



Capital Reduction due to Cancellation of Treasury Shares and Restricted Employee Shares

August 2, 2016

1. Date of the board of directors resolution: 2016/08/02

2. Reason for the capital reduction:

(a) Cancellation of 7,050,000 shares from treasury shares buyback program.

(b) As the vesting conditions of the issuance of restricted employee shares have not been met by the intended employee, HTC will withdraw

issuance to such employee without compensation and cancel 176,170 shares.

3. Amount of the capital reduction: NTD 72,261,700

4. Cancelled shares: 7,226,170 shares

5. Capital reduction ratio: 0.8705%

6. Share capital after the capital reduction: NTD 8,228,498,850

7. Scheduled date of the shareholders' meeting: N/A

8. Estimate listed common shares after the capital reduction: N/A

9. The estimate ratio of listed shares to the company's issued common shares, after the capital reduction: N/A

10. Countermeasures of the lower circulation in shareholding, if the aforesaid estimate listed common shares does not reach 60 million shares and the ration does not reach 25% after the capital reduction: N/A

11. Any other matters that need to be specified:

Record date for capital reduction is August 2, 2016