: 26,100 Class B Units (which represents 24.84% interest right)

Unit price: approximately USD10,153.25

Total monetary amount of the transaction: USD265,000,000.

The shareholding percentage in Beats after the sale is zero (0) percent.

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):

Counterpart to the trade: Beats Electronics, LLC

Relationship to the Company: related party to HTC and HTC Europe Co., Ltd.

(HTC recognized the net income or loss from the investment in Beats using the equity method)

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:

Reason for choosing the related party as trading counterpart: Beats will buy back the shareholdings via fundraising.

The identity of the previous owner: HTC's 100% owned subsidiary, HTC America Holding Inc., which is a related party to Beats and HTC Europe Co., Ltd.

Price of transfer, and date of acquisition: USD150,815,000; November 1, 2012.

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):

Anticipated profit from the disposal before tax is approximately NTD2,520,036,000 (based on the Company's book value of the long term investment in the financial report for the first half of 2013)

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 after Beats completes a new round of equity financing.

(2) Contractual limitations and other important terms:

a. Beats will repay on behalf of the Class A Unit holders all or a part of the secured promissory notes in the total amount of USD150,000,000 plus interest to HTC America Holding Inc. based on the instruction by Class A Unit holders.

b. The parties agree to mutually waive any past and future legal claims based on facts or circumstances occurring prior to the Closing of the transaction, except for the following:

(i) Specific rights expressly reserved by each party under the agreement

between the parties for the disposal of shares in Beats ("Agreement");
and

(ii) Certain rights and obligations under the existing License Agreement.

c. Termination:

(i) The Agreement may be terminated upon mutual consent; or

(ii) A party who is not in material breach can terminate the Agreement if the transaction is not closed by 12/31/2013 (or such other date as mutually agreed by HTC and Beats).

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 price was assessed by the investment department of HTC and negotiated by both parties. PWC issued a fairness opinion on the transaction price which was commissioned by HTC according to relevant regulations.

(2) The transaction was approved by the Board of Directors of HTC Europe Co., Ltd. after its approval by the Board of Directors of HTC Corp.

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):

HTC Europe Co., Ltd.'s current cumulative shareholding in Beats Electronics, LLC (including the current trade) is zero (0) 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 statement for the most recent period: For HTC Corporation: 2.32%

(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: For HTC Corporation: 6.00%

(3) Operating capital as shown in the most recent financial statement: For HTC Corporation: NTD9,466,875,000

13. Broker and broker's fee: None

14. Concrete purpose or use of the acquisition or disposition:

In alignment with its strategic planning and asset allocation.

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

USD1,196.35 per Unit (based on Beats 2012 Audit Financial Report)

16. Do the directors have any objection to the present transaction?: None

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